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The State of Training in the On-Demand Industry: 2022 Report

What deskless workers are saying, and what managers need to know to improve operations

Contents

Before we jump in...

What constitutes 'on-demand'?

In this report, we use 'on-demand' as a catch-all term for companies that digitally connect workers to clients for short-term services on a task-by-task basis.

This sector has been growing at a breakneck pace for the last decade, by **17%** each year and more than doubling every 5[1]. There was an especially steep incline in 2020, with 23 million[2] taking up on-demand work as a result of the pandemic. If it keeps growing at its current rate, more than **50%** of the US workforce will participate by 2027[3].

1   https://newsroom.mastercard.com/wp-content/uploads/2019/05/Gig-Economy-White-Paper-May-2019.pdf

2   https://www.businesswire.com/news/home/20210126005849/en/daVinci-Payments'-Study-Shows-Boom-in-the-Gig-Economy-and-How-to-Attract-Gig-Workers-and-Grow-Their-Loyalty

3   https://www.statista.com/statistics/921593/gig-economy-number-of-freelancers-us/

Why we surveyed on-demand workers and operations managers

The deskless workforce make up **80%** of global workforce[4]. For such a large and economically significant segment, relatively little is documented about their preferences and habits in comparison to their desk-based counterparts. What motivates them? What is the optimal way to upskill, engage and communicate information to them? Do they feel loyalty to the companies they provide work for? Do they feel safe and engaged?

Those working behind the scenes at HQ to orchestrate their success are similarly in the dark, both about the above, but especially about how their performance weighs up against others in roles similar to their own.

? **What is the industry average for things like time to productivity and conversion to first trip, job or task rates?**

? **How are your peers improving safety outcomes, speeding up processes and reducing churn?**

What you'll learn

There exists no 'source of truth' or literature for those working in operations to consult regarding performance benchmarks and industry best practices. So we set out to reverse this informational black hole.

The purpose of the **State of Workforce Success in On-Demand: 2022** Report is to demystify the state of operations as a whole by addressing the unanswered - how processes are currently being executed and the impact of this on both business and worker, in numbers.

This report will help you gain insight into:

✓ What your peers are doing, and how, successfully

✓ What to work on to overcome common challenges surrounding onboarding, training, health & safety and retention this year

✓ What deskless workers need to elevate their experience and improve performance

Methodology

Between September-November 2021 we surveyed Director, Manager and Senior level personnel working within Operations at 210+ on-demand companies worldwide, across the following sub-verticals: food delivery, q-commerce, ride hailing, healthcare, micro-mobility, wellness & beauty, last mile logistics and tasks.

A separate survey was created and put to a community of **600+ deskless workers.**

This report presents findings from **500+ respondents** who indicated that they currently:

✓ **Work in operations at an on-demand/gig company**

✓ **Provide services for on-demand/gig company**

Key findings

01

A lack of investment in digital transformation is compromising operational efficiency

67% of workers want regular digital skills training to improve their skills on-the-job.

BUT
61% of companies rely on face-to-face or 1-to-1 training

And just **8%** are utilizing integrated and seamless mobile technology to train workers' across their lifecycle

02

Bottlenecks in onboarding are slowing time to productivity and damaging workers' experience

The majority of leaders **(34%)** report the largest drop-off occurring between activation and first job, task or trip.

84%   **72%**

Leaders **(84%)** and workers **(72%)** both felt the process should be faster.

90% of deskless workers felt the general onboarding experience could be improved

03

Leaders are hyper-focused on workforce productivity and quality, but overlooking the factors that impact them

Leaders say the two biggest factors that will contribute to the success of their operation this year are workforce productivity **(32%)** and quality of supply **(30%)**.

82% of workers say provision of regular skills training would improve their day-to-day performance.

But currently, **76%** of deskless workers aren't being administered with the skills training necessary to perform better.

04

Low worker loyalty is an issue, but churn isn't an inevitability

Over **50%** of leaders report a one month churn rate higher than 21%.

OVER **50%**
Over **50%** of deskless workers say they feel no loyalty to a company

But over **a third (36%)** would feel more loyalty to companies that offered them additional information on-the-job that helped them grow and develop

And **44%** would feel greater connection if empowered with a voice

What are the biggest challenges on-demand leaders are facing this year?

In its totality the data showed that leaders' **top 3** areas of concern were:

Quality of supply
(how well workers are working)

Workforce retention
(the rate at which they are losing those workers)

Time to productivity
(how quickly they can bring on new workers)

Of greatest concern was **quality**. Though workers' performance is beyond the direct control of leaders, they *can* control the quality of internal processes, and invest in them in order to influence better outcomes, such as higher worker performance.
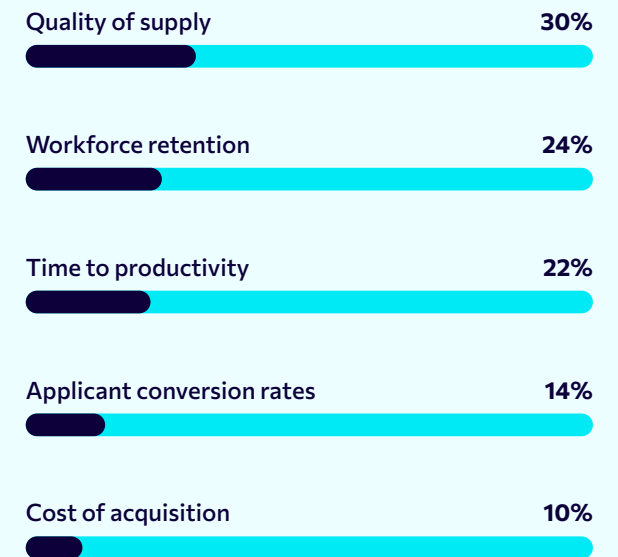
Quality was closely followed by retention. **Retention** is a known issue in the sector - often nothing binds a worker to the company contractually, and many companies - especially those in new niches at early stages of maturity - find themselves competing for talent in a highly saturated market.

In third place came time to **productivity** - the speed at which the company is able to get individuals operational and earning an income.
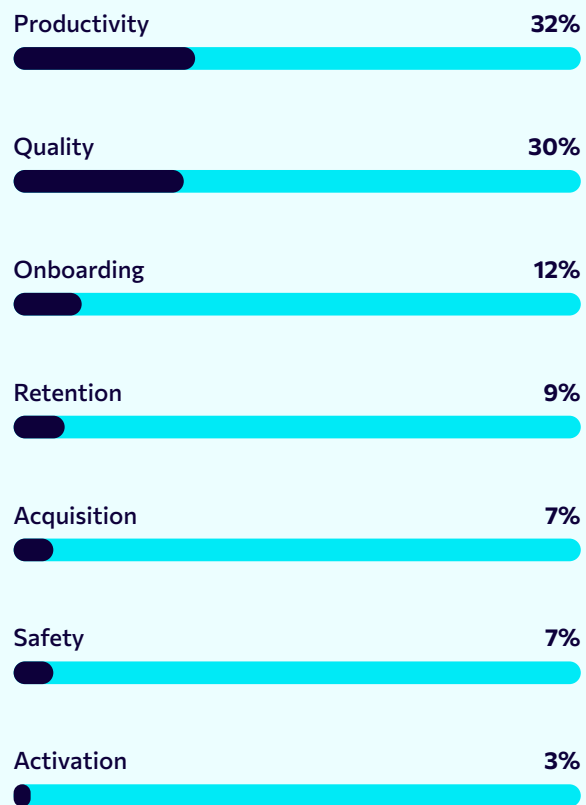
eduMe says...

There are many reasons for a leader to work to reduce time to productivity, but an important one is to improve retention - a shorter time to productivity is one front on which your company can differentiate itself from competitors in workers' eyes, as it means they are able to earn faster.

What's your biggest challenge this year?

Quality of supply	30%
Workforce retention	24%
Time to productivity	22%
Applicant conversion rates	14%
Cost of acquisition	10%

What will define success this year?

What parts of your operation are most responsible for success?

Productivity — **32%**

Quality — **30%**

Onboarding — **12%**

Retention — **9%**

Acquisition — **7%**

Safety — **7%**

Activation — **3%**

The two leading markers of success according to leaders were productivity and quality.

The degree of difference in their importance was slight, with productivity taking the lead by only 2 percentage points.

How are they interacting with customers?

How satisfied are customers with those interactions?

How frequently and efficiently are people working?

How well are workers carrying out tasks and jobs?

Though the majority of leaders appeared happy with new hire productivity, **97% believe the overall performance** of their workforce could be improved. This points to a strong onboarding process, but subpar ongoing training and skills development.

The numbers indicate leaders find the day-to-day performance of their workforce to be more influential on success than the efficacy of their internal processes, like onboarding.

Are you happy with the productivity of new hires?

Yes

75%

No

25%

eduMe says...

Though widely overlooked by leaders as a determinant of a successful operation, the importance of processes like onboarding can't be understated. The relationship between processes and outcomes is symbiotic - to disregard processes is to fail to see the positive correlation between strong processes and favorable outcomes.

Investing in and improving the process of onboarding, for example, will improve quality of supply, productivity and retention in one - the very day-to-day metrics leaders are hyper-focused on.

In very simple terms - if workers lack the information on how to achieve a better outcome (e.g. higher ratings and tips), they won't be able (or motivated) to do so. This negatively impacts both worker and company.

97%
believe the overall performance of their workforce could be improved

How long is it taking to get people operational?

Once candidates are sourced, there are further stages they need to go through before they are prepared to complete a first job, trip, appointment, delivery or task.

At each of these stages there is a potential for them to drop-off should the UX be poor or information provided insufficient.
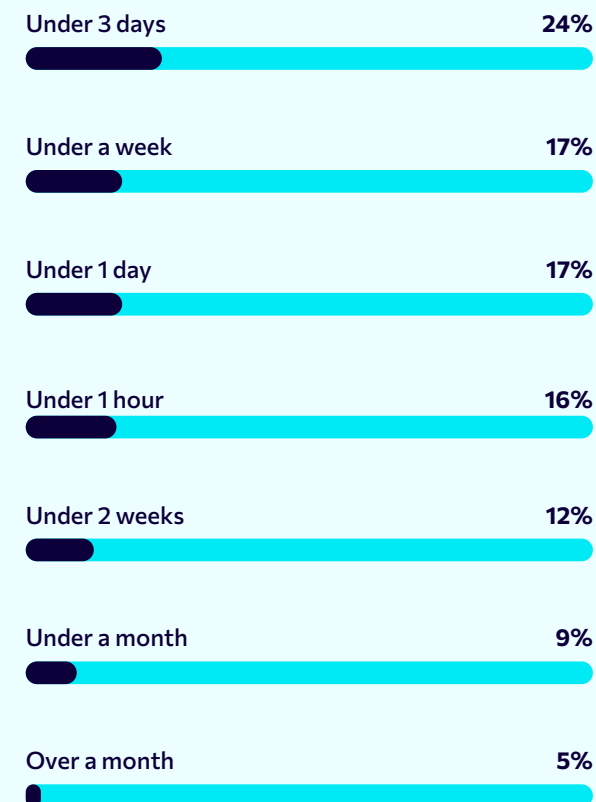
This is a very time sensitive stage that hinges on speed, for both worker and company. Companies are keen to get more people providing their service - to a certain standard - quicker. Workers are equally keen to start providing services in order to earn money, and the companies that facilitate this quickest for them win in the market.

The first goal post is activation - when workers have processed the necessary documentation, done background checks and possess the knowledge necessary to complete a first job successfully.
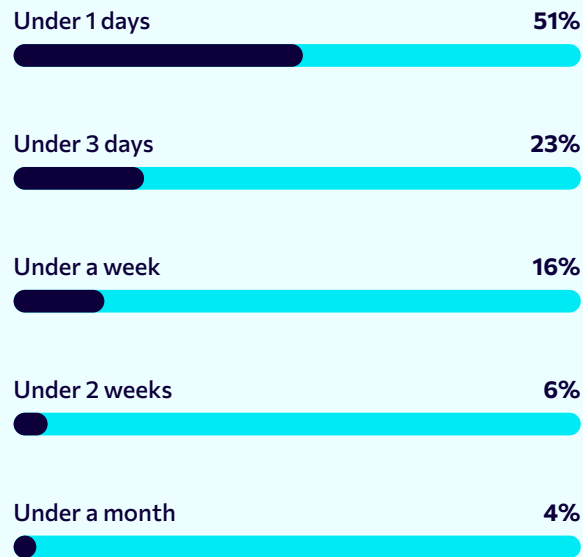
The majority of companies are achieving this in under 3 days currently. But, **89%** are of the belief this can be improved upon. And they'd be right - though not a majority - **16%** of leaders report an ability to activate an applicant in **under an hour.**

16%
of leaders activate
applicants in under 1 hour

What is the average time it takes for that applicant to become active and ready to work on your platform?

Under 3 days	24%
Under a week	17%
Under 1 day	17%
Under 1 hour	16%
Under 2 weeks	12%
Under a month	9%
Over a month	5%

What is the average time taken to complete a first task post activation?

Under 1 days — **51%**

Under 3 days — **23%**

Under a week — **16%**

Under 2 weeks — **6%**

Under a month — **4%**

Once this has been achieved, the next goal post is ensuring applicants take the step from being ready in theory, to earning in practice. Leaders are more confident in the speed at which this happens, with **51%** saying it takes less than a day on average for their workers to complete a first job, trip, appointment, task or delivery once they have the green light to.

51%

say it takes less than a day on average for their workers to complete a first job, trip, appointment, task or delivery once they have the green light to

eduMe says...

These results show that the bottleneck exists in the first stage (activation) rather than the final stage (conversion), pointing to companies' current onboarding processes as the culprit that's slowing down time to productivity. How is information being relayed? Is knowledge being delivered in an accessible, effective way that favors speed?
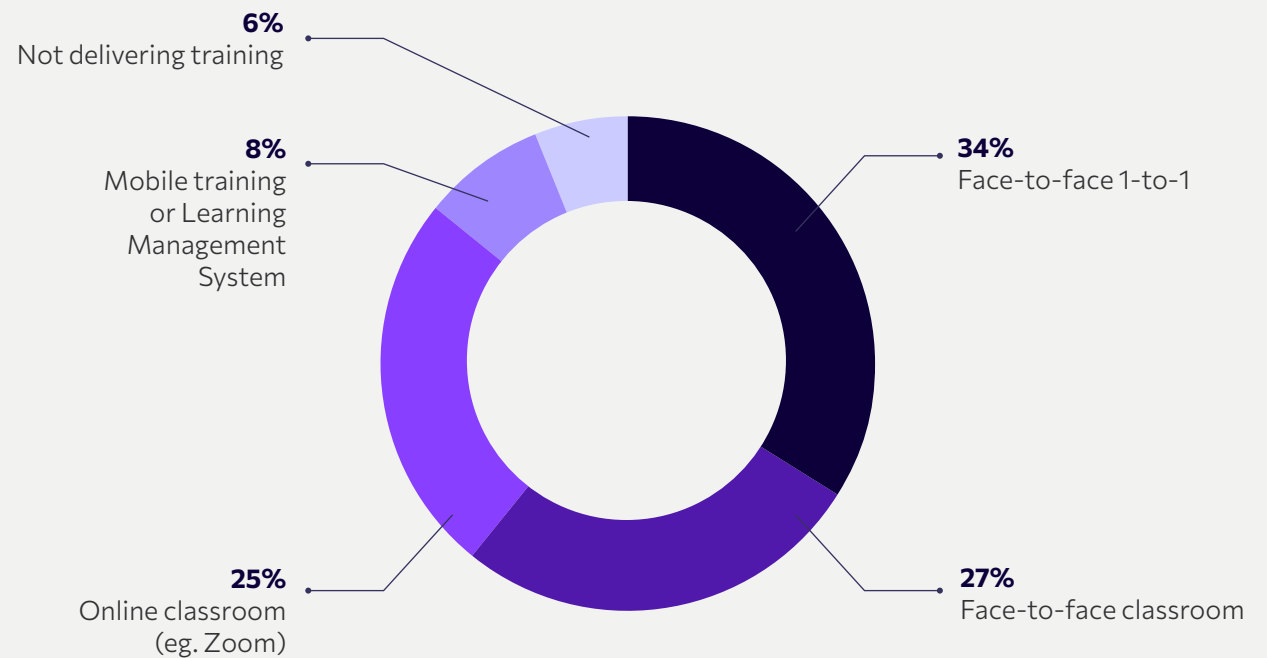
How are leaders communicating with deskless workers?

For a sector where success in the market is determined by rate and scale of growth, companies are atypically reliant on dated means of upskilling their workforce with relevant information, with the most popular training methods being in-person and/or instructor-led.

The majority - **34%** - are conducting training in-person, on a 1-to-1 basis. This is followed by in-person training conducted in a group setting. Combined, in-person training makes up **61%** of all training delivery.

Digital classrooms like Zoom or Hangouts were the third most popular means of upskilling workers, while only **8%** are reaching their people via mobile learning tools such as Learning Management Systems.

How are you reaching your workforce with relevant information?

- **6%** Not delivering training
- **8%** Mobile training or Learning Management System
- **34%** Face-to-face 1-to-1
- **27%** Face-to-face classroom
- **25%** Online classroom (eg. Zoom)

What are the implications of this?

01 • Slowed processes, higher costs

Instructor-led and in-person training are more resource heavy than fully mobile solutions - they require venues (physical or digital), instructors, and on average, take more time to complete. This limits companies in the volume of people they can upskill at once.

02 • Limited access and lack of standardization impacts performance

Instructor-led training is difficult to standardize - information delivered inevitably varies between sessions. Once passed, workers are unable to revisit the material, which adversely affects longer-term knowledge retention, and by extension, performance. Knowledge retention is achieved by repetition at spaced intervals, e.g. a worker repeating a lesson on how to deliver a 5* customer service, which can either be automated so they receive it at the right time based on triggers such as their rating dropping, or it is there for them in a 'library' to independently re-access at their leisure.

03 • Success is difficult to measure

To stay ahead of competition, operations teams need to be able to understand and report on the ROI of any initiatives they launch. When there is no way to access data or track metrics like: start date, progress, completion rates and scores on given courses, lessons, assessments, surveys or notifications, leaders cannot set KPIs and measure their performance against them.

Do you onboard digitally?

Yes

80%

No

20%

Does your company send you training based upon behaviours such as time spent idle or good/bad customer feedback

Yes

66%

No

34%

eduMe says...

Ideally, companies should look to methods of knowledge distribution and lines of communication that are better suited to the nature of deskless work, i.e. are trackable, concise, remotely and seamlessly accessible, and engaging.

Some have begun making this transition - 80% of companies are carrying out *some* processes, such as onboarding, digitally, and workers reported an advanced degree of automation in terms of the way they were administered training. 66% of workers said they were being fed contextual training based on triggers such as good/bad customer feedback.

What is being communicated?

Companies appear to be upskilling employees using an array of methods, but beyond training, what else does this communication consist of?

According to leaders:

90% are providing information that helps workers maximize their earnings

97% are providing information that helps workers do their job more effectively

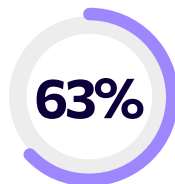**80%** are frequently asking workers how they are feeling

According to workers:

51% said they weren't getting information that helped them maximize their earnings

39% said they weren't getting information that helped them do their job more effectively

63% said they weren't being asked how they feel frequently

eduMe says...

The trend seen was that leaders believed one thing (e.g. just 3% felt they were failing to administer information to help workers maximize earnings), and deskless workers reported another (e.g. 39% felt leaders were failing to administer information that helped them maximize their earnings).

On average, there was a 43 percentage point difference between the state of communications as reported by workers versus leaders, implying leaders are out of touch with worker sentiment.

What isn't being communicated?

When surveyed on the frequency at which they receive communications around Health & Safety, **68%** of deskless workers responded that they do not regularly participate in training or receive information of this kind.

In spite of this, **72%** of workers felt they were equipped with the necessary information to feel safe going about their day-to-day tasks.

The degree to which workers report feeling safe in their job aligns with leaders' level of concern about Health & Safety - just **7%** of leaders reported Health & Safety to be a current pain point.

eduMe says...

Though workers feel safe, current sentiment shouldn't be relied on as an indicator of future sentiment, and given the customer-facing, often 1-to-1 nature of on-demand work, companies should expand Health & Safety training beyond one-off box ticking exercise, and aim to distribute it with increased frequency.

Do you regularly participate in Health & Safety training?

Yes
32%

No
68%

68%

of deskless workers report that they do not regularly participate in Health & Safety training

At which points in the worker lifecycle are problems arising?

01 • Acquisition

In terms of average cost per hire, just **24%** of leaders reported having a cost per hire under **$10**. For nearly **60%** of leaders, the average cost per hire was more than **$100**.

What constitutes a 'good' cost of acquisition? This will vary from organization to organization depending on factors like company size and stage of growth, competitors' performance and churn rate.

eduMe says...

A higher cost of acquisition points to inefficiencies in the acquisition process - either obvious acquisition streams are being overlooked, or a high number of applicants are dropping out during the process. Reasons for a high drop out rate are multifaceted - it could be that the wrong people are being sourced, the process takes too long or the user experience is poor.

$100

per hire was the average acquisition cost reported by the majority of leaders

02 • Onboarding

Within the multi-stepped process that onboarding is, what is acting as the biggest barrier to a quicker time to productivity?

Workers say

According to workers, the slowest stage of the process and biggest blocker to becoming operational quickly was, by far, **processing documentation.** This was followed by things like the initial application, training, and assessments.
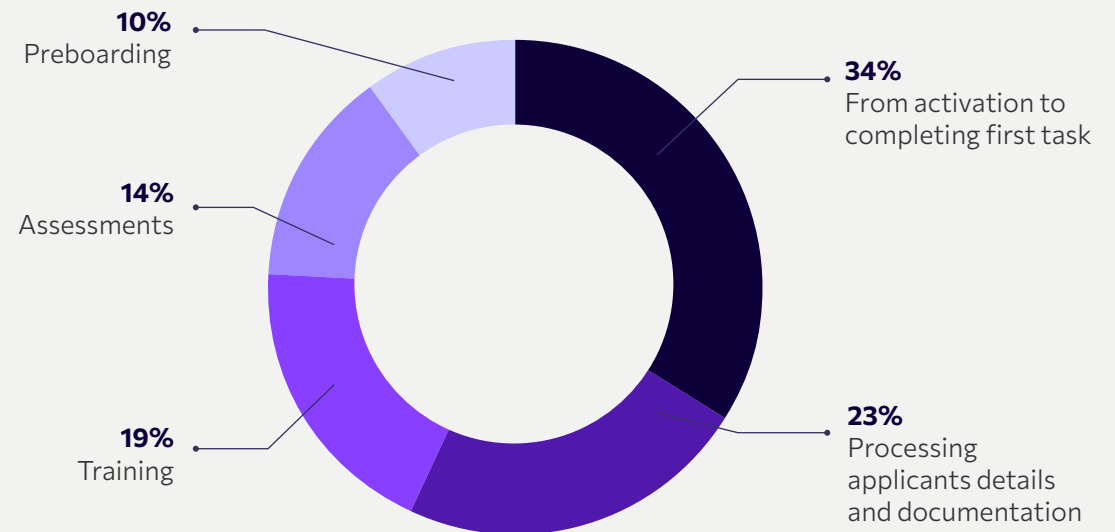
Leaders say

We asked leaders where they were seeing the highest rate of drop off during the onboarding process, as drop off can be indicative of frustration with speed at that step in the process.

The stage at which leaders reported losing the most applicants was between activation and first trip conversion. Meaning applicants become ready to work, but do not take the next step and complete a first task. Following this, processing details & documentation was the biggest culprit, which corroborated with workers' feedback.

At which onboarding stage do you experience the most drop-off?

10%
Preboarding

14%
Assessments

19%
Training

34%
From activation to completing first task

23%
Processing applicants details and documentation

eduMe says...

Of all the onboarding stages, the final where workers are ready to work in theory (have 'activated'), but have not yet 'converted' (completed a first trip, job or task) sees retention nosedive. Why aren't workers taking the next step, in spite of investing time in getting to this stage? One likelihood is that though they have reached the end of the onboarding process, they still lack the relevant knowledge to begin earning with confidence, feel daunted and drop-off.

03 • Retention

Leaders isolated retention as their second biggest pain point, but how great is the magnitude of the issue currently?

A majority of respondents - **30%** - reported a one month churn rate of just **0-10%**.

For more than half of leaders surveyed, their one month churn rate exceeds **21%.**

eduMe says...

Though most respondents are seeing a churn rate between 0-10%, this bracket was not a firm majority. Results were fairly evenly scattered across the ranges, which points to the vastly variable nature of churn rate from company to company.

? What can leaders do to improve deskless workers' experience and keep workers active on the app for the long haul?

What is your current one month churn rate?

- **11%** >50%
- **12%** 31—40%
- **13%** 41—50%
- **18%** 21—30%
- **28%** 0—10%
- **19%** 11—20%
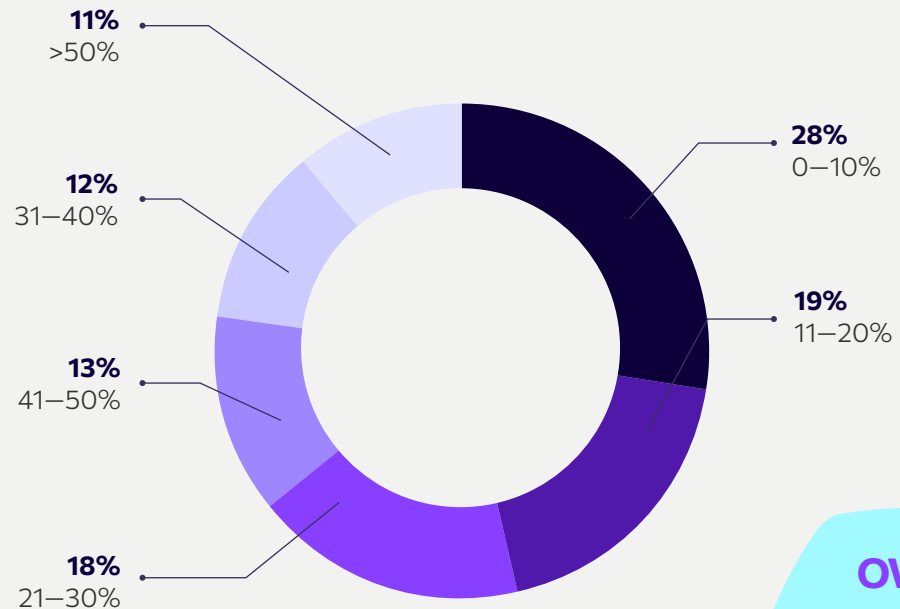
OVER 50% of leaders have a one month churn rate higher than **21%**

What do deskless workers want?

01 • A faster and improved onboarding experience

On the whole, workers were dissatisfied with the speed and quality of their current onboarding process.

72% of workers thought onboarding should've taken less time, and **90%** felt that their experience could be improved.

Leaders and workers see eye-to-eye on increasing the speed of the onboarding process. Though activation and conversion rates are fast, both are in agreement that they could be improve.

Workers' response
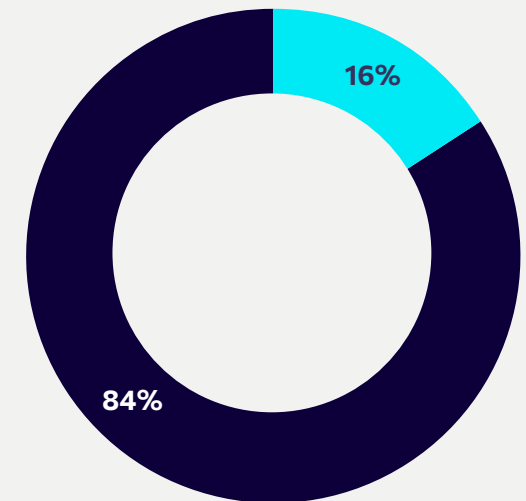Do you think the whole onboarding process should have been **faster?**

28%

72%
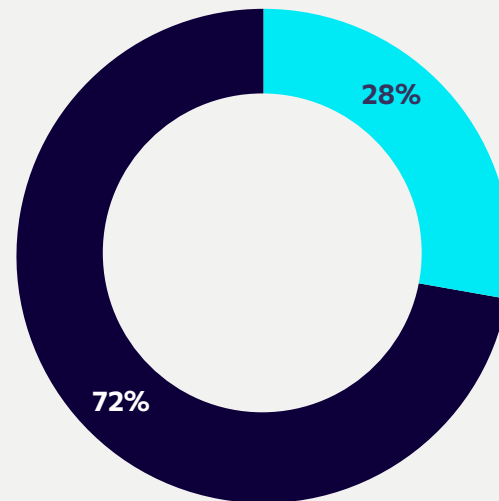
● YES ● NO

Leaders' response
Do you think your onboarding process could be **faster?**

16%

84%

● YES ● NO

02 • Training to improve their skills on the job

Currently, **76%** of deskless workers are not being offered digital skills training and **46%** say they are not offered training of any kind. Of those that are offered training, the majority **(30%)** rate their current training as 'average'.

Are you regularly offered digital training to improve your skills on the job?

Yes
24%

No
76%

Would you like to be regularly offered digital training to improve your skills on the job?

Yes
67%

No
33%

Investing in workers' skills brings about mutual benefit - when workers are empowered with information that enables them to excel, they can earn more, so will be more likely to participate in work often and to a higher standard. **82%** of workers affirmed this, stating that being equipped with such information would improve their performance.

eduMe says...

To ignore workers' needs is to risk higher churn. The fact that more than 2 in 3 workers responded that they'd like to be offered regular digital skills training highlights an unmet appetite for knowledge. Are you delivering on-the-job training?

76%

of deskless workers are not being offered digital skills training

03 • Two-way communication and a voice to be heard

Despite companies' confidence in their level of communication with deskless workers, deskless workers were less optimistic.

80% of leaders say they survey their workforce about how they feel. This is at odds with what deskless workers reported, with **63%** saying their company did not check in.

eduMe says...

We asked several 'mirroring questions' which oftentimes revealed a gulf in perception - a disparity between perceived value provided to deskless workers versus actual value provided. For example - deskless workers don't feel as heard as companies believe they are empowering them to be.

One-way communication can adversely affect engagement, motivation, and by extension, the long-term loyalty of workers.
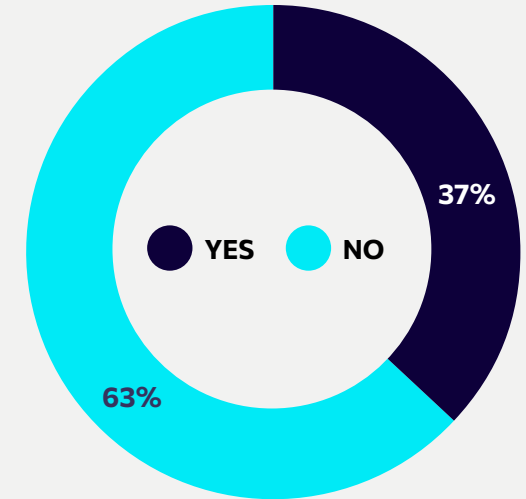
Leaders say
Do you regularly survey your workforce about how they are feeling operating for you?

20%

YES   NO

80%
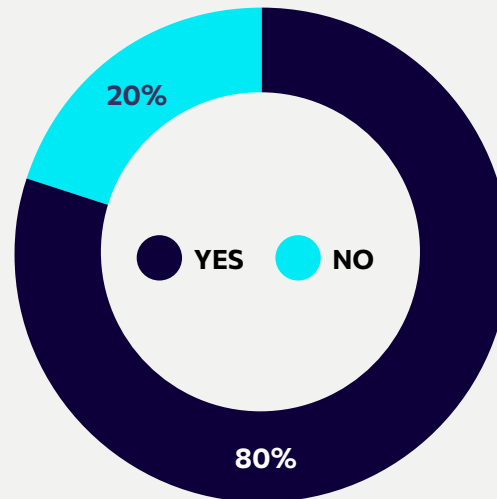
Workers say
Does your company frequently ask you how you are feeling about working for them?

37%

YES   NO

63%

> When your people understand what's going on with a direct line to communicate back, you're not only optimizing for efficiency, you're transforming your employee experience.

Cris Grossman
CEO
Beekeeper

04 • **Engagement and recognition**

In an office setting, a manager can easily turn to an employee to commend them for a job well done. This makes the employee feel valued, and builds emotional connection between employee and company. The greater the feeling of connection, the less likely an employee is to leave.

When you are dealing with a workforce of 500+ and they are out of sight, engagement can be trickier to tap into. But this does not mean tactics for engagement should be overlooked.

> Protecting and rewarding flexible workers is absolutely key when it comes to attraction and retention, particularly for companies working in such a competitive space as the platform economy. The absence of "traditional" physical office space doesn't have to be a barrier to driving worker engagement. Protecting and rewarding flexible workers as you would a traditional employee has results that speak for themselves, with 96% of workers with access to our benefits feeling highly satisfied and 88% saying that they're more likely to recommend working for their platform. A sharp contrast to those that don't.
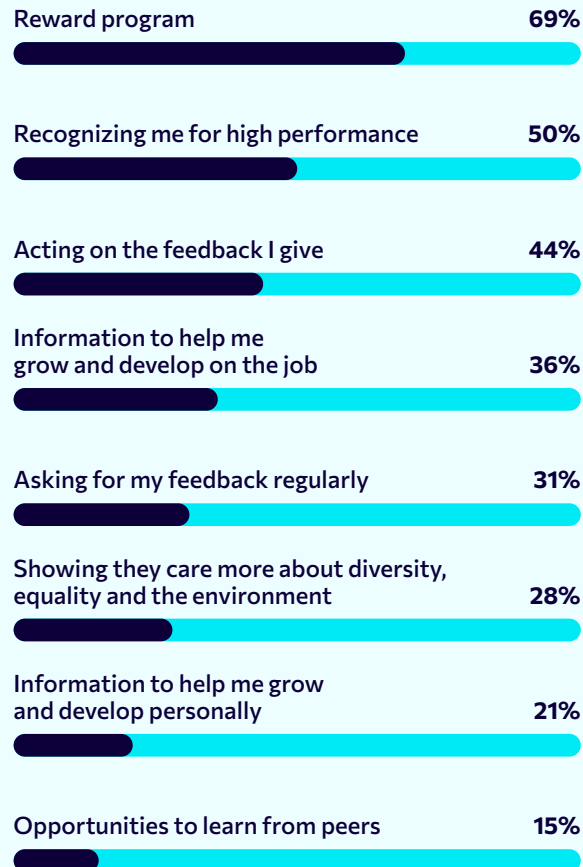
Kimberly Hurd
CRO
Collective Benefits

Do you feel **loyalty** towards the company you do the majority of your work for?

46% YES
54% NO
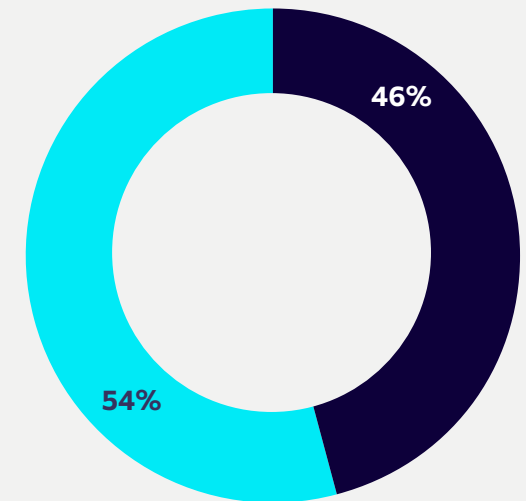
- YES
- NO

Which of these would make you feel more loyal towards your company?

Reward program **69%**

Recognizing me for high performance **50%**

Acting on the feedback I give **44%**

Information to help me grow and develop on the job **36%**

Asking for my feedback regularly **31%**

Showing they care more about diversity, equality and the environment **28%**

Information to help me grow and develop personally **21%**

Opportunities to learn from peers **15%**

50% of workers responded they felt no loyalty towards the company they carry out the majority of their work for.

However this sentiment can be shifted, if leaders take action. Nearly 75% of workers said that asking for feedback then seeing that feedback acted on would make them feel more loyal towards a company, and over half stated that simply being recognized for high performance would achieve the same.

36%
of workers said information to help them grow and develop on the job would make them feel more loyal towards a company

eduMe says...

There is a clear absence in meaningful and personalized connections between companies and their workforce. Out of sight shouldn't be out of mind, instead, leaders should identify this rift as an opportunity to differentiate themselves from competition by building loyalty.

Other ways in which companies can build connections include:

✓ upskilling workers

✓ acting on feedback

✓ asking for feedback

✓ showing an investment in the environment and DE&I

✓ providing knowledge that develops workers as individuals beyond the scope of the role they carry out for the company, and finally

✓ enabling them to learn from peers

05 • Feedback to be acted on

Surveying workers is important for engagement and can be employed as a retention strategy - **31%** of workers said that asking for their feedback regularly would make them more loyal towards a company.

But is 'checking in' sufficient enough?

It was seeing feedback being acted on that transpired as the third most effective way to inspire loyalty among deskless workers. This took precedence over being asked for feedback in the first place, and came third only to rewards and recognition.
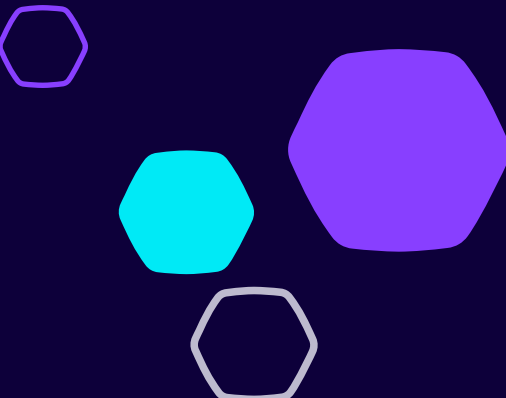
eduMe says...

Gathering feedback is only the first step in the feedback process. If feedback is repeatedly gathered over time without action, or at the very least, acknowledgement that feedback has been received, it can have a detrimental effect on engagement and retention as workers begin to feel their efforts to enact change are simply ignored.

31%
of workers said that asking for their feedback regularly would make them more loyal towards a company

eduMe is the number one mobile training platform for the deskless workforce. Onboard, assess, gather feedback and continually upskill your people wherever they are, whenever they need it.

Used by companies in more than 60 countries, industry leaders like **Grubhub, Uber, Deliveroo, Gopuff and Gorillas** have seen results like:

70% reduction in onboarding time

8% rise in productivity

26% reduction in safety incidents

since switching to eduMe.

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