Labour resilience: A new model for strategic workforce management

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Workforce management was once a relatively straightforward exercise: match staffing levels to predictable demand while keeping labour costs as low as possible.

That model no longer reflects reality.

Today's organisations operate in an environment defined by economic uncertainty,

labour shortages, changing employee expectations, geopolitical disruption, and rapid advances in technologies such as generative AI. When change is the only constant, organisations need a workforce that can adapt without sacrificing productivity, service quality, or employee wellbeing.
That requires a shift in thinking – from labour efficiency to labour resilience.



When labour efficiency made sense

Labour efficiency was built for a different era. Rooted in industrial-age management theory, it focused on minimising labour costs and aligning headcount to predictable demand.
It reflected the relatively stable operating conditions of the early 20th century. Work was more standardised, demand was easier to forecast, and organisations could plan staffing confidently around established routines.
Against that backdrop, maximising efficiency was the logical approach to workforce management. But today's operating environment demands something different.

Why today's environment demands a different approach

The forces shaping workforce strategy today bear little resemblance to the stable conditions that inspired the efficiency movement.
Geopolitical instability, economic volatility, labour shortages, changing employee expectations, and technologies such as generative AI are reshaping how organisations operate. As McKinsey describes it, AI represents "a rewiring of how

organisations operate and generate value".
The COVID-19 pandemic demonstrated just how quickly workforce assumptions can be overturned – and how long the consequences can last. In its 2024 *Employment Outlook*, the OECD reported that employment had reached a record high while unemployment was close to its lowest level since at least 2001.
At the same time, Gartner found that managers were handling 51% more responsibilities than they could effectively manage, highlighting sustained pressure on leadership capacity alongside increasingly constrained labour markets.
Together, these trends expose the limitations of an efficiency-first approach to workforce management.

Welcome to the era of labour resilience

To succeed in today's environment, organisations need more than an efficient workforce. They need a resilient one.
Labour resilience is an organisation's ability to adapt workforce capacity as demand changes while maintaining service quality, protecting productivity, and supporting long-term workforce stability – without burning people out.
That final distinction is critical. Labour resilience is not about asking employees to absorb ever-increasing operational pressure. Evidence suggests that doing so ultimately weakens organisational resilience.
According to HSE statistics, 964,000 workers experienced work-related stress, depression, or anxiety in 2024/25, resulting in 22.1 million lost working days.
Meanwhile, the CIPD identified mental ill health as the leading cause of long-term sickness absence in its second *Health and Wellbeing Report* of 2025, with overall sickness absence reaching its highest recorded level in more than 15 years.
Rather than treating employees as an unlimited resource, resilient organisations build systems that absorb disruption without creating future workforce problems. They maintain service, protect productivity, and respond to change while supporting a healthy, stable workforce.

The five dimensions of labour resilience

What does a resilient workforce look like in practice? Labour resilience is shaped by five interconnected dimensions.



1. Demand adaptability

Demand adaptability is the ability to redeploy labour quickly as demand changes. It enables organisations to protect productivity and respond to disruption without relying on permanent overstaffing or constant last-minute interventions.
In retail, this might mean reallocating employees between customer service, replenishment, and checkout when a promotion or product launch drives an unexpected increase in store traffic. In hospitality, it could involve increasing front-of-house, housekeeping, or food and beverage coverage when bookings or occupancy levels change at short notice.

2. Workforce stability

Workforce stability means maintaining dependable capacity without relying on sustained overtime, excessive agency labour, or constant firefighting.
In healthcare, for example, a stable core workforce improves continuity of care while reducing the risk of burnout and absence that arises when already stretched teams repeatedly cover staffing shortages.

3. Compliance confidence

Compliance confidence gives organisations the flexibility to respond quickly because they trust the systems that govern workforce compliance.
A facilities management provider, for example, could redeploy employees across multiple client sites without manually verifying whether each worker is appropriately

trained, authorised, and correctly set up on payroll.

4. Manager capacity

Manager capacity means giving frontline leaders the time, information, and authority to respond effectively when conditions change.

In retail, managers with sufficient capacity can focus on coaching employees, monitoring performance, and resolving customer or stock issues before they escalate. When staffing gaps and schedule changes consume that capacity, operational resilience quickly begins to erode.

5. Data visibility

Data visibility means having timely, detailed insight into demand, workforce capacity, and operational performance. It enables leaders to identify emerging pressure early, understand where capacity is likely to fall short, and take proactive action.

With visibility into demand forecasts, attendance, and shift-level staffing, leaders in warehousing and logistics can identify developing bottlenecks before they result in backlogs or missed deliveries.



How to measure labour resilience

Labour resilience must be measured as rigorously as labour efficiency.

Traditional metrics such as labour cost per hour remain valuable, but they reveal little about an organisation's ability to absorb change without compromising

service, compliance, or employee wellbeing.

As workforce management becomes an increasingly strategic leadership responsibility, executives need visibility across all five dimensions of labour resilience.

A labour resilience dashboard might include:

- Percentage difference between forecast and actual labour demand
- Percentage of shifts changed at short notice
- Percentage of shifts left unfilled
- Percentage of shifts filled by appropriately skilled employees
- Number of manual schedule adjustments
- Overtime hours as a percentage of total hours worked
- Agency hours as a percentage of total hours worked
- Employee absence rate
- Voluntary employee turnover
- Employee pulse scores on workload and schedule predictability

Viewed together, these metrics reveal the trade-offs hidden behind seemingly positive performance indicators. A retailer may achieve its labour cost target while leaving critical shifts unfilled, while a warehouse may maintain output at the expense of employee wellbeing or schedule predictability.

No single metric can capture workforce resilience. Leaders need a connected view of operational performance, workforce capacity, compliance, and employee experience to understand where pressure is building before it becomes disruption. That requires bringing together data from scheduling, HR, payroll, and operations. Workforce management platforms such as Quinyx consolidate this information into a single view, helping organisations identify emerging risks earlier, respond with confidence, and build a more resilient workforce.

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