HHH UKG

Thu, Oct 22, 2026 12:05PM 32:35

SUMMARY KEYWORDS

AI, Frontline workers, HCM, Payroll, Scheduling, Retention, Workforce management, Employee experience, Financial wellness, Skill development, HR tech, Automation, Manager guidance, Operational efficiency, Digital transformation

SPEAKERS

Steve, Gretchen Alarcon

S **Steve** 00:10

The HR Happy Hour Network is proudly supported by our friends at Workhuman. Here's a wild stat: 6 in 10 employees have never been meaningfully recognized for a work anniversary. Think about that: 5, 10, 20 years of someone's life, and too often the moment falls flat. Workhuman service milestones makes recognition more personal, memorable, and impactful. Milestone tracking happens automatically through your HRIS. The right colleagues are inspired to share stories and congratulations, and employees get access to rewards they actually want. Ready to make your milestones meet the moment with Workhuman? Click the banner on this episode page or follow the link in the show notes to learn more. Thanks for joining us. Welcome back to The At Work in America show. My name is Steve Boese. I am super excited for today's show. We are going to be talking about. I'm excited for two reasons for the topic of the show and my guest on the show. We are talking about AI, of course, because we have to, but we're talking about AI from a different perspective. AI and how it impacts and can hopefully improve the role of the frontline worker, their experience of work, their execution of work, and their opportunities perhaps that they could they could see from AI as well. And you know, of course, we'll talk about things like pay, and we'll talk about scheduling and obtaining support. But we'll also just talk about how how AI can kind of elevate work for everybody to help us talk through some of that is our dear friend coming back to the show. She is Gretchen Alarcon. She is the SVP and GM of HCM and Payroll at UKG now. We have not talked to her in a little while, so I want to get a little update on Gretchen's newish role. But first of all, so great to see you! Welcome back to the show. How are you?

G **Gretchen Alarcon** 02:03

Thank you. It's so great to be back on. It feels like home stomping ground. I feel like this is what is this my seventh, eighth time talking to you guys?

S Steve 02:10

I think so. I should have looked up before the show. I didn't get a chance. It's seventh or eighth appearance at least, but but your first one since you've taken on this new role at UKG, so maybe we'll start there. Yeah, let's talk a little bit about the role, of course, but also UKG really has a distinctive place amongst HCM companies, in as much as they are they you all are so frontline worker centric and focused, and I love that certainly. And I'd love for you to maybe share a little bit about your story here and what brought you here.

G Gretchen Alarcon 02:50

Yeah, so you know, obviously, my background-I've been in the HR tech space for gosh, it's like 25 years now, which feels amazing to say those words out loud. And when I was looking for my next gig, I was kind of having that, you know, is it time to stay in HR? What do I want to do next? Question. And when when UKG came calling, I'll be honest, my first thought was, "Wow, I hadn't thought about them in a while because there was a merger, then COVID hit, and it just kind of you know I was like, "Well, what's going on? So, I started talking to him, and the thing that really got me was this laser focus on the front line workers and the idea that for most of the HR systems that have been in play for such a long time, they were really focused on people who sit in front of a desk. We spend a lot of time worrying about what's the user experience going to be when you're on your laptop, and how do I get someone to update their goals and think about succession planning? And when you shift like.

S Steve 03:52

Dashboards and advanced reporting analytics, certainly right.

G Gretchen Alarcon 03:56

Exactly right. And when you shift this and you talk about a frontline worker, you know, and to be clear, I'm not. I think frontline workers sometimes get painted as unskilled, you know, low tech. You know, frontline worker is just somebody who can't stand, who doesn't sit in front of a computer all day. But many of them are in situations where they are working from paycheck to paycheck, and the choice to pick up another shift to be able to, you know, add $1 to their to their hourly salary-that's a difference in terms of being able to make rent, get the groceries, pay for gas. So it's a really very tangible problem, which is interesting to me, and it is so core to a business, right? So if I'm thinking about an exec a team that has mostly exempts, when they're talking about changes, they're making you know big strong changes around hey, we're going to increase or decrease, and it's a one year plan or a two year plan. You know, in front line, it's is this shift filled? Because if it's not. We won't make our retail numbers today, which impacts our quarter. Like it's very tangible, and to me, that was really exciting to have a very different lens on the HR problems that come from that.

S **Steve** 05:11

Yeah, no, I think that's great, Gretchen, and I think again we sort of undervalue and underappreciate this in the tech space, right? Because technology tends to lead with it's built by folks who are sitting behind desks and power user types and and people who are not experiencing work the same way that frontline workers certainly experience it and so often we see this disconnect. I was talking to a company the other day and they quite frankly told me they said no we we really don't know because we have never been in HR ever, and we've never been on front line ever. You know, we've built a solution, right? So, of course, Gretchen, in 2026, and really 25 and 24, this space, enterprise tech, HCM, the conversations have been completely dominated by AI, right? And and I think for good reason, right? Because because it's really, I think, and you could tell me your opinion. You you know, we've both been doing this a long time. I feel like this is the most disruptive technology we've seen in enterprise tech by probably by far. But let's talk about AI from the perspective of the frontline worker and how they're experiencing work, and how can you know a typical frontline worker who's clocking in and going to go on their shift, et cetera, et cetera? How can how are they experiencing AI? And what are some things you guys are building at UKG to kind of connect them to these great technologies?

G **Gretchen Alarcon** 06:40

Well, we've got a lot going on. I have to tell you that I think there there are two sides to this, right? One side is if I wear my employee hat, right? So, in the moment when I need something, I need that to be available to me in a very short period of time because I'm clocking in and I'm getting on the floor, right? I don't have time to come back later. So where AI can pick up a process for me and just run with it, as opposed to needing to go through and fill out a form and check the boxes, and you know, so so there is a lot of emphasis on as we think about HR operations and we think about how can agentic flows take things. You know, where can we tie these together? Where it's like, look, I need to take Tuesday off. Should just be as fast as saying that, and have the agent pick up and run, right? So I don't need to fill out a form and approve it. And you know, yeah, my manager needs notification, but it's got to be fast and it's got to move quickly. So definitely, there's a lot on the employee side for simple requests like time off, or more more complex, like I have to go on leave of absence. I don't know what to do, and I need to have this explained to me in a quick process because I'm trying to get on with the other things that I'm really chartered with. The other side of it, and this is the where I think there's an interesting balance. Is if you are a manager of the front line, how is AI going to help you make better decisions or actually guide your decisions? So that might be things like you know someone calls out rather than just looking at your schedule and popping somebody in. Can AI actually give you the guidance of here is the person that could fill the shift who's got the right skill set and isn't going to impact overtime costs to put this person in. So it's it's more than just moving people on the on the on the schedule. It's taking a lot of content together and then using that to drive that answer. So we're in the both sides.

S Steve 08:41

Yeah, where in the past that manager may make their best guess, and now with these tools, AI can help that manager make a much more informed decision. Exactly, that's really the difference, right?

G Gretchen Alarcon 08:52

Yep, exactly. And then I think there's a broader question around how does this all come together. So if you think about like, you know, if someone leaves the organization, let's just say, right. Typically, an HR person is going to see that as maybe a replacement wreck, or it's going to be just a headcount report, you know, a quarter from now, right? But if we can take that signal and say this person's burnout rates going up, their overtime's going up, or they've actually indicated that they want to leave. Those signals exist already today in the system, and AI can help us flag those those signals to turn into action. To say, you know, this person has logged a lot of overtime this month. What's going on? Like, was that by choice? Are they burning out? Do we need to take a look at what's happening, or they're gone. Let's just start the the sourcing process and assess what we can do before the wreck gets opened, because we don't have time to wait for two weeks for a wreck to get opened and filled. We've got a hole on the line right now.

S Steve 09:54

Yeah, and so many of these industries are doing that kind of almost constant. Right, they have high turnover. They just do right. Whether it's retail, hospitality, a lot of leisure industries, even probably some of the manufacturing organizations have fairly high turnover. Right, and so that that that cycle is happening all the time. Right, and to be able to have a tool that helps the the manager have a slate, or at least a jump start on building that slate of potential candidates is huge, right? Because as you said earlier, right, this is the difference between you know getting that store or getting that get keeping that line running efficiently or keeping that store or keeping patients. Let's talk about healthcare for a second. Yeah, keeping patients you know served how they need to be served, right? Which is a super challenge, right? So, lots of opportunity here for both the employee, as we said, and as well as as administration slash management too. It's it's fascinating, yeah.

G Gretchen Alarcon 10:52

Yeah.

S Steve 10:53

Let's talk a little bit about the front line worker experience in terms of schedule, and in terms of things like understanding their schedule, predicting their schedule, you know, I've read a lot lately about not so much schedule control, but more schedule stability, right? And this idea, like we've been and and you know UKG and Chronos before that forever, right? Really, really strong on helping organizations build optimized schedules, but to the employee, that schedule is so key. Not only for where and when they're working, but also, hey, what's that paycheck going to look like every two weeks? I'd love for you to talk a little bit about that, and then how you guys are using AI to influence some of that work and to try to, you know, just build better solutions that that work for everyone.

G Gretchen Alarcon 11:44

Yeah, and and you're right. This is the thing that you know, done right, really does impact retention for an employee, right? Because a stable schedule is something they can plan for, especially when it's not, you know, show up for two hours here, then have a three hour break, then two more hours, right? Yeah. So many people who work frontline jobs work multiple jobs, and so having a schedule that is, you know, that is clearly planable and they can work their world around is great. The other part of it is helping them have clarity around well, what would be their opportunity to pick up more or to go to gain more. So one of the things we've been spending a lot of time recently on is not just you know you're a floor nurse, right? But what skills do you have? And if you gained one extra skill or you had one extra certification, could I schedule you more? And what would that look like? And so, putting that in the hands of the of the employee to say, you know, your schedule's set, things are good. We've noticed, you know, you're almost to a certification, or you know, you're behind on one learning process, or your you know your certification's about to expire. You need to get this done because otherwise I can't schedule you right. So tying it very tightly to not just what a good idea, but this ties to your hours. And then similarly on the manager side, using dynamic workforce operation tools to say who is available to be staffed and how do I optimize this so that I'm making the right goals for the for the operations and for the people, and that they need to be kind of tied together. It can't just be well, you know, I could write a crazy schedule and still meet my numbers, but you know, I need to think about what am I doing to the people that I am asking to show up and work at the same time.

S **Steve** 13:36

Yeah, and and this is such an important challenge to try to solve more effectively, anybody who's worked in these jobs, both as like a frontline worker, an hourly worker, or as a manager, right, store manager, assistant manager, or you know any kind of a nursing manager, et cetera, the amount of time and energy and and mental cycles and and hope and and sort of hope, even that that that gets injected into this process cannot be underestimated, right? We all can probably tell a story or can relate to, oh my God, I have got to write a schedule or I've got to create a schedule. I, you know, it's it's complex, it's daunting in its, but it's so incredibly impactful to the people that schedule affects, right? And so, it's one of the reasons why it's such a complex technology problem to solve. And very few HCM companies over time have solved it well, right? We know in this industry, even the there's been a certain set of companies who could really approach some of these really really complex scheduling challenges, and UKG being, of course, one of them, probably the leader in them. But now with AI, I feel like the opportunities there to make this even better, right? Absolutely for everyone, right? And that's that's the one of the great challenges you guys have on your team.

G **Gretchen Alarcon** 14:59

Yeah, and you know it's funny, I was I was with a customer earlier this week, and we were talking about what they're facing and kind of where their challenges are. And one of the things they were saying they've been growing through acquisition, and they now have 16 different collective bargaining agreements that they have to work through in a company of you know like 10,000. So 16 CBAs that means different rules, different processes, different escalations. Who gets bumped from the schedule? That is all just right for AI to take on and to help drive that process, rather than again something that winds up being fixed after the fact and escalated through the union that this person didn't get their hours or what have you, right? So there's some very tangible things we can focus on, but where I think AI can really help us take that next step.

S Steve 15:48

Yeah, yeah, so important. I think equally important to the frontline worker and the experience of work and the impact work having is having on their lives is is pay, right? And and engaging with pay, and that's one of the things we can. It's very easy as an exempt worker. I, you know, probably both of us have been exempt people for a long time, and most of the folks probably listening to this are as well. You you forget, right? You really do forget about hey, I'm not sure what my pay is going to be one week to the next, or biweekly to the next biweekly, huge issue for frontline workers, of course, and often questions, right? Often questions, often quandaries. Sad to say, sometimes errors that that does happen, right? In a complex payroll time, time attendance and payroll environment. Can we talk a little bit about that? So, user maybe you know experiencing this, looking at their pay, you know whether it's their phone off in their phone, right? Where again we're talking about workers who are not desk workers, not logging into laptops or workstations, etc. and maybe finds something they have a question. Let's just not even say something is wrong. Just they've got a question about their pay. What can AI do to kind of help them understand their pay first? First off, and then to help them get some help on it if if there truly is something they need help with.

G Gretchen Alarcon 17:13

Sure, and I think that's a perfect example again of where can we actually have a very solid operational request, right? So yeah, you know your pay gets deposited. You don't know where that came from, right? So first thing is just transparency, like show me what this is, and then can AI actually even go further and say, let me compare this to your last paycheck. You know, you actually did get a pay rise of $1 because you had a new certificate, but you worked five hours less, so that's how the alignment changes dynamics, right? Exactly, and it is often that sort of a thing. Also, you know, did you change locations? You know, you worked. You know, you're in Pennsylvania. You went across the street. You're in a different dynamic. I have to talk to differently. So it's understanding those components, and then I think there's another side of this that you know we're spending a lot of effort on. I'm actually really glad to see that we're seeing the uptake from our customer base, which is about how do we help people who are in the front line who really don't have a lot of financial wellness skills, right? They're used to living paycheck to paycheck. It is it is common that you know, companies hire people and they're unbanked, and so as we get them set up as an employee, can we offer them the opportunity to have a bank account? And what would that look like? Or you know, do you need earned wage access because you don't want to wait for the next payday? You have bills today. How do we help you with that? We've also got some companies we're exploring with around, you know, can we help with the idea that, you know, you're going to have inconsistent work because you're in retail and the shifts change based on if we're high season or low. How can we help you bank some of that so we can smooth your salary over time? So we're looking at a number of those cases where, you know, it is a key component for the front line, of course, and it drives retention. It drives the ability for people to stay. And if you run a front line organization, you know that retention is one of your number one success factors. So anything we can do to help that employee feel supported and feel that they've got the financial health that they need is a hugely valuable thing.

S Steve 19:22

Yeah, yeah. Financial education, well-being. I just has been on top of my mind very much this week as we record this. I just did a whole three-part thing for our other one of our other shows around retirement readiness. So it's somewhat related, just in terms of helping employees understand some of these dynamics and understand the issues and understand, hey, you know, if if if you you know can increase your you know your employee contribution just a percent, then the employer match kicks in a little bit higher, things like that, right? And a lot of that is is is difficult for employees. All employees certainly, but maybe even especially frontline employees, to really just to get to them and try to help them with understanding the availability of some of these supports and some tools. Are there some ways you guys are working with customers or hearing about how customers are are doing a better job at just really engaging the frontline workers specifically around some of these kind of supports that some of them are offered right through UKG through the banking through through the Cash App integration, which I think just got announced right next week right the other day, which is you can talk about that some if you'd like, but just you know to help employers spend a lot of money and make a lot of efforts to try to make really, really powerful services and resources available to employees. Then sometimes they fall short in connecting the employees to those resources. So.

G Gretchen Alarcon 20:51

Absolutely, and I think a lot of this comes back to again, we need to put ourselves in the shoes of the employee. I think so often when we think about a lot of these tools, you know, and you know, as a former HR person and a product person, it's hard sometimes to get out of your own mind. This is my lived experience. You need to be in the lived experience of the employees that we're serving. So, you know, again, if an employee is asking for clarity on their paycheck, the next question, and AI can drive this for us, is why are you asking this? Right? Are you looking for? Do you need access to more funds? Is there something going on that we can help with rather than just saying I answered your question and I'm done? Right. So taking that next step, and where AI can say, Hey, you know, did you know that you have this access? So your paychex feels a little short, but you know you've worked two additional shifts. Here is where we can get you some extra funds to help you if that's needed. So tying those things together, and then I'd say the other part of that again is in real world terms, right? So not theoretically. If you were to gain skills, you could do something. It's this tangible skill, this certification drives this thing, and then how can AI help us to actually craft that for the employee? So it's not just here's an idea. It's if you wanted to focus on this, here's the next time the test is offered. Here's how much prep time is probably needed. Here's how much it costs to to sign up for it. Whatever other information we can give, because again, in that moment, they are very focused and care about this specific issue, so let's give them everything we can in that moment, rather than making them go away and come back. Which means we'll probably lose that opportunity to engage with them.

S Steve 22:32

Yeah, yeah, those are great, great approaches. I think, Gretchen, and I think it's important. I think, I think we probably underrate how much demand there is for this kind of information, this education, and and for actually even just using the tools I I have in the notes that some of the UKG study suggests only about 53% of frontline employees believe their employers preparing them for an AI driven workforce, which suggests to me that they want to be prepared. They want to embrace it. They they people are not you know people are seeing right. We're reading the news. We're seeing what's happening in the world of technology and in the world of of commerce. Right. Perhaps they're you know talking with with other family members who are using these tools, especially? How do we broadly, and maybe this is less about specific solutions and more broadly, but how do we, as an industry, as as organizational leaders, you're a leader in your organization. How do we more broadly kind of approach, including the front line worker, the frontline workforce in these AI, the AI evolution and and the promises of AI. What are some of the things we can do?

G Gretchen Alarcon 23:49

Well, I think one thing we need to be aware of. You know, you mentioned this is the biggest technology shift we've seen in quite some time.

S Steve 23:56

I think so. Yeah.

G Gretchen Alarcon 23:57

It is, it is also though, in some ways, similar to when when smartphones first came out, in that people are adopting this technology in their personal life. So this isn't just a work related thing, right? If you use your phone today and you go into any search engine, you don't have to specifically say ChatGPT. You know, the search engine is going to be using AI. You're seeing AI results, so people are comfortable with those capabilities, and so talking about bringing them to work, it's not necessarily a scary, you know, AI is coming for your job. It's a this is a tool that is going to augment what you do, and I think framing this as where does AI help you, or where are you using AI in your new job versus this is a new complete shift is a really important message, and especially when you are thinking about you know these kinds of roles, they can be very complex. When you're talking about advanced machinery, you're talking about you know highly skilled nurses who are working with a lot. Different capabilities, AI is coming into those roles because the machinery and the tools and the whatever are adopting it. Right, so part of setting our setting frontline employees up for success is understanding how your role might be shifting because now AI is supporting you and you're working in that sort of an environment, you don't necessarily have to know how to code, code and clot, right? That's not where this is going for you, but it is going to be part of work. And I think the more we frame it that way, as opposed to big scary AI is coming for you, I think that actually is more realistic, frankly, for what we're going to see from many frontline organizations, and we'll put them in a better a better case to feel like they have agency over what is happening as this technology transformation happens.

S Steve 25:49

Yeah, no, I agree, Gretchen. I think that that's that makes perfect sense, and and I think that's where we're heading, right? I think I think much like we after a while in the industry, we you know we go back a ways. We we talked about cloud. Now we don't talk about cloud anymore, and we talked about mobile. Now we really don't talk about mobile anymore, and SaaS, and we don't really talk about SaaS anymore. There'll come a point where we're not going to talk about AI all that much either, as as a distinct thing, right? Because ultimately, the specifics of the technology matter less than the opportunities it makes available, the ability, how it helps organizations execute, and how it helps you know improve the experience of work. And ultimately, we don't care, right? If it's this server or that server or this deployment or that deployment, what matters is how it impacts people, and through people is how organizations succeed. I think, and you guys just, but thinking about it, saying we're going to really think hard and work hard and focus on this frontline cohort. I don't know what your numbers say. Is it 65% of the U.S. employee base? It's 60, 70. It's in that range somewhere. It's a little hard sometimes to get the number on. It's well more than half, though, and in some organizations, it's probably like 95% right? Depending on the organization, so really thinking hard about delivering opportunity through these technologies to that group, I think is going to be incumbent on HR leaders certainly next year and the years ahead. Okay, last question, Gretchen. If you were an HR leader now in one of these organizations, let's say you are a 70, 80, 90% front line kinds of organization, what are some of the things you're thinking about as you head into 2027 and say, boy, I've got to, I've got to really think about how we sort of optimize, care for, engage, support, and get the best results out out of out of this out of the front line workforce. Yeah, you know, next year and the year after.

G Gretchen Alarcon 27:51

So, so as you know, I'm I'm a pretty simple person when it comes to how I think about these things. I don't want to get into a lot of like other things. I mean, if if I think about like the fundamentals of serving really any org, but especially when you're talking front line, is how do you find them? How do you enable them? And how do you keep right? Those are the three big things. So as I'm finding them, have I got the right skills? Do I have the right people associated with the right roles so I can make sure that I can stay fully staffed, and can I move them as needed? Again, back to that you know dynamic operations.

S Steve 28:25

Yeah.

G Gretchen Alarcon 28:25

And then on the enable side, it's not just did they get started, but are they receiving consistent training? Are they aware of how the business is shifting? You know, so much of what happens in a number of these companies is it's not a once a year enablement. It's you know new skills, new ideas. It's monthly. It it could be weekly, depending on what it is. So how do I get bite-sized, snackable learning into people's hands so that I'm continually growing the skill set of the people that I've got? And then how do I keep them? Are they clear on how they're being compensated? Are they clear on their paychecks? Do they have access to that support system that we talked about? Like those three buckets are really where I would be focusing on most, and making sure that I've got a solid plan. That all of that ties to how is that driving my business? Because I can spend a ton of time on Enable, but if it's not tied to what am I actually trying to accomplish in terms of my growth for the year, whether that's by site or location or the company overall. I've got to make sure those things are completely aligned.

S Steve 29:29

Yeah, Gretchen, I think that's great advice. I think it's a fascinating time to be both in an enterprise tech as well as being in people leadership and in HR leadership. Right now, it's it's always interesting. It's never been more interesting. It's and the opportunities probably have never been greater, right? I don't think that's an exaggeration too much. All right, last thing, and I promise is last thing. What can we look forward to this fall and into next year from UKG? Anything exciting? I know the cash. I mentioned the Cash App announcement that came out just the other day, but. Is there anything else you want to just highlight and sort of tease out, maybe, of what's coming soon?

G Gretchen Alarcon 30:05

I mean, we have got so much going on in the in this space, and I think you know one of the things that for me has been really exciting is as we look at all these different components, you know, how does this tie back up again to the role of HR, and where do we see AI really stepping in and adding much more value? So one of the things we're really focusing on is what are those signals and how do those signals drive action? So not just AI picks up after the fact, but can it get ahead in certain areas? And then the other area that I personally, when when it first started, I was like, "You've got to be kidding me! And it turned out to be amazing. Is how do you apply AI to payroll? Like, my first thought was, take the most conservative payroll process you have, right? Why would you put AI there? But the reality is, so much of payroll is checks and follow up and audit, and all of that is right for AI work. So we're spending a lot of time in both the HR operations and recruiting side, and pay around where does AI really add value, and how can we take that to our customers in a new way? So they're thinking differently about using that as a tool.

S Steve 31:12

Great, great, lots to look forward to. We'll keep an eye on that. You can go to ukg.com for loads and loads of resources, information certainly about the product. Lots of great thought leadership there as well and resources. Gretchen, so great to see you. It's been thank you for taking the time to do this. By the way.

G Gretchen Alarcon 31:28

Absolutely. It's great to talk to you.

S Steve 31:29

Busy season in HR tech, but it's great to see you. Great to have you back on the show after a while. And yeah, thank you so much. It's been a pleasure to connect with you again.

G Gretchen Alarcon 31:42

Thank you too.

S Steve 31:44

Awesome, great stuff. All right, UKG.com for all the resources there. Gretchen is awesome. You can find her on LinkedIn too and see her out on the road if you happen to be at some events this fall. I'm sure you'll see her. A couple things on the on the network. We've got a new show. I'll tease it. It's coming soon, and we've got new shows coming on the network soon from one of your favorite hosts. I'll leave that out just like that. Keep an eye on that HRHappyHour.net for all the show archives. Check us out on YouTube as well. My name is Steve Boese. It is so great again for having you with us. Thanks to everybody for listening. We'll see you next time, and bye for now.