



Creative approaches to reward packages for frontline workers

Insights from Deloitte

A great deal of time and effort is spent creating reward packages for salaried employees—but compensation and benefits for frontline workers rarely receives the same consideration. With the [competition for frontline workers](#) heating up, creative, differentiated, and thoughtful total rewards packages are becoming increasingly important.

When structuring offerings, it's crucial that you gather real time data on what your frontline workers need and value. You need to think beyond livable hourly wages and adequate medical benefits to rewards like guaranteed shifts, education credits, and off-cycle bonuses to ensure the elements of your reward package promote the stability and growth of your workers—and your business.

The best way to identify what's most important to employees' well-being and quality of life, of course, is to ask them. Businesses whose reward packages are developed in response to workers' needs, concerns, and aspirations inspire loyalty from their best employees. And they attract reliable, experienced job applicants even in the most competitive labor markets.

To set your organization apart in the eyes of job seekers, you need to offer total reward packages that are not just financially competitive but innovative, flexible, and customizable. Some options to consider:

Multi-faceted cash compensation programs

While paying a competitive base pay rate is table stakes for attracting workers, offering a

variety of opportunities for earning additional cash compensation is key to worker retention. Having a broad menu of variable pay programs can have advantages for both the workers and the organization. Depending on your employee base, consider these alternatives:

- Sign-on bonuses tied to length of service requirement.
- Employee referral awards for both the referring and the new employee. For example, a referral award could be paid out in three 30-day installments during the first 90 days of employment.
- Spot awards of cash or gift cards, providing immediate positive reinforcement for a job well done.
- Frequent team incentives for meeting weekly or monthly targets.

- Special occasion bonuses, for example, cash for worker birthdays, Thanksgiving, or annual work anniversary.
- Free food, movie tickets, company logo items, or anything that your employees value and will help them feel recognized and appreciated.

Dynamic, personalized benefits

Dissatisfaction with compensation is still one of the [primary reasons frontline workers quit](#) their jobs, but a host of non-pay related issues, such as predictable schedules, are important, too. Hiring managers may have limited ability to differentiate based on hourly wages, for reasons ranging from management resistance to local minimum wage requirements. But benefits with measurable financial value can bridge some of the distance—all the more so if they can be customized to suit a workforce with diverse needs. Workers who are also parents or caregivers, for example, may prioritize flexible scheduling and additional paid time off, while recent college grads might opt for matching contributions on student loan payments (similar to 401K matching programs). Offering frontline workers such choices sends a clear message that your company is invested in their quality of life and continued success.

Support for learning and development

Offering to reimburse or subsidize continuing education costs—for career and skills training, GEDs, and bachelor’s degrees—is more proof of your commitment to employees’ growth and development. It also helps both parties, expanding workers’ skill sets and knowledge while making them more valuable to, and versatile within, the organization.

There’s no shortage of companies using flexible learning and development allowances to support frontline employee development. McDonald’s [Archways to Opportunity® program](#) provides multiple pathways for employees to grow and learn—from improving English skills to earning a high school diploma to working on a college degree and career planning. Since its launch, McDonald’s has awarded over US\$165 million in tuition assistance. Through its [College Achievement Plan](#), Starbucks offers all US employees the ability to earn a tuition-free bachelor’s degree through Arizona State University’s online program. According to a Starbucks spokesperson, “We believe that when we put [our employees]

The power of recognition

Many frontline workers perform difficult jobs with limited possibilities or mechanisms for recognition. Finding opportunities to recognize employees for a job well done can go a long way toward helping them feel seen and respected while reinforcing desired behaviors and creating a positive work environment:

- **Frequent informal recognition.** Recognition programs that are rigid, hard to use, and require several layers of approval are the least likely to be used. In contrast, frequent, flexible recognition options are easier to implement—anything from team celebrations as thanks for meeting a difficult challenge to informal, in-the-moment shoutouts for a job well done. For example, peer-to-peer social recognition lets everyone feel seen, heard, and appreciated for who they are and the work they do.
- **Broad communication.** Publicly announcing awards and achievements to the broader organization can raise awareness, help build a positive corporate culture, and encourage celebration, all while reinforcing workers’ pride in a job well done.
- **Going beyond “above and beyond.”** In addition to recognizing exceptional performance, companies are finding ways to recognize *consistent* performance in areas including punctuality, attendance, initiative, and desire to help coworkers.
- **Team-based recognition.** More employers are recognizing both individual and team performance, acknowledging the importance of teamwork to a business’s success. Team-based recognition can also inspire friendly departmental competition and allow for recognition of functions such as marketing and payroll as crucial support for high-functioning teams.

first, the result is an elevated Starbucks experience for our stores, customers, and communities.” And in 2021, Amazon announced a plan to cover 100% of college costs, including books and fees, for its 750,000 hourly US employees.

Addressing the current landscape for frontline workers

It’s clear that to keep today’s frontline workers satisfied and productive, companies must take a fresh approach to compensation, benefits, and recognition. That means striving to understand what workers want and need, offering it with an emphasis on flexibility and choice, and building a culture of respect and recognition at all levels of the organization.

Ready to reimagine your frontline rewards? Give us a call to continue the conversation.

This post was written by Cathy Gutierrez, Workforce Transformation Leader at Deloitte and Frances Symes, Workforce Transformation Leader at Deloitte and Michael Gilmartin, Human Capital and Workforce Transformation at Deloitte.

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