

# Developing a Winning People Strategy for New Types of Technology Jobs at Retail Companies

---

*As retail companies rapidly integrate technology-related jobs to their workforce, they find hiring and retaining people with these skills requires re-examining their rewards structures.*

Traditional brick-and-mortar retailers are evolving and adopting new types of technology in an effort to survive and compete with online retailers. To support such rapid digital transformation, many of our clients are creating new jobs they've never had in their organization before. In the process of doing so, they often find their existing programs to attract, compensate and retain employees aren't resonating with prospective employees.

The top emerging roles at retail organizations have job titles that were once foreign to such companies, including web developer, machine learning specialist and data analyst. Meanwhile, certain bread-and-butter jobs, such as cashiers and data entry professionals, are on the decline.

## Designing Compelling Rewards Programs

Retailers need to understand the types of competitive rewards programs that people applying for these emerging jobs are receiving from other organizations, including traditional technology firms. Oftentimes, these rewards programs don't match the traditional compensation plans retail companies have offered — particularly when it comes to equity compensation.

Technology-related jobs typically pay more and have higher equity eligibility rates compared to traditional retail roles within the same job level. For example, average long-term incentive eligibility rates for a mid-level technical professional at a technology company in the U.S. is a little more than 50% while it's less than 5% at retail companies, according to the Radford Global Technology Survey and Aon's Total Compensation Measurement (TCM) Survey.

The first step in designing a compelling pay package for these new jobs is benchmarking rewards packages. To do this, you need to match jobs (along with other factors such as geography) instead of matching industries or traditional peer groups. That's because the types of businesses retailers are competing against are no longer just other retail companies, but include other e-commerce and related technology companies.

While base salary and short-term incentives are common pay benchmarks in retail, technology talent is used to receiving long-term incentives, signing bonuses and innovative perks. Our research of 36 U.S.-based, high-

performing technology companies uncovered similarities in their rewards and talent programs that we believe are a key contributor to their financial success. Some of these common traits include:

- Retention bonuses for hard-to-fill positions (offered by 100% of the companies in our study)
- Benchmarked equity guidelines against a set of peer companies (reported by 87% of companies)
- Published values statement to help drive culture (reported by 81% of companies)
- Use cash for an employee recognition program (reported by 75% of companies)

## Beyond Rewards

A critical component of developing a winning people strategy involves developing a compelling rewards strategy benchmarked to the new types of jobs your retail organization is hiring for. However, it's just one piece of the puzzle. To be effective, compensation programs need to be layered on top of job architecture and leveling structures that support these new job roles.

From our experience helping companies spanning all industries with their job architecture, we have found certain characteristics that make technology companies' structures unique. As retailers recruit technology talent, they need to think about ways to incorporate some of these attributes into their job structures, which include:

- Dual career tracks
- Greater agility and flexibility to move throughout the organization
- A global leveling structure that also enables mobility
- Simplified job structures with broader job families

Traditionally, retail organizations have very detailed and specific job descriptions for different roles that map up to linear career paths. As companies incorporate different types of jobs into their workforce, we recommend they consider adding a dual career track that allows individuals to become principals or experts in their field without having other managerial responsibilities. Retail companies should also consider simplifying their job descriptions as many of these new jobs will include skills that are constantly evolving. For example, companies should avoid specifying the type of programming used by web developers so the job doesn't become outdated in the system when new types of programming catch on (e.g., the shift from waterfall to agile).

## Next Steps

The retail industry is undergoing tremendous change due to a growing e-commerce business and the adoption of new tools that allow companies to better understand customer behavior and preferences. To compete in this new business environment, companies are hiring people with specialized technology skills. However, they are also finding these types of jobs aren't easy to fill. Companies need rewards data and insights to compete with companies of all industries that are also hiring employees with hot skills. For more information about how we help organizations transform their workforce for the future, please write to [consulting@radford.com](mailto:consulting@radford.com).

## Author Contact Information

**Gina Wellmaker**

Associate Partner, Rewards  
Aon  
+1.408.321.2610  
[gwellmaker@aon.com](mailto:gwellmaker@aon.com)

**Michael Marzano**

Partner, Rewards  
Aon  
+1.770.690.7546  
[michael.marzano.2@aon.com](mailto:michael.marzano.2@aon.com)

**Scott Allen**

Partner, Rewards  
Aon  
+1.312.381.7206  
[scott.allen@aon.com](mailto:scott.allen@aon.com)

## About Radford

Radford partners with technology and life sciences companies to reimagine their approach to rewards, empowering them to achieve superior levels of people and business performance. Radford is part of Aon plc (NYSE: AON). For more information, please visit [radford.aon.com](http://radford.aon.com).

## About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance. For further information, please visit [aon.com](http://aon.com).

This article provides general information for reference purposes only. Readers should not use this article as a replacement for legal, tax, accounting or consulting advice that is specific to the facts and circumstances of their business. We encourage readers to consult with appropriate advisors before acting on any of the information contained in this article.

The contents of this article may not be reused, reprinted or redistributed without the expressed written consent of Radford. To use information in this article, please [write to our team](#).

© 2019 Aon plc. All rights reserved