



CASE STUDY

USING SPOT BONUSES INSTEAD OF RAISES TO IMPROVE EMPLOYEE RETENTION

Retailer improves retention of hourly employees with spot bonuses vs raises

Scenario

A retailer was facing turnover challenges and an hourly employee base asking for higher wages. The company had prided itself on paying above-average hourly rates but was struggling to keep up with wage inflation. Fast food companies were offering very competitive rates near many stores. A small difference was acceptable, but wages had to be “reasonable” in the eyes of the staff.

The company was considering a \$1 increase to initial hourly wages.

Solution

Rather than increase wages, the company used Whistle to deploy spot bonuses.

- Spot bonuses (average \$20) for
 - Covering a shift
 - Going “above and beyond”
 - Dealing with difficult customers or busy times
 - Helping with special events

Impact

- **18% reduction** in voluntary attrition
- **75% Cost savings** (compared to a \$1 hourly increase)

Research has shown that more frequent, smaller, spot bonuses have a bigger, longer lasting impact than larger, less frequent raises.

<https://www.sciencedirect.com/science/article/abs/pii/S0167268117303542?via%3Dihub>