

Frontline Workers:
Creating a Performance-Driven Culture

Authors: Karina Freitag, Dani Johnson



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Sure, we're experts in performance, people analytics, learning, and D&I – and we're well-versed in the technologies that support them. But we're also truth-seekers and storytellers in an industry often short on substance, and too full of @#\$. Our mission (indeed, our very reason for existing) is to cut through the noise and amplify what's good. We look for the connections (or red threads) between people, data, and ideas – even among seemingly unrelated concepts. The result is high-quality, unbiased, transformative foresight that helps you build a stronger business.

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Key Findings

We identified several key findings in the course of this research:

- 1. Organizations face three major challenges** when it comes to frontline workers: high turnover, need to continuously reskill, and empowering them to meet client and customer needs.
- 2. Frontline workers are generally more satisfied** with their performance management experience compared to other workers, especially when it comes to having clear goals and expectations.
- 3. Frontline workers receive more guidance** – beginning with more frequent, informal and formal, performance conversations – than other types of workers. They also generally have more access to data and information about their performance.
- 4. Frontline workers feel like they have less autonomy** and do not feel that their managers enable the same degree of autonomy as their desk and knowledge worker counterparts. It is the only area frontline workers scored lower than their counterparts.
- 5. Culture provides the greatest opportunity.** Of the three levers that organizations can use to drive employee engagement and organizational performance, culture provides the greatest opportunity when it comes to frontline workers' performance.
- 6. Research identified seven practices prioritized by high-performing organizations** in three areas – fairness, feedback, and future-focus – to create a performance-driven culture for frontline workers:
 - A fair and consistent performance evaluation process
 - Fair and equitable pay
 - Resources to understand how to give and receive feedback
 - Peer-based recognition
 - Development of managers' people management skills
 - The belief that frontline workers can develop their basic abilities
 - Continuous learning and development



The Crucial Role of Frontline Workers

The power of how we experience a company, brand, or product is often in the hands of a select group of people. Remember the last time you were at a coffee shop? Your interaction with the person who took your order or served you had a direct impact on your experience. Or how about the last time you called a customer help line? Your conversation with the person on the other end of the line likely set the tone for the way you felt about the company you called. The same probably goes for the products you currently buy or use, which were likely made by someone in a manufacturing plant. Your perception of the product and how well it was made influences your satisfaction with it.

The select group of people we are referring to here are those on the frontlines: those we encounter either directly or indirectly in our daily life. We define frontline workers as those in customer-facing or product-making roles. As we alluded in the scenarios above, they hold a significant position in organizations because they influence our experience as customers.

As markets get more competitive, as companies offer abundant choices, and as customers become more informed, organizations are relying more heavily on customer experience as a competitive advantage. In fact, a few years ago, Gartner identified customer experience as a new market battlefield, with 50% of consumer product investments going to customer experience innovations.¹

Fast-forward to the present, and we are now in the thick of the battle. Seventy-six percent of organizational leaders view customer experience as a critical priority.² In a recent report on customer

Frontline workers are those in customer-facing or product-making roles. They hold a significant position in organizations because they influence our experience as customers.

1 ["Gartner Surveys Confirm Customer Experience is the New Battlefield,"](#) Sorofman, J., Gartner, 2014.

2 ["Global Business Technographics® Priorities And Journey Survey,"](#) Forrester, 2018.

sentiment, 73% of people mention that their experience as customers drives their purchase decisions and 60% would take their business somewhere else if the service they received was not friendly.³

At the core of this hyper-focus on customer experience – either directly or indirectly – are frontline workers, which has elevated them from just cogs in a machine to crucial players in the growth engine. They are now seen as a source of future leaders, innovation, and a strong customer experience.⁴

However, organizations face challenges when it comes to their frontline workforce. In fact, our initial literature review identified three main challenges:

- **Turnover.** Industries with a large number of frontline workers tend to have the highest turnover rates such as hospitality (32%), healthcare (20%), and manufacturing (20%).⁵ Compare this to the 10 to 15% turnover rates for industries with mostly knowledge workers. To further complicate things, frontline workers are in hot demand right now, which makes it hard to address turnover rates.⁶
- **Reskilling.** There is also the need to reskill workers to fill the vast number of job openings in the U.S., which has increased 40% over the past 4 years.⁷ There were 7 million job openings as of August 2019, and there are roughly 24 million frontline workers who could fill these jobs if they had the necessary skills.⁸
- **Empowering workers.** To best serve customers, frontline workers need to be empowered. For instance, 78% of business leaders say that frontline empowerment is crucial to organizational success.⁹ Frontline workers directly serving customers often need the ability to communicate clearly, make sound decisions, address conflict, and solve problems to better address customers' needs.¹⁰ For those in manufacturing roles, providing real-time and

3 *"Experience is Everything: Here's How to Get it Right,"* Clarke, D. & Kinghorn, R., PwC, 2018.

4 *"Front Line Staff, the Patient Experience and Your Bottom Line – Avoiding the Cultural Hourglass,"* Warren, B. & Kinney, T., Select International, 2015.

5 *"2018 Turnover Report,"* Compdata Surveys & Consulting, 2018.

6 *"Blue-Collar Worker Shortages: Navigating a Business Environment of Higher Labor Costs,"* Levanon, G. & Steemers, F., The Conference Board, 2018.

7 *"Job Openings and Labor Turnover Summary,"* U.S. Bureau of Labor Statistics, 2019.

8 *"Developing America's Frontline Workers,"* Oakes, K. & Martin K., i4cp, 2016.

9 *"Building for Success at the Firstline of Business,"* Harvard Business Review Analytic Services, 2017.

10 *"Frontline Employee Training: Best Practices that Drive Customer Satisfaction,"* Rallyware blog, 2018.



individualized feedback are also seen as ways to empower them to think critically, solve problems, and make effective on-the-spot decisions. ^{11,12,13}

To boil it down, the performance of those on the frontlines matters and organizations are taking notice. Yet, even though there are discussions on the need to retain, reskill, and empower frontline workers because they hold such an influential role in driving customer experience, organizations still find themselves asking:

How can we ensure that our frontline workers are engaged, skilled, and have what they need in order to meet the needs of our customers?

To provide a bit of clarity on this question, we took a deeper look at the practices that organizations use to help their people perform. This is a continuation of our recent study, [The Makings of Modern Performance Management](#).

The rest of this report will provide more insight into the differences and opportunities between frontline workers' performance and other types of workers. Specifically, we'll address two major areas:

1. Frontline workers' perceptions of performance management practices and where they differ from other workers
2. Developing a performance culture – practices for frontline workers

About the research

This research is aimed to understand performance management nuances among frontline workers and is based on a literature review of roughly 40 academic and business articles, reports, and book chapters along with a quantitative survey of 623 respondents (over half being frontline workers). See the Appendix for more details.

11 "A Simple Plan to Empower Your Frontline Workers with Technology," Chow, C., Social Chorus, 2019.

12 "Maximizing Frontline Sales in Retail Banking," Maxwell, M, Derraik, R., & Ross, E., McKinsey, 2014.

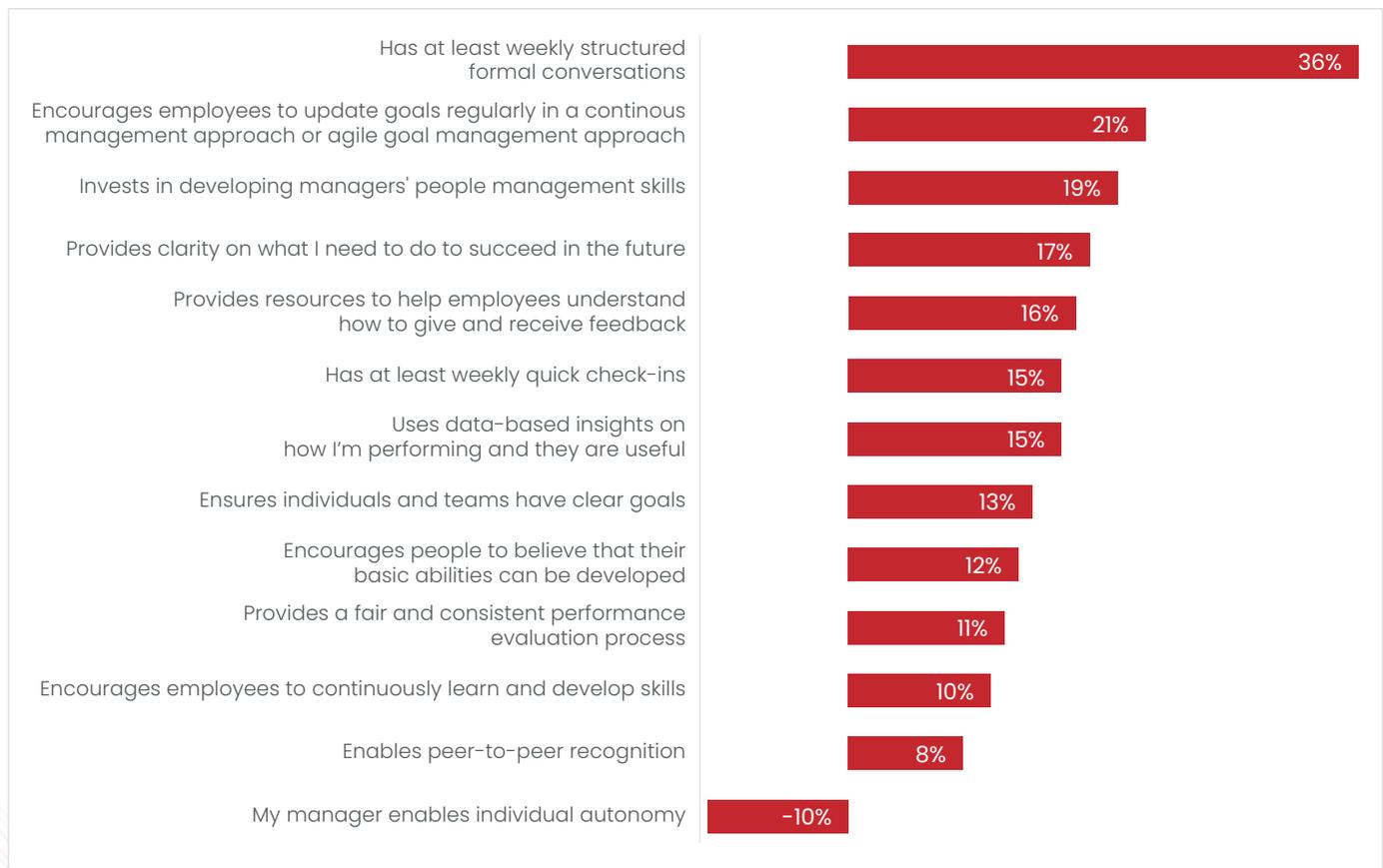
13 "Developing a Skilled Workers: A Toolkit for Manufacturers on Recruiting and Training a Quality Workforce," McNelly, J., The Manufacturing Institute, 2019.



Frontline Worker Perceptions

Surprisingly, frontline workers were generally satisfied with their experience of performance management at their organizations (see Figure 1).

Figure 1: Difference in perceptions (%) on how frontline workers perceive performance practices vs. other worker types



Source: RedThread Research, 2019.

In fact, when comparing frontline workers responses to those of other types of workers, they were statistically significantly higher in almost all areas. The only areas where they scored their organizations lower was “my manager enables individual autonomy,” which may be seen more as a product of the types of work frontline workers perform.

At first glance, it may seem counterintuitive that frontline workers would have a positive perception of performance practices. In fact, we ran the numbers several times and in various ways to make sure what we were seeing was correct. Our assumption, based on our initial literature review, was that frontline workers would score lower given the repetitive nature of the work, the fact that turnover is higher for these workers, and the (often) lack of autonomy.

However, on deeper reflection, these findings make sense. Frontline workers tend to have clear goals and expectations. They are often given specific tasks with clear guidelines and metrics for completing those tasks, which makes it easier for organizations to judge performance.

Additionally, their performance is usually measured according to specific numbers, timeframes, or targets. The following are examples using the scenarios of frontline workers we introduced earlier:

- A barista may be evaluated by customer wait times or customer satisfaction scores.
- A customer service operator may be evaluated by average call times or throughput.
- A line worker in a manufacturing plant may be evaluated by the number of products assembled in a given timeframe or quality scores.

Basically, the way frontline work is set up often lends itself to having clear goals and expectations. In fact, many of the “new” performance management practices that organizations are introducing to knowledge or desk workers have been in practice for years for frontline workers. For example, frequency of conversations, pushing data and information down to workers, and agile goals are considered some of these “new” performance practices. Our data showed that frontline workers say that their organizations have implemented these at a statistically higher percentage than their desk or knowledge worker counterparts (see Figure 2).

Many of the “new” performance management practices that organizations are introducing to knowledge or desk workers have been in practice for years for frontline workers.

Figure 2: A few “new” performance management practices that are old-hat for frontline workers

	<p>Conversations about performance</p>	<p>Frontline workers have performance conversations (both formal and informal) with their managers at a higher rate than other types of workers.</p> <ul style="list-style-type: none"> • 36% more frontline workers have weekly structured performance conversations • 15% more frontline workers have weekly check-ins with manager <p>Why it may be higher: Line workers, call center workers, or retail associates have known and tracked tasks that make it easy for managers and frontline workers to course-correct frequently.</p>
	<p>Data-based insights</p>	<p>Frontline workers have greater access to data about how they are performing and find that information useful.</p> <ul style="list-style-type: none"> • 15% provide data-based insights on how frontline workers are doing <p>Why it may be higher: Frontline worker teams generally have both individual and group tasks that lend themselves to numbers, posted goals, and dashboards.</p>
	<p>Agile goals</p>	<p>More frontline workers indicated that they were encouraged to update goals regularly, rather than the set-and-forget mindset often present for desk or knowledge workers.</p> <ul style="list-style-type: none"> • 21% encourage workers to update goals in an agile manner <p>Why it may be higher: Frontline workers often find themselves in dynamic, everchanging environments. Businesses rely on frontline workers to adjust to the market as necessary.</p>

Source: RedThread Research, 2019.

These practices add clarity and certainty to the performance management and evaluation process, helping frontline workers feel more satisfied because there are fewer surprises and more guidance.

While there were several interesting findings in the comparisons between frontline workers and other types of workers, many of the items that had statistically significant differences between the two groups had to do with creating a culture of performance, one of three levers we introduced in the original performance management study (see sidebar: Three Levers of Performance and Engagement).

The remainder of this paper will address these items, comparing high-performing organizations with their low-performing counterparts and offering examples of companies who are implementing these practices well.

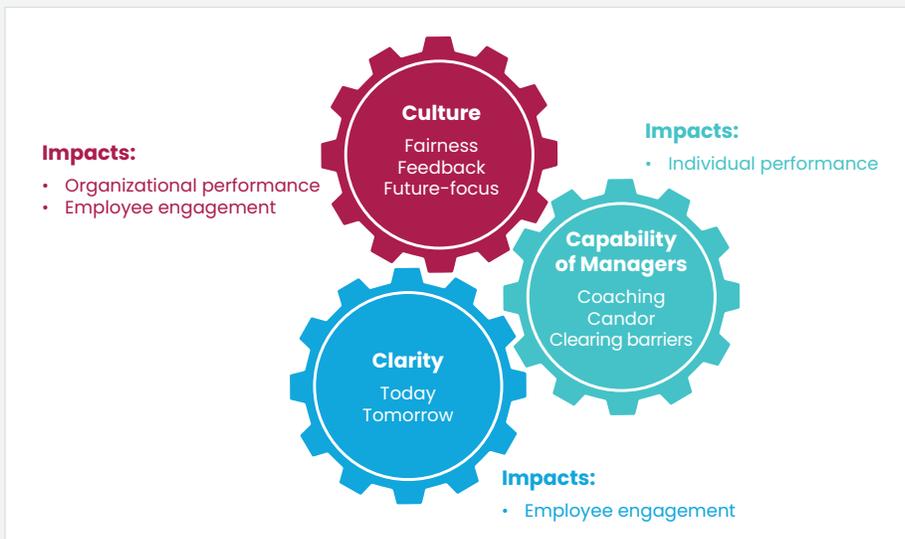
Three Levers of Performance and Engagement

The purpose of our The Makings of Modern Performance Management study was to take a look at some of the “newer” performance management practices being implemented in organizations today and determine their ability to impact performance. Through interviews with leaders, we identified three outcomes organizations were attempting to impact:

- **Individual performance:** The extent to which a worker has performed job duties according to expectations, based on their last performance review.
- **Organizational performance:** The extent to which a company has met or exceeded their business goals over the last three years.
- **Employee engagement:** A measure of energy, involvement, and concentration that is exhibited in work attitudes and behaviors.

There are three levers that organizations can use to affect performance (see Figure 3). These levers affect different aspects of performance.

Figure 3: Three levers of performance and engagement



Source: RedThread Research, 2019.

Improving Frontline Worker Performance

In our original modern performance study, we found that there are three main levers for getting performance results (see sidebar above):

- **Culture:** Promotes the values and norms of the organization to drive organizational performance and engagement.
- **Capability of managers:** Plays a role in creating the right environment to drive individual performance.
- **Clarity:** Enables individuals to understand their contribution now, and in the future, to drive engagement.

This model is universal, meaning it applies broadly to different sizes and types of organizations, industries, and workers. And while the three levers introduced in the model apply in almost all situations, the culture lever tends to be particularly impactful when talking about frontline workers because it introduces solutions to the three largest organizational needs we shared earlier:

- Retention
- Reskilling
- Empowerment

When we looked at how well organizations implement practices, we found significant differences in culture between high-performing and low-performing organizations. We discuss these culture practices in more detail later in this report because they hold the greatest leverage for organizations in maximizing frontline performance.

Culture as a key performance lever

In organizations, culture refers to “the shared assumptions, values, and behaviors that determine how we do things around here.”¹⁴

¹⁴ “*Manage the Culture Cycle*,” Heskett, J.L., *The World Financial Review*, 2011.

The culture lever of the performance model tends to be particularly impactful for frontline workers because it introduces solutions to three large organizational needs: retention, reskilling, and empowerment.

Culture creates an environment in which performance may thrive or stall. Culture is ubiquitous – through shared assumptions, values, and behaviors – and it has the capacity to influence frontline workers’ performance.

A study of blue-collar workers showed that those in supportive organizational cultures – that promote people’s strengths, capabilities, and functioning – performed 27% better than those in unsupportive cultures.¹⁵ They were also 89% more innovative and 79% more committed to the organization. This means that organizations can use culture as a lever to better performance, greater innovation, and stronger commitment.

There are three main areas in culture (fairness, feedback, and future-focus) that can pave the way to better performance through the retention, reskilling, and empowerment of frontline workers:

Figure 4: Three main areas in a performance-driven culture

AREA	CHALLENGE AFFECTED	INSIGHT
Fairness	Retention	Employees who perceive a high degree of fairness in the workplace tend to stick around longer, ¹⁶ which helps organizations retain frontline workers.
Feedback	Retention and Empowerment	Providing regular employee feedback also helps retention efforts by keeping turnover low. ¹⁷ Regular and constructive feedback also helps to improve performance, which further empowers frontline workers. ¹⁸
Future-focus	Reskilling and Empowerment	A culture that believes and encourages continuous development is one that is likely better prepared to reskill its frontline workforce to meet market needs. ¹⁹

Source: RedThread Research, 2019.

15 “Thriving in the Workplace: Toward its Measurement, Construct Validation, and Theoretical Refinement,” Porath, C. L., Spreitzer, G., Gibson, C., & Garnett, F. S., Journal of Organizational Behavior, 2012.

16 “How Workplace Fairness Affects Employee Commitment,” Seifert, M., Brockner, J., Bianchi, E.C., & Moon, H., MIT Sloan Management Review, 2016.

17 “The Secret of Higher Performance,” Asplund, J. & Blacksmith, N., Gallup, 2011.

18 “Five Advantages of Employee-Driven Feedback,” Maier, S., HR Daily Advisor, 2019.

19 “Your Workforce Needs Reskilling,” PwC, 2018.

So what exactly are the practices specific to building a culture of performance? For the purposes of this study and discussion, we focused on practices that showed a statistically significant difference between the extent to which they were executed in high-performing organizations and low-performing organizations. Our reasoning was that, while all of these practices will positively affect organizational performance and employee engagement (per our model), there were some that were executed better by high-performing organizations which likely affected outcomes.

Figure 5 lists these specific practices – aligned to three main areas – that have the strongest relationship to a performance-driven culture.

Figure 5: Practices for frontline workers to create a performance-driven culture



Source: RedThread Research, 2019.

In the following sections, we focus our discussion on these specific culture practices, which organizations can leverage to increase frontline performance. We provide a brief description of each practice and provide examples of companies doing them well.

FAIRNESS

In the past, performance management processes were largely implemented to make sure that workers could be judged and compensated fairly. Today, while performance management processes have morphed to some extent, our interviews taught us that fairness remains one of the main goals.

All workers expect fairness in how their performance is judged and compensated, but this is particularly true for frontline workers because, as we mentioned earlier, they are often in roles that can be considered standardized with clear metrics. Thus, it is often more apparent when performance practices are unfair.

A sense of fairness can directly affect workers' desire to remain with an organization, affecting turnover rates that tend to already be fairly high for frontline workers.

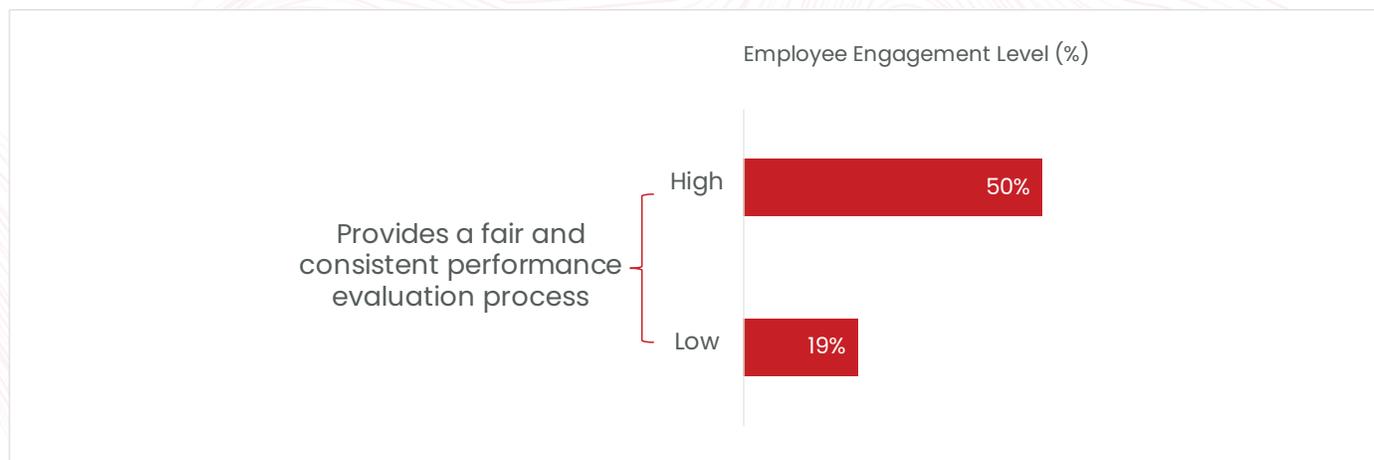
According to our research, high-performing organizations are implementing two specific fairness practices for frontline workers far better than their low-performing counterparts:

- Provide a fair and consistent performance evaluation process
- Pay and reward frontline workers in a fair and equitable way

Provide a fair and consistent performance evaluation process

Organizations that provide a fairer and more consistent evaluation process tend to have higher levels of employee engagement among frontline workers (50% vs. 19%) (see Figure 6). They also have higher organizational performance compared to organizations that do not prioritize this practice (58% vs. 14%) (see Figure 7).

Figure 6: Engagement level (%) in organizations that provide a fair and consistent performance evaluation process



Source: RedThread Research, 2019.

Figure 7: Organizational performance (%) in companies that provide a fair and consistent performance evaluation process



Source: RedThread Research, 2019.

The relationship between a fair and consistent performance evaluation process and business outcomes – such as engagement and organizational performance – makes sense given how organizations evaluate performance in most frontline roles. They are often evaluated on specific metrics they have to achieve such as customer satisfaction scores, number of calls handled, and quality of products made.

Remember the coffee shop, call center, and manufacturing plant examples in the introduction? Being in the frontlines entails a constant evaluation and comparison to peers or team members to achieve specific goals or quotas. Thus, maintaining a consistent way to evaluate performance decreases any chances of perceived unfairness, which makes frontline workers more engaged with their work and more likely to stay with the organization.

Incidentally, “fair and equitable process” often starts long before any sort of evaluation begins. Organizations providing a fair and equitable process tend to ensure fairness in three areas:

- **Expectations:** The organization makes sure that everyone understands what they are expected to do.
- **Accountability:** The organization holds everyone accountable to the same rules and makes sure that everyone understands what will happen if those expectations are not met.
- **Resources:** The organization ensures that everyone evaluated in the same way has the same access to resources that will make them successful.

When these three things are considered, organizations can then provide a fair and consistent evaluation process.

Idea in Action:

At Dow Inc., a newly promoted manager in the engineering department developed a system to measure performance in a clear and unbiased way. The system included a detailed spreadsheet to track the specific areas or metrics that would be used to evaluate performance. The spreadsheet also went hand-in-hand with ongoing performance conversations throughout the year.

At the beginning of the performance management cycle, employees learned how their performance would be assessed and the specific areas or metrics they were expected to achieve. There were individual conversations to discuss progress on projects and performance throughout the year.

At the end of the performance management cycle, the manager showed employees their score from the previous year and pointed out how they were progressing from year to year. This approach provided employees with a way of comparing their performance with themselves, instead of comparing them to another employees' performance. Overall, there were not any surprises in the feedback and scores that employees received.

Prior to implementing this clear and systematic method for assessing performance, employees struggled to understand how they were assessed and which areas they needed to improve. Some employees would describe performance management as a highly anxiety-provoking process. Upon adopting a clearer (and what some felt was a fairer) way for assessing performance and sharing feedback, there was a 27% improvement in workgroup performance over a 4-year period.



Quick Tips:

- Think in terms of expectations, accountability, and resources when considering what is fair.
- Communicate. Make sure that employees have the same information about the evaluation criteria and process.
- Establish clear performance expectations up front, and use specific and measurable metrics where possible.
- Consider comparing prior and current performance for each individual and discuss their progress year-over-year. This will help them focus on their own growth and development.

Pay and reward frontline workers in a fair and equitable way

Aside from just being the right thing to do, paying employees in a fair and equitable way can keep organizations out of legal trouble and free of publicity nightmares. With the increased focus on diversity and inclusion and the rise of #MeToo in 2017, the concept of fairness in compensation practices is now in the spotlight, and high-performing organizations that want to retain their frontline workers are taking notice.

And it has an impact. Frontline workers tend to feel more engaged than others (42% vs. 23%; see Figure 8) in organizations that truly make an effort in providing fair and equitable pay. These companies also see a strong relationship between fairness in pay/equity and organizational performance (44% vs. 18%; see Figure 9).

Figure 8: Engagement level (%) in organizations that pay and reward in a fair and equitable way



Source: RedThread Research, 2019.

Figure 9: Organizational performance (%) in companies that pay and reward in a fair and equitable way



Source: RedThread Research, 2019.

To ensure fair compensation practices, organizations usually review the current pay of their employees to identify and rectify any apparent inequities. But in addition to addressing pay disparities, there is also the current focus on increasing transparency and closing the gender pay gap.²⁰ Transparency refers to making wages or salaries open and available to all employees.

For example, Whole Foods lets employees look up each other's salaries from the previous year, and this includes everyone, even the CEO.²¹ Allowing full pay transparency fosters more ongoing performance conversations between employees and managers, and it even sparks a bit of competition within the company. Employees often ask about the types of performance they need to demonstrate to be able to earn more money, which motivates them to achieve more.

In the fashion industry, ABLE became the first brand to openly publish its wages in 2018, which are widely available on their website.²² The company made this move with the hopes of fostering transparency among other fashion retailers and bringing greater accountability over wage disparities in the fashion industry, which is one of the larger employers of women worldwide.

²⁰ ["Fashion Brands Team Up to Spearhead Campaign Around Wage Transparency,"](#) Moore, K., Forbes, 2019.

²¹ ["Here's Why Whole Foods Lets Employees Look Up Each Other's Salaries,"](#) Griswold, A., Business Insider, 2014.

²² ["See Our Wages,"](#) ABLE, 2019.

Idea in Action:

Delta Air Lines prioritizes fairness in its compensation practices, especially as an outspoken supporter of empowering women in the workplace. In 2016, the airline committed to the White House Equal Pay Pledge that further cemented its commitment to performance- and contribution-based pay, regardless of demographic background.²³ It has continued to analyze and adjust pay across all occupations and genders. And in 2019, Delta reported a 100% pay parity among male and female employees.²⁴

Another example is Starbucks and its inclusion council, which includes executives from key functional areas, to establish a strategic vision for diversity, belonging, and inclusion, and oversee its execution.²⁵ One of the council's areas of focus is to ensure pay equity for everyone across the organization.

Quick Tips:

- Take a deep and honest look at your organization's compensation practices on a regular basis. Adjust to rectify any disparities.
- Make compensation decisions based on objective and merit-based elements without any favor or prejudice.
- Consider making pay transparent across the organization to build greater accountability and trust over compensation decisions.

FEEDBACK

Feedback is another important area in driving a performance-driven culture. Providing regular feedback not only helps to retain frontline workers and lower turnover, but it also helps to create an environment where employees learn from each other and are not afraid to seek help.

23 *"Delta Champions Equal Pay for Women,"* Solomon, R., Delta Air Lines, 2016.

24 *"Equal Pay, Every Day: Delta Again Achieves 100% Pay Parity in 2019,"* Williams, C., Delta Air Lines, 2019.

25 *"16 Companies Committed to Equal Pay & Hiring Now,"* Jackson, A.E., Glassdoor, 2018.



In a world where the half-life of a workplace skill is between 2.5 and 5 years, it is impossible for employees to learn everything they need to know by relying on formal training, or even reading. Feedback provides an opportunity to learn in the flow of work, in the context of the task, and gives employees the chance to course-correct immediately.

In our study, we found two specific feedback practices that high-performing organizations do really well for frontline workers as opposed to low-performing organizations:

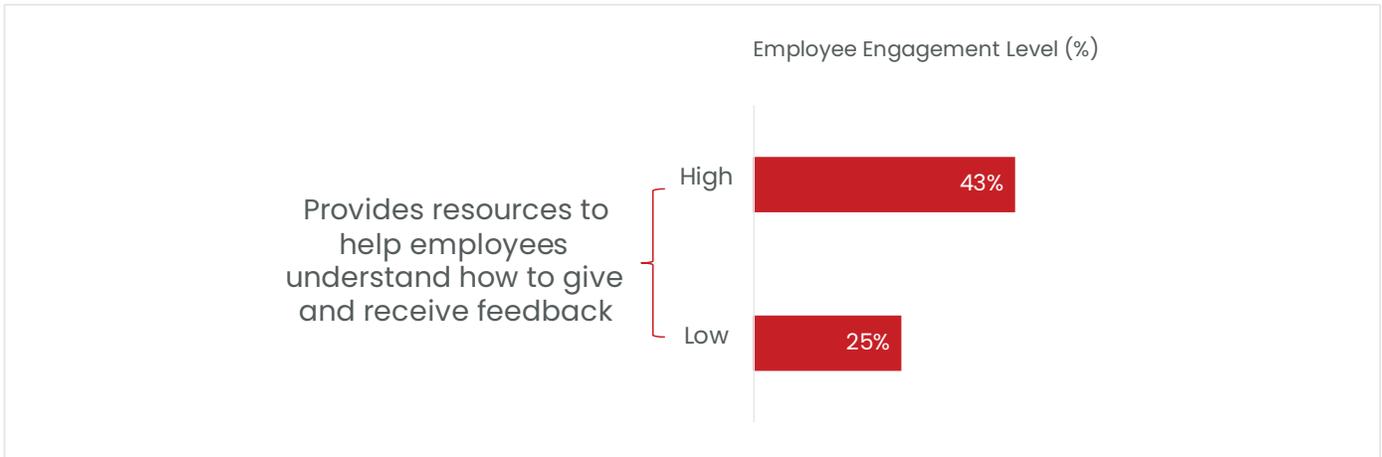
- Provide resources to understand how to give and receive feedback
- Enable peer-to-peer recognition among frontline workers

Provide resources to understand how to give and receive feedback

In the past, giving feedback has largely been a manager-led practice. However, as organizations realize the importance of continuous development and responsiveness, higher-performing organizations have figured out that democratizing feedback – by sharing the responsibility across levels – and preparing everyone in the organization to give and also receive feedback, tends to speed things up and foster a performance-driven culture.

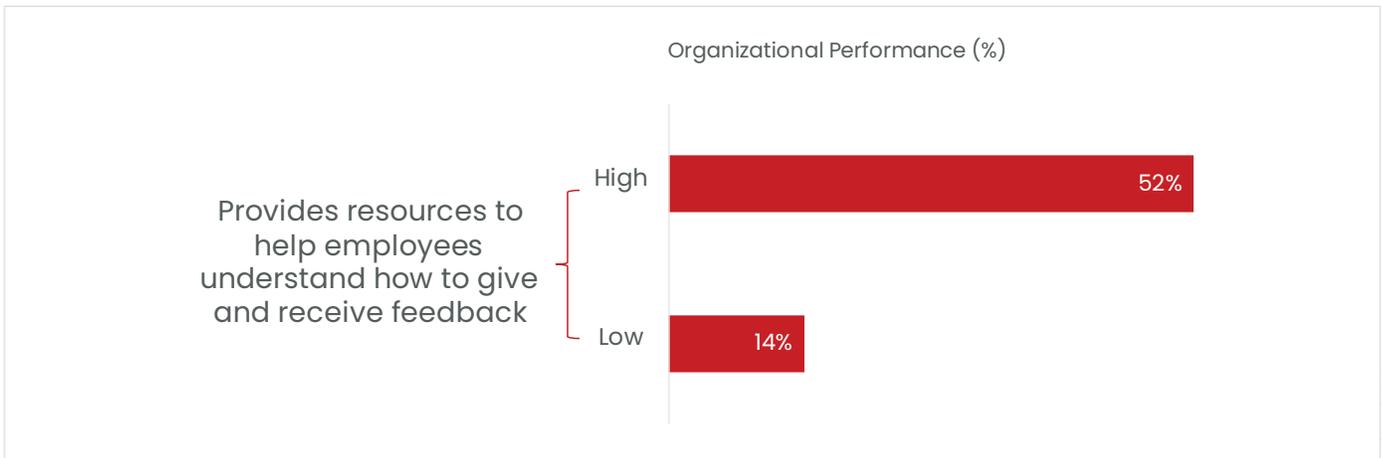
As our study shows, organizations that provide frontline workers with resources to better understand how to give and receive feedback tend to reap the benefits of higher engagement (43% vs. 25%) (See Figure 10) and better organizational performance (52% vs. 14%) (see Figure 11).

Figure 10: Engagement level (%) in organizations that provide resources to understand how to give and receive feedback



Source: RedThread Research, 2019.

Figure 11: Organizational performance (%) in companies that provide resources to understand how to give and receive feedback



Source: RedThread Research, 2019.

Historically, frontline workers have received orders from above, carried out their work, and headed home for the day. But with the current need to retain and empower frontline workers to better serve customers – directly or indirectly – it is important that they also engage in feedback conversations that are effective and propel their growth, especially during conversations with managers and peers.

High-performing organizations understand that frontline workers have first-sight into customer feedback – that can be either positive or negative – and can directly impact customer experience. Frontline

workers in the manufacturing industry or product-making roles can also influence the quality of a product. So overall, opening the channels of communication and arming frontline workers with the resources they need to share feedback with one another, and up through the organization, can help everyone to better serve customers' needs.

Idea in Action:

At Zingerman's, a food and restaurant company, employees have multiple ways to share feedback with each other and the organization. For example, some Zingerman's sites use "mini games" with goals, scorecards, and rewards to provide employees with various ways to give and receive feedback. Through these "mini games," employees can identify problems, leverage opportunity areas, and suggest ways to improve to one another.²⁶

Some restaurant staff have used, what they refer to as, the "Greeter Game" to track the time it takes to greet customers. Winners of the game get a small financial reward for greeting customers within five minutes of being seated for 50 days straight. Using a gaming approach to sharing feedback, as well as recognizing top performance, has allowed hosts at Zingerman's to identify, communicate, and fix lapses that have improved their customer service performance.

Quick Tips:

- Facilitate giving and receiving real-time feedback by providing both online and offline tools that frontline workers can use 24/7 in the moment and on-the-go.
- Consider gamifying feedback by providing opportunities for frontline workers to share their perspectives in a fun and engaging

²⁶ *"Creating a More Human Workplace Where Employee and Business Thrive,"* Porath, C., SHRM Foundation, 2016.

way such as short team huddles where people can share their successes and mistakes, and learn from one another.

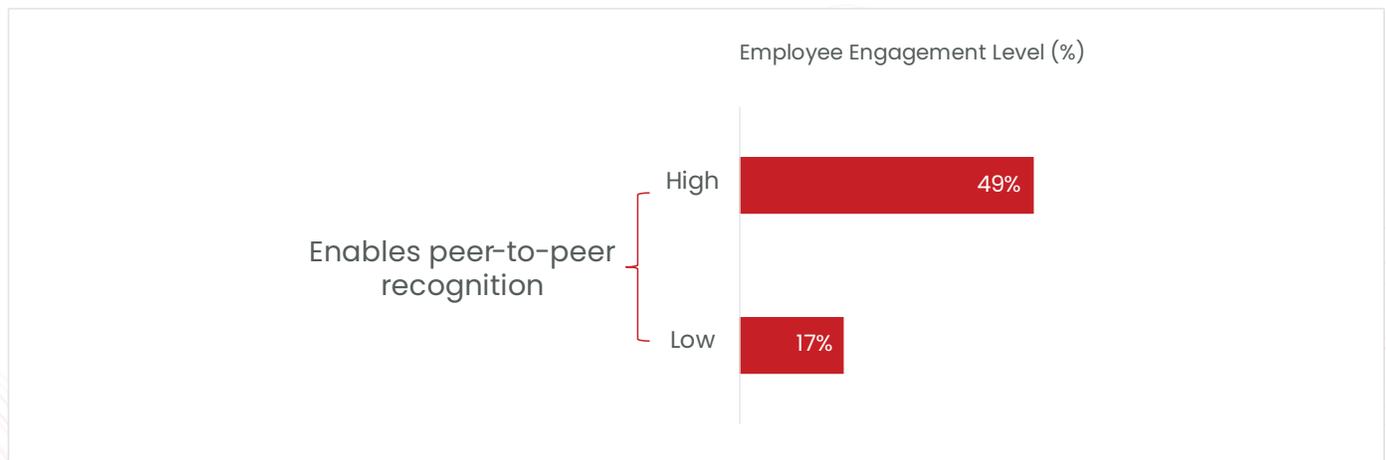
- Provide frontline workers with a personalized plan that includes specific opportunities and challenges that can help them grow in the short- and long-term.

Enable peer-to-peer recognition among frontline workers

Enabling peer-to-peer recognition among frontline workers goes hand in hand with the practice we just discussed. This is another practice where we see a greater shift towards democratizing feedback by enabling peers, not just managers, to identify and properly recognize outstanding contributions.

In our research, high-performing organizations that really enable peer recognition tend to also see positive outcomes such as higher engagement (49% vs. 17%) (see Figure 12) and better business outcomes (48% vs. 13%) (See Figure 13).

Figure 12: Engagement level (%) in organizations that enable peer-to-peer recognition



Source: RedThread Research, 2019.

Figure 13: Organizational performance (%) in companies that enable peer-to-peer recognition



Source: RedThread Research, 2019.

In the past, the responsibility over frontline worker recognition has been one of the primary expectations of managers and leaders. However, work has, in general, been marching steadily toward becoming more collaborative and team-based, even in frontline positions. In fact, while we often think of team-based work to be the invention of knowledge or desk workers, many organizations begin team-based work with their frontline workers – sales teams, manufacturing lines, or call centers. These workers often operate in either formal or informal team environments, sharing team goals as well as individual goals.

As such, peer recognition not only builds team comradery but also helps the team to reinforce positive behaviors, recognize good skilling and upskilling, and empower workers to identify and reward those who are performing well.

While formal recognition tools do exist, we found organizations that enable peer recognition old-school: nominations for small cash prizes, five minutes in team meetings to allow team members to point out good things others are doing, or encouraging employees to show gratitude to those who are helping them.

Idea in Action:

An example of an organization that facilitates peer recognition is Cardinal Health, a global healthcare services and products company.²⁷ It enables peer recognition through technology by using a social recognition platform. Employees have multiple ways – an important consideration for frontline workers in deskless jobs – to recognize outstanding performance. They can quickly access the platform on a desktop or mobile device to give or receive comments on performance. Having easy access to the recognition platform enables frontline workers to recognize each other. And it further embeds recognition and appreciation as a core behavior within the organization’s culture.

Quick Tip:

- Consider your organization’s frontline workers and their access to recognition tools. Provide them with ample and varied ways to give and receive recognition (i.e., technology, greeting cards).
- Embed a culture of recognition by enabling frontline workers to set aside five minutes each day to recognize outstanding performance.
- Base recognition on observable behaviors and metrics, which can continuously reinforce clear and consistent performance expectations.

FUTURE-FOCUS

With today’s focus on reskilling frontline workers to better address future market needs, practices that focus on ongoing development give organizations a leg-up in creating a performance-driven culture. Future-focus practices are empowering because they help frontline workers to develop skills they need to excel in their current position and prepare for future roles.

²⁷ [“Powering a Global Workforce: Centralizing Global Social Recognition at Cardinal Health,”](#) Workhuman, 2017.

Our study identified three practices that encourage ongoing development and that better prepare frontline workers for the future:

- Develop the people management skills of frontline managers
- Instill belief that frontline workers can develop their own basic abilities
- Encourage continuous learning and development of frontline workers

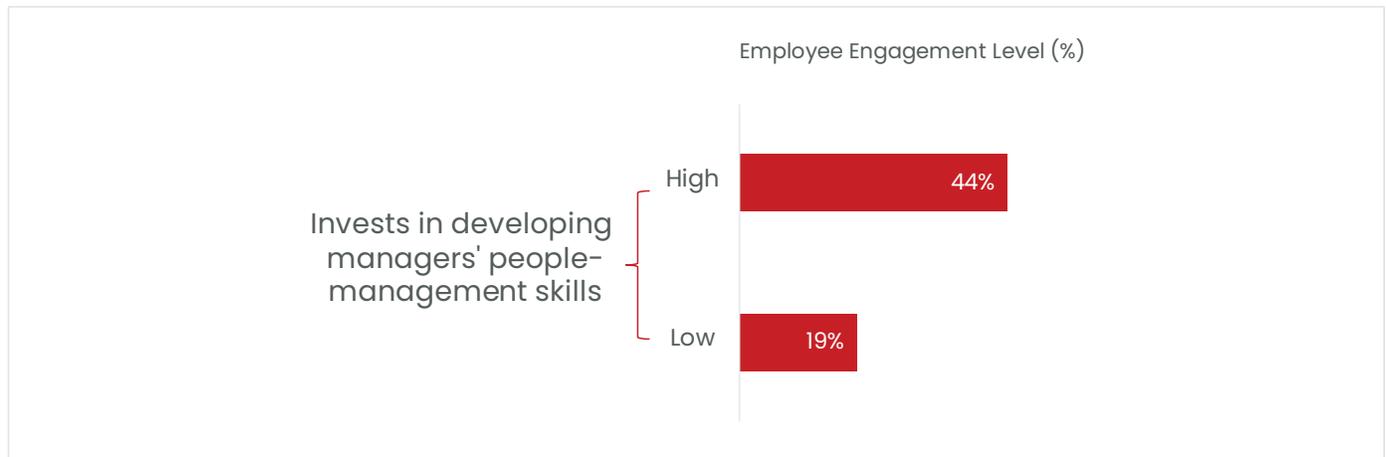
Develop the people management skills of frontline managers

One of the themes throughout our recent performance management study was the importance of frontline managers. Individual workers and leaders alike recognize the manager relationship as key to better performance. For frontline workers, managers can strongly influence their ability to perform well as well as their desire to stay with the organization.

However, in recent years, the scope of work for a frontline manager has gone beyond from tracking goals and measuring performance to using a more developmental manager-as-coach approach for their direct reports. This has often been a challenge because many leaders lack the skills they need in order to coach. This is particularly true for frontline managers – many of whom have been newly hired or promoted into their first managerial position.

From our interviews, we learned that most organizations need to upgrade their people management and leadership skills. Our data suggests, however, that organizations that do invest in developing the people management skills of their managers perform better than those who do not. They have more highly engaged frontline workers (44% vs. 19%; see Figure 14) and better organizational performance (50% vs. 16%; see Figure 15).

Figure 14: Engagement level (%) in organizations that invest in developing managers' people management skills



Source: RedThread Research, 2019.

Figure 15: Organizational performance (%) in companies that invest in developing managers' people management skills



Source: RedThread Research, 2019.

Idea in Action:

At Hilti, a company supplying the construction industry with technologically leading products, services and software, performance management is around 50 percent developmental and 50 percent evaluative. Managers play an active role in frontline development; from attracting to hiring and coaching to developing.

In addition to function-specific business targets, and to better prepare managers to consistently evaluate team members, Hilti has relied the last 15 years on assessing competencies via seven “red thread dimensions.” Moving forward, Hilti has simplified that even further, centering the discussion between team leader and team member on potential and what needs to be strengthened to help a team member achieve their self-identified goals.

Unlike the more formal performance management review based on specific metrics, these new potential elements are based on leveraging a team member’s strengths instead of focusing on their gaps.

Quick Tips:

- Develop the people management skills of frontline managers by focusing on areas such as communication, team-building, problem-solving, and coaching.
- Pair newly hired or promoted frontline managers with an experienced mentor or coach who can help them learn from real-life situations by sharing their examples from prior experience.
- Take a look at performance expectations specific to frontline managers. Make sure that they have enough time and resources to develop themselves and others.

Instill belief in frontline workers that they can develop their basic abilities

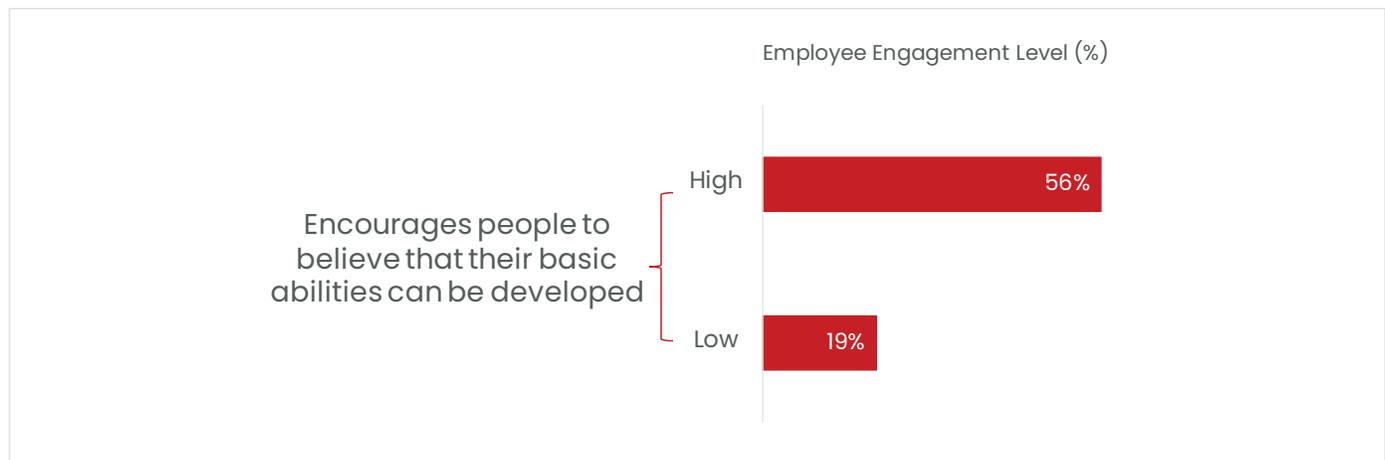
The idea of a growth mindset has taken most industries by storm. A growth mindset is *the belief that basic abilities can be developed through dedication and hard work.*²⁸ In growth-mindset cultures, workers trust their companies more and feel a greater sense of ownership and commitment to the company.²⁹

²⁸ “Mindset: The New Psychology of Success,” Dweck, C., 2015.

²⁹ “Idea Report: Growth Mindset Culture,” Derler, A., Cardero, R., Michaela S., Grant, H., & Slaughter, M., NeuroLeadership Institute, 2018.

In our study, we found that high-performing organizations do a better job at encouraging a growth mindset among frontline workers, and as such, report higher engagement (56% vs. 19%; see Figure 16) and much better organizational performance (64% vs. 9%; see Figure 17).

Figure 16: Engagement level (%) in organizations that encourage the belief that basic abilities can be developed



Source: RedThread Research, 2019.

Figure 17: Organizational performance (%) in companies that encourage the belief that basic abilities can be developed



Source: RedThread Research, 2019.

Organizations that do a good job at supporting and promoting a growth-mindset approach to performance are more willing to try out new things as part of their culture.

For example, Zoro – a nine-year old online retail company – fosters learning by treating errors as opportunities for people and teams to develop, as opposed to treating them as blemishes on their record.³⁰ They even meet regularly to share their successes and mistakes and learn from one another. This willingness to celebrate accomplishments but also to be vulnerable in sharing flub-ups sends a strong message to their workforce: that learning and experimentation is strongly encouraged. These are elements of a growth-mindset culture.

Idea in Action:

Alaska Airlines is an example of a company that helps its frontline workforce gain a strategic view of the company by better preparing them to share ideas and inform strategic goals. For example, the airline has offered training classes to help employees share ideas in clear and effective ways.³¹ Following the training classes, the airline has explicitly encouraged employees to provide input into decisions to address customers' needs and improve customer service, all while maintaining timely departures.

Quick Tips:

- Instill a growth-mindset – the belief that frontline workers can develop their basic abilities – by emphasizing and rewarding consistent effort vs. sheer innate talent.
- Encourage everyone across the organization, especially leaders, to role model a growth-mindset in their language and conversations.
- Provide the resources frontline workers need, such as time and access to relevant content, to truly support their growth and development.

³⁰ "How the Best Workplaces in Retail Are Shaking Up The Industry," Frauenheim, E., Fortune, 2019.

³¹ "Creating a More Human Workplace Where Employee and Business Thrive," Porath, C., SHRM Foundation, 2016.

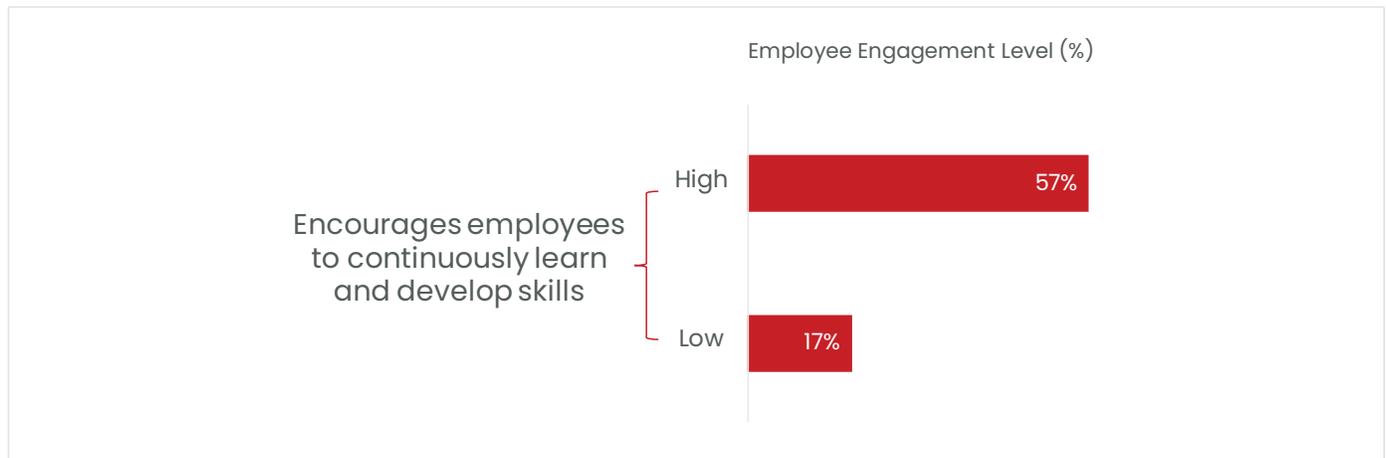


Encourage continuous learning and development of frontline workers

As we mentioned above, a growth-mindset approach – the belief that workers can develop their basic abilities – goes hand-in-hand with the current need to reskill and empower the frontlines. So it's not surprising that organizations, especially those with frontline workers, are finding ways to foster a growth-mindset by focusing on learning and development opportunities.

In organizations that encourage continuous learning and development, frontline workers report higher engagement (57% vs. 17%; see Figure 18) and much better organizational performance (64% vs. 8%; see Figure 19).

Figure 18: Engagement level (%) in organizations that encourage employees to continuously learn and develop skills



Source: RedThread Research, 2019.

Figure 19: Organizational performance (%) in companies that encourage employees to continuously learn and develop skills



Source: RedThread Research, 2019.

Organizations that encourage a growth-mindset approach maintain the belief that frontline workers can and should indeed develop. And they often reinforce this belief in the types of programs they support by emphasizing learning as a core value. For example,

- Starbucks values education and it offers to pay the full tuition of a 4-year college degree through its College Achievement Plan (CAP).³²
- Amazon is committing \$700 million to upskill employees in their efforts to adapt and support their changing workforce as part of the Upskilling 2025 program.³³
- AT&T promotes a culture of learning by providing Personal Learning Experience (PLE), their learning hub where employees can plan, view, manage and track learning.³⁴ They also created an internal social learning platform where employees can connect with peers to learn from one another.

What many of these large employers of frontline workers realize is that by focusing on continuous learning and development, they also contribute to solving the three main challenges they face: retention, reskilling, and empowerment. Fostering a culture of learning and development allows organizations to build a pool of better ideas and innovation. This is particularly true for frontline workers in direct contact with customers because they tend to handle issues first hand and are able to identify customers' needs before anyone else.

Encouraging continuous learning and development by investing in the growth and development of frontline workers – either formally or informally – sends a strong message to frontline workers that the organization supports their growth and wants to see them succeed.

32 *"Want a Free College Degree? Get a Job at Starbucks,"* Pope, K., The Penny Hoarder, 2016.

33 *"Upskilling 2025,"* Amazon, 2019.

34 *"How to Build a Culture of Learning,"* Robertson, J., AT&T Technology Blog, 2018.

Idea in Action:

Walmart is an example of a company that invests heavily in developing its large frontline workforce. Since 2015, it has focused on providing educational opportunities to frontline workers through its Lifelong Learning and Pathways training program and increased educational benefits (such as a 15% tuition grant).³⁵ The Pathways program provides skill-building opportunities to associates and allows them to move their career forward beyond entry-level positions. Walmart also partnered with American Public University (APU) to create specific educational programs that are offered online and are cost and time effective.

Quick Tips:

- Consider internal sources to foster continuous learning and development such as a peer-to-peer coaching program. Frontline workers may want to volunteer to share their knowledge or skills with peers.
- Offer both micro-learning (short learning bursts to address current problems or needs) and macro-learning opportunities (long learning stretches to increase knowledge in an area or develop a certain skill).
- Provide learning opportunities to develop relevant skills for frontline workers – such as problem-solving, decision-making, and communication – that can empower them to better serve customers' needs.

³⁵ *“Developing America’s Frontline Workers,”* Oakes, K. & Martin, K., i4cp, 2016.

Final Thoughts

We began this report with a discussion of frontline workers, their perceptions of performance management practices, and their crucial role in organizations. We also mentioned the three key needs that organizations currently face with their frontline workforce: retention, reskilling, and empowerment. Then we further explained how a culture of fairness, feedback, and future focus can help address those needs.

As we wrap up our discussion of frontline worker performance, we want to emphasize a few takeaways:

- Frontline workers are crucial members of your organization's growth engine; not just not cogs in a machine. They are the face of your company, and culture plays an important role in driving their performance, so pay attention to it; high-performing organizations do.
- When you take an honest look at your culture, consider the fairness and consistency of your performance practices and make it right. It can go a long way with people, and frontline workers are no exception.
- A growth-mindset serves as the foundation to develop and empower your frontline workforce. Give them meaningful feedback — focused on effort and learning — to help them grow. Also, do not take them for granted. Allow them to share their ideas and perspectives. They often have lots to share, so ask and listen.
- Frontline workers need more than check-the-box practices to maximize their performance. Their roles are often unique compared to other worker types — both in how they perform their work and what they need to grow — so provide them with a personalized development approach based on what they need and where they want to go.

Your organization needs empowered and high-performing frontline workers. We hope the insights shared in this report will help you create a performance-driven culture. Your customers will thank you for it.



Appendices

Appendix A: The Three Levers of Performance and Engagement

Figure 20 is a single view of the three levers of performance and engagement in our original study.

Figure 20: Three levers of performance and engagement

LEVER	CULTURE	CAPABILITY OF MANAGERS	CLARITY
AREAS OF FOCUS	<ul style="list-style-type: none"> Fairness Feedback Future-focus 	<ul style="list-style-type: none"> Coaching Candor Clearing barriers 	<ul style="list-style-type: none"> Today Tomorrow
OUTCOMES IMPACTED	<ul style="list-style-type: none"> Organizational performance Employee engagement 	<ul style="list-style-type: none"> Individual performance 	<ul style="list-style-type: none"> Employee engagement
PRACTICES	<p>Fairness</p> <ul style="list-style-type: none"> Provides a fair and consistent performance evaluation process Pays and rewards people in a fair and equitable way Promotes pay transparency <p>Feedback</p> <ul style="list-style-type: none"> Provides resources to help employees understand how to give and receive feedback Enables peer-to-peer recognition Encourages open and honest feedback between peers <p>Future</p> <ul style="list-style-type: none"> Invests in developing managers' people management skills Encourages employees to continuously learn and develop skills Encourages people to believe that their basic abilities can be developed 	<p>Coaching</p> <ul style="list-style-type: none"> My manager helps me learn from my mistakes rather than holding them against me I get useful ongoing conversations between my manager, mentors or coaches and me <p>Candor</p> <ul style="list-style-type: none"> My manager is open to new information My manager manages difficult conversations <p>Clearing barriers</p> <ul style="list-style-type: none"> My manager enables individual autonomy My manager removes barriers to getting work done 	<p>Today</p> <ul style="list-style-type: none"> Uses data-based insights on how I'm performing and they are useful Encourages employees to update goals regularly in a continuous or agile goal management approach <p>Tomorrow</p> <ul style="list-style-type: none"> Provides clarity on what I need to do to succeed in the future Ensures individuals and teams have clear goals

Source: RedThread Research, 2019.

Appendix B: Research Methodology

This study began in September 2019. Our research aimed to understand current performance practices for frontline workers, how they differ from other types of workers (desk or knowledge), and best practices that high-performing organizations implement. More specifically, the goal of this study was to provide greater clarity and answer these questions:

- How do organizations approach performance management for frontline workers and in what ways does it differ from other – desk or knowledge – workers?
- What performance practices for frontline workers do organizations prioritize?
- Which practices do high-performing organizations implement well?

We conducted a literature review of over 40 academic and business articles, reports, and book chapters to better understand these changes. Second, we collected data through a 23-item survey open to frontline individual contributors – employees who deal directly with customers or are directly involved in making a product – and frontline managers employed at organizations. The survey collected responses from late September 2019 to early October 2019.

Upon completion, the data was evaluated for response time and response rate. Some responses were removed from the final dataset because they were outliers in terms of completion time or response patterns.

Data was analyzed using the following methods:

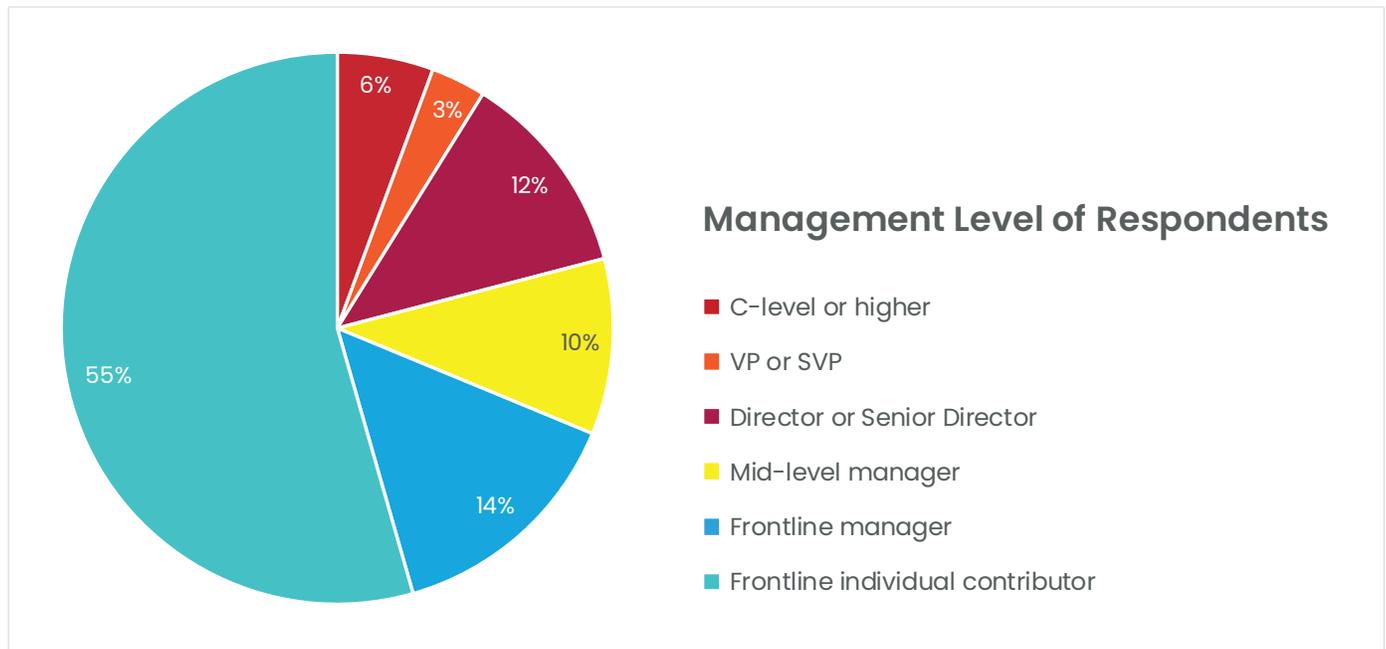
- Frequencies and descriptive statistics
- Cross-tabulation
- Correlation
- Analysis of variance (ANOVA)

Cut points, when used, separated high and low scoring groups on outcomes and/or items and were theoretically derived at the point at which the scale would suggest a competitive advantage (i.e., 4 or 5 on a 5-point scale).



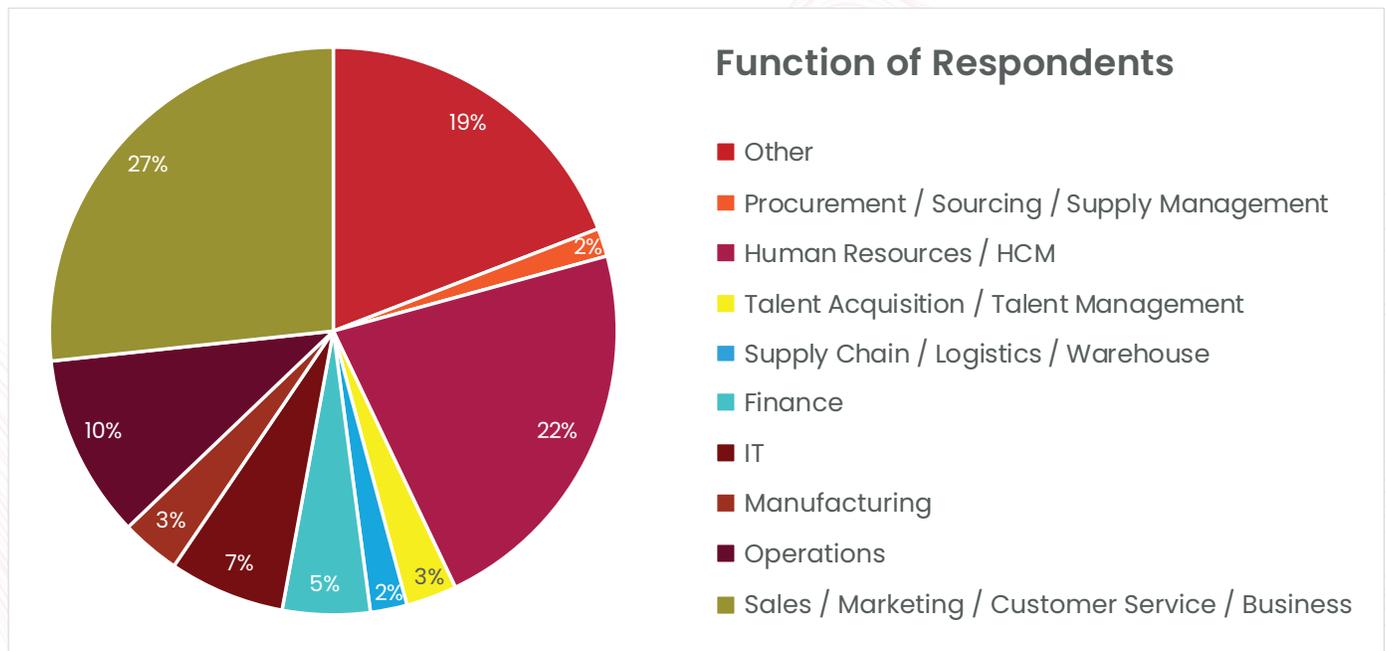
Appendix C: Demographics

Figure 21: Demographics – Level



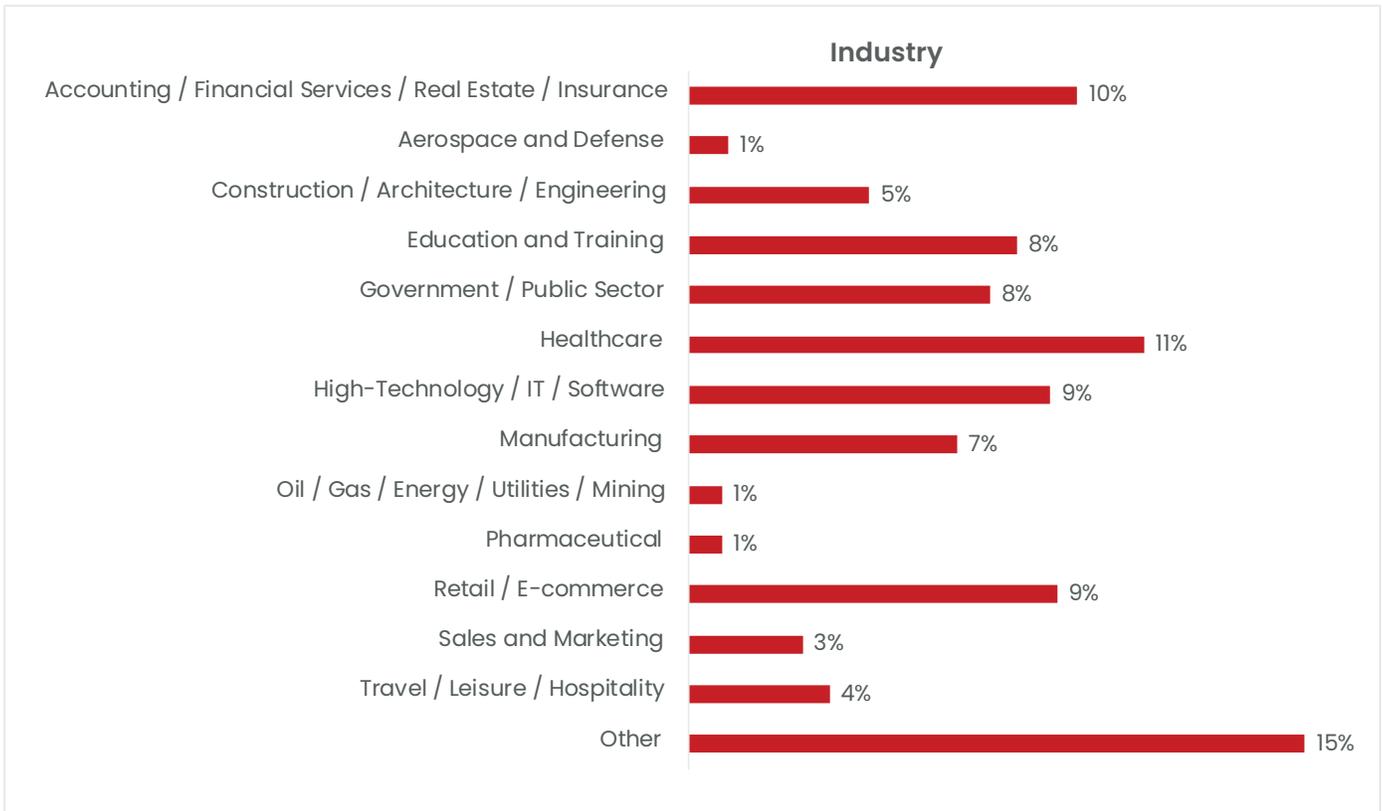
Source: RedThread Research, 2019.

Figure 22: Demographics – Function



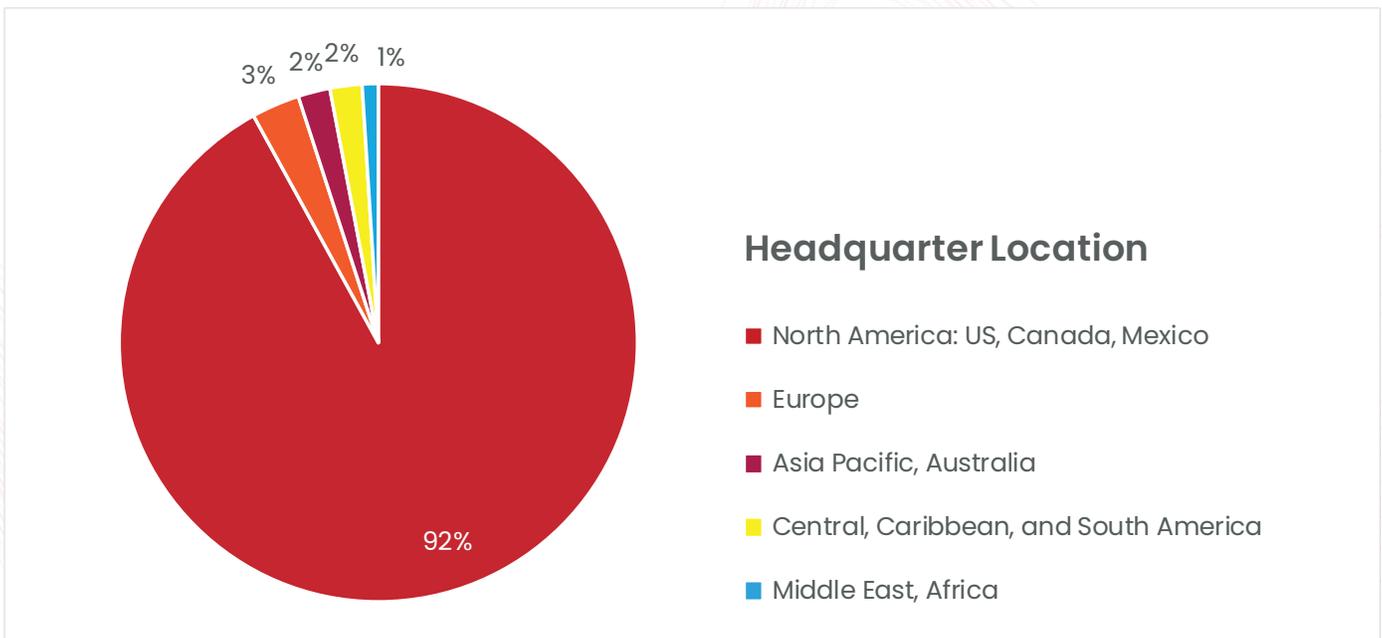
Source: RedThread Research, 2019.

Figure 23: Demographics – Industry



Source: RedThread Research, 2019.

Figure 24: Demographics – Headquarter Location



Source: RedThread Research, 2019.

About the Authors



Karina Freitag, Research Lead

Karina is a Research Leader for RedThread Research. She is passionate about understanding the individual and organizational elements that help people thrive at work. Prior to her work at RedThread, Karina designed talent selection and development solutions and provided talent management expertise on organizational behavior and leadership development. Karina received her Ph.D. and M.A. in Industrial and Organizational Psychology from The Chicago School of Professional Psychology and completed her undergraduate education at Penn State University. She is fluent in Spanish and Portuguese.



Dani Johnson, Co-founder & Principal Analyst

Dani is Co-founder and Principal Analyst for RedThread Research. She has spent the majority of her career writing about, conducting research in, and consulting on human capital practices and technology. Before starting RedThread, Dani led the Learning and Career research practice at Bersin, Deloitte. Her ideas can be found in publications such as Wall Street Journal, CLO Magazine, HR Magazine, and Employment Relations. Dani holds a Master of Business Administration and a Master of Science and Bachelor of Science degrees in Mechanical Engineering from Brigham Young University.

