

Top Hourly Jobs in Fortune 500 Companies

As employers know, many professionals perceive hourly jobs as lower paying than salaried positions and closer to the entry-level end of the spectrum. However, some hourly positions pay generously, offer strong benefits, and provide greater levels of flexibility than salaried work. These factors help explain why some job seekers are more interested in finding hourly positions than salaried jobs. It also forms a strong argument for why employers should pay close attention to how they structure hiring strategies and job opportunities for hourly workers.

In this whitepaper, we will look at some common high-paying hourly jobs and the employers that offer them. We will also look at wage ranges for hourly positions, outlining the high and low ends so your business can benchmark its compensation practices and compete with other enterprises for strong talent.

Exempt Versus Nonexempt Employees

The first thing that must be noted when talking about hourly positions is that there is no hard and fast rule for which jobs should be salaried and which should be paid an hourly wage. Businesses have different standards and will treat positions in different ways. Typically, the most important metric to consider is the number of hours worked in a week.

Under the Fair Labor Standards Act (FLSA), jobs are classified in one of two ways: exempt or nonexempt. An exempt position is a job or employee exempt from the protections of the FLSA, such as minimum wage or overtime regulations. These jobs are exempt because they pay a fixed salary rather than an hourly wage. In other words, nonexempt employees are hourly workers. These employees are paid an hourly wage that cannot be less than the federal or state-mandated minimum wage. These employees are also due overtime pay—not less than time-and-a-half—for any hours worked beyond the benchmark of 40 hours per week. If a job is likely to consistently require more than 40 hours per week, it will usually make more sense for the employer to classify that job as exempt/salaried instead of nonexempt/hourly.

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Benefits can also be a factor. Businesses with 50 or more employees are required, under the Affordable Care Act, to provide health insurance benefits to any worker who works more than 30 hours per week. As a result, salaried positions almost always include a healthcare benefit. Some businesses keep certain jobs or employees hourly—and make sure those jobs/employees stay under the 30-hour-per-week threshold—to save money on healthcare plans.

With these points made, there are some jobs that are well-known for being 1) hourly and 2) high-paying. In August 2018, the website The Balance Careers compiled a list of “Highest Paid Hourly Jobs.” Topping the list was administrative assistant/secretary with an average wage of \$19.74 per hour. As the article noted, secretaries can make a good deal more, too—up to \$28.56 for workers who serve as administrative assistants to high-ranking executives. Also on the Balance Careers list were jobs such as dental assistant (ranked second with an average hourly wage of \$18.60), construction worker (ranked fourth with an average hourly wage of \$18.70), and bus driver (ranked seventh with an average hourly wage of \$16.83).

Jobs in retail and food service—which are frequently structured as hourly positions—also made the Balance Careers list. These jobs, including retail salesperson, bartender, and server, are common in both Fortune 500 companies and smaller businesses. Retail enterprises especially dominate the Fortune 500; Walmart, Apple, CVS, AT&T, Costco, Verizon, Kroger, and Walgreens are all in the top 20 of the Fortune 500, and all rely at least in part on retail workforces. Restaurants and food service companies are less common in the Fortune 500, but companies like McDonald’s, Starbucks, and Darden Restaurants make the list. Retail salespeople earn an average hourly wage of \$13.20 per hour (plus, in some cases, commissions) while bartenders are at \$12.63 and \$12.15 respectively plus tips.

Your business should consider these average hourly wages when putting together payment strategies for hourly positions. In a competitive job market, many hourly jobs are going unfilled because there just aren’t people to fill them. Your business can win over talented hourly workers by offering wages that are competitive compared to other businesses, especially Fortune 500 companies.

The Benefits of Offering Hourly Positions

Businesses can enjoy several benefits by offering hourly positions. Some of these advantages we have outlined above, such as more flexibility in the benefits packages you offer. Other benefits include the following.

- **Achieving more functionality with less:** As a business grows, so do its needs. Over time, your company will require more people who can fill varied roles. Some of those responsibilities will warrant a full-time job, but others won’t: for example, you might need someone with a commercial driver’s license who can handle a light workload of deliveries or transportation services for your business. If you don’t have a full day’s workload for that person, it makes more financial sense to keep them as an hourly/nonexempt employee. Most businesses have dozens of smaller needs from custodial services to maintenance to bookkeeping. Your business can do more with less by meeting some of these needs with part-time hourly workers.
- **Attracting a wider range of potential employees:** Just like the misconception about hourly jobs paying less than salaried positions, a mistaken belief persists that job seekers only want salaried positions. There are things about salaried positions professionals like: the consistency and stability; superior

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- benefits, from paid time off to 401(k) contributions; and the fact that most employers are more likely to cut hourly workers (or at least their hours) before laying off salaried employees. However, the truth is some professionals are drawn to hourly positions. They like the flexibility in scheduling, the superior work-life balance, and the ability to get paid extra for overtime. Secure their interest by offering hourly openings.
- Utilizing young or seasonal workers: Embracing an hourly employment model makes it easier for businesses to hire young, part-time workers or utilize seasonal labor. Students in high school or college aren't always good candidates for salaried jobs, first because they often lack the qualifications for those jobs and second because sometimes, they don't have room in their schedules to work full-time. Hourly jobs are the bread-and-butter for students seeking after-school jobs or summertime income opportunities. Similarly, it often makes sense to set up seasonal labor on an hourly basis. If your business needs extra help around the holidays, you can hire workers for a few months, pay them for their time, and bid farewell to them once seasonal traffic tapers off again. Salaried positions are meant for longer-term employment arrangements.

As you can see, businesses can achieve higher levels of flexibility, financial efficiency, and performance by embracing a mix of hourly and salaried work. The question is, how can your business begin to add hourly positions into the mix?

Factors to Consider When Creating Hourly Positions

If your business is thinking about embracing an hourly work model, there are a few factors you will need to consider first. Below, we have highlighted three of the biggest make-or-break variables for hourly positions. Failing to recognize these elements could make it difficult to attract talent and might even land your business in hot water over legal and compliance issues. These factors are minimum wage, benefits, and working conditions.

Minimum Wage

Earlier in this whitepaper, we reviewed average salaries for certain hourly positions. It's important to remember average salary figures are not the only relevant factor when designing hourly wage structures. Different employers may pay very different wages for an administrative assistant or retail salesperson. Higher wages will always attract workers more quickly and consistently, but it's the low end your business needs to be sure to consider.

Minimum wage is a significant factor when it comes to hourly jobs. Currently, the federal minimum wage is \$7.25—an amount that hasn't changed since 2009. However, there are 29 states (plus Washington, D.C.) that have higher minimum wages than federal law requires. You need to be aware of what your minimum wage obligations are before you establish an hourly position at your business.

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It's also important to be aware of the corporate minimum wages your competitors are already offering to employees. Employers, especially large Fortune 500 companies, have been known to establish their own higher-than-legally-required minimum wages. These include the following.

- **Amazon.com:** As of October 2018, Amazon has a \$15-per-employee minimum wage across all hourly positions.
- **Costco:** Costco's company-wide minimum wage is \$14 per hour. When asked about the Amazon.com wage increase, Costco CEO Walter Craig Jelinek claimed the average hourly wage for a Costco employee in the United States is closer to \$22.50.
- **Target:** The department store retailer currently maintains a corporate minimum wage of \$12 per hour. Target has outlined plans to increase its minimum wage to \$15 by 2020.
- **Ikea:** The minimum wage for hourly workers at United States Ikea stores is \$11.87.
- **Walmart:** The number-one company on the Fortune 500 list, Walmart offers a company-wide minimum wage of \$11 per hour.

These minimum wages apply to all hourly workers, including entry-level positions. As businesses compete for employees, these minimum wage policies might prompt smaller businesses to raise their hourly wages to keep up. Most of these examples are in retail, and you should research your company's largest corporate competitors—and find out how they pay—to make sure your hourly wage offerings are competitive.

Benefits and Working Conditions

Pay isn't the only factor that matters; the best hourly positions—and the best jobs, period, in the minds of employees—are often the ones that offer benefits, perks, and sought-after working conditions.

Some benefits for hourly workers are mandated by state or federal governments, including minimum wage and overtime. Your business must also comply with the requirements of these five laws and mandates:

- COBRA
- Disability Leave
- Family and Medical Leave Act
- Unemployment Benefits
- Workers Compensation

These benefits are common because they are legally mandated. As a result, hourly workers don't even tend to view them as benefits. To attract the best hourly workers, your business will have to make other offers and guarantees.

For instance, consider paid time off. According to the Bureau of Labor Statistics, the average number of paid holidays for employees in the United States is 10. The average number of vacation days after one year of employment is 9.4. Paid time off is expected with most salaried jobs, but it's much rarer for hourly positions. In

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these jobs, employees get paid for the hours they work and don't get paid for the ones they don't. Offering paid holidays or vacation days can help your business set its hourly jobs apart from competitors.

Other benefits that are standard for salaried workers but less common for hourly workers include retirement benefits, maternity leave, and health insurance coverage. Making these benefits standard for hourly workers as well as for salaried workers will make your business a more competitive employer.

You can also get creative with the benefits and perks you offer. Fortune 500 companies have been known to attach intriguing incentives and benefits to their job listings. Google allows employees to bring dogs to the office. Microsoft—and many others—provide huge employee discounts on their products. Apple gives 18 weeks of maternity leave for new mothers and six weeks for new fathers. Starbucks offers 4-6% matching for 401(k) retirement plans. Consider perks like these—or research other creative employer benefits—to make your hourly positions more attractive.

Finally, know that your responsibility to offer a safe working environment and situation is just as crucial with hourly workers as it is with full-time salaried employees. Several Fortune 500 companies have been besmirched by claims from workers about extremely poor working conditions. For instance, Amazon hourly workers in warehouse or delivery jobs have exposed a variety of alleged issues with workplace conditions, including injuries on the job, no time for bathroom breaks, and no off days for big holidays like Thanksgiving. Kraft Heinz is poorly reviewed on Glassdoor, with employees criticizing the company for maintaining a hostile work environment and offering minimal opportunities for advancement or growth. Avoid issues like these or your company will become known as a place where hourly workers don't want to work.

Conclusion

Virtually every business can benefit from adding hourly employees in some capacity. From support positions to seasonal jobs, hourly workers can play central roles and enable your business to grow faster, serve customers or clients more effectively, and boost revenues. If you have never hired an hourly worker, take the time to understand how hourly jobs differ from salaried jobs. Using this whitepaper to guide you as you create a structure and compensation package for hourly jobs will help ensure compliance, talented hires, and satisfied employees.

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