

NON EXEMPT

**EAST HAMPSHIRE DISTRICT COUNCIL/HAVANT BOROUGH
COUNCIL**

Joint Human Resources Committee

10 June 2014

EMPLOYEE RECOGNITION SCHEMES

Report of the Service Manager (HR)

FOR DECISION - Information Item

Key Decision: N/A

1.0 Purpose of Report

- 1.1 This report provides Joint HR Committee with a proposal for a) the introduction of an employee recognition scheme to recognise those staff who go above and beyond in their roles and b) an annual staff award scheme.

2.0 Recommendation

RECOMMENDED

- 2.1 That the members of Joint HR Committee are asked to:
- a) Review the proposed schemes detailed at Appendix A & B
 - b) Identify the top seven non cashable awards for use within the scheme
 - c) Approve the implementation of both schemes at each Council.

3.0 Introduction

- 3.1 In the current economic climate pay rises are becoming less frequent and budgets are being cut. Against this backdrop it can be difficult to ensure that staff feel valued and recognised for the contribution they make. Whilst a higher salary has been found to boost the motivation of staff¹ research has found that being recognised for a job well done can increase employee engagement levels and encourage staff to “go the extra mile”.
- 3.2 The cost of a recognition scheme can be quite small but the benefits can be large when implemented effectively. Many studies show that having non financial awards in place can work best. The key component to a recognition scheme is that the recognition is valuable to the employee and is awarded for behaviours linked to specific job performance goals. Having

¹ Research by Canada Life Group Insurance

motivated and engaged staff who are prepared to “go the extra mile” can result in increased employee productivity, greater employer satisfaction and enhanced teamwork. This leads to a higher performing organisation.

- 3.3 This paper discusses the benefits of employee recognition schemes and proposes the introduction of an employee recognition scheme for both Councils to recognise and reward staff who go above and beyond in their roles. In the future we need staff to think and act very differently. This is the thrust of the Service Futures work and the People Plan. Developing each Council through focused HR activity to support organisational development will prepare each Council for the future challenges. Reward and recognition is one element of this strategy.

4.0 Subject of the report

- 4.1 Employee recognition is an obvious thing to do yet recognition is often done badly or not at all. Recognising employee’s for their contribution to the workplace can send a really powerful message to the employee, their team and other employees through the grapevine and formal communication channels. Employee recognition remains a really undervalued management technique.
- 4.2 A survey carried out by XpertHR found that schemes are most commonly used to boost employee engagement and encourage employees to “go the extra mile”. Rewards offered can vary from scheme to scheme but the most common forms of reward include certificates or vouchers.
- 4.3 It’s fair to say that bonuses, incentives and rewards can make headline reading. Taxpayers, politicians and reporters can question the value or appropriateness of recognition schemes and these schemes can be misused. However as an organisational performance tool there is a significant amount of evidence which would show that they can add value to organisations and their employees. The key is to ensure that staff understand what the recognition schemes are and how they can achieve recognition through these schemes, that the schemes are managed effectively and that the value of the schemes can be reported on.
- 4.4 Whilst recognition schemes can be problematic to run it is important that the scheme is kept as simple as possible, that it is promoted to employees, that managers are encouraged to make nominations, that there is budget for awards on a regular basis and that the scheme is monitored for fairness.
- 4.5 Currently East Hampshire District Council (EHDC) has a staff recognition scheme in place, Havant Borough Council (HBC) doesn’t. The new scheme proposed for each Council is an extension of the existing EHDC staff recognition scheme. This new scheme would offer both non financial and financial awards and would be a route to recognise employees for going above and beyond in their roles.

4.6 In brief, the key points of the proposed schemes are as follows:

Annual Staff Award Scheme

- Annual staff award scheme to recognise employees and teams in the Council who have sustained excellent performance over the previous 12 months.
- A variety of categories available for staff awards. Staff, managers and customers are able to nominate.
- Categories as follows - Inspirational Colleague, Leader of the Year, Customer Service Excellence, Unsung Hero, Rising Star, Exceptional Team Member, Innovation in the Workplace, Team of the Year.
- Annual award presentation for nominated staff. To be held at each Council with the Leader of the Council (and Cabinet) invited to attend.
- Individual and team awards to be set at £250 per person.
- Nominations for award will be considered by a panel consisting of CEO, Executive Director, Service Manager (HR) and UNISON Branch Secretary (each Council).

Further detail of the proposed scheme can be found at Appendix A. This is the outline proposal of the scheme. Joint HR Committee members are asked to note that further work will need to be completed in conjunction with Business Improvement colleagues and Communication colleagues to bring this scheme to life.

Employee Recognition Award

- Nominations on a quarterly basis for employees who have gone above and beyond – these are employees who have gone the extra mile in their role.
- Award presentation and lunch with JMT for nominated employees. To be held at each Council with the Leader of the Council (and Cabinet) invited to attend.
- Certificate and non cashable award given to each nominated employee along with a personalised letter from the Chief Executive.
- Top three employees to receive a financial award of £250.
- Nominations for award will be considered by a panel consisting of the Service Manager (HR), Executive Head and UNISON Branch Secretary (each Council).

Further detail of the proposed scheme can be found at Appendix B. It is intended that this information will be published to staff.

4.7 It is proposed that employees who receive a non cashable award are given a choice of award. Whilst there is a cost in offering some of these awards some do not incur a direct cost.

The following are ideas for non cashable awards, some of which have been suggested by the Staff Focus Group.

- ❖ An additional days paid leave
- ❖ Additional flexi day for that month
- ❖ An opportunity to shadow a senior member of the Executive team

- ❖ A meal with the Chief Executive
- ❖ An opportunity to act up into a more senior role for a week
- ❖ Job swap with a colleague for a week
- ❖ Mentoring opportunity with a senior manager of their choice
- ❖ Weeks worth of free EHDC/HBC canteen/café lunches up to a value of £25.00
- ❖ A month's gym membership
- ❖ Two tickets to Butserfest for kids
- ❖ Garden waste licence
- ❖ Local Explorer card - EHDC tourist attractions
- ❖ Meal out for two to the value of £50.00
- ❖ Massage/ pamper treatment to the value of £50.00

Confirmation of the above ideas will form part of the final package and require financial evaluation setting before embedding within the strategy.

- 4.8 Initial calculations on the cost of running the scheme in each Council can be found at Appendix C. On the basis that up to 20 employees could be nominated on this scheme each quarter and 30 employees for the annual awards ceremony an estimated cost of £12,000 per annum has been identified for each Council. As the cost of each scheme is fairly low, employee turn over will cover any expenditure on these schemes.

5.0 Links to other projects

- 5.1 The development and implementation of this scheme supports the delivery of the People Plan and in particular the focus on improving employee engagement and performance. The framework for organisational development identifies motivation as a key element. Ensuring that there are recognition schemes in place which fairly recognise staff contribution will support the motivation element of this framework.

6.0 Conclusions

- 6.1 An employee recognition scheme done well can really contribute to the achievement of a higher performing organisation. Rewarding employees for a job done well with a financial or non cashable award helps to motivate staff to go the extra mile. With budget cuts we need to be more innovative in the way we recognise and reward staff. The introduction of these two schemes will support with the achievement of this objective.

7.0 Implications

Financial

- 7.1 There will be financial implications for implementing these schemes. It is proposed employee turn over savings is used to support the scheme.

Legal

- 7.2 There are no legal implications associated with implementing this scheme. Fairness of the scheme will be managed through the introduction of a panel consisting of HR, management and employee representatives.

Consultation with UNISON will need to take place on the proposed schemes.

Strategy

- 7.3 Enhancing employee engagement and improving employee contribution to the overall strategy of a higher performing organisation.

Customer access

- 7.4 None to report.

Risks

- 7.5 None to report.

Communications/Public Relations

- 7.6 The scheme will need to be widely publicised to all employees. Ensuring that employees fully understand how the scheme operates and what they can do to achieve an award will be key to the success of the scheme. In addition, managers will need to fully understand the criteria for nominating staff. External communications will need to be managed to ensure that we mitigate any press activity which will focus on the use of the tax payers money. Colleagues in communications will need to provide support in this area.

East Hampshire/Havant

- 7.7 None to report.

Appendices

Appendix A – Annual Staff Award 2014

Appendix B – Performance Award 2014

Background papers

None

Agreed and signed off by:

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JEB: 27.5.14

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