

Request for Decision

Be WISE and Recognize: Recognition Program Two (2) Year Trial Update

Presented To:	Finance Committee
Presented:	Wednesday, Mar 02, 2011
Report Date	Thursday, Feb 24, 2011
Type:	Presentations

Recommendation

WHEREAS the Be WISE and Recognize: Recognition Program has been successful and remaining funds exist;

THEREFORE BE IT RESOLVED THAT the program be extended for an additional three (3) years on a trial basis and that additional promotional activities be put in place.

Finance Implications

The cost of the Be WISE to Recognize: Recognition Program will be funded from remaining monies (\$90,000) that was previously dedicated from the Human Resources Management Reserve Fund.

Background

In November of 2007, Council approved a Recognition Program for all CGS Employees based on a Report prepared and presented in November 2007 (see Appendix "A" attached copy for your ease of reference). CGS's proposed Program was modeled from a highly comprehensive and successful Program implemented by the Regional Municipality of York (York).

In the Report, basic Program principles were outlined along with associated forecasted start up and operating costs. Funding for the Program was secured from existing monies in the Human Resources and Organizational Development Division's Human Resources Management Reserve Fund. The Program was approved for a two (2) year trial term following which, a report would be brought back to Council outlining the successes, difficulties and learning's experienced during the Trial. Additionally, the Report would include a recommendation/option on next steps based on the experiences encountered during the trial period.

Two (2) years have now passed, and this Report has been prepared in order to provide Council with a Program update as committed to in the original Report.

Signed By

Report Prepared By

Shelley Carpenter
Co-Ordinator of Compensation
Digitally Signed Feb 24, 11

Division Review

Kevin Fowke
Director of Human Resources &
Organizational Development
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Recommended by the Department

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Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
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About the Program:

With assistance from the consulting firm OC Tanner, the Senior Management Team first developed four (4) key W.I.S.E. values, which were consistent with the Vision, Mission and Values previously established for CGS. The four (4) W.I.S.E. values are: Workplace Quality, Innovation, Service Excellence and Efficiency.

The W.I.S.E. acronym was selected in order to help Employees remember our CGS key values. In addition, definitions were developed and communicated to Employees, in order to ensure Employees clearly understood what behaviours would be recognized.

- **Workplace Quality**: Is recognized in Employee behaviours that model or initiate change to support a healthy, quality workplace.
- **Innovation**: Is demonstrated in ideas or methods to (1) Enhance service, (2) Improve efficiency and (3) Reduce costs.
- **Service Excellence**: Is a key value within CGS, which Employees demonstrate through leadership and taking personal responsibility to exceed service expectations for clients and citizens.
- **Efficiency**: Is recognized when Employees are proactive in enhancing practices and seeking opportunities to support the strategic goals of their section or the organization.

A pre-designed software package was purchased from OC Tanner and installed on CGS's intranet site, to help run the Program. The software package was deemed as essential as an automated Program would ensure recognition was provided in a timely manner and would be more visible to Employees. However, given that a large number of CGS Employees do not have access to a computer at work, home accessibility was provided and a paper based process was also developed.

As a final step, an Advisory Committee of CGS Employees was established to help fine tune the Program and a number of Program Champions were recruited and trained to help promote the Program.

The Program provides Employees with an opportunity to recognize co-workers through informal (i.e. thank you cards) or formal (i.e. Bronze, Silver, Gold and Team awards) methods of recognition. In order to receive a formal award, Nominators have to answer a series of questions and explain how the Nominee exemplified one of the W.I.S.E. values. The software would then automatically assign an award level, and the request would be forwarded electronically to the appropriate Supervisor(s) for approval.

- **Bronze** awards are presented to those Employees whose drive to exceed expectations makes a significant impact to the team that they deserve more than just a thank you.
- **Silver** awards are for Employee contributions that impact an entire department in a manner that inspires colleagues to reach higher and achieve more.
- **Gold** awards are presented to extraordinary Employees who demonstrate leadership, embody the W.I.S.E values and go above and beyond. Employees who receive these awards are those who: (1) enhance the way CGS does business, (2) improve the way we work together and most importantly, (3) reflect our commitment to put citizens' needs first.
- **Team** awards are given to those Employees who work together to be successful in the projects they work on.

Successes:

Participation in the Program was higher than anticipated during the two-year Trial period, which ran from December 2008 to December 2010. All CGS departments participated, which resulted in hundreds of nominations being approved. Moreover, the Program continues to be used regularly.

Overall, a total of 1,108 nominations were approved, which included both awards and e-cards thanking Employees for their contributions (see Chart #1 on Appendix "B" attached).

In terms of awards, sixty-eight (68) Bronze, forty-seven (47) Silver, twenty-nine (29) Gold and twenty-five (25) team awards were given out. These numbers indicate that CGS Employees took the time to submit quality nominations in appreciation of their colleagues' efforts. Additionally, nine hundred and thirty nine (939) thank you e-cards were sent out further emphasizing the level of exposure the program has had throughout the organization.

The four (4) departments that put forth the most nominations (awards and e-cards) were Human Resources and Organizational Development, Community Development, Infrastructure Services and Growth and Development. In terms of award nominations, Community Development, Fire Services and Community Development had the most awards approved.

With regard to the W.I.S.E. values recognized, Employees were most recognized for exhibiting Service Excellence, Workplace Quality, Efficiency and Innovation respectively.

In order to get a sense of our Program's success, we compared our usage statistics for year one (1) and two (2) to those of York's. As you can see in the Chart #2 of Appendix "B", CGS's numbers for overall nominations (awards and e-cards) well exceeded York's numbers in year one (1). However in year two (2), the number of e-cards sent by CGS Employees dropped significantly. It should be noted that in year one (1) a great deal of time and effort was made in promoting the launch of the program. Less time was spent promoting the program in year two (2). This could likely be one of the key reasons for the drop in the number of nominations in the second half of the program.

Difficulties:

Union Support

Although the Program was originally endorsed by all five (5) Unions/Associations leaders, several withdrew their support shortly after implementation. Some expressed equity concerns (i.e. discretion of management to approve awards for some members and not others). Others simply withheld their support as a means of voicing their objection to unrelated labour relations issues being dealt with at the time.

Promotion/Communication

One of the biggest challenges was finding effective ways to promote/communicate the Program to such a diverse group of Employees, many of whom work at a number of different work locations throughout CGS and/or did not have computer access.

In order to reach these Employees, the Program was extensively promoted during CGS Employee Wellness Fairs in the fall of 2009 and the fall of 2010. Employees from the various CGS workplaces were able to learn more about the Program, how they could recognize others and where they could get more

information. To encourage Employee participation, Employees were entered into draws for Be Wise promotional materials and CGS apparel. Following both Wellness Fairs, the number of nominations increased, which indicated that the booth promotion had the desired effect.

Additionally, the Program was promoted during new Employee orientation sessions, in hopes of educating new Employees early on about CGS values and the importance of recognition.

What We Have Learned:

Based on the level of participation in the Program, it would appear that although Union Leaders have not embraced the program, Employees have.

Additionally, new and creative promotional ideas must be implemented in order to ensure participation in the Program remains high. Recognition Programs can become stale over time. Therefore, CGS must be committed to investing the required time and effort to keep the program fresh and innovative.

Funding:

When the Trial Program was first implemented, one hundred and thirty thousand dollars (\$130,000.00) was budgeted to fund the trial over a two (2) year period. As of December 31, 2010, less than forty thousand dollars (\$40,000.00) was spent on the program (administration and awards) leaving approximately ninety thousand dollars (\$90,000.00) of unspent monies.

One of the main reasons for the under expenditure was the lower than forecasted number of formal awards submitted during the trial. Most nominations were submitted through informal e-cards resulting in a savings on formal award dollars.

Recommendations:

In light of the Program's success and the remaining funds, it is recommended that:

- 1) the Program be extended for an additional three (3) years on a trial basis.
- 2) additional promotional activities be put into place in order to keep the Program (and CGS values) in the minds of Employees.

By extending the Program for an additional three (3) years, we will be able to have a better sense as to what the annual costs would be to run this Program on a permanent basis. In addition, assessing the Program over a longer period of time would provide greater insight as to the Program's potential future success.

Moreover, several other Human Resource systems, which are also based on CGS's vision, mission and values, can be linked to this Recognition Program (e.g. performance management, talent development, organizational development).

APPENDIX “B”

Chart #1

APPROVED AWARDS December 1/08 to November 30/10						
	AWARD LEVEL					
NOMINATOR'S DEPARTMENT	THANK YOU	BRONZE	SILVER	GOLD	TEAM	TOTAL
ADMINISTRATIVE SERVICES	37	2	1	0	0	40
COMMUNITY DEVELOPMENT	210	5	15	18	8	256
EMERGENCY SERVICES	75	5	16	1	0	97
FINANCIAL SERVICES	41	8	5	6	7	67
FIRE SERVICES	5	39	0	1	1	46
GROWTH & DEVELOPMENT	94	4	4	1	4	107
HUMAN RESOURCES	308	0	1	0	0	309
INFRASTRUCTURE SERVICES	169	5	5	2	5	186
TOTAL	939	68	47	29	25	1108

Chart #2

CGS - YORK COMPARISON - Two year period (2008 -2010)						
PROGRAM STATS	YORK NOMINATIONS			CGS NOMINATIONS		
Year	AWARDS	ECARDS	TOTAL	AWARDS	ECARDS	TOTAL
1 (December 2008 - November 2009)	264	131	395	89	764	853
2 (December 2009 - November 2010)	782	111	893	80	175	255
TOTAL	1046	242	1288	169	939	1108

Request for Decision City Council



Type of Decision									
Meeting Date	November 14th, 2007				Report Date	November 9th, 2007			
Decision Requested	X	Yes		No	Priority	X	High		Low
	Direction Only				Type of Meeting		Open	X	Closed

Report Title
LABOUR RELATIONS MATTER - COLLECTIVE BARGAINING AGREEMENT INTERPRETATION - TRIAL PROGRAMS AT CGS

Budget Impact / Policy Implication		Recommendation	
X	This report has been reviewed by the Finance Division and the funding source has been identified.	<p>As endorsed by the Senior Management Team and all five (5) of the City of Greater Sudbury's Unions/Associations under the "Year of the Employee" initiative, that Council approve the trial Rewards and Recognition Program for CGS Employees, as detailed in the Report from the Director of Human Resources and Organizational Development dated November 9th, 2007.</p>	
<p>Impact on the Current Budget is \$0.</p> <p>Sufficient monies exist in Human Resources and Organizational Development Division's Human Resources Management Reserve Fund (which is earmarked for Employees) to fund this trial under the above Budget for a two (2) year period - \$130,000. over two (2) years.</p>			
X	Background Attached	Recommendation Continued	

Recommended by the Department	Recommended by the C.A.O.
<p>Patrick Thomson Director of Human Resources and Organizational Development</p>	<p>Mark Mieto Chief Administrative Officer</p>

REVISED 2006-04-20

Report Prepared By	Division Review
Shelley Carpenter Co-Ordinator of Compensation	Patrick Thomson Director of Human Resources and Organizational Development

BACKGROUND

Under the leadership of Mayor John Rodriguez, the Senior Management Team (SMT) and the leaders of the City of Greater Sudbury's (CGS) five (5) Unions/Associations agreed to a series of meetings in 2007 under the banner "2007 - Year of the Employee" with the hopes of bringing forward initiatives aimed at improving workplace culture and the experience of our Employees at work. Both parties agreed that if these factors could be improved, service to citizens would inherently be improved (as Employees are the primary delivery agent of municipal services).

One of the prominent ideas that was promoted by all participants to this initiative was the need for some type of Rewards and Recognition system for CGS. The contents of this Report have been reviewed and endorsed by both CGS's SMT, and the leadership of all five (5) Unions/Associations representing eighty-six (86%) percent of all CGS's Employees.

WHY RECOGNIZE EMPLOYEES?

CGS recognizes that our Employees' experiences at work and attitudes towards work are the primary determinants of quality of service provided to citizens (hence the slogan: "Great Employees Delivering Great Service"). While CGS is working to provide an employment experience that will allow us to attract and retain a high caliber work force, little is in place to allow CGS to recognize exemplary Employee behaviours that are in line with our stated Vision, Mission and Values.

This situation is surprising given that studies find that lack of recognition on the job is the number one reason why Employees decide to leave their jobs.¹ A comprehensive study by Watson Wyatt Worldwide (WWW) surveyed 614 organizations employing 3.5 million workers found that dissatisfaction with pay ranked behind recognition as the top three (3) reasons why Employees leave their jobs.

¹ Sigel, Randy. (February 1999). *Seven Steps To Keep Top Performers*, *Public Relations Journal*.

WHAT IS EMPLOYEE RECOGNITION?

Employee recognition has been defined as "the practice of acknowledging Employees' contributions to an organization."² Although paying Employees more money is often thought of as the most effective form of recognition, studies have found that "nonfinancial incentives - especially those that promote feelings of achievement, ownership, and involvement - may be far more critical to retention."³

Recognition can cover a wide range of practices. It can be informal, such as a verbal thank you, or formal, such as awards or special events. The type of recognition provided will often vary from organization to organization and will depend on the action or behaviour being demonstrated.

Currently CGS has adopted a very ad hoc and elementary approach to Employee recognition, which only recognizes Employees for working safely (i.e. Safety Awards) and service (i.e. Quarter Century and Pensions Reception). Although these Programs are appropriate, more frequent formal and informal forms of recognition have the potential to improve Employees' experiences at work and attitudes towards work, and at the same time, assist CGS in meeting its organizational objectives, by shaping Employee behaviours towards our stated Vision, Mission and Values.

WHAT TYPE OF RECOGNITION PROGRAM IS BEST FOR CGS?

There are many models of Recognition Programs to choose from, however, one that appears to be achieving results is a highly comprehensive program recently implemented by The Regional Municipality of York (York). York's Program is based on the "carrot principle" which was developed by the O.C. Tanner Recognition Company.

York was recently named as one of the top 100 companies to work for in Canada and one of the top 50 companies to work for in the Greater Toronto Area by Mediacorp Canada Inc.⁴ The listing of "Canada's Top Employers" received national recognition when it appeared in Maclean's Magazine's October 16th, 2006 edition, and is scheduled to be prominently featured in the 2007 edition of the Canada's Top 100 Employers book to be released nationally this fall by Mediacorp publishing.⁵ The

² Gostick, Adrian and Elton, Chester. (2007). How The Best Managers Use Recognition To Engage Their People, Retain Talent And Accelerate Performance: The Carrot Principle. O.C. Tanner Company Free Press. New York, NY Page 9

³ Garger, Eileen M. (Autumn 1999). Holding On To High Performers: A Strategic Approach To Retention. *Compensation and Benefits Management*, 15, 4; ABI/INFORM Global Page 10

⁴ Mediacorp Canada Inc. is a Canadian publishing company who publishes annually a book titled "Canada's Top 100 Employers".

⁵ Mediacorp Canada Inc. (2007) "Canada's Top 100 Employers"

existence of York's Recognition Program is credited (at least partially) with these successes.

Given the very positive feedback and outcomes for York, (i.e.: a similar sized municipality to CGS operating in Ontario), it is recommended that CGS adopt a similar type of program, on a trial basis.

WHAT IS THE "CARROT PRINCIPLE"?

The carrot principle is about building a culture of recognition. It is about rewarding Employees for actions that support organizational goals.

The "carrot" label was adopted by O.C. Tanner as the traditional symbol of anything that "motivates" - something used to inspire and motivate an Employee - something desired. Many assume that money is the most effective "carrot", however, the carrot principle suggests that while pay must be competitive to attract and retain talented Employees, cash rewards are easily forgotten. Studies have shown that, "unlike money, symbolic recognition awards have the power to evoke real emotions."⁶

RECOGNITION TOOLBOX:

Currently, CGS has very few means of recognizing Employees for excellent citizen service/other achievements. As a result, inappropriate attempts are sometimes made to use non-recognition processes (e.g. job evaluation) to reward individual Employee performance.

A Recognition Program can assist in reducing these inappropriate behaviours, and move all CGS Employees towards behaviours that support our purpose as a municipality. It could also provide co-workers and Management with an additional set of "tools", which can be used to recognize and reward co-workers for excellent citizen services, etc.

KEY ELEMENTS - EMPLOYEE RECOGNITION PROGRAM - REGIONAL MUNICIPALITY OF YORK:

1. Peer-to Peer and Manager-to-Employee Recognition Program

York's Program is a Peer to Peer and Manager-to-Employee Recognition

⁶ Gostick, Adrian and Elton, Chester. (2001). Managing With Carrots: Using Recognition To Attract And Retain The Best People. O.C. Tanner Recognition Company. Gibbs-Smith, Salt Lake City Page 50.

Program. This means that peers and Managers/co-workers can recognize Employees for outstanding actions/behaviours in the workplace. The Program is meant to encourage Employees to encourage one another through the spirit of peer to peer recognition.

2. **Corporate Values:**

Recognition is provided to Employees when they demonstrate outstanding actions/behaviours which are related to the organization's corporate core values or goals (e.g. integrity, improved customer service). Desirable actions/behaviours are communicated to Employees, and subsequently recognized, in order to achieve organizational objectives.

3. **Formal and Informal Recognition:**

Informal and formal recognition is provided based on specific criteria. Informal recognition is provided to Employees on the spot and is spontaneous, whereas formal recognition is funnelled through a nomination and approval process.

4. **Levels of Recognition:**

York's Program has five (5) different levels of formal recognition:

Level I - "True Blue Thanks".

Level II - "Scratch'n Win" Cards.

Level III - "Blue Ribbon" Awards.

Level IV - Nomination of Teams.

Level V - Endeavour Award.

If this proposal were approved by Council, a template of behaviour/service outcomes that reflect CGS's unique values would be developed, along with guidelines for levels of recognition that would be appropriate to both our workplace and in our community (e.g. could range from a simple Thank You card/token, through to a free parking pass for a month, to potentially a coupon for two (2) to dine out at a local restaurant).

HOW THE PROGRAM WORKS:

Corporate values and desirable actions/behaviours are communicated to employees (e.g. via the intranet, Bulletin Boards and Sectional Meetings). Nominations Forms are made available to all Employees along with a list of recognition/reward levels. Each

Department has a champion who is chosen to help disseminate information and promote the Program.

When an Employee witnesses desirable actions/behaviours or outcomes resulting from the work of another Employee, they nominate this individual by completing and submitting a Nomination Form. For lower levels of recognition, the feedback and recognition is nearly spontaneous without a lot of "red tape". For higher order recognition, the individual completing the Nomination Form is asked to explain what desirable action/behaviour/outcomes were demonstrated by the Nominee, grounding their example with specifics (i.e. who did/said what, when, where and how). Nomination Forms are sent to the Manager in the area who then recognizes the Employee based on the strength of the nominations received.

YORK'S START UP AND OPERATING COSTS FOR THE PROGRAM:

York devoted significant resources to the rollout and management of their Rewards and Recognition Program, purchasing all of the services offered by O.C. Tanner including:

- O.C. Tanner start up costs (includes consulting fees, building the program/software - queries, reports usability, design of website, linking rewards with core values, presentations/training for Managers and Employees	\$ 43,000.00
- 1 Permanent FTE hired as Rewards and Recognition Facilitator (yearly basis - includes benefits)	\$ 80,000.00
- Ongoing maintenance costs (includes website updates, consulting firm maintains system, technical support).	\$ 6,000.00
- Recognition Budget - \$25.00 per FTE x 2,300 FTE's	\$ 60,000.00
Total	<u>\$189,000.00</u>

PROPOSAL FOR CGS - STARTUP AND OPERATING COSTS:

Recognizing that this Program must compete with other matters for scarce Municipal resources and is being recommended on a Trial basis only, it is proposed that we engage O.C. Tanner's motivational speaker group for the initial rollout of the Program, but use our GroupWise System, existing e-Links, and other existing resources to manage the administrative aspects of the Program during the Trial. Under this version, the estimated cost for the Program under a two (2) year Trial, is as follows:

- Introduction/Speaker from O.C. Tanner	\$ 10,000.00
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- Staff costs (0 FTE's managed on a decentralized basis)	\$ 0.00
- Administrative Costs (GroupWise/interoffice mail used for Nomination Forms, e-Links, Bulletin Boards and champions used for promotion)	\$ 0.00
- Recognition Budget - \$25.00 (recommended use same as York per capita) x 2,300 (estimated number of FTE's on payroll at any given time).	<u>\$ 60,000.00</u>
	1st year - \$ 70,000.00
	2nd year - <u>\$ 60,000.00</u>
Total	<u>\$130,000.00</u>

If the Program were approved by Council, oversight of Program administration would be housed in the Compensation Section of the Human Resources and Organizational Development Division. Allocation of the Recognition Budget would be done on a per capita basis in each Department/Division/Section and would be managed by the managerial staff in each area of CGS on a decentralized basis.

The listing of valued behaviours/services/outcomes, and the "menu" of appropriate levels of recognition (working within the above budget) could be developed by one of our standing Union/Management Standing Committees, or an ad hoc group, tasked to complete that objective within a specific time frame, as determined by the SMT.

FUNDING SOURCE AND FEEDBACK/EVALUATION OF THE TRIAL:

Sufficient monies exist in the Human Resources and Organizational Development Division's Human Resources Management Reserve Fund (which is earmarked for Employees), to fund this Trial under the above budget for a two (2) year period (\$130,000.00 over two (2) years).

At the conclusion of the two (2) year Trial, a Report will be brought back to Council outlining the learnings, successes, and difficulties experienced during the Trial, with a recommendation/options on next steps, based on our experience during the two (2) year period.

As the trial will expire three (3) months before our two (2) major Collective Bargaining Agreements with CUPE Local 4705, staff advises Council that the Program's continuance could become a bargaining issue. Hence this Report is presented In Camera, should Council wish to take a different path.

Our Unions have supported the trial, but also desire that similar 'tools' be added to our

standing joint Continuous Improvement Program (CIP), to bolster its flagging profile. Staff are examining how these 'tools' could be applied in a CIP context, and if changes can be recommended, they will come forward under separate cover.

Given that this trial will have no impact on either the Current or Capital Budget for 2008, staff can proceed with the trial with approval from Council.