



Report to: General Committee

Date Report Authored: May 6, 2015

SUBJECT:	Employee Service Awards Program
PREPARED BY:	Mona Nazif, Senior Manager, Human Resources

RECOMMENDATION:

- 1) That the report titled Employee Service Awards Program be received, and
- 2) That the City replace the Employee Service Award Program (including gifts and lapel pins) with a Service Celebration program that recognizes service through a ceremony, and a focus on creating a culture of recognition throughout the organization that supports employee engagement and alignment with corporate goals and direction;
- 3) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To seek Council approval on a revised Employee Service Award program based on a Council request in 2014 to conduct a review of the program and report back to General Committee.

BACKGROUND:

The City has had an Employee Service Awards Program in place for more than fifteen years that has recognized service milestones for regular full time employees, and more recently for temporary and part time employees. Similar to many private and public sector organizations, the City recognized service milestones with lapel pins and/or a selection of gifts as well as a ceremony. In addition, the City recognized the achievement of 30, 35 and 40 year service milestones with an annual breakfast. Staff were surveyed in 2013 about service awards and 87% of the survey respondents indicated that the recognition of service was important to them. The Employee Service Awards Program is part of the City's overall Recognition Program which is currently being reviewed.

The City's Employee Service Award Program was placed on hold in early 2014 and an interim program was introduced in early 2015 while the Employee Service Award Program was under review. The interim program consists of the continuation of the ceremony at Development Services Committee where employees, who have met specific service milestones, are invited to receive a certificate signed by the Mayor and the CAO, shake hands with senior staff and elected officials, and receive a memento photo.

The Human Resources Department has conducted service award benchmarking with a number of municipal and regional government comparators. Most service award programs begin at five or ten years of service and are then offered every five years thereafter. Gift values ranged from \$25.00 for lower service milestones to \$500.00, with the amount dependent upon the service year milestone. Pin values were approximately \$20.00. Many service award program's gifts top out at between \$200.00 to \$300.00 per gift. The City was in the top quartile with respect to gift and pin values. The

benchmarking indicates some recent movement towards the reduction of the monetary value of service award programs.

OPTIONS/ DISCUSSION:

Employee demographics are shifting in Canada, and employees of the “millennial” generation (e.g. those individuals born in the early 1980’s to the early 2000’s) will make up an increasing proportion of the workforce as the baby boomer generation retires. Research indicates that millennials will change jobs and/or employers frequently (perhaps every 3 to 4 years). It is not clear that service award programs can reliably influence such employment decisions and therefore their consistent value as an employee engagement tool is also not clear.

The City is committed to creating and supporting a work environment and culture that appreciates the efforts and contribution of staff, positively reinforcing the link between employee efforts and the goals and values of the organization. At the same time, the City is also committed to continuing to focus on fiscal accountability and value for tax dollar.

It is therefore recommended that the City shift efforts and resources from an approach based on service awards with a monetary value to an approach based on developing a culture of recognition as well as service celebration. The Employee Service Awards Program will be replaced with a refreshed “service celebration” program similar to the interim program while also refocusing efforts on creating a day to day culture of recognition that acknowledges employee efforts and contributions in a way that aligns with the organization’s goals and values.

The refreshed Service Celebration Program will continue to acknowledge and recognize service milestones of all staff at Development Services Committee where staff will receive recognition from senior staff and elected officials, a certificate signed by the Mayor and the CAO and a photo memento. An annual breakfast for those with 30, 35 and 40 years of service will also continue. A pin for those with 25 years of service will be provided, valued at less than \$5.00 each. In addition, an alumni group of retired City employees will be created to further enhance the sense of pride of being a City employee.

At the same time, the City will also increase its focus on the recently developed RISE (“Recognizing Incredible Staff Endeavours”) recognition program by developing day to day approaches, both formal and informal, to acknowledge and recognize employee efforts and contributions that align with the organization’s priorities.

Research consistently indicates that recognition creates a positive work environment and culture that favorably impacts employee engagement, motivation, satisfaction and productivity. Effective recognition efforts can reinforce links between employee performance and organizational goals, thus advancing the organization’s strategic priorities. The Human Resources Department is looking forward to working with Department Heads to develop innovative ways to create a positive culture of day to day recognition for all staff.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

The City's annual budget for the Employee Service Awards Program was \$95,395.00. The budget was reduced to \$50,000.00 in February 2015 by the Human Resources Department. As a result of the recommendations identified in this report, the budget can be further reduced by \$40,000 to an annual budget of \$10,000.00.

The \$10,000.00 annual budget will be used for the following service recognition and general recognition purchases: certificates, annual breakfast for long service employees, 25 year pins (valued at \$5.00 or less per pin), corporate recognition items of minimal dollar value (such as mugs, water bottles and recognition cards). It is anticipated based on recent data, that approximately 200 employees could be eligible for service recognition in each of 2015 and 2016.

HUMAN RESOURCES CONSIDERATIONS

Not Applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

The proposed Service Celebration program and the development of a day to day culture of recognition support the Excellence Markham framework, specifically the staff engagement outcome, as well as the corporate goal of Exceptional Services by Exceptional People.

BUSINESS UNITS CONSULTED AND AFFECTED:

Department Heads have been consulted over the last year about modifications to the Employee Service Awards Program. The Finance department was consulted regarding the procurement process and favourable impact to the operating budget.

RECOMMENDED BY:

29/05/2015

X 

Sharon Williams
Director of Human Resources

ATTACHMENTS:

None