



Playing for keeps

Recognition programmes and incentives can have an impact on retaining good people and reducing staff turnover, reports **Anna Czerny**

This month sees the government's Work and Families Act 2006 come into force. The legislation, which gives working parents and carers more rights and privileges in the workplace, is also expected to help employers retain valued staff by offering them more flexibility. And with the cost of recruiting new staff now pegged at £8,200 per employee according to the Chartered Institute of Personnel and Development, holding on to key workers has never been more important.

But legislation only goes part of the way in solving the staff retention dilemma, say motivation experts.

"Businesses are responding to the need to attract and keep top talent by adding value to their

attractiveness as an employer through a variety of employee benefits to the basic pay package," says John Sylvester, director at motivation agency P&MM. "Pensions, extra holidays and gym memberships are a great place to start. However, they will only ever be truly maximised when viewed as part of a strategic motivation solution."

Sylvester says employees must first have their basic needs met before they can respond to motivation programmes. "Once a fair and equitable remuneration scheme is in place, there are much richer pickings for an organisation by tapping into the emotive and less rational drivers that we all have inside ourselves."

Clare Rutherford, business incentives manager at House of



“It's not enough to assume a Christmas bonus or party will keep staff happy and loyal”

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Fraser, says a combination of employment benefits and motivational incentives is the most effective way of retaining staff.

"We believe people are more motivated by aspirational 'treats' as these are often something they've always wanted, but could never afford to buy," she explains. "But I also believe that good work/life balance policies are essential for businesses to implement as they provide benefits such as increased productivity, improved recruitment and retention, and lower rates of absenteeism, but research has shown that stress levels are actually increasing in the workplace."

As employment policies get more comparable with increasing legislation, incentives will become the differentiating factor among companies, says Martin Brinklow,



Combating increasing stress levels in the workplace is key to retaining staff (Picture: Matt Greenslade)

business sector manager for rewards at Argos Business Solutions.

"While employment benefits play a part in determining the professional atmosphere of a company, they are largely ineffectual in changing staff behaviours," he explains. "Incentives, on the other hand, can be used very successfully to improve productivity and reward high-achieving staff."

Before embarking on any motivation programme, however, it is crucial for employers to understand their workforce. Employee surveys are a good starting point, says Jonathan Haskell, chief executive of Michael C Fina Worldwide, as they can provide information on everything from employee demographics to aspirations.

"It's very important to understand the profile of your employees," says Haskell. Factors such as age, aspirations and even the type of job should be considered when deciding on the content of a programme that has staff retention as an objective. In general, employees in sales roles tend to have higher turnover rates than those in other jobs and may require different incentives to be effective.

Recognition for a job well done, whether a luxury holiday or a simple "thank you" in front of colleagues, is key to retaining staff, according to motivation company Maritz. Its survey in 2004 found that 47 per cent of employees said a lack of recognition and praise was a major contributor to their decision to leave the company. Another industry survey found that employees rated feeling valued by their employer as the single most important aspect of working life, at 82 per cent.

"Organisations that appreciate the importance of, and actively practise, employee recognition, are very likely to benefit from higher levels of staff retention," explains Julian Bazley, Maritz's incentives specialist.

"Recognition is a key driver of employee engagement, and engaged employees are more likely to act as organisational advocates, both inside and outside the organisation, work more effectively and produce better bottom-line results for their organisation."

Bazley recommends a combination of smaller incentives, given out strategically at different points during the year and a large annual incentive, such as a long-



B&Q Heroes

Euro RSCG Skybridge created a personal development programme for home improvement retailer B&Q. The Heroes programme aimed to develop staff as individuals rather than as units of workplace production.

Employees were asked about their motivation and career aspirations and submitted ideas for personal projects they would like to get involved with, which would not only help them grow as people but would also benefit the community.

"The response was staggering," says Tim Lofts, planning and strategy director at Skybridge. "Ideas flowed by the hundreds and uncovered an untapped vein of altruism throughout the company."

Among the projects funded by the programme was the building of an eco-friendly house in Scotland using B&Q materials, and the underwriting by B&Q of a year-long project to bring aid to blind communities in Africa.

"A programme that takes employees out of their 'normal' work environment and offers them the opportunity to develop their wider skills reaps huge benefits for companies, not only in terms of staff retention but also in communicating the brand's values to the workforce, as the programme successfully works to support those values 'from the inside out'," says Lofts.



"Incentives are ultimately about rewarding and motivating staff and building long-term loyalty"

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