



Age of reason

New age discrimination laws have boosted rather than dented the popularity of awards recognising long service, reports **Mark Ludmon**

When new age discrimination rules came in five months ago, some feared it would mean a short life for long-service awards. The Chartered Institute of Personnel & Development (CIPD) warned that some felt it "potentially spelt the end for many kinds of awards offered by employers to their longer-serving and loyal staff".

However, this was an unnecessary consequence of the new legislation, the CIPD insists. "Encouraging and rewarding loyalty should be grouped as a business issue because length of

service has no direct link with age discrimination," says its diversity adviser, Dianah Worman. "Older workers can have short periods of service in the same way as younger workers."

In fact, the Employment Equality (Age) Regulations 2006 that arose from the new Act emphasised the link between long-service awards and performance improvement. It allows gifts, vouchers and other rewards to be handed out after more than five years if, among other exemptions, it "encourages motivation".

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CAPITAL INCENTIVES

discrimination by younger employees for giving the awards," admits Graham Povey, managing director of Capital Incentives & Motivation which has managed schemes for major employers such as BT for the past two decades. "It's sensible to be careful about it, but there has been a lot of scare-mongering."

According to Jonathan Haskell, chief executive of service awards specialist Michael C Fina Worldwide, the Age Discrimination Act has not dented business at all. "It has been a great benefit to us," he says. It should be part of strategies to retain staff, he adds,



Service awards are given out after fewer years in sectors such as catering

with the costs balanced against the financial burden of recruitment. "A long-service scheme will save you money even if you save only two people a year. There's a very strong business case."

Although responsibility for long-service awards firmly remains a function of human resources, it is now regularly seen as part of broader reward and recognition activities. For some employers, rewarding length of service can be an organisation's first foray into rewarding staff, which is then extended to other performance indicators.

According to suppliers such as Michael C Fina, Cottrills, OC Tanner and Capital Incentives, service awards have the greatest impact on loyalty and motivation if they are presented in front of colleagues. "The main part of giving service awards is recognition," says Povey at Capital Incentives. "It should be given in the form of a ceremony, not sent in the post. It's much more meaningful if it is presented in front of other people and supported by a communication programme."

Kingfisher Gift Voucher (KGV), one of the leading suppliers targeting vouchers for service awards, offers its customers gifts such as photo frames, engraved pens and champagne to enhance the impact. "A lot of companies

don't do presentations," says Tracy Aslam, head of incentive business at KGV. "We urge people to go as close to the anniversary as possible, rather than wait until the end of the year, and make a celebration out of it."

The popularity of vouchers for service awards reflects the growing acceptance that having a standard gift, such as a watch or engraved pen, for everyone may not be as effective as giving the recipients choice. Alexandre Meerson, incentives and motivation director of Sodexo's SayShopping voucher, has seen a change in the types of awards over the past 15 years. "We have noticed that the gold watch was replaced by small electricals, which in turn are now being replaced by vouchers and family-oriented events," he says.

It is important to profile the target audience before picking the award, says Clare Rutherford, business incentives manager at retailer House of Fraser. "Age range, gender, hobbies, marital status and salary bands are integral elements when putting together ideas," she says. "Something flexible to suit all tastes is a good move. Offering a weekend break, for instance, can be attractive but a longer holiday might be less interesting, especially if recipients haven't got readily available spending money to fully appreciate the incentive."



DHL UK

DHL UK is the UK arm of the international express and logistics company, specialising in express, air and ocean freight and overland transport.

All of the companies within the DHL group have been rebranded, and DHL UK wanted to reinforce this with a universal long-service award scheme that would bring all areas of DHL UK together. Over 20,000 participants across all aspects of the business are taking part.

Capital Incentives & Motivation has delivered a programme called Reflecting Your Value. Participants are eligible for awards based on their length of service for DHL at periods of 10, 20, 25, 30 and 40 years.

These are presented at an annual event, issued by the managing director directly to the individuals. People are awarded Capital Bonds vouchers, which can be redeemed at over 140 high-street names.

Capital Incentives administers the scheme including distribution of awards, data, tax reporting, designing the presentation wallets and producing framed certificates.

Over the last year, DHL presented over £250,000 of long-service awards and, because of the scheme's success, Capital Bonds are now used in other areas of reward and recognition.

Capital Incentives managing director Graham Povey said: "Reflecting Your Value was developed specifically to meet the challenges of rewarding a diverse audience of differing ages and tastes."



"The value, and indeed perceived value, of... an award is [now] much lower"

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