

**REPORT OF THE
DEPARTMENT OF PERSONNEL AND TRAINING ON**

**The Desirability and Feasibility of
State Agencies Providing Nonmonetary
Incentives to Exemplary Employees**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 56

**COMMONWEALTH OF VIRGINIA
RICHMOND
1994**



COMMONWEALTH of VIRGINIA

Department of Personnel and Training

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December 1, 1993

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Dear Governor Wilder and Members of the General Assembly:

As adopted by the 1993 General Assembly, House Joint Resolution 597 requested the Department of Personnel and Training to study the desirability and feasibility of state agencies providing nonmonetary incentives to exemplary employees who excel in the performance of their duties.

Enclosed for your review and consideration is the report prepared in response to this resolution.

Respectfully submitted,

A handwritten signature in cursive script that reads "Dorthula H. Powell-Woodson".

Dorthula H. Powell-Woodson

/etc

Enclosure

cc: The Honorable Ruby G. Martin
Secretary of Administration

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EXECUTIVE SUMMARY

House Joint Resolution 597 (1993) directed the Department of Personnel and Training (DPT) to determine the desirability and feasibility of state agencies providing nonmonetary incentives to state employees who are role models for their fellow employees and excel in the performance of their duties. Because the Commonwealth currently has a personnel policy which promotes providing nonmonetary incentives to state employees, Policy 1.20, Employee Recognition Programs, DPT surveyed 118 state agencies, requesting input on their implementation and use of this program.

Thirty-six, or approximately 51 percent, of the 73 agencies which responded to DPT's survey acknowledge the importance of recognizing exemplary employees and, pursuant to Policy 1.20, have implemented a program to recognize outstanding employees with nonmonetary awards or incentives. Normally these awards are given to employees for performance or service above and beyond the normal expectations of the employees' jobs. For example, the University of Virginia Hospital, the Virginia Employment Commission, the Department of Social Services, the Department of Health, the Department of Corrections, and the Department of Agriculture and Consumer Services have established programs, such as the employee of the month or year, to recognize and promote excellence in service to the Commonwealth.

Current policy limits the type of recognition which may be given to nonmonetary awards with a value of \$25 or less. The survey indicated that over half of the agencies with employee recognition programs adhere strictly to the nonmonetary award suggestions contained in Policy 1.20 (e.g., cups, mugs or lapel pins). However, almost as many agencies have expanded their programs to include alternate prizes or rewards, while still adhering to state policy. Thus, a number of agencies have been creative in identifying ways to recognize employees within the dollar constraints imposed by policy. For example, some agencies have awarded gift certificates, theater tickets and passes to amusement parks and sporting events. Agencies report that prizes such as these have been very enthusiastically received by employees.

Some agencies stressed the need to remove the \$25 ceiling on awards, viewing it as too restrictive and inconsistent with the prestige and honor of awards, such as agency-wide employee of the year awards. To address this concern, agencies have used non-general funds to fund their employee recognition programs. For example, Virginia Polytechnic and State University and the Virginia Employment Commission provide awards from such funds. Other agencies with general and non-general funds, such as the University of Virginia, Christopher Newport University, and the Department of Housing and Community Development, also provide a variety of different awards (e.g., preferential parking).

Respondents to the state agency survey indicated that the Commonwealth should consider requiring all state agencies to implement employee recognition programs pursuant to Policy 1.20. As previously noted, DPT's survey revealed that 51 percent of the agencies are publicly recognizing their exemplary employees. Thus, employees in half of the executive branch agencies do not receive the nonmonetary incentives available under current policies. As a result, employees in agencies with strong and effective employee recognition programs receive benefits or incentives which their peers in other agencies do not. Because agencies and other states report that these programs are effective in improving employee morale and productivity, it seems logical that such programs could and would improve the morale and productivity of all agencies' workforces, if they were implemented by all Executive Branch agencies throughout the Commonwealth. This action can be accomplished by amending the current policy to make implementation mandatory, not discretionary.

To ascertain other states' practices in the area of nonmonetary incentives, DPT surveyed 49 states and the District of Columbia. Of the 44 respondents, 25, or 56.8 percent, have established some type of program to recognize outstanding employees, with 22 states recognizing exemplary employees on an annual basis.

According to the survey, states award both monetary and nonmonetary recognitions. Fifteen of the 25 states that reported having an employee recognition program provide nonmonetary awards, such as plaques, citations, jewelry and engraved items. The remaining ten states provide cash awards, ranging from \$200 in Maryland to \$2,000 in Delaware.

Because all of the states indicated that their programs had been in existence for a number of years, each state was asked to rate the effectiveness of its program. The majority of the states (14) indicated their programs were very effective, while ten states reported that their programs were somewhat effective. Only one state, New Hampshire, reported that its program was not effective, because it was not well-publicized.

Based on information received from other states and Virginia's agencies, publicly recognizing exemplary governmental employees is an effective means of acknowledging employees' contributions. Accordingly, so that the Commonwealth realizes these benefits, effective July 1, 1994, implementation of the state's current Employee Recognition Programs Policy will be mandatory for all Executive Branch agencies.

I. INTRODUCTION

The 1993 Session of the General Assembly enacted House Joint Resolution 597 which requested that the Department of Personnel and Training (DPT) study the desirability and feasibility of providing nonmonetary incentives to exemplary state employees (see Appendix A).

II. BACKGROUND

The Commonwealth currently has two employee recognition or award programs. These programs are explained in State Personnel Policy 1.10, Awards for Length of Service (see Appendix B), and State Personnel Policy 1.20, Employee Recognition Programs (see Appendix C). Both programs currently provide nonmonetary incentives to State employees.

Also, in 1985, the Commonwealth established the Employee Suggestion Program (ESP) to encourage employees to suggest ways to improve the operation of Virginia government, and to benefit from their suggestions by receiving monetary and nonmonetary awards.

A. Awards for Length of Service

State personnel Policy 1.10 establishes a program to recognize and award state employees for their length of service to the Commonwealth. Under this policy, agencies are required annually to recognize eligible employees by giving an award for each five year increment of state service. Awards consist of a certificate after the completion of five years of service, and a certificate and piece of jewelry after ten years of service and for every five years of service thereafter. (See Appendix B for a listing of the types of jewelry awarded at each interval and a listing of alternate choices for those who do not desire the jewelry choice.)

Agencies may hold award presentation ceremonies during work hours to recognize and thank these employees. However, the expenses incurred for these ceremonies must be reasonable by Department of Accounts standards. Agencies are also required to retain records related to this program.

B. Employee Recognition Programs

State personnel Policy 1.20 encourages state agencies to develop Employee Recognition Programs to acknowledge and recognize the contributions of their employees to the efficient operation of state government. Employee recognition programs are

intended to instill agency pride, build employee morale, improve employee efficiency and acknowledge employees' outstanding contributions to their agencies. All employees, including wage or temporary employees, are eligible for employee recognition awards; however, agencies currently are not required to implement these programs.

Agencies may implement programs providing for several different types of recognition awards, such as:

1. awards which encourage employees to recognize their association with their agency, develop and foster employees' pride in their agency and/or develop and foster teamwork and spirit among agency employees, such as awards for years of continuous service within the particular agency and awards for exemplary attendance;
2. awards which recognize employees for contributions to the agency beyond those identified in their job description and performance plans, such as awards for increased productivity and awards for effecting new programs or work methods within the agency;
3. awards pursuant to programs designed to increase employees' efficiency by creating opportunities to practice job-related skills in a competitive environment, such as contests which display employees' skills in operating equipment or handling materials and team competition within an agency's work units; and
4. annual or semi-annual agency-wide awards or organizational unit awards to acknowledge overall improvement, performance, appreciation or other achievements; e.g., agency employee appreciation day.

In addition, Policy 1.20 limits the type of awards which may be given to employees. Only nonmonetary awards with a value of \$25.00 or less (per award) may be given as agency recognition awards. Items commonly given by agencies as awards include:

- plaques, trophies or certificates;
- pencils, pens, cups or coffee mugs;
- caps, t-shirts, or sweatshirts; and
- agency lapel pins or buttons.

As with awards for length of service, agencies may elect to hold awards presentation ceremonies during work hours.

C. The Employee Suggestion Program (ESP)

The ESP is a program for employees to share their ideas concerning the improvement of their agency's or the State's efficiency and productivity. DPT administers the program by receiving suggestions, monitoring evaluations and approving the issuance of awards. All state agencies participate in the program by evaluating suggestions and recommending whether the suggestions should be adopted, as well as the appropriate award.

Employees whose suggestions are adopted and implemented receive certificates of recognition from the Governor and may become eligible for cash awards or additional time off from work with pay. If an adopted suggestion results in intangible benefits to the Commonwealth, one to three days of paid leave is awarded based on the calculated impact of the suggestion. If an adopted suggestion results in measurable dollar savings to the Commonwealth, the suggester will receive a cash award as depicted in Figure 1.

FIGURE 1

Cash Awards for Employee Suggestion Program

<u>Amount of Net Annual Savings</u>	<u>Cash Awards</u>
\$20,000 or more	\$5,000 plus 1% of amount over \$20,000
\$19,999 to \$501	25%
\$500 to \$101	25% or 1 day of leave
\$100 or less	None

For suggestions determined to have extraordinary impact for the Commonwealth, the Governor may authorize awards exceeding these limits.

The success of this program is evident. In 1992, ESP received 464 suggestions from state employees, resulting in an estimated savings of \$626,200.00 for the Commonwealth. Of the total number of suggesters, 26 received cash awards, 46 received paid time off from work and 17 received certificates of appreciation.

III. CURRENT STATE AGENCY EMPLOYEE RECOGNITION PROGRAMS

To assess the use and effectiveness of the Commonwealth's current employee recognition policies, the Department of Personnel and Training (DPT) surveyed all state agencies (see Appendix D). Of the 118 agencies surveyed, 73, or 62 percent, responded. Thirty-six agencies, or 51 percent, of the respondents indicated that they have implemented some type of employee recognition program which provides nonmonetary incentives to outstanding employees.

The majority of state agencies, 28, present their awards and/or recognize outstanding employees on an annual basis, while a small number of agencies recognize outstanding employees monthly or semi-annually. Over half of the respondents limit the number of awards which an employee may receive. For example, if an employee is named employee of the year in 1990, he or she will not be eligible to compete for that same award for a number of years.

Regarding the nomination process, the majority of agencies indicate that any employee may nominate another employee for a recognition award. Although nomination by peers appears to be the preferred method, 12 percent of the agencies with award programs require managers to submit nominations. Four percent require the nomination to come from the agency head.

Policy 1.20 limits the type of awards which may be given to outstanding employees to nonmonetary awards with a value of \$25 or less. The policy even contains a list of suggested prizes (see section II. B. above). However, a number of agencies have been more creative, awarding theater tickets and passes to amusement parks and sporting events. These prizes have been enthusiastically received by the employees of these agencies. Some agencies stressed the need to remove the \$25 ceiling on awards, viewing it as too restrictive and inconsistent with the prestige and honor of awards, such as agency-wide employee of the year awards.

Agencies which use non-general funds to fund their employee recognition programs, such as Virginia Polytechnic and State University and the Virginia Employment Commission, provide a variety of items to their employees, such as gift certificates to local restaurants. The University of Virginia, George Mason University, Christopher Newport University, and the Department of Housing and Community Development all provide preferential parking to their award recipients. The survey indicated that although over half of the agencies with programs adhere strictly to the suggestions in Policy 1.20, almost as many have chosen to expand their programs, while adhering to state policy.

To emphasize the honor and importance of their awards and recognition programs, a number of agencies hold an annual awards ceremony followed by a luncheon or reception to honor recipients. In an effort to stress teamwork and pride in the agency some agencies host an annual employee luncheon, normally during the holiday season.

A number of state agencies currently have departmental awards such as employee of the year or month. The University of Virginia Hospital, the Virginia Employment Commission, the Medical College of Virginia Hospitals, the Department of Health, the Department of Social Services, the Department of General Services, the Department of Conservation and Recreation, the Department of Medical Assistance Services, the Department of Housing and Community Development, the Department of Corrections, the Department of the Treasury and the Department of Agriculture and Consumer Services are just a few of the state agencies which have implemented successful employee recognition programs. Several of these programs are discussed in Appendix E.

Thus, it appears, based on the responses received from the state agencies which responded to DPT's survey, that Policy 1.20, Employee Recognition Programs, which encourages agencies to recognize and thank employees who perform above and beyond their job descriptions, is beneficial to the Commonwealth as a way of improving the morale of the state's workforce and improving the efficiency and effectiveness of state government. The major concerns with the current program appear to be the agencies' inability to award prizes in excess of the \$25 limit, and the fact that agencies are not required to implement the programs. The latter results in many state employees not having the opportunity to receive this acknowledgement and thanks.

IV. EMPLOYEE RECOGNITION PROGRAMS IN OTHER STATES

To determine how other states have implemented and administered employee recognition programs, DPT surveyed other state governments to determine if the Commonwealth's current policy provides the most efficient and effective approach.

The Department of Personnel and Training surveyed 49 states and the District of Columbia to determine which, if any, had implemented an employee recognition program (see Appendix F). Of the 44 respondents, 25 have established some type of program to recognize outstanding employees, with 22 states recognizing exemplary employees on an annual basis (see Appendix G).

The selection process for employee recognition programs varies from state to state. For example, while the majority of states with programs use a committee to select the award recipients, three states allow the cabinet secretaries to make

the selection and one state has selection by peers. In West Virginia, all agency employees vote via ballot for their choice for agency employee of the year.

In states using a committee to select the award recipients, the committee generally makes its decisions based upon the nominees' work performance, dedication and commitment, length of state service and efforts resulting in monetary savings to the state. Nominations are received, in a majority of the states, from supervisors. To ensure that all state employees feel that the award or recognition is attainable, most states bestow their highest statewide honor upon more than one individual. For example, Maryland annually gives eight statewide Most Valuable Employee Awards, and each Maryland agency selects an employee of the month. North Carolina recognizes approximately six to seven exemplary employees with its Governor's Award for Excellence, in addition to departmental awards.

According to the survey, the type of award given to outstanding state employees can be either monetary or nonmonetary. Fifteen of the states that reported having an employee recognition program, or 34.1 percent, give nonmonetary awards, such as plaques, citations, jewelry and engraved items, while the remaining ten states give cash awards, ranging from \$200 in Maryland to \$2,000 in Delaware.

To emphasize the importance of these programs, a majority of the states with programs (23 of the 25) hold special awards ceremonies to honor these outstanding employees. For example, North Carolina, Delaware, Maryland, Missouri and Hawaii each hold an awards ceremony for recipients of their statewide awards at their respective statehouses. Normally, the Governor personally presents the awards.

Because all of the states with programs indicated that their programs had been in existence for a number of years, each state was asked to rate the effectiveness of its outstanding employee program. The majority of the states (14) indicated their programs were very effective. Ten states reported that their programs were somewhat effective, and only one state, New Hampshire, indicated that its program was not effective, because it was not well-publicized.

The concept of acknowledging and expressing appreciation for outstanding achievements made by a state's employees is well-established. At least 25 states have implemented successful and effective statewide programs to recognize exemplary employees, and although the states vary in their approaches, the intent is always the same--to improve the efficiency, productivity and morale of the state's workforce. The positive results generated by these recognition programs have a direct influence on how

state government operates, as the quality of state government depends upon the quality of its workforce.

V. CONCLUSION

In responding to DPT's survey, agencies indicated how the State's Employee Recognition Program, Policy 1.20, should operate. For example, the importance of a substantive prize or award to emphasize the honor and prestige of these programs was suggested by a number of agencies. It should be noted that there is no truly nonmonetary award, because all tangible awards have a cost to the purchasing agency. However, for purposes of this study, nonmonetary awards have been defined as anything except cash or salary. For example, paid time off from work is not a nonmonetary award, as it is part of an employee's salary.

The Commonwealth also should revisit the \$25 ceiling on prizes to determine if the limit is reasonable in today's market. According to agencies responding to DPT's survey, a ceiling of \$50 to \$100 per award may be more appropriate and emphasize the honor and importance of these awards.

A statewide presentation ceremony to emphasize the prestige and honor of the award was requested by the majority of agencies. Other states also find this to be a crucial element in the success of the program, and choose to honor winners of statewide awards during a public ceremony at the statehouse where the Governor personally presents the award to recipients. Winners of agency awards normally are honored during a special ceremony or luncheon sponsored by the agency.

Also, the name of the actual award or award program can prove crucial to the manner in which the award is viewed by the employees and the public. A number of states and agencies with programs have opted for awards indicating excellence, such as North Carolina's Governor's Award for Excellence and the Virginia Department of Transportation's Commissioner's Award for Excellence. Accordingly, the Commonwealth, and state agencies in particular, may want to consider "naming" their employee recognition programs in a similar manner.

DPT's survey revealed that 51 percent of agencies are publicly recognizing their exemplary employees. Thus, almost half of state employees do not receive the nonmonetary incentives available under current policies. As a result, employees in agencies with strong and effective employee recognition programs receive benefits which their peers in other agencies do not. Because agencies report that these programs are effective in improving employee morale and productivity, it appears that such programs could and would improve the morale and productivity of

all agencies' workforces, if they were implemented by all state agencies. This action can be accomplished by amending the current policy to make it mandatory, not discretionary.

Based on information received from other states and Virginia's agencies, publicly recognizing exemplary governmental employees is an effective means of acknowledging employees' contributions. Accordingly, the Commonwealth will amend the current Employee Recognition Programs Policy, effective July 1, 1994, to mandate its implementation in all Executive Branch agencies.

Appendix A

GENERAL ASSEMBLY OF VIRGINIA--1993 SESSION
HOUSE JOINT RESOLUTION NO. 597

Requesting the Department of Personnel and Training to study the desirability and feasibility of state agencies' providing nonmonetary incentives to exemplary employees.

Agreed to by the House of Delegates, February 7, 1993

Agreed to by the Senate, February 23, 1993

WHEREAS, the Commonwealth of Virginia employs over 100,000 individuals who are dedicated to a career in public service; and

WHEREAS, these dedicated, hard-working employees have only received a two percent salary increase since July 1990, when they received a three percent increase; and

WHEREAS, the prospect of any significant salary increase appears dim; and

WHEREAS, outstanding employees are not adequately compensated or rewarded for their exemplary service to the Commonwealth; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Department of Personnel and Training be requested to study the desirability and feasibility of state agencies' providing nonmonetary incentives to exemplary employees of the Commonwealth.

The Department shall submit its findings and recommendations to the Governor and the 1994 Session of the General Assembly in accordance with the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Appendix B



AWARDS FOR LENGTH OF SERVICE

OBJECTIVE

It is the Commonwealth's objective to recognize employees for the length of their state service through a state service awards program.

I. EMPLOYEES TO WHOM POLICY APPLIES

This policy applies to positions covered under the Virginia Personnel Act to include full-time and part-time classified, restricted, and "643" employees. (See section II(A) of Policy 2.20, Types of Employment.)

II. DEFINITION OF STATE SERVICE

For the purpose of this policy, state service is all cumulative periods of full-time or part-time classified state employment and employment in positions exempt from coverage of the Virginia Personnel Act (such as faculty positions and positions in the Legislative and Judicial branches). State service includes periods of approved leave without pay, but does not include wage employment as defined in Policy 2.20, Types of Employment.

III. AGENCY AWARD PROGRAMS ESTABLISHED BEFORE MAY 7, 1978

Agencies that established award programs for length of service before May 7, 1978, may continue those programs as exempt from the Department of Personnel and Training directive of that date and successive policies, so long as:

- A. they recognize employees' length of state service at least annually; and
- B. comply with this policy's requirements regarding presentation ceremonies, as described in section IV(C) below.

IV. REQUIREMENTS FOR SERVICE AWARDS PROGRAMS

- A. When agencies must recognize employees' length of service
 - 1. Agencies must recognize employees' length of state service at least annually.
 - 2. Agencies shall give awards for length of service for each five year increment of state service, as described in Attachment A.

AWARDS FOR LENGTH OF SERVICE

B. Purchase of awards for length of state service

1. Agencies must obtain all items (except certificates) awarded to employees in recognition of their length of state service through the Division of Purchases and Supply of the Department of General Services, which is the sole contracting agent for procurement of all such items.
2. Agencies shall not initiate their own procurement of award items.

C. Presentation ceremonies

Agencies may determine the manner in which awards for length of service are presented, provided that:

1. presentation ceremonies held during work hours are reasonable in duration; and
2. expenses incurred for the presentation of awards for length of service are just, reasonable, and necessary according to Department of Accounts standards.

D. Availability of funds

Agency heads shall ensure the availability of funds to support their programs for awards for length of state service.

E. Records

Agencies shall retain records related to their programs for awards for length of state service in accordance with the records retention schedule for fiscal records.

V. AUTHORITY AND INTERPRETATION

- A. This policy is issued by the Department of Personnel and Training pursuant to the authority provided in Chapter 10, Title 2.1, of the Code of Virginia. This policy supersedes Policy 1.12, Awards for Length of Service, issued April 6, 1992.
- B. The Director of the Department of Personnel and Training is responsible for official interpretation of this policy in accordance with section 2.1-114.5(13) of the Code of Virginia. Questions regarding application of this policy should be directed to the Department of Personnel and Training's Office of Policy and Personnel Programs. The Department of Personnel and Training reserves the right to revise or eliminate this policy as necessary.

AWARDS FOR LENGTH OF SERVICE

Attachment A

YEARS OF STATE
SERVICE

SERVICE AWARD ITEMS

5	Certificate
10	Certificate and numeral pin with two rubies
15	Certificate and emblem pin with three sapphires*
20	Certificate and emblem pin with three emeralds*
25	Certificate and emblem pin with two rubies and one diamond*
30	Certificate and emblem pin with two sapphires and one diamond*
35	Certificate and emblem pin with two emeralds and one diamond*
40	Certificate and emblem pin with two diamonds and one sapphire*
45	Certificate and emblem pin with two diamonds and one emerald*
50	Certificate and emblem pin set with three diamonds*

*Employees may choose other jewelry items for these awards. Attachment B contains a list of the alternate choices.

AWARDS FOR LENGTH OF SERVICE

Attachment B

YEARS OF STATE
SERVICE

ALTERNATE CHOICE OF SERVICE AWARD ITEMS

5	No Alternate Choice
10	Pin or tie tack
15	Pin, tie tack, tie bar, or necklace
20	Pin, tie tack, tie bar, necklace, brooch, or belt buckle
25	Pin, tie tack, tie bar, necklace, brooch, belt buckle, or charm bracelet
30	Pin, tie tack, tie bar, necklace, brooch, belt buckle, or charm bracelet
35	Pin, tie tack, tie bar, necklace, brooch, belt buckle, or charm bracelet
40	Pin, tie tack, tie bar, necklace, brooch, belt buckle, or charm bracelet
45	Pin, tie tack, tie bar, necklace, brooch, belt buckle, or charm bracelet
50	Pin, tie tack, tie bar, necklace, brooch, belt buckle, or charm bracelet

Appendix C



EMPLOYEE RECOGNITION PROGRAMS

OBJECTIVE

It is the Commonwealth's objective to encourage agencies to enhance agency pride and employee morale through programs that formally recognize their employees' contributions to the efficient operation of state government.

I. EMPLOYEES TO WHOM POLICY APPLIES

This policy applies to positions covered under the Virginia Personnel Act to include full-time and part-time classified, restricted, and "643" employees, and also to wage employees. (See section II of Policy 2.20, Types of Employment.)

II. PURPOSES OF EMPLOYEE RECOGNITION PROGRAMS

A. Employee recognition programs may provide awards to employees for the purposes described below.

1. Enhancement of employees' pride in their agency and/or encouragement of employee teamwork through recognition for:
 - a. continuous service within the particular agency (see Policy 1.10, Awards for Length of Service, for information regarding recognition of cumulative periods of state employment); and
 - b. exemplary attendance.
2. Recognition of employees' contributions to their agency beyond the expected performance identified in their Performance Plans, including:
 - a. employees' high productivity; and
 - b. employees' effecting new programs or work methods within the agency.
3. Enhancement of employee efficiency by creating opportunities for employees to practice job-related skills in a competitive environment, such as through:
 - a. contests that display employees' skills in operating equipment or handling materials; and
 - b. team competition within functional units (e.g., maintenance operations).

EMPLOYEE RECOGNITION PROGRAMS

4. Acknowledgement of overall improvement or appreciation through the establishment of annual or semi-annual agency-wide awards, such as agency employee recognition days.

B. Not restrictive of other programs

Employee recognition programs, as described in this policy, are not intended to replace or restrict other recognition awards that are funded by private sources.

III. REQUIREMENTS FOR EMPLOYEE RECOGNITION PROGRAMS

A. Development of employee recognition programs

Agency employee recognition programs using public funds shall include the following components:

1. program objectives;
2. criteria for participation;
3. description of the method for providing employees with information about the program(s);
4. description of the process for selecting employees for recognition, including identification of the person(s) responsible for selecting recognition award recipients;
5. objective criteria upon which award decisions will be made;
6. description of the awards and the manner of presentation; and
7. anticipated expenses to be incurred.

B. Items used for employee recognition awards

1. Only non-monetary recognition awards are permissible.
 - a. Recognition awards that are purchased with public funds shall be limited in cost to \$25 per award.
 - b. Recognition awards that are purchased with private funds are not limited in cost.
2. Items that may be used for recognition awards include, but are not limited to:
 - a. plaques, trophies, or certificates;
 - b. pencils, pens, or other small office items such as cups or coffee mugs;

EMPLOYEE RECOGNITION PROGRAMS

- c. personal items of clothing, such as caps, t-shirts, and sweatshirts; and
- d. agency lapel pins or buttons.

C. Presentation ceremonies

Agencies may determine the manner in which recognition awards are presented, provided that:

- 1. presentation ceremonies held during work hours are reasonable in duration; and
- 2. expenses incurred for the presentation of recognition awards are just, reasonable, and necessary according to Department of Accounts standards.

D. Availability of funds

Agency heads shall ensure the availability of funds to support their employee recognition programs.

E. Records

Agencies shall retain records related to their employee recognition programs in accordance with the records retention schedule for fiscal records.

IV. AUTHORITY AND INTERPRETATION

- A. This policy is issued by the Department of Personnel and Training pursuant to the authority provided in Chapter 10, Title 2.1, of the Code of Virginia. This policy supersedes Policy 1.13, Employee Recognition Programs, issued April 6, 1992.
- B. The Director of the Department of Personnel and Training is responsible for official interpretation of this policy, in accordance with section 2.1-114.5(13) of the Code of Virginia. Questions regarding application of this policy should be directed to the Department of Personnel and Training's Office of Policy and Personnel Programs. The Department of Personnel and Training reserves the right to revise or eliminate this policy as necessary.

Appendix D

I. General Information

1. Does your state/organization have a program(s) for recognizing outstanding employees?

yes (Please describe and, if possible, fax a copy of the program.)

No (If your response is no, this questionnaire has been completed)

2. How frequently are awards/presented or employees recognized?

weekly semi-annually
 monthly annually.

3. What types of awards/recognitions are given?

monetary (indicate dollar amount that may be received: \$ _____.)

nonmonetary (in the space below, describe the award(s) and the associated cost.)

4. Are the awards/recognitions sponsored by:

the state/corporation at large
 individual agencies/divisions
 both
 other (please describe)

5. If given by the state/corporation at large, are the awards/recognitions presented at a special function?

yes (please describe)

no

6. How long has your employee recognition program been in place?

Years Months

7. Please assess the effectiveness of your programs

very effective somewhat effective
 not effective

II. Criteria/selection process for Receiving Awards

1. If the award(s) is given on a state/corporation at large basis, please check the appropriate criteria for determining who is eligible for receiving an award.

active employees only posthumously
 retirees other (please describe)

2. On what criteria should an employee be selected?

Effort that saves the Commonwealth money
 Length of State service
 Performance
 Commitment and dedication
 Leadership
 Other (please describe)

3. How should this employee be selected?

Peer vote
 Committee designated by the Governor
 Cabinet Secretary
 Other (please describe)

4. How should employees be nominated for selection?

By Peers
 By Managers/Supervisors
 By Agency Head
 By Cabinet Secretary
 Other (please describe)

Appendix E

Overview of Current Agency Programs

The Virginia Department of Health's Program

In an effort to publicly recognize the accomplishments, achievements and contributions of its employees, the Virginia Department of Health (VDH) has implemented an extensive employee recognition program. Individual and team achievements in a number of different categories are recognized through this program. The categories include the "Making a Difference" Award and the "State Health Commissioner's Award," as well as recognition for completing certain training classes, and participating in the agency's Job Exchange Program. Annually, Employee Recognition Ceremonies are held by VDH throughout the Commonwealth for the agency's employees.

The "Making the Difference" Award honors individuals and groups of individuals who support the mission of the Department of Health --prevention, protection and promotion. Award recipients are individuals and teams who have transformed the mission into a reality, by setting standards of excellence and inspiring others to achieve.

Salaried and wage employees are eligible for this award, as are volunteers and federal and local government employees on assignment to VDH. To be nominated, an employee must have accomplished at least one of the following:

- developed a product that improved VDH's effectiveness;
- established a system that enabled better service;
- improved services through innovation and follow through;
- reduced time, effort and/or costs while increasing productivity;
- encouraged teamwork and interdisciplinary collaboration;
- identified and implemented creative solutions to problems;
- participated in fostering a productive work environment;
- streamlined current practices to enhance client services; or
- promoted the image of VDH.

Nominations for this honor may come from any source, including peers, supervisors, clients, government officials and citizens. A selection committee then chooses the recipients, judging each

on his or her own merit, relative to the agency's selection criteria. This committee is comprised of five members who serve a one year term. Two members are required to be individuals with no connection to VDH. Award winners are announced by August 16th of each year.

The State Health Commissioner's Award is presented annually to the VDH work unit which has most effectively increased the visibility of its work site and services in the community. To be eligible for consideration, a work unit must have accomplished one or more of the following projects:

- provided for signage directing the public to the VDH work site;
- provided for information regarding VDH locations and/or services to be included on maps, brochures and other literature available to the public;
- promoted VDH locations and/or services through the media and other public service networks;
- provided for the placement of appropriate and attractive signage on the work site; or
- improved the physical appearance of the grounds and interior public areas at the site.

These employee recognition programs, adopted pursuant to State Personnel Policy 1.20, are used by VDH to publicly acknowledge employees working in various disciplines. These agency programs also acknowledge employees who engage in professional growth and development, achieve career milestones, dedicate their skills to special programs and tasks, and devote their time, energy and creativity to the efficiency and effectiveness of VDH.

C. The Department of Social Services' Program

To foster morale and initiative within the Virginia Social Services System and to provide a mechanism for publicly recognizing persons or groups whose efforts have been of demonstrable value, the Department of Social Services (DSS) has implemented an employee recognition program authorizing six different types of awards. These awards include: the Commissioner's Award, the Outstanding Service Award, the Meritorious Service Award, the Achievement Award, the Length of Service Award and the State Employee Service Award.

1. Commissioner's Award

The Commissioner's Award is the highest honor which can be conferred on a DSS employee. Thus, it is awarded only to those individuals who have rendered conspicuous and distinguished service to the Virginia Social Services System and its clients. The accomplishments of the recipients of this award are such that it is unlikely they will be repeated in the future.

The actual award is a wall shadow box bearing the logo of the Department and an engraved plaque recognizing the individual or group to whom the award is presented. The shadow box is accompanied by a citation, mounted on a walnut plaque faced with plexiglass, from the Commissioner outlining the justification for the presentation of the plaque.

2. Outstanding Service Award

Given to DSS employees for exceptional service in the performance of their duties is the Outstanding Service Award. Recognition is for the accomplishment of an extremely difficult task performed in a highly professional manner. The recipient must have displayed significant achievement on specific projects, plans, or programs, the implementation of which has proven to be successful and beneficial. The award itself is the same as for the Commissioner's Award.

3. Meritorious Service Awards

The Meritorious Service Award is bestowed upon a past or present employee of the state or local social service agency for a meritorious act, achievement or service. Although it is an award of a lesser degree than the two awards discussed above, the required service must nevertheless have been outstanding to the extent that it warrants special recognition. The recipients of this honor must have performed consistently in an outstanding manner beyond that required in the normal performance of routine duties. The award itself is a wall plaque containing a citation to the individual or group outlining the reasons for the recognition and signed by the Commissioner.

4. Achievement Awards

Achievement Awards are intended to thank employees for a job well done. They are awarded for outstanding achievement either in completing a specific project or in performing outstanding work over a period of time. This award may be given to community leaders as well as employees and is not accompanied by a citation signed by the Commissioner. However, the winner does receive a certificate bearing the seal of the Commonwealth and the logo of the Department. The certificate also specifies the nature of the achievement for which the award is given.

5. Length of Service Awards

Annually, employees who have been employed satisfactorily by DSS for certain increments of time are presented the Length of Service Award. These individuals receive a printed certificate containing the recipients name and number of years of service to the Department and a lapel pin of the Department logo. The pins vary with the years of service. For example, at three years, the employee receives a bronze pin, at six years a silver, at ten years a gold, at 20 years a gold with ruby chip and at 30 years a gold with diamond chip. These agency awards are in addition to the awards given for service to the Commonwealth, in accordance with State Personnel Policy 1.10.

6. State Employee Service Award

These awards are presented in accordance with State Personnel Policy 1.10, Awards for Length of Service. All agencies are required to recognize employees for their length of service through this award program (see Appendix B). All of the awards given by DSS are presented based on written criteria. An annual awards function is held in May of each year to present the Commissioner's, Outstanding Service and Meritorious Awards. The Achievement Award is presented at an appropriate ceremony by the deputy commissioner, division director, local board or local director. Length of Service Awards and State Employee Service Awards are presented by the employees' supervisors, except that awards for 20 or more years of service are presented at the annual ceremony attended by the Commissioner.

The Department of Transportation's Program

In response to State Personnel Policy 1.20, the Virginia Department of Transportation (VDOT) has implemented a number of agency-wide employee recognition programs. The following are examples of these programs:

1. The Commissioner's Award for Excellence is presented to individuals and teams who demonstrate exemplary performance. The nonmonetary award is a certificate signed by the Commissioner and presented at a special ceremony and luncheon.

2. Truck Rodeos allow VDOT employees who operate heavy equipment and possess a commercial driver's license to participate in competitive events that demonstrate their skills and awareness of safety precautions. Trophies are presented to the first, second and third place winners.

3. The Million Hour Club recognizes employees in designated units who work one million hours without being absent due to injury or preventable accidents. Inductees into the Club

receive their choice of a jacket, sweatsuit, engraved clock or Sony Walkman as a prize.

4. The Million Mile Club provides recognition to a work unit that drives one million miles without an accident. The nonmonetary awards associated with this program are the same as for the Million Hour Club.

5. The Lowest Combined Frequency Award acknowledges and rewards the 52 best work units (i.e., area headquarters, district office complexes and central office divisions), and the most improved work unit. Employees of these units may choose an umbrella, cooler, duobag, or auto safety light as their prize.

6. The Bright Idea Award (scheduled for implementation in 1993-94) will recognize employees for their "bright ideas" which have enhanced their job performance and the performance of VDOT. The awards for this program have yet to be determined; however, VDOT is considering items which employees have deemed to be meaningful, including gift certificates for goods and services, admission tickets for recreation and entertainment, and items such as flowers, sporting goods, auto accessories and video cassettes.

7. The Customer Service Award (also scheduled for implementation in 1993-94) will acknowledge employees who provide exemplary customer service to both internal and external customers of VDOT. The same awards are being considered for both this and the Bright Idea Award.

Appendix F

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF PERSONNEL AND TRAINING

Survey # 2
Nonmonetary Incentives for Exemplary Employees
Commonwealth Employee of the Year Award

Name: _____

Agency: _____

Phone: _____

Please return this survey by Monday, July 26, 1993 to:

Medhat Hakki
State Personnel Policy Analyst
Department of Personnel and Training
101 N. 14th Street
Richmond, Va. 23219
Ph# (804) 225-3463
Fax# (804) 371-7401

Dear Human Resource Director:

The Department of Personnel and Training (DPT) has been asked by the Virginia General Assembly to study the feasibility and desirability of State agencies providing *Nonmonetary Incentives to Exemplary Employees of the Commonwealth*. As part of the study, enclosed are questions related to your agency's implementation of Policy 1.13, Employee Recognition Programs.

The General Assembly also asked DPT to study the feasibility of establishing a "*Commonwealth Employee of the Year*" award. Part II of this survey deals with this issue.

Please return this survey to DPT by Monday July 26, 1993. It may be returned by Fax to (804) 371-7401. If you have any questions, please contact Mr. Hakki at (804) 225-3463. Thank you in advance for your cooperation.

Sincerely,

Marsha G. Vandervall, Director
Office of Policy and Personnel Programs

PART 1: Nonmonetary Incentives for Exemplary Employees

1. Has your agency implemented any recognition programs as permitted by Policy 1.13, *Employee Recognition Programs*.

Yes No

If yes, please describe

2. If yes, how frequently are these programs held?

Weekly Semi-annually

Monthly Annually

Other, please describe

3. How are the recipients of these awards selected?

Nominated or selected by:

Managers/Supervisors

Peers

Agency Head

Other, please describe

4. Are there limitations on the number of awards an employee can receive during a given period?

Yes No

If yes, please describe

5. Policy 1.13 allows awards such as plaques, trophies etc. Some agencies present other types of awards such as theater tickets, free meals, gift certificates, etc.

_____ My agency provides strictly those awards specified in Policy 1.13

_____ My agency provides other types of awards, such as:

_____ I would like to see my agency present other types of awards, such as:

6. What kind of changes would you like to see made to Policy 1.13?

Part 2: Commonwealth Employee of the Year Award

1. Are you in favor of a *Commonwealth Employee of the Year Award*?

_____ Yes _____ No

2. If yes, on what criteria should an employee be selected?

- _____ Effort that saves the Commonwealth money
- _____ Length of State service
- _____ Performance
- _____ Commitment and dedication
- _____ Leadership
- _____ Other (please describe)

3. How should employees be nominated for selection?

- _____ By Peers
- _____ By Managers/Supervisors
- _____ By Agency Head
- _____ By Cabinet Secretary
- _____ Other (please describe)

4. How should this employee be selected?

- Peer vote
- Committee designated by the Governor
- Cabinet Secretary
- Other (please describe)

5. What should be the award for this honor?

Leave

- 1-3 days
- 3-5 days
- Two weeks
- Other (please describe)

Monetary

- Under \$50
- Up to \$100
- Up to \$500
- Up to \$1000
- Other (please describe)

Non-monetary

- Those items outlined in Policy 1.13
- Other (please describe)

Appendix G

SURVEY RESULTS

STATES WITH PROGRAMS, INCLUDING THE DISTRICT OF COLUMBIA

Colorado
Connecticut
Delaware
Florida
Hawaii
Indiana
Iowa
Maine
Maryland
Massachusetts
Missouri
Montana
Nebraska
New Hampshire
New Jersey
New York
North Carolina
Ohio
South Carolina
South Dakota
Tennessee
Utah
Washington
West Virginia

The District of Columbia

STATES WITHOUT PROGRAMS

Alabama
Alaska
Arkansas
Georgia
Idaho
Illinois
Kansas
Kentucky
Louisiana
Michigan
Minnesota
Mississippi
Nevada

North Dakota
Pennsylvania
Rhode Island
Texas
Wisconsin
Wyoming

STATES WHICH DID NOT RESPOND

Arizona
California
New Mexico
Oklahoma
Oregon
Vermont