

2009 RPI BEST PRACTICE STANDARDS® AWARD Winner

Standard 2 – Management Responsibility

Standard 4 – Communication Plan

Standard 5 – Recognition Training

Standard 6 – Recognition Events and Celebrations

Scotiabank

Multiple honors for a global program that embraces new technology

A Recognition Professionals International White Paper

The Scotiabank recognition program – *Scotia Applause* – embraces two especially current and important areas of recognition – diversity and technology. The recognition team and program sponsors have made a concerted effort to include global employees and explore the ways that technology (especially online social media) can enhance the employee recognition experience.

In 2009, the recognition team was honored in four categories – Management Responsibility, Communication Plan, Recognition Training, and Recognition Events and Celebrations. This is the third year that the program has received an RPI Best Practice Standards® Award. In 2007, the company’s recognition team received honors for Recognition Program Measurement and Program Change and Flexibility. 2008 honors included Recognition Strategy, Communication Plan, and Program Change and Flexibility.

The Scotia Applause program is highly accountable in terms of return-on-investment. Internal studies showed that there is a direct link between the recognition program and employee satisfaction and in turn a direct link between employee satisfaction and customer satisfaction.

Following is a brief background of the organization; a program overview; a summary of strategy, measurement, and program change; and – beginning on page 5 - a more detailed analysis of the program’s four winning best practices – Management Responsibility, Communication Plan, Recognition Training, and Recognition Events and Celebrations.

About Scotiabank

Founded in 1832, Scotiabank is one of North America’s premier financial institutions and Canada’s most international bank. Through its team of about 60,000 employees, Scotiabank and its affiliates offer a broad range of products and services, including retail, commercial, corporate, and investment banking to more than 12.5 millions customers in 50 countries around the world.

With almost 1,000 branches, over 2,700 automated banking machines, and more than 35,000 employees across Canada, as well as investment and corporate banking services and extensive international operations, Scotiabank is among Canada’s largest chartered banks.

For the fifth consecutive year, Scotiabank was named one of Canada’s 50 Best Employers by *The Globe and Mail Report on Business* magazine – it was the only financial services firm in Canada so honored. The ranking is the result of employee opinion surveys.

Scotiabank was recognized as a top employer in Canada and Mexico. It ranked 12th on *Training* magazine’s annual list of top learning organizations. Because of a focused effort to increase the percentage of women in senior management, Scotiabank also received the 2007 Catalyst Award for its *Advancement of Women* initiative.

In 2008, the company contributed more the \$43 million to organizations and innovative projects that make a difference around the globe

Program Overview

Since the launch of Scotia Applause in 2001, over 3.4 million peer recognitions have been distributed. In 2008, the program was rolled out to key offices in the Caribbean and Latin American markets. Scotia Applause is currently being introduced to the Cayman Islands, Belize, Barbados, the U.S. Virgin Islands, Puerto Rico, and Turks & Caicos.



Applause Day in Jamaica

Part of the challenge is to level the reward value across all countries. To do this, the recognition team chose to use the average salary model – meaning the overall program budget ensures a rewards payout allocation of a fixed percent of the average employee salary in each market. Each program element has the same number of points issued, regardless of where the employee is physically located.

The first phase of the international rollout included a team of representatives – one from each of the first four Caribbean islands, one from Latin America, and a cross-functional team based in Toronto.

“We were able to work collaboratively and seek input on the design, implementation, and communication plans that would provide consistent messages and were also flexible enough to meet the needs of the various groups,” said Yvette Bryan, the bank’s Director of Reward and Recognition, International Banking. “This approach set the groundwork for future implementation and has worked well.”

The following four program characteristics have powered high levels of program participation and employee engagement:

1. Strong alignment to organizational vision
2. Senior management engagement
3. Deployment of recognition throughout the organization
4. Program relevance

In fact, the recognition team reports that a generous annual budget and the full support of leadership have been critical to success.

Scotiabank President and CEO Rick Waugh said, “Being recognized as a global employer of choice enables Scotiabank to attract and retain high-performing employees. We know that satisfied and engaged employees increase customer satisfaction which, in turn, generates positive long-term results for stakeholders, as well as added value for the communities we serve.”

Strategy, Measurement, and Program Change Summary

Scotia Applause is a four-tiered program focused on daily, monthly, quarterly, and annual strategies that drive initial employee involvement and long-term engagement. All employees can participate in the same program.

Based on a combination of individual and team recognition, the program uses Applause points for rewarding activities and behaviors. The program is completely online, automated, and accessible 24/7 from employees’ homes and a range of internal Web sites.

Recognition at Scotiabank is designed, implemented, evaluated, and re-tooled based on the following strategy elements:

1. Deliver consistent, high-quality recognition across the bank.
2. Directly support the corporate mantra of One Team One Goal.
3. Engage employees in demonstrating the right activities identified under the new sales, services, and support platform – activities that focus on the actual sales, service, and support interaction involving customers.

4. Engage employees in demonstrating the right behaviors by using the bank's core values as guiding principles: core values are integrity, respect, commitment, insight, and spirit.
5. Increase employee satisfaction and in turn customer satisfaction to enhance customer profitability.
6. Deliver a best-in-class measurement program.
7. Recognize the outstanding contributions of top performing teams and individuals across the organization.
8. Ensure that equity and fairness form the cornerstone of the program.
9. Leverage the brand equity of the Applause program to support other business-building activities.

Thorough measurement of the Scotia Applause program is a priority for Scotiabank, as evidenced by the bank's annual investment of over \$225,000 in measurement and analytics. The range of metrics captured for the Scotia Applause recognition program include:

- Participation and registration percentages
- Certificate issuance (sending and receiving)
- Lapsed users
- Re-engaged lapsed users
- Relationship strength (percent of employees engaged in all program elements)
- Web metrics – page views, total visits, unique visitors per month, average visit duration
- Reward reports
- Reward service levels (e.g. order fill rates, call center wait times, customer satisfaction rates with redemption process, issue resolution)
- Segmentation of call center communications (calls vs. e-mails)



¡A partir de hoy!

Scotia
Aplausos

...ya está disponible para todos.

Scotia Applausos es nuestro programa de reconocimiento en línea diseñado para impulsar la vivencia de nuestros valores fundamentales y la excelencia en el servicio al cliente.

Scotia Applausos es un programa flexible que nos permitirá reconocer y ser reconocidos por nuestros colegas de cualquier unidad del mundo Scotiabank.

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Un Equipo... Un Objetivo

Dominican Republic Poster

Each quarter the core Scotia Applause team and the recognition provider's account team hold a performance review meeting to assess the above metrics. The quarterly review meetings serve as an opportunity to identify performance successes and issues against predetermined benchmarks and develop strategies to evolve the program.

Feedback on how well the recognition program is doing is solicited through direct suggestions, surveys, panels, call center information, and management meetings. These venues provide the information the recognition team needs in order to make changes and go forward with continued success.

Recent innovations include a social networking site for the company's stellar employees – recognized in the Best of the Best program. Last year 175 employees, representing a wide range of job descriptions and locales, were selected for Best of the Best honors and the privilege of attending the annual conference. While a group this diverse presents a great networking opportunity - among the more introverted attendees, there is often apprehension about mingling.

The new site is a non-threatening environment where even the most introverted feels comfortable networking. The site features easy navigation and tools that allow employees to talk about themselves and share their secrets to success. It's also an easy way for conference attendees to stay in touch long after the conference has ended.

Recognition team members are currently working on ways to connect smart phone users to the Applause Web site by offering mobile peer recognition and online catalog shopping.

“Enhancement of the Scotia Applause program in the future will continue to align with our organization's strategic goals,” said Kim Moseley, Director, Employee Recognition and Motivation. “Ideas such as electronic recognition cards and other reward enrichments are of interest. And the continued rollout across international sites will remain a primary focus.”



Scotiabank's Best Practice - Management Responsibility

Scotia Applause is strongly supported by all levels of bank management. CEO Waugh is committee to employee recognition and personally sends and receives recognition certificates to and from employees and members of the executive team.

The unofficial Applause ambassador is Wendy Hannam, Executive Vice-President Domestic Banking and Distribution. Wendy sends an average of 25 peer recognitions every month and is an outspoken advocate of the program.

To help reinforce the importance of recognition, senior management from across the country personally hosts the annual year-end recognition celebrations, which have included up to 700 employees.

The year-end trip is the pinnacle of employee achievement – to reinforce the recognition - members of the bank's executive team attend the trip and make themselves available to trip-winning employees.

To ensure effective monitoring of program effectiveness and relevance, the Applause team conducts quarterly program review meetings with the recognition provider to review key performance indicators such as engagement, relationship strength, and activation. The extensive analysis provides an overview of the ongoing effectiveness for all Scotia Applause programs.

The quarterly program review is distilled down to a concise executive dashboard that is distributed to the senior most executive from each business line. This dashboard allows senior management to review the program's quarterly trending against benchmark performance and monitor engagement as compared to other business lines. An analysis of the most recent report prompted a business line senior executive to initiate a new staff engagement effort.

Key information and data provided to senior management in the executive dashboard includes:

- Overview/summary information: summary of the current quarter's accomplishments; planned initiatives for the next quarter; and an overview of all programs with executive sponsor listing to facilitate best practice sharing at the senior management level
- Current and historical program performance data by program: peer recognitions sent by employees; percentage of participating employees; number of employees earning and redeeming points/awards; manager point issuance vs. budget; and online training game participation

The Scotia Applause team is comprised of six full-time members including a director, senior manager, and manger/project coordinator. Among its many duties, the team is responsible for ongoing consultation in strategic planning, communications, budgeting, and event planning for all Scotiabank business lines.

Each of the divisional Applause programs has a program leader who is the key interface with the core Applause team. The program leader's primary responsibilities include monitoring financial liability; driving engagement in the respective programs; and communicating employee feedback on the recognition program to the core Scotia Applause team.

Program Champions are part of a community of advocates that are passionate about recognition and driving teams and individuals to strive for the best. About 1,500 Program Champions are appointed across participating business lines. For taking on this role – usually for a one-year term – Program Champions receive Applause points.

The recognition provider, Carlson Marketing, manages the program's back end and the call center.



Scotiabank's Best Practice Communication Plan

Scotia Applause leverages all available communication channels to ensure integrated delivery of recognition communications to programs participants. Goals of the communication plan include:

- To maintain momentum and enthusiasm derived from the successful launch of existing programs
- To ensure the continued movement and entrenchment toward a customer-centric culture by reinforcing the corporate core values through online profiling of Applause successes
- To celebrate the achievements of the Best of the Best Top Individuals, Top Team, and Trip winner
- To supply pertinent information and program updates as required to all audience members.
- To target key audience members with specific ongoing materials to ensure program result/goals are achieved
- To deliver quantifiable benefits gained through the national scope of Scotia Applause to top executives

The Scotia Vibe Contest

Scotiabank was eager to position itself as a relevant and highly innovative employer to younger members of the Canadian workforce. The bank wanted to take the power of social networking and the viral nature of user-generated content to an employee audience. The result was one of the key elements of the bank's 2008 communications strategy - the launch of the Scotia Vibe contest. The programs key objectives include:

- Recruitment: to demonstrate that Scotiabank is a relevant and appealing place to work for young professionals and graduating post-secondary students
- Content Generation: to drive submission of authentic content that demonstrates why employees love their jobs and to launch a multi-channel contest that would engage employees throughout Canada with all levels of technological sophistication
- Redeployment: to create an online portal that can be redeployed and leveraged to drive the bank's ongoing recruitment strategy

The simple plan was based on the "I ♥ New York" campaign – using the bank's "flying S" icon in place of the heart. This became the central image for all communications from T-shirts to e-communications to a YouTube-style Web site calling for employee submissions on why they love their job.

Employees wore the popular T-shirts and four top-level executives provided the site's seed content. A multi-channel launch communication strategy included posters, leaders' guides, and contest FAQs.

Through a dedicated URL, employees were encouraged to upload content in the format they were most comfortable with – video, audio, photo, or text. Then employees voted for their favorite submission online.

There were over 400 employee submissions across all media formats; 11,000 site visits; 122,000 page views; and an average time of eight minutes and 46 seconds spent on the site – impressive considering the site was not accessible to employees at work.

The winner received a trip for two to a 5-star Caribbean resort of the winner’s choice. Four others received Executive Jury Panelist Awards of Excellence. Another received a People’s Choice Award for the most popular submission among the bank’s employees.

This year, the bank will begin to leverage the contest content in its campus and Web recruiting activities. The best submissions will be brought together to form a unique recruitment message that demonstrates why Scotiabank is an employer of choice.

The project successfully spawned a platform that allows cost-effective redeployment of future contests that will provide targeted, employee-generated content.

“Many organizations are reluctant to engage in employee-based social networking, citing the risk of having unscrupulous or defamatory content shared in the public domain,” Kim said. “These concerns are certainly legitimate with traditional consumer platforms such as Facebook, MySpace, and Twitter where contributors can ‘hide’ behind pseudonyms or profile names. But employees will generally self-moderate their content in the workplace environment. When an individual’s name and team/department are attached to the submission, there is a natural tendency to generate content that supports the company’s core values and is aligned with the campaign’s objectives.”



Scotiabank’s Best Practice Recognition Training

One of the core responsibilities of the Applause team is to conduct ongoing training of employees, managers, and senior management on recognition best practices via group touch-base meetings, seminars, and Web conferences.

Front-line managers play an important role in employee engagement, so they are provided with detailed procedures and best practice information on the Applause Web site.

The 1,500 Applause Program Champions are the most effective audience for communicating Best Practices. So a formal best-practice sharing program encourages champions to share strategies and tactics that were effective.

Globally, a customized suite of training materials was produced to drive registration and participation in Applause through the initial launch countries. Material was produced in both English and Spanish. Newsletters developed for each country also drive international recognition training.

A more personalized approach was taken with senior management. When a new person takes on a senior management role, the Applause team prepares and delivers a custom training presentation that provides the necessary context and tools for effective recognition.

Online training games support sales and marketing initiatives. These games are a critical tool for educating and reinforcing information that helps employees provide best-in-class customer service. Employees earn Applause points for game participation and bonus points for a perfect score.

One of the most innovative games is the Scotia Hockey Shootout. The strategy was to foster an environment that is fun, reinforces the primary learning objectives, and drives awareness of the bank's strategically important sponsorship of the National Hockey League.



Program Champion Kit



Scotiabank's Best Practice Recognition Events and Celebrations

The hallmark of the Scotia Applause program is the Annual Best of the Best trip where 175 Best of the Best Nominees and their spouses are randomly selected for a trip to a 5-star resort in the Mayan Riviera.

The trip's objective is to provide attendees with a highly memorable experience – many of the winners had never been on a plane or traveled outside of Canada before.

For the formal part of the program, Scotiabank flies in motivational speakers, ranging from professional football players to comedians that reinforce the theme of the trip and other key business messages.

Employees are treated to an elegant dinner where senior management formally congratulates the employees' achievements.

Each of the 39 Branch Districts and many other business lines hold an end-of-year recognition celebration. Each first place branch team is treated to a unique dining experience hosted by senior management and customized to the team's specific situation. Each district customizes its event – often incorporating a theme that is reflected in facility décor, costumes, music, and food.

These events take place during November – the first month of the bank’s new fiscal year. This allows senior management to communicate the previous year’s accomplishments and successes and motivate staff to reach current year targets.

These events are planned 12 months in advance with steps that include:

- Identifying an appropriate venue to accommodate the size of the group
- Creating invitations
- Selecting a three-course meal menu with choices to accommodate food preferences and allergies
- Planning the cocktail reception – with an open bar and wine served during dinner
- Planning for music
- Providing transportation to and from the event
- Planning means for taking photos at the event

Funding for these events is provided by the Applause program on a per person basis. Most senior managers elect to include an additional local budget to ensure a high quality employee experience.

Finally

For the second year in a row, the bank has achieved an 87 percent employee satisfaction score. Given that recognition drives employee satisfaction - employee satisfaction drives customer satisfaction - and customer satisfaction drives the bottom line, a generous financial investment in employee recognition is one that senior management is more than happy to make. It’s also an investment that has obviously paid off.

There’s no better testament to the success of the Scotiabank Applause program than the attitude of the company’s employees. One employee said, “Applause is a total motivational tool that keeps our hearts beating and doing our best every single day over and over again with pleasure.”

Recognition Professionals International is pleased to honor Scotiabank and its excellent Scotia Applause recognition program with a 2009 RPI Best Practice Standards® Award in the categories of Management Responsibility, Communication Plan, Recognition Training, and Recognition Events and Celebrations.

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About Recognition Professionals International (RPI)

Recognition Professionals International (RPI), formerly known as National Association for Employee Recognition (NAER), is the only non-profit professional association at the forefront of employee recognition through its sole focus on recognition innovations and education as a systematic method for improvements in the workplace. RPI is endorsed by top authorities in the industry, and is the only association offering Certified Recognition Professional (CRP) courses and designation.