

Seasons' Greetings from Pinnacle!

Top Bosses Cancel Christmas

Thousands of staff around the country fear for the future of their employment as we head towards the end of an incredibly difficult year, so the opportunity to enjoy the company of their colleagues out of the office and let their hair down a little was probably more tempting than other years. With announcements of cost-cutting, pay freezes and expected redundancies, staff morale in many top UK organisations has reached its lowest point for many years.

But just as we thought it could not get any worse, some of the UK's largest employers such as RBS, Hewlett Packard, Goldman Sachs, Morgan Stanley and Barclays Capital have all cancelled their staff Christmas parties. Sure, to the economy this looks like a sensible move. Senior management have won favour with critics by another cost-cutting exercise that will improve share prices and future profitability and dispel any vilification towards "fat-cat" activity. Hang on though, what about the staff? The junior office workers are unlikely to have ever received a year-end bonus. They have never been invited to a round of golf at a top club to entertain clients or shared a box with a handful of valued suppliers at the Emirate Stadium. For many, the one event to which they are invited is the Christmas party, which has now been scratched out of the diary. Sure enough, as reported by the Guardian newspaper, an internal award

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ceremony for HBOS in Edinburgh was described as a "Roman feast", while RBS was blamed for frittering away £300,000 on a "secret weekend champagne junket" for executives. The Gleneagles event held by Lloyds TSB then attracted criticism for a "lavish party for high-rolling foreign investors". Organisations are working hard to keep their clients, but what are they doing to show they value their staff?

Our last newsletter of the year examines staff rewards in difficult economic times and we offer tips for retaining those you really can't afford to lose.

Special Offer!

There's nothing more rewarding for staff than to be given the opportunity to develop their skills in the knowledge that it will improve their future career prospects within your organisation. Don't forget our special credit-crunch-beating training offer - book two places on any of Pinnacle's development courses and pay only half the price for the second!

For more information please please [look at our website](#), call us now on 0800 907 1015 or email contact@pds-hr.com.



How to Keep Your Best Employees in Times of Recession

When the going gets tough, your best staff could get going. So if you would rather keep your best employees, making the effort to show how much you value their contribution to your organisation will make a huge difference.

Reducing headcount may be inevitable as we move deeper into recession, but employees will tend to leave in droves before they are pushed, especially if they feel they are just a number to their employer. Ensuring each member of staff feels rewarded, engaged and included is essential.

Training and career development are vital opportunities for investment in staff for organisations intent on surviving a recession is just one way of making staff feel valued. There are other cost effective development methods, such as subscriptions to quality industry publications and well-organised internal mentoring and coaching schemes can pay dividends when it comes to times of fierce budget restraint. For example, there may be a manager with fantastic people skills who might be interested in developing a programme of internal mentoring and training. Just by picking this individual out as a great communicator will give them terrific significance and motivation within the team.

Just because pay rises and bonuses are on hold, there are many other opportunities for rewarding staff, such as salary sacrifice schemes that allow you to opt for childcare vouchers in



organisation, often they will be asked why they are dissatisfied. If exactly the same activities were in place for the people who really matter and without whom, there would be no customer service in the first place, i.e. the staff, companies would find themselves better informed and equipped to face the recession. An organisation with a high turnover is often one of the first reasons why clients choose to go elsewhere in the first place.

In both good times and bad, employees are much more likely to remain with an employer that pays them fairly, provides a stimulating

place of a proportion of your pay. Such schemes are not only very cost-effective for employers, but they can be beneficial for those who opt for them in the form of tax breaks. But since relatively few employees are familiar with how the schemes work in practice, the organisation needs to draw their attention to the benefits, which may allay unhappiness about pay freezes. According to Accor, only 20% of employees including managers admit to fully understanding the value of the benefits on offer.

The attention given to customer satisfaction should be turned to staff. For many organisations, new clients are regularly pursued and their opinions are sought after only a couple of months. If they part company with the

job in a happy working environment, and fulfils their emotional and practical needs. The spirit of camaraderie can work wonders regardless of the pay issues. Organisations with a strong extra-curricular ethos have reported and improvement of team spirit and commitment. It works best when it is fairly light-hearted so there's no pressure to be a part of it if home lives do not permit. Such activities include cinema visits, 5-a-side football, cricket and tennis tournaments and ten-pin bowling.

If you are facing staff retention issues at present and would like to explore ways to help the employees within your organisation feel rewarded and valued, please call us at Pinnacle Development Solutions now on 0800 907 1015 or email contact@pds-hr.com.

Your questions answered

"I was planning to send just a Christmas card to each of my 22 employees. As a company we have always given something small in the past as a gift but times are hard at the moment, although we are having a drinks party in the office on the day before Christmas Eve as usual. But I have just heard through the grapevine that my assistant has bought me a present. What should I do?"

Christmas is often a challenging time when it comes to knowing the right thing to do with regards to employees and colleagues. If you have historically gone for lavish hampers and expensive evening celebrations, it can all look terrible miserly if nothing is on offer. After all, it is unlikely that your employees have worked any less hard this year than in previous years. If you have not set precedents with company procedures at Christmastime, you will probably have an easier ride.

Remember, your business success is as much down to the work of your employees as it is to your customers. Without one, you would not have the other. If you have budgeted for gifts and entertainment for clients, you should match it with the same for your employees.

You should never feel the need to reciprocate with a gift if you are given one unexpectedly, but you should always be very gracious and polite in receiving it, and write a sincere note of thanks afterwards. Many managers do purchase



the gifts yourself. secretaries (males usually ask partners to help!) and if this is something you feel you should do, especially if your assistant really does go out of their way to make your life that much easier, the rest of the team should have no problem with it. Ask your assistant's closest colleagues for ideas and tips so the gift is well-chosen.

If you have more than one assistant, or if several employees in the office share the duties, the purchase of a gift for one individual is not clear-cut and therefore is a matter for your own discretion. In organisations with a flat organisational structure where responsibilities are shared, it is likely that feelings may be hurt if some receive gifts but others do not.

gifts for their assistants and put on a Santa hat, fill a Christmas sack and distribute

For Christmas cards, always send one to all members of staff, no matter what, if you send any at all.

Top Christmas tips

As a manager or business owner, your personal perception of an action will not necessarily be the same as your employees. Times really may be hard, but actions speak louder than words, and they need not hurt the budget. Below are some ideas that will help to make all your employees feel you have recognised their contribution and that you value their loyalty, and if they are feeling good about their employment before they head off to celebrate, they will return feeling motivated, and they'll tell others - including customers - how they feel too.

- If you opt for a cheaper in-house Christmas celebration, set a budget for the wine, beer and nibbles, and send out invitations - they will make the event feel more special, and enable you to set a specific time. This will ensure everyone understands when they should be heading home, and reduce the likelihood of overconsumption of alcohol and awkward moments. Lunchtime celebrations are rarely a good idea if you are hoping for a productive afternoon! It is better to go for a late afternoon start and finish early evening. Add simple festivities such as Christmas music, suggest a theme, such as wearing daft headgear, and try and speak to everyone in the room. Don't forget to inform your clients and switch the switchboard over to an emergency phone number - such as a manager's mobile - for urgent calls, and book taxi's to ensure that all get home safely and responsibly
- Introduce a Secret Santa into the office. Set a maximum budget, usually around £5, and everyone pulls a name out of a hat detailing their confidential recipient. If your staff are worried about what to buy, set a theme, such as anything beginning with a letter of the alphabet, to make it more engaging. On your last working day before Christmas, or at the office party, Be sure to set some clear ground rules to prevent any presents that might be perceived as insulting or risqué being given that may cause offence.
- If your team insist on having a Christmas lunch, and you don't have the budget to pay for everyone, suggest paying for a few bottles of wine to put on the table as the organisation's contribution.
- Give everyone a couple of extra hours off in the run up to Christmas. This can be used for Christmas shopping or for an extended lunch break. Work out a rota system so the office is not left short staffed.
- If your business is one that can be closed down between Christmas and New Year, give your staff the time off to recharge. Many companies insist that these days are taken as part of annual leave entitlement, but some do not. Some operate a "skeleton" staff over this period, where staff members are on a rota for one or two days just to answer calls and emails.
- You may have a number of staff members within your team who do not celebrate Christmas for religious or other reasons, but don't forget them in any of your activities. Give them a choice to become involved in whichever way they prefer and don't expect them to manage the fort while the rest of you party. You may also need to think of a special thank you specifically for them. You should also accommodate time-off requests at other times of the year for their own religious festivals, such as for Diwali (Hindus) and Hanukkah (Jewish).

And finally...

Remember: parties held on work premises that are paid for by the organisation are classed as working time and therefore as the employer you will be responsible for any inappropriate behaviour that may occur. Any celebrations held away from the office premises will reflect upon the organisation's reputation and therefore it is important that your staff represent the company well. It is always a good idea to remind

all members of staff, however senior, that the same professional and respectable behaviour and courtesy that they demonstrate towards each other on a day to day basis will be expected of them at any Christmas celebration, and what the consequences might be if they fail to meet these expected standards, such as a verbal warning.

Further assistance

If you would like further information on any issues raised by this bulletin, or require advice or assistance with any other human resources matters, please call us today on 0800 907 1015 or [send us an email](#).

And if you'd like complete protection against anything the growing volumes of employment law can find to throw at you, don't forget our [HR Toolkit](#) - the must-have business accessory for 2008!



The information in this newsletter is of a general nature and is not intended to replace professional advice. We recommend you to ask for specific professional advice before taking any action.

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