

Investing in Employees Yields High Returns

BY ERIN FALLON, CCE, PSP, CCCA

In business, people are paramount. Learn how The Duggan Rhodes Group works to develop and retain employees to build and preserve its reputation.

Because the product sold by professional service firms is its people, employee development and retention must be one of its highest priorities. As a professional services firm in the construction industry, The Duggan Rhodes Group (DRG) takes pride in its hard-earned industry reputation for best-of-class service and recognizes that its employees play a key role in building and preserving that reputation.

In an effort to sustain the company's goal of service excellence, and to also focus on goals for growth and sustainability, DRG created an Employee Welfare and Rewards Program. The program was developed by DRG to express its sincere appreciation for its most valuable resource, its employees. The program provides unique incentives to its entire staff, focusing on employee work/life balance and rewards for employee service, loyalty and dedication.

Employee Welfare and Rewards

An environment that supports a flexible work schedule. The services that DRG provides are associated with providing support to construction project stakeholders on active construction projects (such as construction managers, contractors and owners) and to construction litigator clients. The unpredictable nature of the construction and litigation work environments can result in a hectic work day and may result in long work hours for weeks and even months at a time. In an effort to help employees to complete their work at their peak times of performance, DRG does not require employees to work the traditional 8 a.m. to 5 p.m. office hours. DRG management entrusts the employee with the responsibility for completing their work on time and to a high level of quality, within their respective lifestyles.

Employees also can work remotely when it is more efficient for them to do so. The office is equipped with a remote server that allows employees to work off site just as they would if they were sitting in the office.

Employee benefits that are uncommon in today's

workplace. DRG offers some unique benefits that not only demonstrate its appreciation for its employees, but also significantly contribute to an employee's overall compensation package.

Contributions to employee flexible spending accounts. As part of its medical benefits, DRG offers its employees the option to open and contribute to a flexible spending account (FSA) for annual anticipated medical expenses. If an employee elects to open a FSA, the program requires a minimum investment of \$300. DRG funds \$75 of this initial investment, the employee \$225.

Contributions to medical deductible. To assist employees with healthcare





costs, DRG reimburses 50% of an employee's medical deductible. Furthermore, DRG has been able to effectively manage healthcare costs and, despite the continually escalating cost of health insurance, has actually decreased the annual health care premium contributions of each employee.

Employee overtime meal program. DRG provides catered lunches and dinners for employees who are required to work long hours above and beyond an eight-hour day/40-hour week due to demanding deadlines.

Company outing and retreats. DRG recognizes the sacrifices that employees – and their families – make to uphold the best-of-class service reputation the company has earned and sustained over the years. DRG hosts one or two annual outings to thank its employees and their families for their commitment and hard work throughout the year. These outings have ranged from picnics in founder and CEO Andrew Rhodes' backyard to all-expenses-paid weekend trips to regional resorts.

Employee Bonuses

A meaningful and substantial employee bonus program rewards employees for hard work, dedication and years of service. It is the culture and philosophy of DRG to reward dedication, loyalty and results. In addition to the other incentives offered by the company, DRG fulfills this value through several bonus programs:

Discretionary bonuses. DRG offers year-end discretionary bonuses to employees based on the company profits achieved and the employee's individual performance and contribution during a given year.

"Years-of-Service" Rewards Program. This program recognizes and rewards employees that hit "years-of-service" milestones at DRG. DRG rewards the employee with a monetary gift and/or a personalized gift, based on the years-of-service milestone achieved. For example, in celebration of achieving ten years of service with DRG, one employee received a three-day trip to New York

City for her and her family.

Return-to-Work Incentive. DRG provides bonuses to those employees that return to work after receiving short-term disability benefits, such as returning to work after the birth of a child. The bonus is equal to the salary amount not paid through the company's short-term disability program.

Success Factors

Even though the Employee Welfare and Rewards Program is still evolving, it has already yielded a high return on investment. These results include higher retention of employees, an increase in employee satisfaction (DRG was recognized as one of Pittsburgh's Best Places to Work in 2009) and an increase in company revenue in a down economy. Furthermore, the program resulted in DRG being named the recipient of the Pittsburgh Human Resources Association 2010 People Do Matter Award in the People category.

To make a program like this succeed, it is important to understand a company's staff and what motivates them. As the workforce continues to change and a new generation comes into the workplace, it will become even more important to be aware of what motivates these employees. These factors will most likely differ from workforces in the past and will require the program to adapt to these motivations.

DRG nurtures out-of-the-box thinking in client service and business operations. It is of utmost importance to have a clear understanding of a client's needs and to provide the most creative and complete solution for fulfilling those needs. The company approached this challenge in the same way. As a result, the Employee Welfare and Rewards Program has become an inherent part of the DRG culture. [i](#)

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