

Creating a loyal employee base August 2012

Monthly Snapshot Surveys provide ISPA members with a valuable look into the state of the spa industry, spa industry trends and also help to identify the needs of spa professionals. Snapshot Surveys are conducted on the third Friday of each month, with full results provided only to respondents two weeks from the release date of the survey. Knowledge is a valuable tool and these quick surveys provide a wealth of information shared by ISPA's members. The August 2012 Snapshot Survey requested information on creating a loyal employee base.

In the August Snapshot Survey, ISPA spa members provided valuable information on how they are creating employee loyalty. When asked about the incentives offered to three different groups of employees, administrative, management and service provider/therapists, there were some interesting differences and similarities between day spas and resort/hotel spas. For all three employee groups, more day spas than resort/hotel spas offer days off of work in recognition of contributions. In contrast, more resort/hotel spas offer employee of the month/year recognition for all three groups. Free or discounted retail products and services are both very popular incentives for day and resort/hotel spas. In regards to the most effective non-financial incentive that has positively impacted overall employee loyalty, one of the most repeated responses was flexibility in scheduling. In terms of the most effective financial incentives, many spas offer incentives having to do with education, commissions or gift cards.

Seventy-four percent of spa respondents said their spa has team-building activities for employees. In regards to how frequently they offer team-building activities, 45 percent said quarterly followed by 29 percent who offer them monthly. When asked what the most important "ingredient" is when it comes to creating a loyal employee base, many responses centered around either an open door policy, respect, communication or recognition.

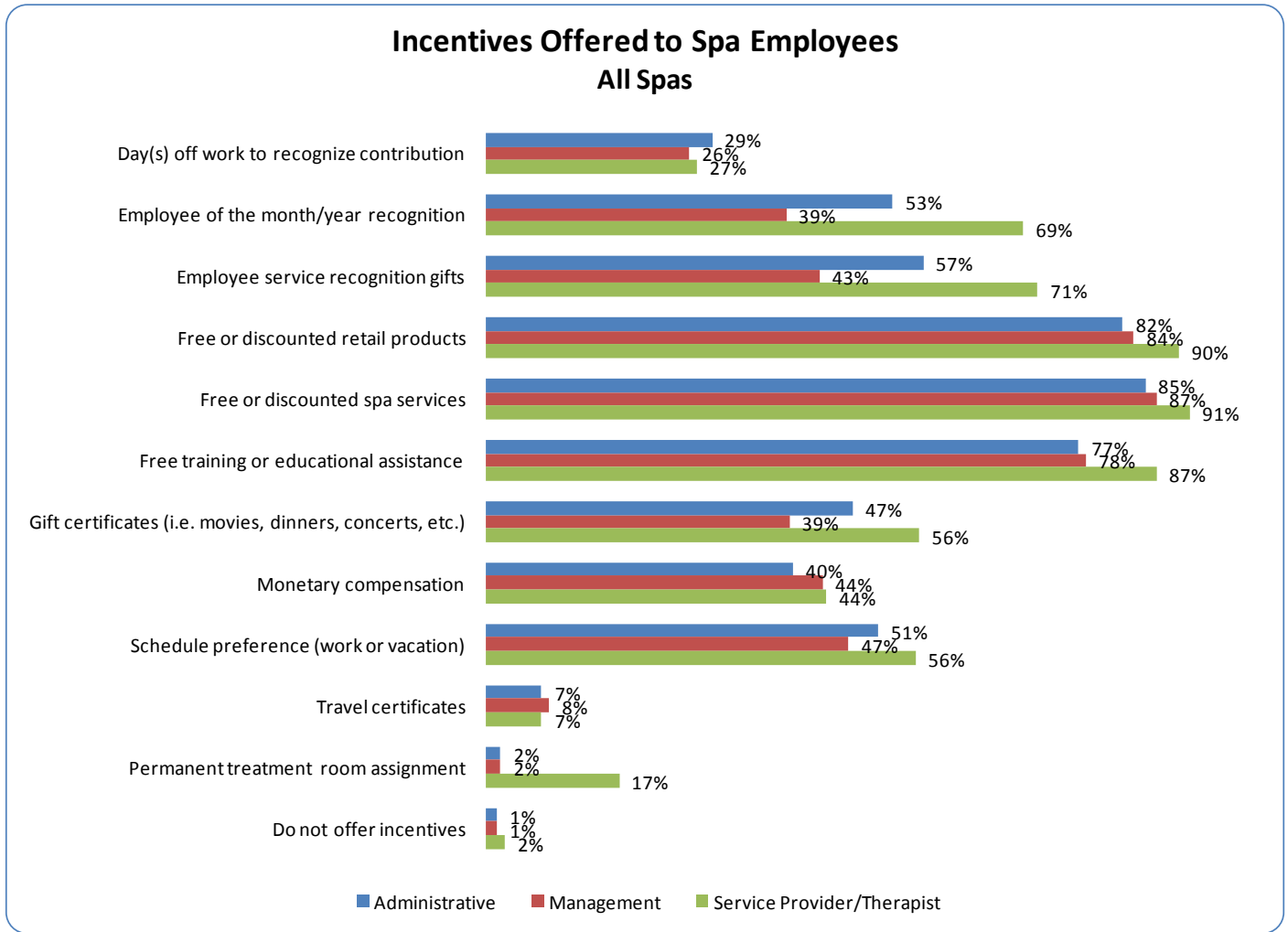
ISPA resource partner members were also asked which incentives they use for three different groups of employees, administrative, management and sales executives. For all three groups, the most used incentives are monetary compensation and free or discounted retail products. For administrative employees and management, the largest group of resource partners offer free or discounted retail products as an incentive (55 percent and 59 percent respectively). In regards to sales executives, more resource partners use monetary compensation incentives (59 percent). Fifty-six percent of resource partners said they do have team-building activities for their employees. When asked how often they hold these team-building activities, 40 percent said quarterly.

The results analysis includes answers from all respondents who took the Snapshot Survey in an eight-day period from Friday, August 17, 2012 to Friday, August 24, 2012. During this time, 367 ISPA members responded to the survey. The category "all spas" referred to within the charts includes data from all spa respondents (day, resort/hotel, medical, destination spas, spas under development and corporate spa headquarters). The resource partner category includes spa consultants.

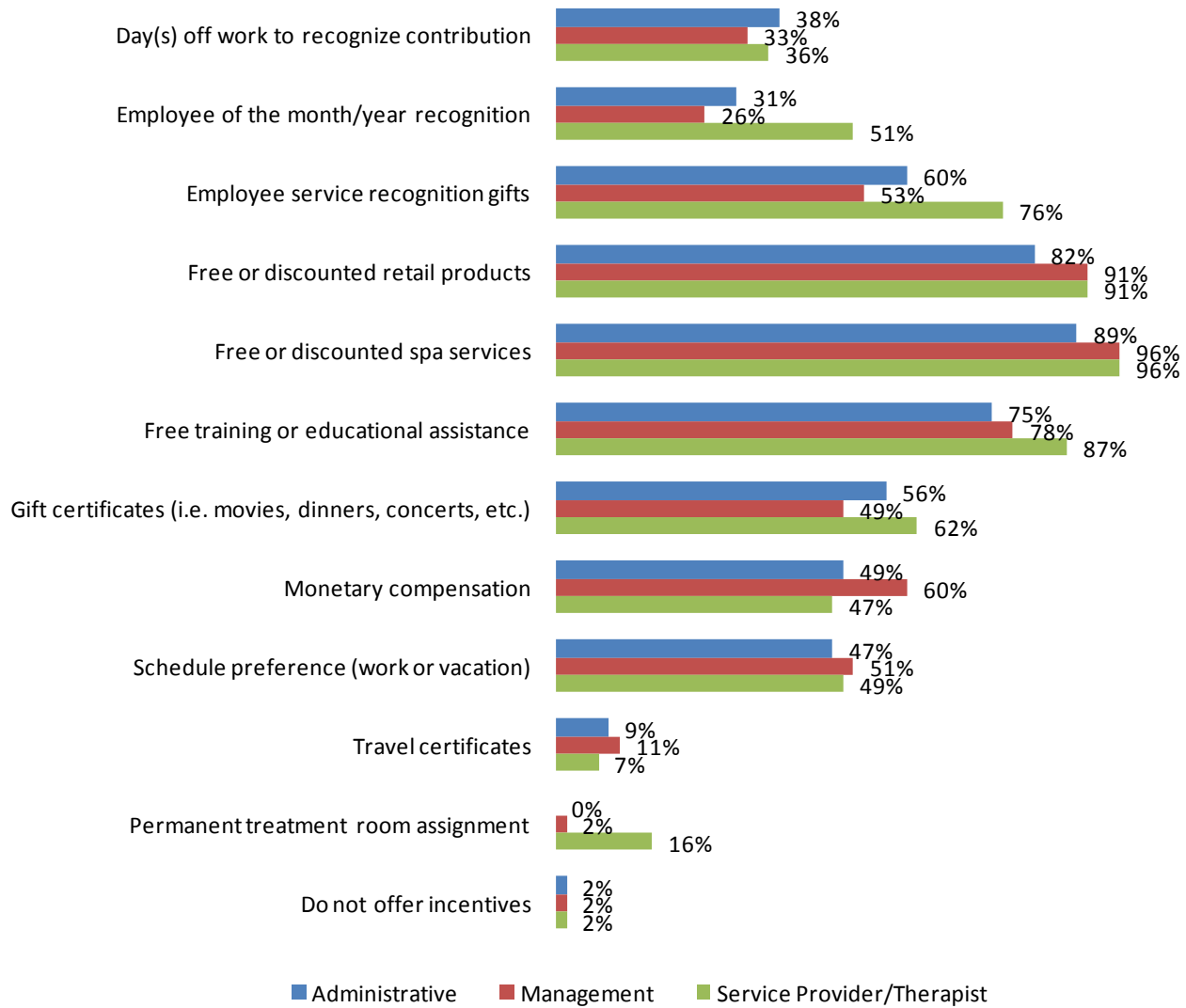
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SPA MEMBERS

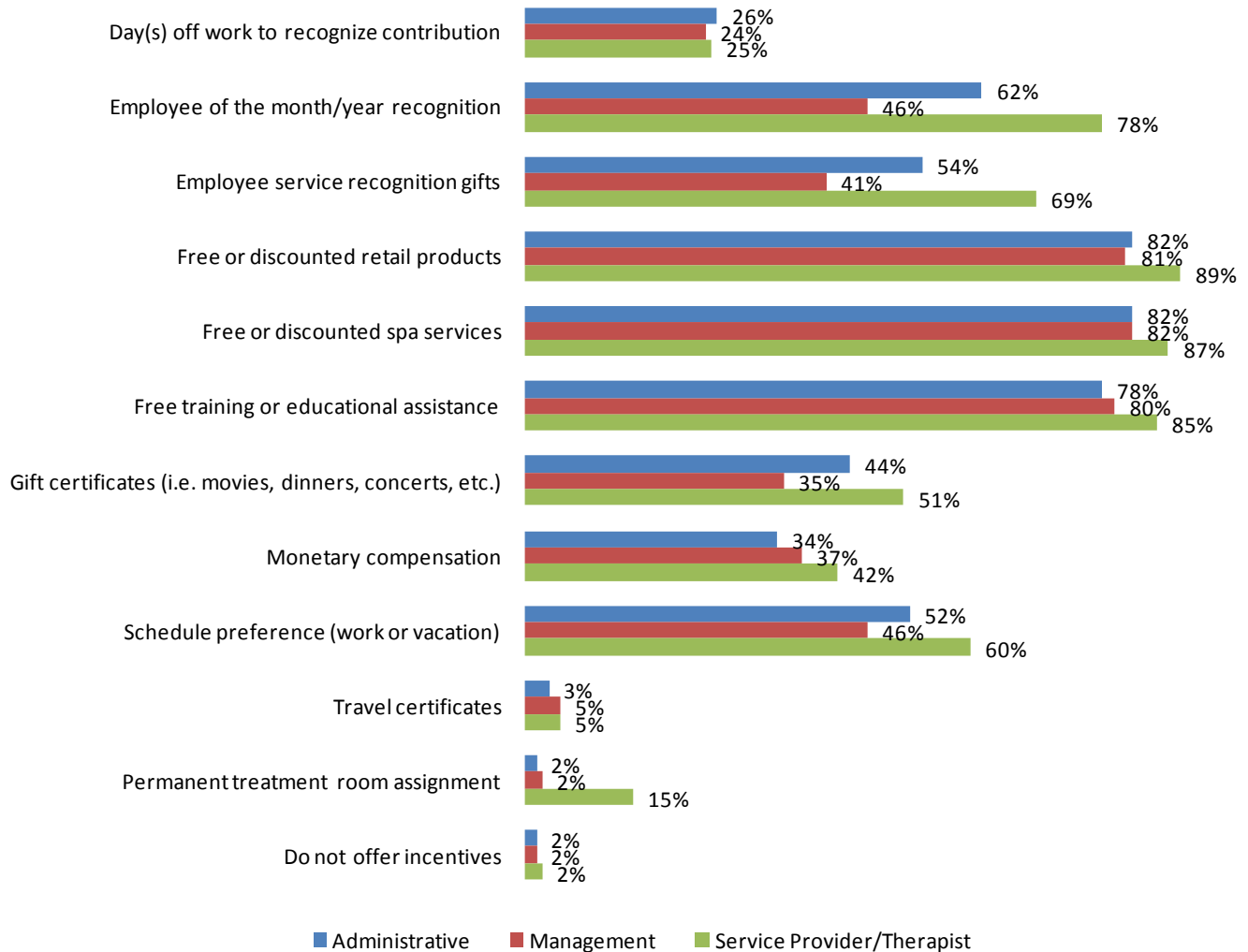
Which of the following incentives are offered to your spa's employees at the administrative (i.e. receptionists, administrative assistants), management and service provider/therapist levels?



Incentives Offered to Spa Employees Day Spas



Incentives Offered to Spa Employees Resort/Hotel Spas



Respondents were asked to describe what they consider to be their spa's most effective non-financial (no costs involved) incentive or initiative that has positively impacted overall employee loyalty. Below is a sample of responses.

Day Spas

- A board showing who is selling the most.
- A very nice environment to work in and a family feeling; direct line of communication with owners and manager.

- Breakfast meetings where we "break bread" together, do team-building exercises, and keep everyone informed about all happenings, including individual and company-wide achievements. We have a weekly newsletter recognizing employees who have gone "above and beyond." Also, managers commenting on an almost daily basis when they "catch an employee in the act" of doing the right thing.
- Creating a culture in which people enjoy working with us.
- Creating their own schedules.
- Employee of the month as well as certificates for exceptional performances.
- Employees are often told how much they are valued.
- Empowerment.
- Flexible schedules and a positive work environment.
- For employee appreciation week this year, we did a "Pay it Forward." Each employee could fill out a thank you to another employee and donate a dollar to a local food bank. The love notes were given at the end of the week with a little dark chocolate bar. We were able to donate \$180 to Project Open Hand, which takes food to homebound people. We also have students from a local massage school do externships and give complimentary massages to our staff for practice.
- Individual recognition for going above and beyond what is expected.
- Esthetician of the Year award at our national annual conference.
- Offering our team 90 percent off for all services and pride cards that can be used to pay for services or retail purchases.
- One-on-one coaching with an owner.
- Our commitment to the community and love for what we do. It shocks me all the time how much passion shows from 100+ employees every day.
- Recognition and positive energy.
- Recognition for effort and ingenuity and allowing them to have input into how we do things.
- Recognition, responsibility, and active involvement in the business process.
- Rewarding our associates is super important to us as recognizing great behavior/performance is motivating and fulfilling. We do this through posting them on our wall of fame, recognizing them in front of others during an all-staff meeting and/or utilizing their performance to act as mentors/leaders amongst their colleagues.
- Six-month reviews to track performance and prizes in each category (retail, add-ons, request guests, etc.).
- Stability of the company.
- Strong management.
- Thank-you cards and recognizing each individual's contribution to our team.
- The ability to trade services during down time.
- Top technician performers are invited to resource partner-provided specialized training workshops and top guest service staff members are invited to complimentary education sessions above and beyond the standard offerings.
- Wellness program with birthday celebrations, free guest wellness speaker, healthy snack day, and recipe swaps.

Resort/Hotel Spas

- Acknowledge them and evaluate them.
- Acknowledgement, praise, thank-you cards, and birthday cards.
- Being respectful of each other's boundaries.
- Big Thanks Cards and Above and Beyond Cards.

- Birthday services - they love them.
- By providing seminars and training, employees feel more empowered to expand their knowledge and experience.
- Certificates for spa and restaurant.
- Comment card contest for departments as well as individuals. It's a big motivator. Also, the more committed, more recommended the provider, the better the schedule/time-off when requested.
- Comment cards posted in break rooms. Text messages from management after a busy day saying good job.
- Commitment to wellness and commitment to incorporating new and innovative services.
- Constant positive communication, keeping everyone "in the loop" concerning how the spa is performing financially and thanking every person every single day for their efforts.
- Continuous education and training programs to improve their skills, monthly reward for the best employee, teamwork tasks and group spirit in the daily briefings contests.
- Cross-training.
- Daily recognition and thanks.
- Departmental meeting at spa facilities for them to enjoy after the spa is closed and one complimentary fitness class a month for the employees.
- Depends on the employee really, so it's good to offer a variety. For some it has been as simple as getting them an employee rate at another (non-related) property while for others we've extended a friends and family rate at the spa and hotel at selected times (the rate covers our costs).
- Early in or out rewards.
- Employee of the month and quarter recognition and an employee storyteller program.
- Employee of the month and retail stars and standing ovations in department meetings.
- Employee Recognition Program, giving employee a "Wow" card and posting it for everyone to see when they have done a great job.
- Every comment card is displayed for all staff to see. Staff loves positive recognition. I also think staff recognizes what the owners do on a regular basis. We were just voted one of the top 10 companies to work for in Colorado.
- Every quarter, in the hotel, we hold the SPICIER awards. The acronym stands for each of the hotel's values. Partners are asked to submit their stories and vote for other partners who have gone above and beyond the expectations. As a team, we always aim to have one of our partners win an award. Also, in the spa, we recognize the top seller and the most improved and they receive a product.
- Flexible schedule and a great spa director.
- For the therapist team, we have implemented a points-driven seniority program based on many factors, with very little emphasis on years of service.
- Free products from vendors measured by sales volume.
- Free spa services for spa employees to have a personal rejuvenation.
- Freedom to determine schedule (as long as it coincides with operation's needs). Employees who participate in retail sales have the option to purchase products from vendors at cost versus the normal 25 percent off retail price.
- Full use of our fitness facilities with free classes, full use of the indoor heated pool year-round for families and encouragement to trade services between and within departments.
- Good employee culture with clear expectations and a fun approach.
- Guest feedback contests, i.e. the most comment card mentions.

- Having the right person steering the boat.
- I believe we have been successful in capturing loyalty in our technicians and managers. Our initiative as managers is to staff accordingly. We are a seasonal spa so we have to analyze facts, influences, and past years' business levels to ensure staff levels are appropriate. In addition, the longevity of the management team and technicians brings knowledge and trust to new employees joining us.
- Incentive for repeaters (provide incentive when guest request the same therapist).
- Incentive products offered by the product line company we have in the spa.
- Management involvement and listening to each colleague; being there for them when they need your understanding and flexibility in their schedule.
- Monthly recognition.
- My most effective incentives have been trading services at other spas. I set incentives for the team or the individual and they can win spa services at other places as a reward.
- Noting positive guest comments in a public place, especially when associate is personally named.
- Offering CEUs to therapists.
- Our Employee of the Month and Employee of the Quarter programs have received a lot of positive feedback.
- Our front desk loves to have contests. If we are up-selling a certain body treatment, we give them a goal and whoever surpasses the goal and books the most appointments receives the treatment they are up-selling.
- Our guest referral game. For every 10 guests that they refer, they receive a free 60-minute service.
- Partnering with vendors to have retail sales competitions and a weekly parking pass for highest sales.
- Peer recognition with Associate of the Month, Associate of the Year, Positive Peer Recognition, and comment cards from guests.
- Personal thank-you note for outstanding performance with a complimentary day pass to use at the spa.
- Positive reinforcement – praise.
- Positive working environment and professional development support.
- Recognition in front of peers and posting of guest comments showing colleague's name.
- Recognizing tenure in our monthly spa newsletter, personalized thank-you card from the spa director mailed to team member at home, and the technician team is motivated by guest requests and positive guest feedback as it moves them up in the booking order for spa appointments.
- Schedule preference (work or vacation).
- Seniority/priority booking for therapists, employee growth/training, and a family-oriented environment provided by our owners, i.e. picnics, discounts, parties, etc.
- Simple appreciation/connecting points (thank-you notes from management to staff and lunch with the director).
- Thank you and showing the staff you always care for everything they do. Staff loves to be thanked and recognized.
- Let the therapist with more time working in the company to pick their days off first and vacations.
- The ability to be able to use the facilities when not on the clock.
- The LQA Mystery Shop Scores & Guest Feedback surveys provide constant incentive to perform better.
- Trades, complimentary services and training.
- Treatment trades and product gifts provided by vendors.
- Use of the spa facilities after-hours and spa pot luck outings.
- Vendor product incentives.
- Vendor sponsored gifts for monthly sales contests.

- We provide recognition cards to associates who go above and beyond the standard of expectation. At the end of the year, the one that has the most nominations becomes the service champion of the year.
- We work with other spas to offer treatments for them to experience. The vendors also offer products/tickets and meals at popular places for top retail sellers.
- When good comment cards come in from guests we write handwritten thank-you cards to the employee involved.

Other Spa Types

- A handwritten note from the general manager.
- A secure job, continuous education and a very good work environment.
- All employees have full access to the gym, bath and walking trails anytime, because we believe that if the employees use the facilities they will be more healthy more happy!
- Articulating a vision and purpose that serves as a foundation of expectation and engagement. It either resonates or not and for those who it does not, they leave but it certainly nurtures a lot of other good folks.
- Employee recognition.
- Family and team atmosphere.
- Free massage and facial and flexible work hours.
- Meeting with staff regularly (both one-on-one and mandatory staff meetings), thank you notes from manager and spa concierge when positive feedback is received from guests, team-building events such as hiking, kayaking, etc.
- Our U.S. staff who work full-time are provided with room and board and two free spa treatments per week. This counter balances the fact that they live away from home at their jobs.
- Preferential schedule.
- Regular staff meetings to inform them of new and upcoming things.
- Spa day, as well as employee trade.
- We have an excellence award that allows employees or administration to recognize employees going above and beyond their job description. Employees receive recognition at an all-staff meeting and are given a star pin.

Respondents were asked to describe what they consider to be their spa's most effective financial incentive or initiative that has positively impacted overall employee loyalty. Below is a sample of responses.

Day Spas

- \$ spiffs.
- A massage certificate for every 320 hours worked.
- Cash incentives for desired goals (retail sales, up sells, etc.).
- Commission.
- Contests that either include additional compensation in their paycheck, gift cards (Visa, Amex) or vacation getaways.
- Education reimbursement and paid CEUs for service providers.
- Education and time off.
- Eligible for pay rate increase every six months at review time.

- Employee rate massages and facials, and a point system for things that are not required (such as picking up a shift, assisting with a new therapist, etc.).
- Employee's choice of day off, \$100 worth of retail or \$100 cash each time they receive 10 compliments from guests. This is also offered to those achieving a certain level of retention. Winners are announced and rewarded monthly.
- Health spending accounts and discounted services/products.
- Commissions, product discounts, education, and discounted services for our estheticians.
- Paid days off.
- Paid time off and benefits.
- Paid workouts and recognition gifts for great service.
- Retail commission after reaching a certain sales goal.
- Retail contests.
- Retail sliding scale.
- Spiffs for massage therapist requests and commission for front desk when a membership is sold.
- The use of "spa dollars" to be used for retail or treatments as an incentive for meeting series, gc, or sales goals has been very effective for us.
- Variable performance bonus.
- We add an 18 percent service charge to all treatments (have been doing this since opening six years ago) and distribute 15 percent of that to therapists two percent is divided amongst support staff (front desk and spa attendants) and the house keeps one percent.
- We are about to implement a program for the front desk hosts. If you have a perfect week of attendance (no tardiness, no sick calls, no trades) you will be entered into a drawing for a free treatment.
- We call them spiffs - they are financial compensation for every time a certain service is performed or product is sold. For example, they get \$5 for every Oxygen Facial performed. Also, large prizes like \$1,000 gift certificates or trips to other countries sponsored by retail vendors have been big but most vendors do not sponsor contests this large anymore.
- Yearly anniversary bonus and free walk-in services.

Resort/Hotel Spas

- \$25 gift cards.
- Five percent in cash out payment on retail.
- Ninety percent off on services for a month.
- Accumulation of spa cash for use on spa treatments.
- Additional compensation for guests requesting therapist by name.
- An overnight stay at a nearby beach resort.
- Annual raises which currently do not cap on duration of years employed.
- As minor as it sounds, an occasional pizza party goes a long way! Also, when employees are nominated as colleague of the month, they get movie tickets.
- Automatic gratuity at 18 percent and full benefits with 401k.
- Bi-annual meeting with all staff with owner, free turkey and bottle of champagne at Christmas and gift cards for Inn twice a year.
- Bonus for managers, service recognition gifts and raffles for staff.
- Bonus structures and base rate compensation for security.
- Bonus when we achieve yearly budget.

- Cash prizes from raffles, etc.
- Certificates of recognition that can be redeemed in HR for gift cards.
- Commissions on retail sales.
- Commission based on individual performance instead of group performance. Extra gift when employee reaches 30 percent more of his/her goal for a particular month (total sales, upgrades or retail).
- Commission on every treatment performed and on every retail product sold.
- Commissions on achieving retail benchmarks.
- Company has anniversary bonuses as well as commission increases at year one and two marks.
- Competitive comp rate, referral program, free meals, free uniforms, and free parking.
- Discounted spa services and retail products. This helps our employees stay healthy and happy, and encourages them to use the high-quality, professional products we encourage our guests to use.
- During overly busy days, we will provide lunch for the employees, as well as once a week we will bring in breakfast for everyone.
- Education Stipend Program for therapy and fitness staff.
- Everyone gets a birthday cake on their special day, commissions on product sales, team outings and benefits for full-time employees.
- Free treatments for the desk staff - it allows for a training opportunity and the staff is totally motivated by the thought of a free massage.
- Full-time medical benefits and paid vacation.
- Gas cards, movie, dinner, stay or treatment certificates.
- Gift cards or money - giving each employee what he/she wants instead of blanket gifts works better.
- Health benefits, pension plan and 20 percent commission on all retail.
- Huge discounts on services in the spa as well as in the other outlets of the hotel.
- I think it is not good to provide financial incentives to all staff members. Only staff that had self-investment should be offered such an incentive.
- Incentive competitions always work such as gift cards or product.
- Incentive to drive retail sales; however, must reach a threshold to obtain incentive.
- Monetary compensation and free spa services have had a great impact.
- Monetary compensation and gift certificates for Secret Shop Reports over 90 percent. In addition, free product for receptionists when they reach certain sales goals.
- Monthly incentive based on the target retail commission, annual staff party and monthly employee gathering.
- Monthly retail contest with prizes for therapists and concierges.
- Monthly retail payout because it is tiered so every employee has the opportunity to meet a goal and it garners friendly rivalry and boosts departmental morale.
- Our most successful initiative is our amazing PR firm that markets us so well we can assure our staff business.
- Paid vacation days.
- Pay structure: hourly + commission + portion of service charge pool.
- Paying for their training in a modality that benefits both the employee and the spa, e.g. lymphatic massage, cranio-sacral therapy, or yoga teacher training.
- Property events that include the whole resort, i.e. activity nights, ice cream truck, and taco day.
- Retail commissions for both therapist and desk staff.
- Retail commissions - it has positively affected our retail revenue without hurting our bottom line.
- Retail incentives for both the front and back staff.

- S.T.A.R. (Spa Team Award Recipient Program).
- Sales incentives involving a special treatment or gift.
- Sales team loves spa services and gift cards as incentives. We have a spa employee of the quarter (dinner for two at the resort) who is nominated by his/her peers and a yearly Spa Team Appreciation event (family invited, dinner at the resort, games and raffle prizes).
- Small changes in the spa/health club that add a pop or different look/feel to the area get employees excited and inspire them to lend a helping hand to maintain the ambiance. Additions like shelving that help employees like nail technicians and health club attendants are appreciated.
- Spa Bucks for recognition, comp spa treatments, discounted spa treatments, and the ability for staff to do trade treatments with one another.
- Spa Bucks which are good for the purchase of retail items or services. They are earned by other staff writing "you've been caught" slips recognizing when they have gone out of their way to help others.
- Spa dollars for them to use for services or retail products.
- Staff Outings, gift certificates and birthday parties.
- The reservationists and front desk agents receive commission on bookings and are a part of a tip pool.
- Therapists can receive full health benefits if they consistently have 32 work hours per week.
- Trips given at award ceremonies.
- Tuition reimbursement.
- We have a points program that awards a point to employees who go above and beyond for guests or fellow employees or if their name is mentioned in a guest survey. Points can be saved to "purchase" gift cards, get paid time-off and purchase services. Employees love the program.
- We have a recognition system in place. Must be nominated for going above and beyond but can be done so by any manager throughout the property. Plus we provide free meals through our employee cafe 24/7.
- We issue reward points that allow the staff to buy many different items from house wares to trips.
- We offer our reservations and front desk team a monthly bonus based on hitting our forecasted revenue and call answer rate. They can earn up to \$500 a month individually.
- We offer 35 percent off spa services during weekdays and a 20 percent discount on weekends at the spa and at our hotel and restaurant.

Other Spa Types

- A fair compensation and benefit package.
- Annual picnic and anniversary parties.
- Bonus at the end of year as well as raises based on performance reviews.
- Bonus for achieving goals. Incentives from vendors.
- Bonuses.
- CEU participation.
- Free products for their use.
- Free training for service providers to meet CEU requirements.
- Gift cards.
- Good benefits all year round.
- Membership bonuses.
- Monetary incentive for each booking.

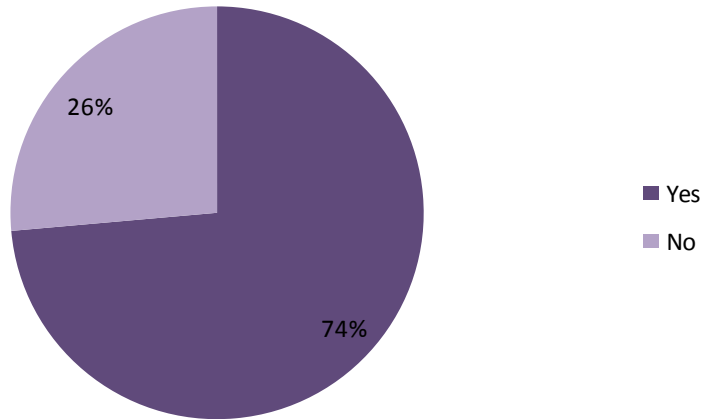
- We offer 24 hours at the spa and we treat the employees like a real customers for the first year and I add three weeks of training for every employees.
- We offer a 30 percent discount on all services and products after one year of service. Smaller discounts are also given for immediate family.
- We reward perfect attendance for the quarter with a \$20 voucher for spa products or services.

Respondents were asked to identify the total number of employees currently employed by their spa and the number of employees that have been terminated this year. This data was collected and used to calculate average employee retention rates for full-time, part-time and contract employees. The average 2012 employee retention rate for each category is highlighted below.

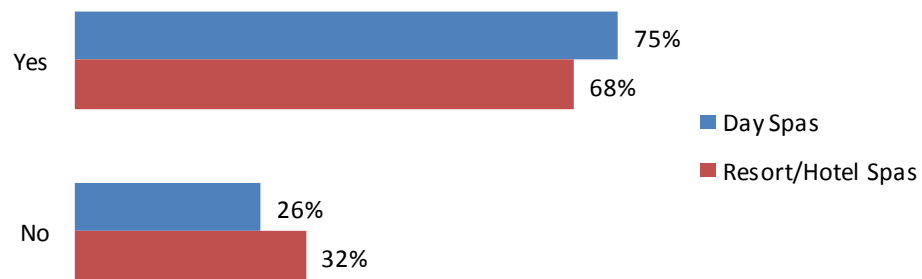
	Full-time Employees	Part-time Employees	Contract Employees
All Spas	88%	85%	92%
Resort/Hotel Spas	88%	85%	93%
Day Spas	90%	86%	88%

Does your spa have team-building activities for employees?

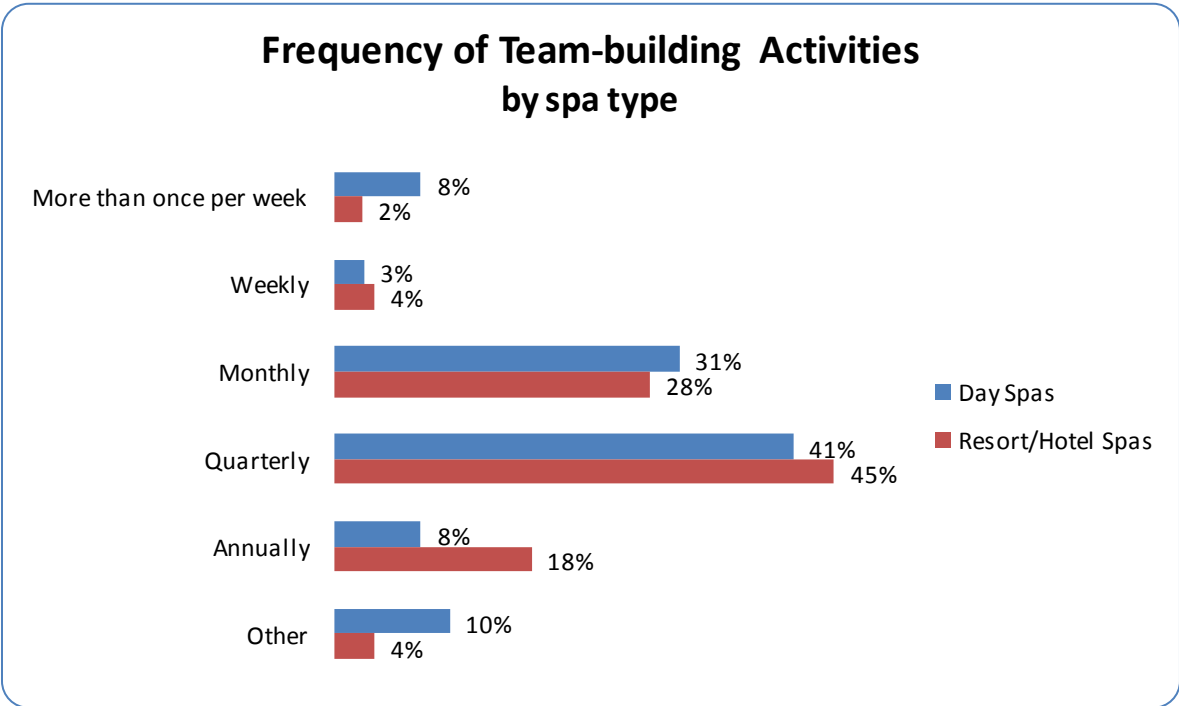
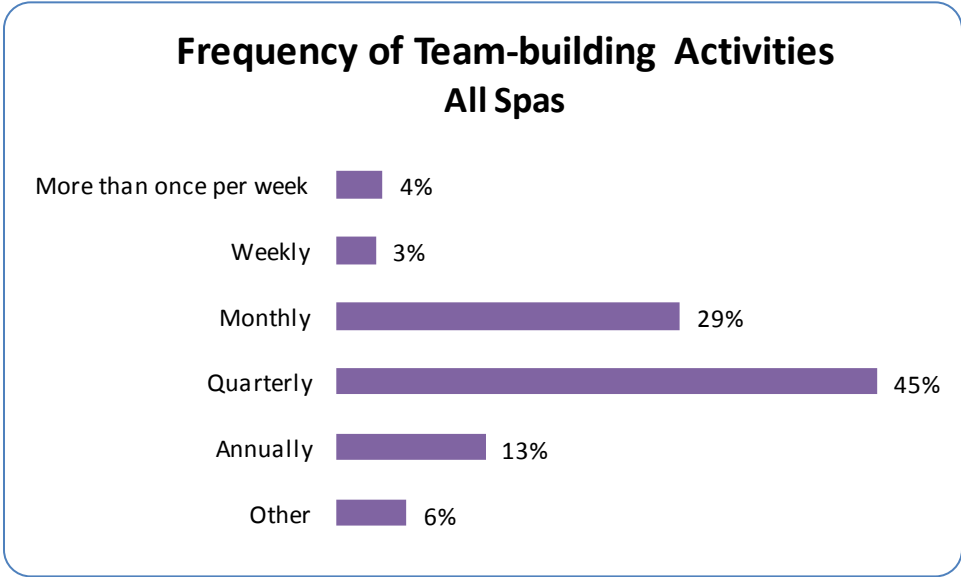
**Spa has Team-building Activities for Employees
All Spas**



**Spa has Team-building Activities for
Employees
by spa type**



Respondents who answered “yes” to the previous questions were asked to indicate which of the following best describes how often their spa has team-building activities?



Respondents were asked to describe the most creative team-building activity their spa has done within the past year that positively impacted their team. Below is a sample of responses.

Day Spas

- Annually we have an All-Staff Retreat, where the spa closes for a half day. The last one was carnival-themed and in between the marketing and how can we improve sessions, we did carnival games.
- As a group with the hotel and restaurant, we host lunches, poolside socials, summer barbecues, monthly birthday celebrations, and more.
- At our company picnic we have team games and during training we have team games - *Jeopardy* style.
- Bingo game in which team members had to find out special details about one another in order to complete their game card.
- Bowling night out with team rewards for all - fun trophies, laughs, and food. Team participated in selecting winners of "silly categories" like highest bowling average, lowest bowling average, best bowling outfit, best hair, and best team player. We had a ceremony afterwards awarding everyone with trophies.
- Daily huddles and contests.
- Group lunch followed by a kayak trip.
- Inspirational speaker and party.
- Monthly staff meetings with games and awards.
- Night out brainstorming get-together.
- Outing together, some locations decorate the reservations room, a walking club together, and we do the biggest loser.
- Practicing on each other and attending shows together.
- Role playing.
- Round table discussions.
- Spa staff retreat outside of town with partners/families and staff members.
- Two-day all-staff retreat to recharge batteries and get motivated. All employees were paid for their time and lunch was provided.
- We closed our spa for the day and conducted an employee day. Closing the spa for a day is pretty much unheard of, so it sent a real message to the team that they came first for once. We wanted to devote a day to team building, activities, and how we can take better care of our guests.
- We did in-house interactive activities that focused on communication and teamwork.
- We had a group workout with a personal trainer.
- We had teams break-out and make their own videos focusing on our core values using flip-cams and whatever props or locations they would like. We had some very fun, creative, and amazingly constructed videos.
- We have a tic-tac-toe event for spa coordinators to make learning about all of our services fun. It includes prizes, food, and fun.
- We have an annual spa retreat that we hold off-site at our local museum for two days. We bring in a guest speaker and lunch is catered for two days.
- We have done a lot of work with the word and meaning of abundance. It has shifted how many on staff look at money and the "fullness" of their appointment books.
- We rented a local water park and had everyone come and bring immediate family members and we brought in pizza.

Resort/Hotel Spas

- Ten managers experienced a treatment at another spa on a trade. This outing brought us together as managers and friends and let us observe differences to improve our spa operation and guest experience. For the entire staff, we post free events and outings to participate in, typically led by a manager, (ex. hiking, rafting, happy hour, free concerts) to get to know each other outside of work which builds stronger relationships.
- A company-wide guest service training with all hotel departments present.
- A game loosely based on the show *Survivor*.
- Annual family night.
- At our monthly meeting, we have all associates watch a motivational video along with an interactive game to help build the communication among associates.
- Backpacks for Success, children's school backpack program.
- Beginning of the summer celebration and monthly birthday activity.
- Bluewater initiative that has been launched worldwide through Four Seasons Hotels/Resorts. The idea is to bring as much creativity from all employees of the company no matter their position/title. Employees come together to "ideate" on different topics and choose the two main ideas that would be most beneficial for the department.
- Boat trip.
- Bowling.
- Building our own set of spa values through skits describing ways to demonstrate the "golden rule."
- By hosting a staff meeting on a monthly basis which gives them the feeling of ownership and responsibility over our daily routine.
- Creating a vision board.
- Daily ops meeting in which positive comments, guest feedback and daily operations are discussed.
- Engaged team for an upcoming spa project by having the team create and implement their concepts.
- Games that involve all the spa team.
- Go carts.
- Golf tourney and barbecue.
- Hot air balloon outing for staff.
- Had teams build a gingerbread house. This helped them work on communication and ways to work together to accomplish a goal.
- The whole team was invited to the manager's house for a barbecue/potluck with spouses and kids. The weather was not ideal but we played Xbox, Kinect and took the time to laugh and speak loud (something we don't often have the chance to do).
- Just like playing telephone except the last person in line is shown a picture and asked to draw on the back of the person in front of them. The first person in line will interpret it to paper. It is a lesson in non-verbal communication.
- Learned a new sport together. Creating teams within teams, finding new strengths and placing/utilizing those strengths where needed. Valuing each other's strong and not so strong points; finding balance.
- Outdoor activities with the other hotel departments.
- Small group creative activities that are then shared with the whole team. Competitive in a fun way.
- Personality profiles.
- Playing Jeopardy using the format of having a facilitator, dividing into groups, and asking team questions regarding the resort and spa as well as Forbes questions.

- Pool party for spa employees.
- Pot luck lunch and charity walks and runs.
- Quarterly activities outside spa. We select three places and the employees vote where they would like to go and what they want to do.
- Quarterly all-resort rally set up as a farmer's market with produce and locally made products to sample and raffles to win free products donated by local vendors.
- Role playing with guest employee interaction in which staff takes turns playing each role. This allows staff to see things from the guest perspective and vice versa. It brings the message home to staff of the importance of elevating the guest experience each time.
- Ropes course for desk team to provide an opportunity for team building and strengthened communication.
- Soccer and swimming.
- Spa party with *Minute to Win It* team-oriented games for everyone to participate. Gifts certificates to other parts of the resort were given as prizes, i.e. ski passes, animal tour passes, shooting academy passes and free spa services. We gave away fun stuff, but still kept it within the resort to cross-train staff on other areas so they could cross-sell to our guests. We allowed them to bring family and friends with them when they used their certificates.
- Summer kick-off party where they brought in food and shared recipes. It created a sense of bonding and sharing among everyone.
- Team driven continuous improvement program and community service projects - property sponsored teams.
- Team member breakfasts in the break rooms and a Las Vegas tourist-themed outing.
- The most creative team building activity our spa has done is how to trust, embrace and accept guidance from colleagues in any specific topic. It included physical, mental and theoretical activities to establish the above. The daily operations of the spa are now running much more smoothly.
- Tree planting.
- Trip to an eco-park.
- Upcoming Spa Family Night where employees can treat each other and family members to an evening at the spa.
- Use of the spa facilities after hours.
- Usually based around our staff completing a project that will benefit a local charity, i.e. making lunches for a shelter or stuffed animals for a children's hospital.
- We did a "dream" workshop. All staff came together and shared what their dreams are for the spa. They communicated what type of work environment they wanted to create. We then made action items so that their "dream" job would be a reality.
- We had a gathering where we used table topic questions to learn more about each other. We used some of the more fun questions.
- We had each member of the spa team participate in a photo project demonstrating all the things that they/guests shouldn't be doing in the spa. This included management too. It was absolutely hilarious, both completing the assignment as well as the photographic record that will endure for years.
- We have a motivational monthly meeting where we play games.
- We have an end of summer pool party, where we play volleyball, swim, eat, drink and enjoy each other's company.
- We have awards shows and contests for employees.

- We have regular meetings with all departments in the spa and then have an all spa staff meeting which tends to be more team-oriented with feedback, recognition, and a casual environment.
- We held our new Bluewater Initiative meetings which inspire staff to come up with solutions in the spa. These meetings are in unusual locations and involve some fun activity such as Zumba to kick off our idea generation sessions.
- We use meetings as a time to recognize people, have snacks, team build, and even have a surprise birthday party.
- We used two pontoon boats on which we held our quarterly team meeting out on the lake at sunset. It was gorgeous, and by tying the boats together, we had a relaxing and productive meeting.
- We went on a boat tour for the team to relax and enjoy. Nothing was related to work.
- Whiffle ball outside in down time.

Other Spa Types

- Communication workshop that was interactive and fun for staff.
- Equine experience.
- Fun activities; we did a clown and circus day.
- Game shows built around Gold Star Standards.
- Getting to know each other. Before an all spa staff meeting I had the staff send me one song that best describes them (without sharing it with the group) and I played each song at the meeting and we guessed who it belonged to. Later I burned a CD for everybody. They loved it.
- Organization development.
- Quarterly meetings and monthly goals.
- Spa tour to other five-star spa hotels, wellness activities (i.e. yoga, stretching, etc.) and games.
- Team goals.
- Variations on the morning line-up.

Respondents were asked to describe what they consider to be the most important "ingredient" when it comes to creating a loyal employee base. Below is a sample of responses.

Day Spas

- Be loyal to them by taking time to listen, help and guide (get them invested) and have good relationships.
- Being consistent in the level of training provided, an ability to grow within the spa and recognition on an on-going basis that is spa-wide.
- Communication, teamwork, and trust.
- Communication and recognition.
- Communication, complete transparency, sharing of the vision, including them in the vision and creating a feel of family.
- Competitive wages, set schedule and seniority based on longevity for booking order.
- Currently, making sure our staff is staying busy with clientele (existing or new) is crucial to their sense of loyalty and trust in my efforts.
- Day-to-day organization. If your job is easier for you, less stressful, and you know the management knows what is going on and makes positive changes, I think you want to stay there.
- Employee engagement.

- Empowerment of the staff so they feel vested in the business.
- Fair treatment.
- Follow-through.
- Genuine recognition for a job well done.
- Get to know them, include them and let them be a part of decision-making when appropriate.
- Great leadership, fair treatment and financial security.
- Having fun at work and good coworker relationships.
- Appreciation and rewards because they makes them feel valued and inspired.
- Individual recognition.
- Instilling a sense of community and family at the workplace and recognizing those who do something above and beyond the call of duty.
- Management team.
- Mutual respect; honesty; following through by doing what you promise; transparency in operations; and communicating and engaging the employees in all aspects of the business.
- Open door policy with management.
- Over-communication.
- Positive, healthy and supportive work environment, quality training and recognition for good work.
- Respect for the company and respect for the employee.
- Respect, training, salary, good environment and non-acceptance of bad behavior.
- Respect, happy and calm culture and positivity.
- Showing appreciation for jobs well done.
- Support. We train our employees and let them know we will always back them up with customers. We have an awesome owner/property manager who listens to our questions, concerns and ideas with humble consideration. Having management that supports the staff and works alongside them lets the employees know that the company's success depends on them too. This creates a feeling of responsibility and loyalty in the employees.
- The support we give each other and the flexibility of scheduling. We are very clear during the hiring process that to whom much is given, much is expected.
- To be honest with them and to keep them all accountable.
- Transparency.
- Trust. The employees have to trust that the managers and company will do their jobs and make decisions in their best interest.
- Understanding each department, knowing what they do and the importance of each.

Resort/Hotel Spas

- A healthy, productive work culture.
- Acknowledgement and perks.
- Appreciation for their time with us. Monetary compensation for long-term staff creates longer stays as well.
- Appropriate wages and a creative atmosphere for them to work within.
- Be congruent with the company values, listen to the employees needs and make them feel important and part of the company. Try to help them as much as possible. Fairness.
- Being good to your employees and treating them with respect.
- Being truthful with your staff and working with them to better achieve the best results from each individual.
- Being very selective in the hiring process.

- Common respect between staff and management.
- Communication and respect.
- Communication and allowing them to be part of the decisions.
- Communication and appreciation.
- Communication and understanding the employees' needs.
- Communication, trust and collaboration.
- Consistent feedback, communication and recognition.
- Creating a friendly work environment.
- Creating a mission statement and living it through example and having a great spa director who creates a spa family.
- Creating a sense of ownership. You find value and take care of what's yours if you're invested in it emotionally.
- Delivering what you promise at hiring, consistency with rules and regulations and not showing favoritism.
- Direct and honest feedback, fair pay, ability to grow in the position and on to promotion, and great benefits.
- Employee recognition.
- Empowering your staff, listening to their needs and involving them in as many decision-making processes as possible. Their buy-in is extremely important for the success of whatever you implement.
- Engagement. If our employees believe in what we do and what we sell, then everything else (revenue and guest retention) falls into place.
- Ensuring the staff has the items they need to perform their job; when their day goes smoothly they are happy and positive.
- Fair treatment and compensation. Recognition for a job well done.
- Fairness and consistency in leadership.
- Fairness and a sense of ownership.
- Family - knowing your employees - their likes/dislikes, what type of recognition works for them, what motivates them, how they learn, the proper coaching methods and recognition.
- Feedback and appreciation.
- Genuine understanding of employee needs, good pay structure and fairness.
- Get to truly know your employees. Spend as much time with them as possible. Relationships are very important and solid relationships help build a successful spa.
- Getting the right people on board and getting rid of the wrong people.
- Giving everyone a voice and the opportunity to share their opinions and ideas and implementing those ideas whenever possible. It is also very important for them to know their management team is behind them.
- Giving thanks personally.
- Good team spirit achieved through employing correct candidates who have respect and good attitude towards work and their colleagues.
- Harmony.
- Having an open door philosophy, engagement with the employee, recognition and appreciation.
- Honest, fair treatment for everyone while enabling employees to create memorable guest experiences with no financial output. Leading with genuine core values.
- I think it's important to listen and show respect for all employees. I also think showing genuine interest in an employee's career path lets the employee know you care. My most loyal employees are the ones who shared

with me where they saw themselves professionally. Fortunately, I have been able to create positions for most individuals that have expressed interest in growth.

- Identify what they perceive as incentive, it might not be what you think.
- Individual recognition and appreciation.
- Initial training; cross-train employees so they understand our guest attendants and receptionist positions and their role in spa experience.
- Lead by example and consistency.
- Listen to them and use their feedback to improve the team.
- Listening to what they have to say, and trying to resolve any issues they may have.
- Mentoring.
- Monetary incentives.
- On-going education and open communication.
- Open communication, hands-on management, management supportive with recognition, dealing with guest issues and treating staff fairly.
- Patience.
- Paying well - being competitive in the market. Treating the employees well and doing what you say you will do and following through.
- Personal relationship and recognition. Listening and being available to team members. Empathy, compassion along with boundaries and fairness. No favorites and no stars.
- Positive communication, straightforward communication, recognizing them through verbal appreciation.
- Positive team morale.
- Positivity/honesty that trickles from the top down.
- Providing a work environment that is positive, structured and supportive.
- Recognition and ensuring they feel wanted, special and appreciated.
- Recognition and saying "thank you".
- Recognition and timely feedback (both positive and negative).
- Recognition for positive contributions and creating a family-like atmosphere.
- Respect for them personally and for their professional contribution.
- Respecting each other and working together as a team.
- Role model and trust.
- Sticking to the promises we make to them, and asking the same of them. Keeping the lines of communication open, while maintaining privacy and respecting everyone.
- Take care of your team through open lines of communication and support, an open door policy and being there for each other when needed.
- The best ingredient to creating a loyal employee base is to be sensitive to scheduling needs of the associates.
- To give them the goal and teach them about the philosophy of the job they do.
- Treat others as you would like to be treated.
- Treat them like your best client.
- Treating each of them as an individual, communicating with them as an individual in the style that suits them, playing to their individual strengths and knowing what is important to them individually so that you can reward/support them appropriately.

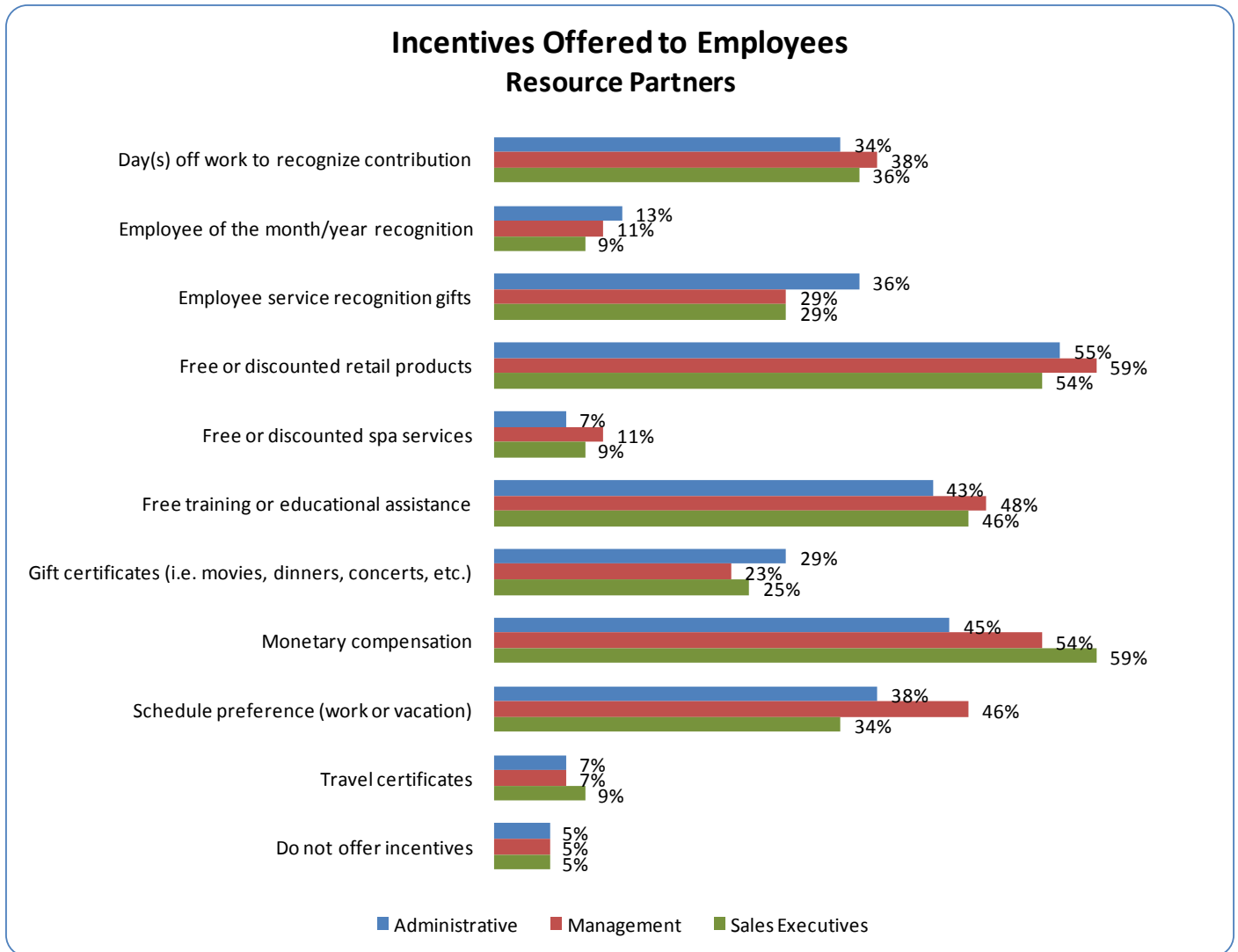
- Treating everyone with respect and taking the time to speak with them about how everything is going. From finding out if protocols and products are working for them, to feedback on policies and procedures, as well as how their personal life is, has been the key to creating loyalty.
- Trust and a shared passion for success.
- Trust. Your employees want to know that their managers are looking out for the employee's best interest and being fair when making decisions.
- Understanding each person is unique in what they consider to be appropriate recognition. Some love a stage and want the world to know, while others are mortified by that and prefer more subtle forms of recognition. It is important to ask what they prefer and more important to remember and recognize them the way that makes them comfortable.
- Understanding that all employees are unique, with individual needs, especially when they are multicultural. Ensuring that the remuneration is above average with bonus benefits – this encourages the staff to stay and extend their contracts after the minimum period. In a resort spa, where the staff have on-site accommodations, it is important to have excellent facilities which will make them feel more at home because this also encourages them to stay longer.

Other Spa Types

- A complete culture that accepts them.
- Consistency and time.
- Employee recognition. Recognition should be early, often and public. It should come from all levels of the organization. Employees should recognize each other, and be recognized by all levels of management.
- Family and team atmosphere.
- Flexibility.
- Listening to them and incorporating their feedback in decisions as well as recognizing their service/achievements.
- Managers who set expectations from the start and offer thorough training so they do not have to micro-manage the staff and giving staff members the opportunity to develop and work independently.
- Recognition, encouragement and training.
- Recognition. Recognition needs to happen early and often. It should come from all areas (co-workers, supervisors, owners, etc.) and should be given in various forms (written and oral; public and private).
- Regular staff meetings and team bonding exercises.
- Respect for one another and our members and guests. Not overworking them.
- Teamwork, company's benefits, career path, and education and training.
- Training and clear objectives.
- Trust, communication and acknowledging them in public.

RESOURCE PARTNERS

Which of the following incentives are offered to your company's employees at the administrative (i.e. receptionists, administrative assistants), management and sales executives?



Respondents were asked to identify the total number of employees currently employed by their company and the number of employees that have been terminated this year. This data was collected and used to calculate average employee retention rates for full-time, part-time and contract employees. The average 2012 employee retention rate for each category is highlighted below.

	Full-time Employees	Part-time Employees	Contract Employees
Resource Partners	87%	91%	84%

Respondents were asked to describe what they consider to be their company's most effective non-financial (no costs involved) incentive or initiative that has positively impacted overall employee loyalty. Below is a sample of responses.

- A generous vacation day policy.
- Annual leave incentive.
- Contribution to health insurance and extra vacation.
- Creating a culture of care within our company community. We have written standards as to how we behave with one another and it has created an environment of trust.
- Employee of the month recognition and spa gift certificates.
- Employees get an extra day off if they hit their goals each month.
- Flexibility with scheduling and personal needs and team effort.
- Having a caring, friendly and respectful workplace.
- Helping employees see they have a vested interest in the overall well-being of the company.
- Holiday parties, birthday and anniversary luncheons, and half days prior to a holiday.
- In-house education.
- Inclusion in higher level meetings and engagements - being able to be heard and make contributions to overall company direction.
- Leaving early on Fridays when it is not busy.
- Level of flexibility when requesting time off.
- Listening to what they need and preparing an execution plan to get that for them. We realize each person who works for us has a life outside of our company - whether it's baseball or soccer games for their kids - they want to leave early for or something else, we try and be flexible and make this happen. It really makes our associates happy-go-lucky and keeps the work/home balance in check.
- Monthly pot lucks and recognition emails.
- Our company's most effective non-financial incentive or initiative that we found has positively impacted our employees is praise for managers and a chance for career growth. We often give our employees who deserve a reward a chance take the lead in an important project or branch out from their everyday duties to grow their career.
- Peer recognition.

- Personal time off.
- Praise and recognition - Beats a pay increase for many staff - always value your staff - no staff no business!
- Recognition program.
- Respect for your staff.
- Sales on goods.
- Taking the time to recognize them and to personally thank them for excellent work.
- The CEO comes in everyday and has a company-wide meeting. She encourages personal development and happiness, family and vacation time, and positivity. She reminds us how important everyone of us is.
- Time off.
- Time off with pay for outstanding contribution.
- Training and flex work schedules.
- Treating employees with professionalism which they deserve. Providing effective "tools of the trade" together with proper training when required. Delegating authority to individual and/or team for the assigned projects.
- Trips for obtaining sales goals.
- Vacation time.
- Verbal positive affirmations.
- We are able to offer ongoing education incentives for our team that we trade for with other companies. However, the most effective incentive is that my small staff is empowered to make suggestions and oftentimes decisions that will benefit the well-being of the business and the bottom line. All of the team knows their roles are vital to the success of the brand.
- We don't have specific incentives outside of a bonus structure; however, all full-time employees receive generous paid time off and free clothing. Our small company environment fosters a tight-knit bond and mutual respect that generates a great deal of loyalty to the company.

Respondents were asked to describe what they consider to be their company's most effective financial incentive or initiative that has positively impacted overall employee loyalty. Below is a sample of responses.

- A financial incentive that has positively impacted our employees is a sales bonus program. Management is able to set monthly goals and the sales executives will strive to reach with a chance to claim the monetary bonus. We have found that this motivates our entire sales team to work together.
- Annual bonuses.
- Base pay + commission + full benefits which is more than the industry standard.
- Bonuses based on department net profit.
- Bonus connected to results person has control over.
- Bonus incentives paid quickly.
- Bonus on achievement of goals.
- Bonus on salary - based on overall performance of the business - everybody shares.
- Bonus when overall team goals are hit.
- Bonuses at holiday time.
- Cash incentives on up-selling services and memberships.
- Christmas bonus.
- Commission and bonuses.
- Commission structure and weekly incentives.

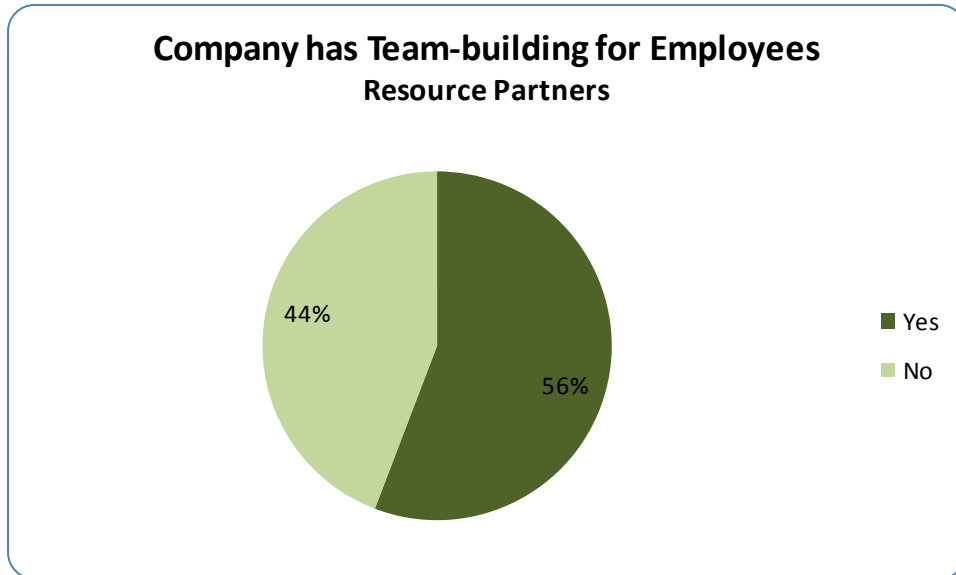
- Commission, as well as annual bonus tied to overall company performance.
- Competitive bonus package linked to an employee's productivity.
- Day off for revenue generated.
- During the daily meetings, the CEO allows one employee everyday to choose and recognize a co-worker of their choice and gives us \$100 to hand out to the person selected. This allows employees who play a critical role but who may be in the background, to receive praise and recognition where they might normally be overlooked.
- Gift certificates when they have gone above and beyond.
- Increased compensation in line with increased company revenues.
- Profit sharing.
- Providing benefits.
- Quarterly bonuses.
- Staff discounts on retail products.
- Travel.
- We have regular lunches where the company provides lunch for the staff. It is a great opportunity for us to all sit together and connect on a personal level. It also gets us away from our desk for an hour. We also have frequent "Starbucks runs" where the company purchases drinks for the staff. These are simple gestures that are greatly appreciated by all.
- We offer a bonus plan that is structured on individual and company goals so that all team members work together to help the company achieve its goals from year to year. This bonus plan is a profit sharing plan that fluctuates based on several key factors of the individuals performance and company performance.
- Weekly sales goal winner receives \$100.
- Year-end bonus.
- Yearly meetings that take place at a fun location. Last year we went on a three-day Bahamas cruise where we paid for the cruise and airfare for each associate (we didn't pay for their spouse or kids and onboard expenses were their own). We had a blast. Again, it comes down to the work/home balance and we had equal amounts of this time to work and play all at once. This gives each associate something to look forward to each year. It also gives us time to hear feedback - good or bad - from each of them.

Respondents were asked to identify what they consider to be the most important "ingredient" when it comes to creating a loyal employee base?

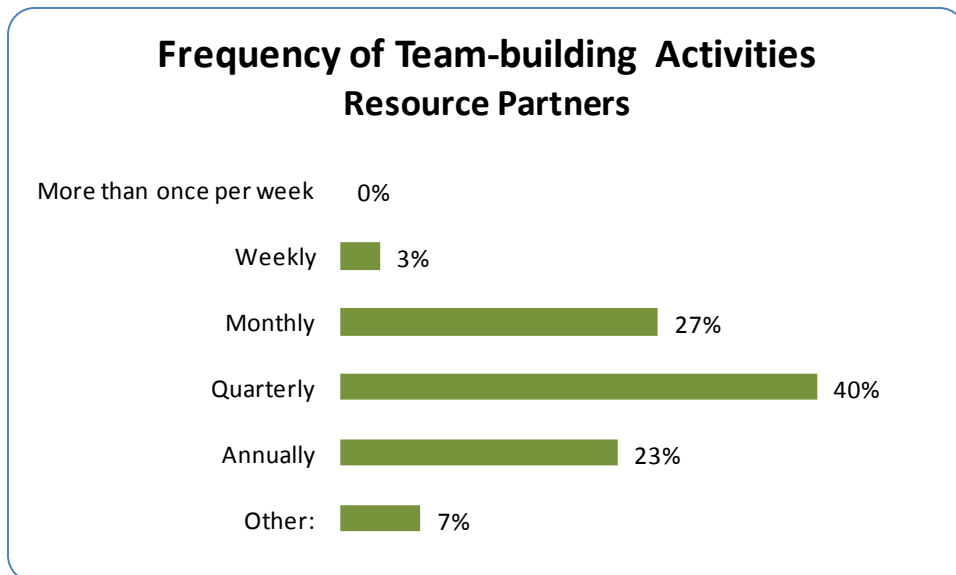
- A camaraderie or sense of family amongst coworkers.
- A friendly work environment.
- Appreciation and respect are the two most important ingredients in creating a loyal employee base.
- Attitude.
- Autonomy. We allow our staff to do what they do well.
- Being a place where people like to come to work.
- Being fair and listening, being understood and communicating.
- Communication and compassion.
- Communication from upper management instilling that all are part of a team and are stakeholders.
- Creating the business environment where each and every employee's efforts and performances are appreciated and acknowledged by the management - sincerely without any hint of it being "lip service."
- Family atmosphere, consideration and appreciation for every employee.

- Great communication and letting them know how important they are to the team and brand.
- Healthy-nurturing company culture fostering trust and compassion.
- Honesty.
- Inspiring leadership, setting high standards for the company and providing mentoring in order for employees to meet those standards. Equally important is honest communication.
- Involve them in the mission and provide education and training and then give recognition. It takes all of these together to really work.
- Listen to them.
- Making everyone feel part of the team. Asking employees for their feedback.
- Management style, always treat people as you would like to be treated.
- Non-financial compensation when team members have to pull the weight for those who are out of the office.
- Open communication and a safe work environment.
- Open door policy, communication, good pay, adequate training, samples of products to personally experience, and team-building events.
- Opportunity for internal growth.
- Ownership must work with employees and harder than employees.
- Positive attitude and strong work ethic.
- Potential for advancement and involvement on company direction.
- Pride in our accomplishments.
- Quality of relationships.
- Recognition.
- Respect your staff and ensure that they are involved as much as possible with what's happening so that they "buy-in" to the success - the company benefits its entire staff not just a few.
- Strength. Each person has unique abilities and strong points and brings something to the table. As an owner or manager, you must be able to pinpoint what these are and build from them. Bring in other employees that may be stronger in other areas as needed for balance. For example - trying to make someone who is strong in sales an IT person just doesn't work, right?
- Teamwork.
- To sincerely show appreciation, and support in hard times.
- Treating employees with respect and having good/open communication with all team members. Recognizing talent and success.
- Treating employees with respect and listening to and valuing their contributions.
- Treating people as humans - the way you want to be treated - and recognizing the importance of a work-life balance. We are adamant that people enjoy their time away from the office and not stress about work-related things when the lights are turned off for the night. This ensures happy and productive employees when it's time to work. When they are happy, they are loyal and feel respected.
- Treating people with respect and helping them grow their career.

Does your company have team-building activities for employees?



Respondents who answered "yes" to the previous were asked to identify which of the following best describes how often their company has team-building activities?



Respondents were asked to describe the most creative team-building activity their company has done within the past year that positively impacted your team. Below is a sample of responses.

- *Biggest Loser* contest where they were on teams.
- Closing up early and taking the entire office in a limo to the best and most popular fine dining Mexican restaurant located on the Pacific Ocean here in Orange County, California for a festive party.
- Company yoga class at sales meeting.
- Creating a promotional video.
- Earth Day initiatives including garbage collection, tree planting and herb garden creation.
- Halloween and Christmas cubicle decorating contest. They go all out. We give first and second place prizes. Also, monthly potlucks that celebrate the month's birthdays - but it turns into a cook-off.
- Halloween costume contest between departments.
- Inclusion in business trips to fun destinations, fun/fancy lunches and dinners and personal gifts.
- Sharing exercises and personality profiling.
- Trips, dinners, competitive shopping excursions and spa days.
- Upon completion of individual project, the project team members get together for dinner celebrating the accomplishment. Annually, the whole company has a bowling contest event with the winner receiving a myriad of prizes.
- We all took a meditation retreat.
- We had a barbecue together.
- We had a cooking class together.
- We had a surf contest between a few "non-surfer" employees. We hyped it up and we all went to the beach after work with our families to watch the event.
- We have a team-building activity and/or a motivational speech weekly. Our sales manager lifts up our employees by inspiring them to succeed in both their everyday life and career.
- We have fun team meetings.
- We went to a local shelter and served a meal earlier this year. It made all of us feel blessed to have what we each have and felt good to serve our local community for the less fortunate.