

# THE HIGH PERFORMANCE PORTFOLIO: **MOTIVATING AND REWARDING SUCCESS**



**BETTERBRICKS**  
Bottom line thinking on energy.

## **SUMMARY:**

High performance portfolios are a team endeavor, often involving additional effort or new responsibilities. Given your targets and goals, how do you motivate the team to deliver? Financial incentives and tangible rewards provide an effective way to encourage and compensate the team, as does tapping into people's natural passions for new, exciting endeavors.

## **IN DEPTH:**

Energy performance in office buildings is part art, part science. Too often, firms place particular emphasis on the "science" – replacing equipment, focusing on new technologies, and relying on sophisticated energy management systems. But the reality is that day-to-day decisions and operations by individuals have as much of an impact on energy performance as the equipment, if not more. Finding ways to motivate, acknowledge, and reward these individuals in a way that aligns their contributions with overall energy goals is critical to a successful effort.

Rewarding your employees will create a positive feedback loop, further reinforcing the motivation to succeed. Be consistent - energy management is iterative and continuous and requires people's long-term dedication. If staff know they'll be compensated (or reprimanded) for their accomplishments (or for falling short of expectations) now and in the future, they will be more diligent about following through with energy management policies and building improvements.

Set up incentives for both your employees and contractors, and follow through when they meet their energy targets. Secure senior management's involvement in formally recognizing employee achievements.

## **REWARD EMPLOYEES.**

Staff and employees contribute to energy performance in multiple ways, each worthy of recognition. From simply identifying creative energy-saving ideas, or reducing a building's energy consumption over a set period of time, to managing a sophisticated series of building tune-ups – there are many levels of achievement to consider. Likewise, there are many different ways to reward these efforts by individuals, teams, and properties:



**Financial compensation:** Financial rewards can be formal, such as bonuses, raises, or monetary incentives for employees with energy performance responsibilities. For these types of rewards, incorporate energy efficiency criteria into job descriptions and performance evaluations. For example, provide a bonus for staff that develop and implement an enhanced O&M program resulting in an improved EPA energy performance rating.

Additionally, make informal financial rewards available to all employees, whether or not they have specific energy management responsibilities. Examples include a round of golf, a gift certificate for an ENERGY STAR appliance, restaurant gift certificates, or paid time off.

**Career advancement / professional development:** Energy performance is increasingly viewed as a core job skill in real estate, and can be an excellent route to career advancement. Encourage members of the energy team to attend educational sessions, pursue energy-related professional designations, and network with peers as a way to enhance professional development and keep up-to-date on the latest developments.

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## SUCCESS STORY

Thomas Properties Group developed an employee achievement reward system (dubbed EARS) that rewards engineers, security personnel, and custodians for presenting tactics that lower operating expenses. Staff receive 10 percent of the annual quantifiable savings that result from their strategies. In the two and half years since the program's inception, Thomas Properties has saved about \$250,000 per year on energy costs, and distributed about \$15,000 to employees. Seeing this money in their pockets continues to be a strong motivator for Thomas Properties employees.

Also consider tying certain designation levels to internal promotion criteria – for example, requiring CPM or LEED-AP designations prior to being promoted to Vice-President. Examples of career incentives and opportunities include:

- **An individual membership in a BOMA Local or IFMA chapter:** Reimburse membership dues and meeting registration fees for a relevant organization. This gives employees valuable networking opportunities and access to resources, especially if they have the opportunity to participate on committees or attend conferences.
- **Tuition for a course or series of courses:** Many programs exist that can both help your employees advance their careers and build skill sets that will supplement your energy management program. Look for curriculum that can also be applied to professional certifications or fulfill "clock hour" requirements.

- **Lunch with a senior executive of their choice:** Many building operators would not otherwise have the chance to interact with the organization's senior leadership, and this can be an excellent way to promote an exchange of ideas. Additionally, it gives executives greater insight into the issues faced at different levels of the organization.
- **Publish an article about energy successes:** Encourage employees to author articles and case studies for leading industry publications. This gives the employee widespread external recognition and a great opportunity for professional development.
- **Funding to attend a national/regional industry meeting or conference:** Prioritize events that dovetail with your energy management goals, and reward employees by sending them as participants. This will again give them valuable networking and professional development opportunities, while building your firm's expertise level and capabilities. You might also require the individual to give a presentation on energy management at the conference.

These types of incentives won't work for everyone. But individuals with a strong drive in this area – "energy champions" – will seize opportunities to develop skills and relationships related to energy management. Different personalities will value different rewards, so having multiple options will ensure an appeal to the greatest cross-section of the organization.

**Internal recognition:** In addition to the career advancement incentives above, there are other simple ways to provide recognition. Hold an "Energy Awards" ceremony or dinner to recognize employees in front of their peers and senior management, or make announcements and congratulate accomplishments at staff meetings.

If you have multiple buildings in your portfolio that have performed exceptionally well, collectively and individually recognize all property managers and engineers responsible for their success. For example, if multiple buildings in your portfolio qualify for ENERGY STAR, present all the responsible employees with the ENERGY STAR plaque at a high-profile organization event. Company newsletters, Web sites, and a simple team e-mail notice are also possible vehicles for internal recognition.

**External recognition:** Successful high-performance buildings deserve to be celebrated and promoted in your marketing and public relations efforts with special events, displays, press releases, stakeholder communications, and sales materials. Ensure that the individuals and teams responsible for your portfolio's success are integral parts of these efforts – and that they are duly recognized in them.

Awards that formally recognize energy achievements can also be a good opportunity to recognize individual contributors. Involve employees in applying for and promoting any

applicable industry awards and certifications, such as LEED certification, ENERGY STAR Partner of the Year, NAREIT Leader in the Light, and BOMA awards.

**Non-financial rewards:** Emphasize the importance of portfolio-wide energy management by awarding prizes to employees who may not have significant energy responsibilities. For example, distribute coffee mugs or other useful, environmentally-friendly items to the leasing department, accounting staff, or other employees who make important – though perhaps indirect – contributions to reducing energy consumption.

Let contractors know that their energy achievements will motivate your organization to keep them on your list for future projects.

### REWARD CONTRACTORS.

Provide incentives to service and product providers to deliver greater energy efficiency – namely by offering the reward of your continued business. Recognize that this could shift the focus of some of the parameters in evaluating proposals, for example from a lowest bid to a total cost of ownership approach.

Analyze both the initial and long-term costs of potential contractors in accordance with your purchasing guidelines. Then, provide incentives for additional delivery of energy performance:

**Services:** Negotiate energy-related goals and milestones in your contracts for outsourced services. Examine the structure of contracts, and look for ways to incorporate incentives to meet these threshold goals and bonuses for additional contributions. Establish a baseline of service, with greater value through reduced costs and improved efficiencies.

**Products:** Establish specifications for product and equipment vendors that offer energy-efficient products, and require proposals to include total cost of ownership analysis. Let contractors know that their energy achievements will motivate your organization to keep them on your list for future projects.

Successful organizations match the right motivation to the right person, and channel those passions.

### TAP INTO PERSONAL MOTIVATIONS

Many individuals are not always best motivated by monetary or recognition opportunities. Often, the ability to contribute to a meaningful cause, work on the cutting edge, or simply exercise creativity stirs an individual's unique passions.

One surprising benefit of pursuing high-performance buildings is an enhanced ability to attract and retain talent. Many companies are already leveraging their efforts as a recruitment tool and avenue for strengthening their staff. Contributing to the environment can be a strong motivator for many employees and job candidates, and developing and operating high performance buildings places your firm at the forefront of carbon reduction issues, energy conservation, and sustainability efforts.

Likewise, high-performance buildings represent an emerging way of managing real estate assets, with plenty of opportunities to innovate, create, and challenge older assumptions about the way business is conducted. Many individuals will respond to these types of situations; others will resist. Successful organizations match the right motivation to the right person, and channel those passions.

#### THE BOTTOM LINE:

- Energy management is as much about managing people as it is about equipment
- Financial incentives and tangible rewards are often the most effective way to encourage success
- For contractors and vendors, negotiate requirements and incentives into contracts for meeting energy efficiency targets
- Personal interests and passions are a powerful motivational tool when aligned with business objectives
- High-performance buildings are an opportunity for employees to demonstrate cutting-edge leadership, earn recognition, and advance their careers

#### USEFUL LINKS:

The High Performance Portfolio Framework  
[www.betterbricks.com/office/framework](http://www.betterbricks.com/office/framework)

ENERGY STAR Partner of the Year Award  
[www.energystar.gov/awards](http://www.energystar.gov/awards)

BOMA Earth Awards  
[www.boma.org/Membership/Awards](http://www.boma.org/Membership/Awards)

USGBC LEED building certification program and LEED Accredited Professional program  
[www.usgbc.org](http://www.usgbc.org)

Building Operator Certification  
[www.theboc.info](http://www.theboc.info)

Certified Energy Manager program  
[www.aeecenter.org](http://www.aeecenter.org)

Certified Property Manager program  
[www.irem.org](http://www.irem.org)

Real Property Administrator certification  
[www.bomi-edu.org](http://www.bomi-edu.org)

NAREIT Leaders in the Light award  
[www.nareit.com](http://www.nareit.com)

Alliance to Save Energy - Stars of Energy Efficiency  
[www.ase.org](http://www.ase.org)



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