

# Reward & Recognition Survey Results

Australia & New Zealand  
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Research

**RedBalloon**  
FOR CORPORATE



Every quarter RedBalloon conducts research into workplace issues affecting the bottom line in businesses across Australia and New Zealand. This latest survey was undertaken to gauge the current trends, attitudes and behaviours around employee reward and recognition and incentives. It explores the viewpoint of employees and managers to find out just how well businesses are performing when it comes to showing their appreciation and motivating their people.

## RESPONDENT PROFILE

- ✓ **3,053 Respondents** from Australia (90%) and NZ (10%)
- ✓ **Age:** 42% Gen X, 33% Gen Y, 25% Baby Boomer
- ✓ **Employment type:** 70% Full Time Employee, 15% Part time Employee, 6% Team Leader/Supervisor, 5% Senior Management, 4% Self employed
- ✓ **Company Size** by number of employees: 15% (<10); 21% (11-50), 20% (51-250), 16% (251-1,000), 28% (1,000+)

*All of these burning questions will be answered...* Are employees feeling appreciated or forgotten? Do managers understand what motivates their employees? Are businesses stingy when it comes to rewarding their people? What kind of rewards do people want and get the engines going?

## KEY FINDINGS

### “Managers drive employees away”

It appears managers have missed the point when it comes to acknowledging and appreciating their employees for their hard work and contribution and this will cause employees to jump ship. Managers are being put in the spotlight after 62 percent of employees have rated them as “Very Poor”, “Poor” or just “Satisfactory” at delivering specific and timely praise.

52 percent of employees say not receiving any recognition would be a contributing factor in their decision to leave their organisation, and 28 percent would leave if they were not receiving any recognition at all.

Naomi Simson, CEO of RedBalloon says in response to the findings “Many managers are taking too much of a head in the sand of an approach to leading people – it’s simply not enough. The problem will go away, people will simply leave. Moment by moment managers simply must recognise their people, it’s a business imperative. When the market delivers such a challenging time it is essential for an organisation to know its people are behind them and truly engaged in what it is trying to achieve.”

Other key findings from the survey continued to point the finger at managers, these include:

- ✓ **Managers don’t know their people** – two thirds of employees, across all generations are convinced their managers don’t know what motivates them to be more productive, proving managers need to take the time to get to know what inspires and drives their people.
- ✓ **Employees lose out when recognition is up to the Manager** - 70 percent of employees say the level of praise they receive from their manager depends on the priorities of the manager and the manager’s style, and only 30 percent receive praise because it is company policy. Simson says “organisations cannot afford to put lip service to this – any acknowledgement needs to be authentic, personal and relevant to a specific activity. Saying thanks and you’re a ‘good bloke’ is not enough. People need to know what they did specifically that contributed to a business result.”



- ✓ **Praise is not frequent enough** - One in five employees does not receive any praise at all or at best, it only happens once per year.
- ✓ **Recognition means the most from the manager** – Close to half of employees surveyed want to be recognised directly by their manager on a one on one basis. This was followed by 37 percent who want a combination of recognition in front of their team, the entire company, one to one with the manager, and privately over email or a hand written note. “The way that someone is acknowledged is as important as the acknowledgement itself. The more relevant and personal the greater the impact the recognition will have,” according to Simson.

Simson says “Managers need to be empowered to say thanks, and given the tools to do it. It has to be part of ‘how we do things around here’.”

Only 34 percent of companies were rated as being “Excellent” or “Good” at rewarding and recognising their employees. Companies that had a formal reward and recognition program have double the positive ratings for recognising their people. “A program means that there is a structured, business approach to recognition – and it doesn’t get forgotten” Simson said.

The survey shows that what people want to be recognised with, is spending time doing activities and sharing experiences with friends or family (55 percent) followed by time off work 18 percent and retail gift vouchers 13 percent. Fuel vouchers, flowers and merchandise were not appealing rating below 2 percent in popularity. Simson explains, “It is becoming evident that life experiences are more appealing across society because they grant people more quality time with their friends and families, and they are memorable. The initial thrill doesn’t wear off, it grows over time as they remember and share the stories.”

The survey found that 70 percent of Australian employees are not expecting a card or any kind of gift from their managers at the end of the year. Simson adds, “This represents a great opportunity for managers to reinforce their relationships with their teams, strengthen the bonds and surprise employees with an unexpected gift or authentic recognition. It has been a big year and it is time to say thanks.”

Read on to see the full results in detail.

## Want to find out more from RedBalloon?

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## DETAILED RESULTS

### Have you received praise from your direct Manager for your work in the past month?

While 61% of people received praise over the past month from their manager, it is still disheartening that 39% of people received no praise at all. Given the pressures that have been placed on employees over the past 18 months, it is no surprise it has been widely reported that employees are planning on 'jumping ship' once the market improves.

|              | Overall | Managers | Employees |
|--------------|---------|----------|-----------|
| Yes          | 61%     | 71%      | 62%       |
| No           | 36%     | 27%      | 35%       |
| I don't know | 3%      | 2%       | 3%        |

### How often does a superior in your workplace recognise your efforts?

More than one in five employees do not receive any praise at all, or at best, it only happens once per year. Only 29% of businesses are demonstrating to their employees that they value their contribution on a daily or weekly basis. Research by Gallup has proven that employees forget a thank you in as little as seven days. The trouble is many managers feel unable to say thanks because they lack the tools. If HR is a business partner then what is businesses doing to empower and educate managers on ways to say thank you more often?

|                         | Overall    |
|-------------------------|------------|
| Daily                   | 7%         |
| Weekly                  | 22%        |
| <b>Monthly</b>          | <b>26%</b> |
| Quarterly               | 19%        |
| Once a year             | 14%        |
| Never- I don't have any | 13%        |

### Would you consider leaving your organisation if you weren't receiving any recognition for your contribution?

|                                     | Overall    | Gen Y      | Gen X      | Boomers    | NZ         |
|-------------------------------------|------------|------------|------------|------------|------------|
| Yes                                 | 28%        | 32%        | 32%        | 18%        | 29%        |
| No                                  | 20%        | 14%        | 18%        | 32%        | 21%        |
| <b>Maybe – it would be a factor</b> | <b>52%</b> | <b>54%</b> | <b>50%</b> | <b>50%</b> | <b>50%</b> |

52% of employees say not receiving any recognition would be a contributing factor in their decision to leave their organisation, and 28% would leave if they were not receiving any recognition at all. The results prove that recognition is not simply a nice to have, but has direct influence on employee retention. Comparatively Gen X and Gen Y expect more recognition than Boomers, and would be more likely to leave.

### Does your company have a reward and recognition program?

36% of businesses have a formal company wide reward and recognition program and 43% of businesses do not. What are companies actually doing to motivate and restore morale if they aren't saying thanks? A substantial number of businesses (21%) are leaving recognition up to the manager's discretion. However alarmingly, a third of employees believe their managers could take more time to find out what motivates them (see results later in this document) This proves that managers do not know their people, and they cannot be the sole driver of thanks in any organisation it has to come from the top.

|  | AU         | NZ         |
|--|------------|------------|
| <b>Yes - a formal company wide one</b> | <b>36%</b> | <b>32%</b> |
| Yes- adhoc/ at managers discretion     | 21%        | 25%        |
| No                                     | 43%        | 43%        |



## How would you rate your Company at providing reward and recognition?

Overall, only 34% of companies were rated as being “Excellent” or “Good” at rewarding and recognising their employees. In stark contrast, companies that have a formal reward and recognition program had considerably more (59%) positive ratings compared to those with no formal reward and recognition program (13%) and those who were adhoc based (34%).

|                        | Overall    | Employees  | Managers   |
|------------------------|------------|------------|------------|
| Excellent              | 9%         | 9%         | 9%         |
| Good                   | 25%        | 24%        | 28%        |
| Satisfactory           | 28%        | 27%        | 31%        |
| <b>Poor/ Very Poor</b> | <b>38%</b> | <b>40%</b> | <b>32%</b> |

## How would you rate your Manager at giving specific and timely praise?

62% of employees rated Managers as "Poor" or just "Satisfactory" when it comes to delivering praise. Its no wonder this is one of the main reasons employees leave their jobs. This further reinforces the need for managers to be more adequately trained on how to recognise their people in a specific and timely manner. Employee productivity, sense of worth, alignment with company culture and purpose all depend on how specific and consistent praise is.

|                       | Overall    | NZ         |
|-----------------------|------------|------------|
| Excellent             | 13%        | 17%        |
| Good                  | 26%        | 30%        |
| Satisfactory          | 28%        | 24%        |
| <b>Poor/Very Poor</b> | <b>34%</b> | <b>28%</b> |

## Is your manager's level of praise a reflection of company policy, or them as an individual?

|  | AU         | NZ         |
|--|------------|------------|
| Company wide - it's the way things are done around here            | 30%        | 30%        |
| <b>My manager's style - praise IS a high priority for them</b>     | <b>35%</b> | <b>29%</b> |
| <b>My manager's style - praise IS NOT a high priority for them</b> | <b>35%</b> | <b>32%</b> |

70% of respondents say the level of praise they receive depends on the priorities of the manager and the manager's style whereas only 30% say it is company policy. People leave their jobs because of bad bosses, and if one third of managers do not show value their employees then how much discretionary effort will employees put in when it is really needed?

## What is the best part of receiving reward and recognition?

|  | Overall    | Gen Y      | Gen X      | Boomers    | NZ         |
|--|------------|------------|------------|------------|------------|
| The Reward - enjoying the reward(s)    | 5%         | 5%         | 5%         | 5%         | 8%         |
| The Recognition - receiving the praise | 35%        | 33%        | 35%        | 34%        | 33%        |
| <b>Both</b>                            | <b>49%</b> | <b>52%</b> | <b>51%</b> | <b>50%</b> | <b>51%</b> |
| I don't receive any                    | 11%        | 10%        | 9%         | 11%        | 8%         |

The term should be called 'Recognition and Reward'; while both are important it is clear that recognition is the most powerful ingredient. While nearly half (49%) of respondents favour both, only 5% say that the reward alone is the best part, indicating that businesses have room to improve when it comes to choosing the right rewards that make a lasting impact on their people.



## How do you prefer to receive recognition for doing a great job?

|   | Overall    | Gen Y      | Gen X      | Boomers    | NZ         |
|---|------------|------------|------------|------------|------------|
| Publicly – in front of my peers               | 10%        | 11%        | 10%        | 9%         | 12%        |
| Publicly in front of the whole company        | 2%         | 1%         | 1%         | 2%         | 3%         |
| <b>Privately - one to one with my manager</b> | <b>43%</b> | <b>38%</b> | <b>44%</b> | <b>43%</b> | <b>43%</b> |
| Privately - via email or a handwritten note   | 9%         | 9%         | 8%         | 9%         | 9%         |
| All of the above                              | 37%        | 41%        | 37%        | 37%        | 33%        |

Whilst 62% of people rated their manager's recognition efforts as "Poor/Very Poor", private one to one recognition is actually the most popular form of communication (43%). Public Recognition could almost be public humiliation for the majority, with only 2% being brave enough to opt for this. 37% of people prefer a combination of approaches. When people are given choice then it is much easier to make it meaningful for them. Businesses should mix it up so they appeal to all interests and personalities.

## Do you think your manager knows what motivates you to be productive?

|  | Overall    | Gen Y      | Gen X      | Boomers    | NZ         |
|--|------------|------------|------------|------------|------------|
| Yes  | 32%        | 27%        | 32%        | 36%        | 35%        |
| No   | 34%        | 34%        | 32%        | 37%        | 30%        |
| <b>Sort of - but they could take more time to find out</b> | <b>35%</b> | <b>39%</b> | <b>36%</b> | <b>27%</b> | <b>35%</b> |

Only one third of employees across all generations are convinced their managers know what motivates them, further evidence proving the fact that managers have more to learn when it comes to looking after their people. What motivates one person in a team may not necessarily work for the next person, each employee has different drivers, recognition is the most powerful when it is tailored to meet the person's needs.

## If you could choose your own reward, which would you prefer?

|   | AU  | NZ  |
|---|-----|-----|
| Experience to share with friends or family E.g. dinner, day trip, holiday | 29% | 32% |
| Experiential gift of your choice. E.g. flying, driving, pamper, getaway   | 26% | 24% |
| Time off work   | 18% | 21% |
| Retail gift voucher   | 13% | 17% |
| None of these   | 4%  | 5%  |
| Movie tickets   | 3%  | 2%  |
| Donation to a charity of your choice                                      | 2%  | 0%  |
| Flowers   | 1%  | 0%  |
| Fuel vouchers   | 1%  | 0%  |
| Merchandise E.g. desk accessories, pens                                   | 0%  | 0%  |

If people could choose their own rewards their first preference is experience based rewards that allow employees to spend time with friends or family and ones that they can choose for themselves first (55%). Followed by time off work 18%, Retail gift vouchers 13%. Fuel vouchers, flowers, merchandise and retail vouchers were not appealing rating below 2% in popularity. People like to focus on doing things with family or friends, which doesn't add to the material clutter already choking our homes. While the initial thrill of receiving a physical possession often fades quickly, the memory of enjoying an amazing experience lasts forever. More than anything people like doing things with other people that they hold close.



## Has the way your employer managed or reacted to the global financial crisis impacted your view of them?

|                                     | Overall    | Gen Y      | Gen X      | Boomers    | NZ         |
|-------------------------------------|------------|------------|------------|------------|------------|
| Yes - in a negative way             | 17%        | 21%        | 15%        | 13%        | 23%        |
| Yes - in a positive way             | 16%        | 14%        | 18%        | 17%        | 25%        |
| <b>No - it's the same as before</b> | <b>67%</b> | <b>65%</b> | <b>67%</b> | <b>70%</b> | <b>52%</b> |

The majority (83%) say their opinion of their employer has not changed or improved since the GFC which is positive reflection on manager's performance and the resilience of the Australian economy. That said, 17% have a more negative view of their manager in their reaction to the GFC. The New Zealand results reflect the greater economic impact with only half viewing it as the same as before.

## Are you actively looking for a job?

|   | Overall    | Gen Y      | Gen X      | Boomers    | NZ         |
|---|------------|------------|------------|------------|------------|
| Yes   | 19%        | 22%        | 19%        | 14%        | 13%        |
| <b>No</b>   | <b>67%</b> | <b>62%</b> | <b>67%</b> | <b>73%</b> | <b>75%</b> |
| No - but I will be as soon as the economy gets better | 14%        | 16%        | 14%        | 13%        | 12%        |

While 67% of employees are not actively looking for a job, one in three employees (33%) plan to leave if not now, then when the economy improves. This is a considerable number of people who are disengaged and disgruntled in their current role with their employer. Efforts to rebuild the trust and morale need to begin now in time for the upturn.

## Does your company traditionally give all of its employees a Xmas or end of year gift?

Half of Australians (52%) are left with no sign of thanks at Christmas time from their employer. The repercussion for businesses is they can expect their people to be disgruntled and feeling flat at the end of the year and even worse still if they are working over the holiday period.

|              | AU         | NZ         |
|--------------|------------|------------|
| Yes          | 40%        | 47%        |
| <b>No</b>    | <b>52%</b> | <b>44%</b> |
| I don't know | 8%         | 9%         |

## Do you expect to receive a card or a gift of any sort, from your manager at the end of the year?

Now is the time to wow and surprise your people when they least expect it and 58% of employees do not expect much. Managers have the opportunity to reinforce their relationship with their teams, strengthen the bonds and demonstrate their worth by surprising employees with an unexpected gift.

|              | AU         | NZ         |
|--------------|------------|------------|
| Yes          | 30%        | 33%        |
| <b>No</b>    | <b>58%</b> | <b>55%</b> |
| I don't know | 12%        | 13%        |