Recognition from Managers Key to Retaining Employees

Without recognition, more than three-quarters of employees will consider leaving

Tuesday 12 June 2012: More than three-quarters (77 per cent) of employees would consider leaving their organisation if they werent recognised for their contribution, and one in four are already actively seeking a new job or intend to in the next three months, according to employee engagement specialists RedBalloon for Corporate.And its managers receiving the bulk of the criticism, with 44 per cent rated very poor, poor or just satisfactory at delivering praise; three quarters of employees are starved of recognition, receiving it only monthly, quarterly or once a year; and 11 per cent receiving no praise at all.These insights come from the 2012 RedBalloon Reward and Recognition Survey, which studied more than 4,000 businesses across Australia and New Zealand to gauge the current trends, attitudes and behaviours around employee reward and recognition programs.These are worrying findings given a 25-year-long Gallup study based on interviews with 12 million workers at 7,000 large companies also found that the relationship with a manager largely determines the length of an employees stay.[i]According to RedBalloon for Corporate General Manager Matt Geraghty Retention is one of the biggest issues facing businesses right now and with the cost to replace someone estimated at 150 per cent of their salary, simple maths demonstrates the return on investment of a successful reward and recognition program.In tough economic times, its your people that will get you through, and if businesses invest in and show their employees appreciation now, theyll stay for the long term.Similarly, its unrealistic for employees to expect significant raises in the current economic climate but a well thought-out and effective reward and recognition program can help keep your employees feeling valued and motivated for a fraction of the cost of increased pay packets.Businesses need to encourage and empower managers to unleash the power of praise, and managers must invest the time to get to know their people and what inspires and drives them how else can they expect to build trust and retain employees over the long term?The report also shows that rewards alone will not give you happier employees. Almost half (46 per cent) of respondents would opt for recognition over a reward when being thanked; 50 per cent want recognition and something physical, such as an experience, a gift voucher or time off from the office; and only 4 per cent of employees would be happy with a reward alone.The role of managers in this process is key, with 51 per cent of respondents seeking acknowledgment from their direct manager, 35 per cent from peers and colleagues, and only 14 per cent from the CEO.And recognition is most important to Generation Y, with 86 per cent prepared to leave an organisation due to lack of recognition, compared to 77 per cent of Generation X and 63 per cent of Baby Boomers.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 youre a good bloke is not enough. People need to know what they did specifically that contributed to a business result, Mr Geraghty said.The study highlighted that 42 per cent of businesses do not have a reward and recognition program in place, which does not bode well for those who are considering leaving for lack of thanks.But just as worrying are the 57 per cent of companies providing a substandard reward and recognition experience, as employees are five times more likely to leave their organisation if their business provides a poor program.We are calling this the recognition retention multiplier, and it represents is a big opportunity for businesses to pull up their socks.Top things employees want to see improved in their business right now20% pay, benefits and conditions15% work-life balance12% rewards and recognition12% systems and processes9% communication9% career progression8% training and development7% culture5% leadership/senior management4% my bossThe most popular rewards1. 42% Experiences - sharing with family/friends (25%) or Personal (17%)2. 31% Cash/Visa Card3. 11% Time off work- ENDS-For more information, or to arrange an interview or image, please contact:Lauren Ashton, Communications Specialist - P: 02 8755 0034 M: 0404 136 765 E: lauren@redballoon.com.auDownload the report: http://corp.redballoon.com.au/rewardandrecognitionreportAbout RedBalloonRedBalloon For Corporate provides exciting reward and recognition solutions, corporate gifts and sales incentives to ensure businesses keep their employees and customers motivated, rewarded and engaged. With a unique resource of over 2,500 amazing experiences in Australia and New Zealand RedBalloon specialises in creating attachments between employees and their employer. RedBalloon has also been awarded for its innovative employee engagement practices, named in the Best Places to Work by BRW Magazine three times, including a top ten ranking in 2009. Hewitt Associates have also awarded RedBalloon with an engagement score of over 90 per cent three years in a row. The average engagement score in Australian businesses is 55 per cent.[i] Kaye, B & Jordan-Evans, S. (2005) Love Em or Lose Em. Berrett Koehler.

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