

Recognition and Rewards in the Australian Workplace

Discover how recognising your people
fuels productivity and retention.



Reward Gateway



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A global view on recognition and rewards

Our recent global research report, **Employee Engagement: An Economic Value Study**, compiled responses from **300 organisations across the globe to uncover key findings about the link between employee engagement and business results, including:**

- **An engaged workforce is a key driver of a successful business:** Our research demonstrates a concrete link between employee engagement and good business outcomes.
- **Engagement and retention are key priorities among HR leaders today:** These were the top two priorities for HR leaders across both desk-based and frontline organisations.

- **The most successful desk-based businesses are the ones that can cover all employee needs – especially appreciation:** Motivational organisations understand the importance of enabling their employees to thrive.



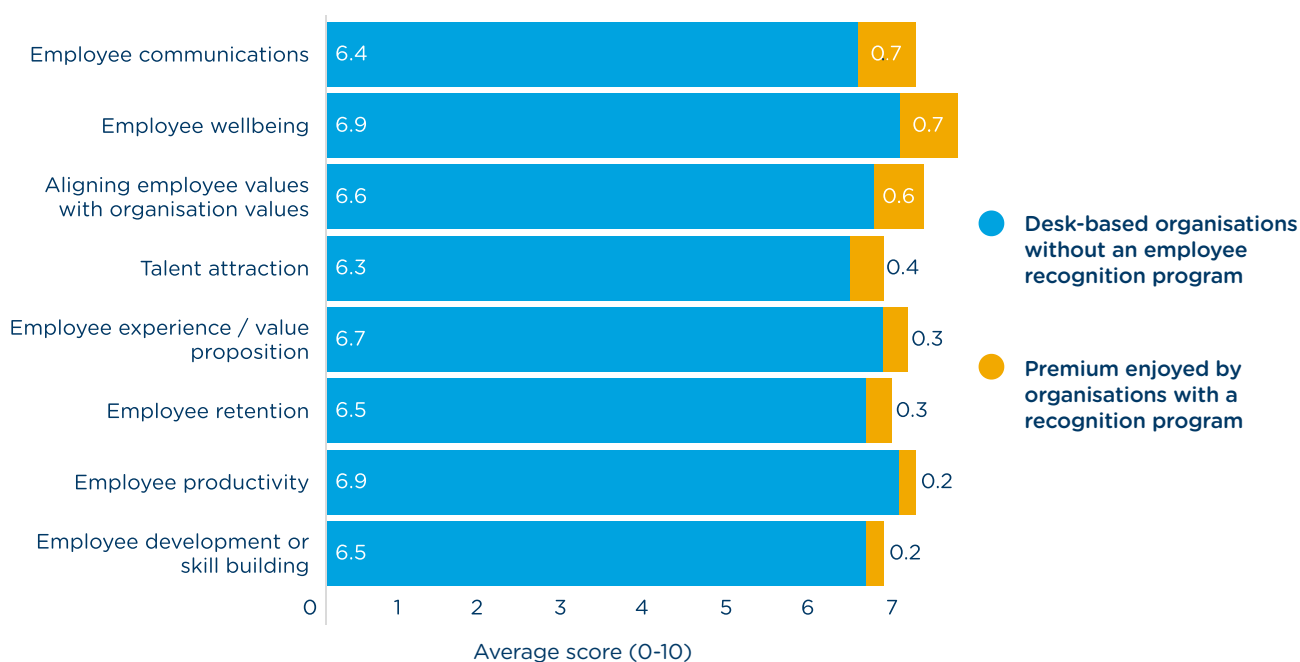
Want to see how your organisation stacks up?

Take the 15-minute survey to access our benchmarking dashboard and see how your employee engagement initiatives compare to local and global counterparts.

When it comes to recognition, our global research revealed some interesting insights about the power of appreciation and recognition:

- Employee recognition programs, assumed to be valued less by employees by the HR leaders surveyed, showed a similar high employee NPS score to cash bonuses, demonstrating that HR leaders may not see the full potential and impact of recognition.
- Tapping into an employee's sense of self-worth through recognition programs and similar benefits is undoubtedly effective in ensuring greater levels of wellbeing and alignment with the organisation's value system.
- Desk-based organisations with a recognition program in place saw a 0.7 boost to employee communications, a 0.7 boost to employee wellbeing, a 0.3 boost to retention and a 0.2 boost to productivity.

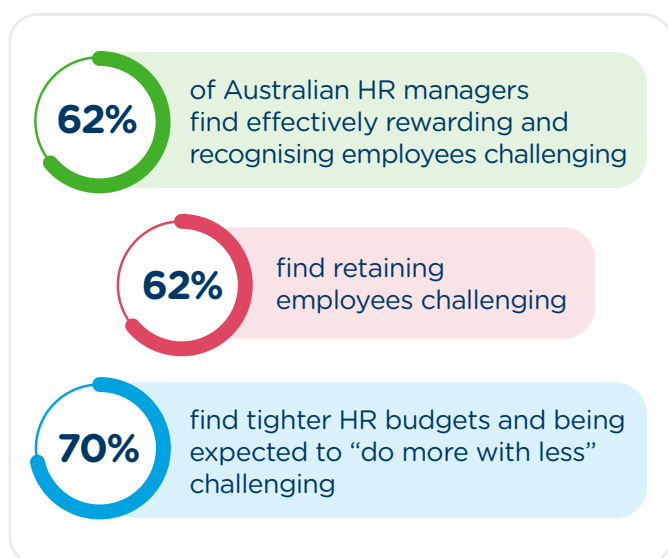
How employee recognition programs impact various engagement metrics among Desk-based organisations



Want to discover more insights about the link between employee engagement initiatives and strong business performance? **Read the full report.**

Key challenges for Australian HR managers

Zeroing in on the Australian market, our 2024 research identified some key challenges that HR managers face:



Given these barriers, how do HR managers and leaders approach recognising and rewarding their people? And why is this so crucial? Over the next two sections, we'll explore this in more detail, offering exclusive data from our Australian research study.

The current state of recognition and rewards in the Australian workplace

Of the 1,000 HR managers surveyed in our research, 79% say they have a recognition and reward program in place, while one in five respondents don't have a formalised program to recognise their people.

Of those that do have a recognition program, 80% believe their employees have a good knowledge of their reward and recognition program and the same percentage believe their employees have sufficient resources and materials to help them understand the

different reward and recognition options they have access to.

However, when surveying 1,000 Australian full-time employees, the gap between HR perception vs employee reality becomes clear: only 71% of employees say they have a good knowledge of their recognition and reward program and 68% say they have the resources and materials to understand their program.

We see even bigger gaps when discussing program usage and employee perception of appreciation:

- **74% of HR managers** agree that their employees regularly use their reward and recognition program to recognise the work of colleagues... compared to **48% of employees**.
- **79% of HR managers** say that their employees are consistently recognised for their work, compared to **54% of employees**.

Unfortunately, only 50% of employees agree that their company offers a good level of recognition and reward, showcasing a significant gap in how appreciated and recognised Australian employees feel. This is backed by our finding that one in four employees say they **rarely feel appreciated or recognised**, while 36% only occasionally feel appreciated or recognised.

This lack of appreciation can have dire consequences for your business, with our research demonstrating clear links between recognition and rewards and productivity and retention.

How recognition and rewards fuel productivity and retention

Recognition and rewards can have a huge impact on your people, giving them a sense of connection and community, building belonging, boosting feelings of appreciation and expanding their disposable income through rewards that they can use on things they want and need.

All of these positive ripple effects can fuel your organisation's productivity and retention. Our research found that recognition and rewards was a top three driver of productivity for employees with 33% saying they felt more productive when receiving recognition and rewards, falling just behind fulfilling job responsibilities (41%) and having a strong and supportive manager/leader (38%).

These findings align perfectly with Teresa Amabile's "progress principle", which highlights the importance of acknowledging even small steps forward for peak employee motivation. By regularly recognising and rewarding achievements, no matter how big or small, leaders can create a positive feedback loop. This fuels a sense of progress for employees, keeping them engaged and propelling them towards continuous productivity and high performance – no matter where they are working and who they are working with.



When we drill down into different work modes, 30% of office-based and hybrid employees say that receiving recognition and rewards makes them feel more productive, compared to 33% of deskless employees, 38% of remote employees and a whopping 48% of frontline workers.

While one in two employees state that their organisation has a recognition and reward program in place, this drops to 33% for deskless workers and 28% for frontline workers. This is reflected in lower rates of appreciation for these workforces with 29% of frontline employees rarely feeling recognised and 30% of deskless employees saying the same.

Here's what Aussie employees had to say:

“ It’s not something that’s done well in my company and it can drastically **improve output and productivity** if there is recognition and reward regularly.

Early Millennial

“ As a manager myself continually recognising and rewarding my team, I would like to sometimes see that in the reverse.

Gen X

“It’s always nice to be recognised for the work you do. And I believe if you **feel valued**, you are **more motivated** to do what’s needed and more.”

Late Millennial

“ I think most times it is taken for granted that the worker should be happy having a job, but in my experience as a manager productivity is higher and staff are happier when they are told that their hard work is appreciated.

Baby Boomer

The link between recognition and reward funding and retention challenges

It's no surprise then that two thirds of HR managers find effectively rewarding and recognising employees challenging.

Recognition and reward programs also scored the highest in terms of being underfunded (14%), and one in two HR managers say they only receive acceptable funding levels for recognition and rewards, as opposed to being adequately funded.

Additionally, a whopping 49% of HR managers state that their business has seen an increase in employee turnover in the past year, with 43% hitting a turnover rate of 6-10%, 19% hitting a turnover rate of 11-15% and 12% seeing a rate of 16-20%.

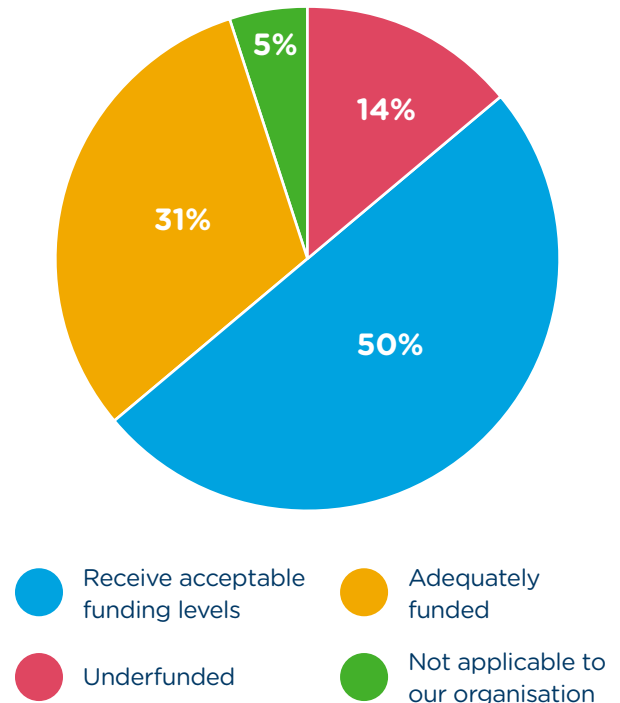


Of those who considered leaving their job recently, **35%** say this is due to a lack of recognition.

When we examine how turnover is impacted by rates of recognition funding, we can see that almost half (49%) of HR managers who say their reward and recognition programs are underfunded have turnover rates of 11% or higher.

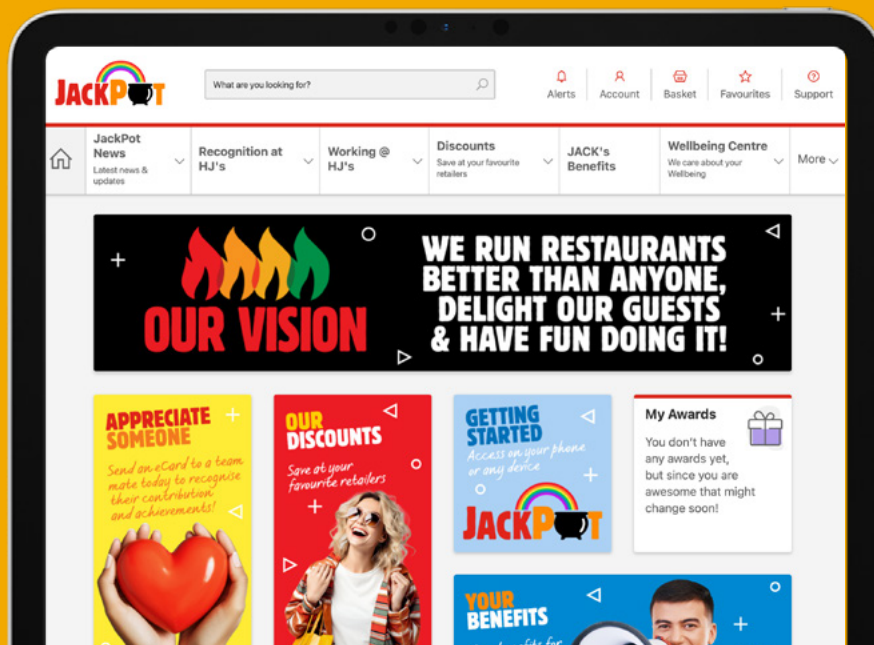
This is significantly higher compared to those who receive acceptable funding (30%) and adequate funding (40%). Additionally, 56% of those from the underfunded segment say their turnover rates have increased.

Levels of funding for Australian recognition and reward programs



Interestingly, one in three employees say they'd consider staying with their current employer if they received more recognition, and 47% view recognition as a must-have from a new employer.

So, how can you boost your recognition and reward efforts, implement an effective recognition program and ensure active usage and appreciation? Learn from the HR leaders that have already done it...



Leading from the front

Hungry Jack's

Hungry Jack's Reward Gateway recognition and reward program, 'JackPot', reflects its commitment to recognising, supporting and appreciating employees while fostering a sense of belonging.



Developing an engaging and effective recognition and reward strategy

Hungry Jack's approach to developing its recognition and reward strategy was highly inclusive, ensuring that it understood what its employees truly value. It actively engaged with employees and stakeholders to gather insights and feedback, ensuring its strategy resonated with every team member, from restaurants to the board. The methods used for consultation included:

Collaboration with Reward Gateway

specialists: Hungry Jack's worked closely with specialists from Reward Gateway to integrate best practices and innovative solutions into its strategy.

Focus groups: Hungry Jack's conducted focus groups with employees in various roles from restaurants and the support centres to gather qualitative insights and

diverse perspectives on what they value in a recognition and reward program.

Surveys: Hungry Jack's deployed comprehensive surveys to collect quantitative data on employee preferences and satisfaction levels regarding existing recognition. This data was crucial in identifying areas for improvement.

Workshops: Hungry Jack's held workshops to facilitate open discussions and brainstorming sessions. These workshops allowed Hungry Jack's employees to voice their opinions, share ideas and collaborate on the development of the strategy.

Feedback loops: Hungry Jack's established continuous feedback loops to ensure ongoing communication with employees. This included regular check-ins and feedback sessions to keep the strategy aligned with evolving employee needs and preferences.



Encouraging adoption and usage with a successful recognition and reward program rollout

Hungry Jack's implemented its reward and recognition strategy with Reward Gateway in phases to ensure a smooth transition and widespread acceptance. Its phased approach included:

An initial pilot phase: Hungry Jack's started with a pilot program in select restaurants to test the new strategy and gather initial feedback. This allowed the HR team to make necessary adjustments before a full-scale rollout.

Employee involvement: Throughout the process, they made employees feel like part of the journey by involving them in discussions and updates. Regular communication ensured that they understood the benefits and felt engaged with the new updates.

Feedback and adjustments: Based on feedback from the pilot phase, the Hungry Jack's team made adjustments to improve the program. This approach ensured that the final implementation was well received and effective.

Full rollout: Once refined, they rolled out the strategy across the entire group, providing comprehensive training and resources to ensure everyone understood how to take advantage of the updates effectively.

Ongoing support: To keep the program meaningful and impactful, Hungry Jack's established continuous support and communication channels. This included regular updates, feedback loops and support from state people and culture team members to maintain momentum and engagement.



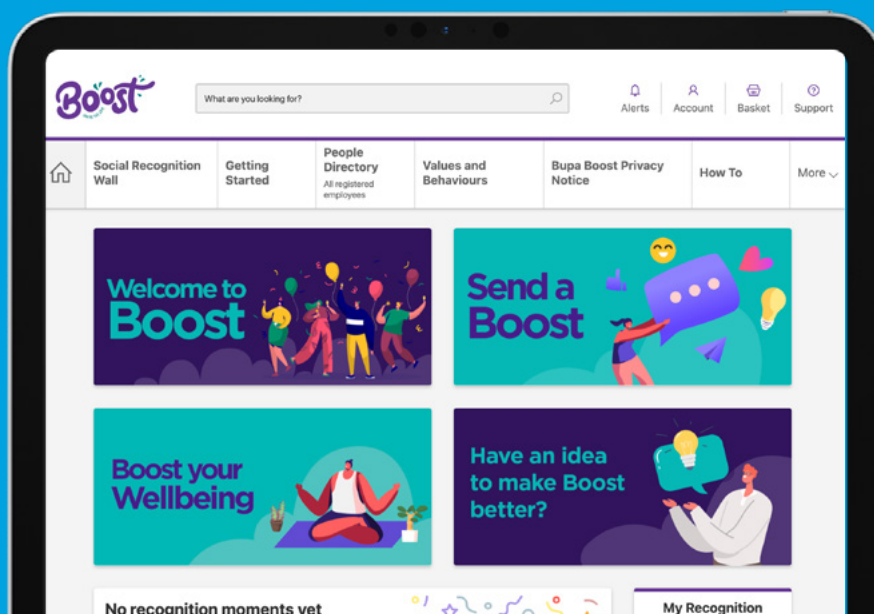
Continuous recognition and rewards with the JackPot program

The JackPot program has seen incredible success with the program boasting:

Instant recognition: Immediate acknowledgment of employee contributions, ensuring that recognition is in the moment and meaningful (totaling \$330K in monetary awards, 393 recognition comments and 2,577 recognition reactions in the past 12 months).

Peer-to-peer nominations: Employees can recognise each other through peer nominations, such as the "Crew Member of the Month" program to boost morale and create a sense of community.

eCard recognition: Employees can send recognition eCards that reflect behaviours aligned with core company values (8.9k eCards sent in the past 12 months).



Bupa Asia Pacific (APAC)

As a health insurance and healthcare company with 22,000 employees working across Australia, New Zealand and Hong Kong, Bupa was determined to create a culture of continuous recognition across its widespread workforce.



The power of peer-to-peer recognition

Glen Nesbit, Head of Wellbeing, Engagement and Reward for Customer Channels & Growth at Bupa APAC, stresses the value of a peer-to-peer recognition system like Bupa's eCards program, Boost.

"I think it's really important, just to show as an organisation that recognition is a huge part of our culture. We're very big on values and behaviours, and I think that starts from the grassroots, from our people. So, it's important to enable them to have a peer-to-peer and leader recognition process and that it's visible to everybody on the platform is hugely important."



Looking beyond monetary recognition

Glen explains that Bupa's recognition program is impactful and meaningful, even without a direct monetary value attached.

"We know that money recognition is great, but actually people also appreciate and are energised by being recognised publicly on a social platform by their peers, and by their leaders."

"We have a strong cross-company culture that is supported by reward and recognition programs like Boost. It's a simple and easy way for our people to call out the great work done across the organisation."

"The director of my division, Customer Channels & Growth, plays a huge role on Boost, making sure that he's engaging with our people to ensure the program is working the best way possible."



Advice from one HR leader to another

When asked what advice he would give to other organisations considering a recognition program for the first time, Glen suggests a two-fold approach.

“One, I wouldn’t put KPIs or measurements on it and I’d work to understand what method of reward and recognition works for your people. I think originally what a lot of companies do is go, “we’d like to see X amount of people engaging on it,” and what tends to happen then is you’re not seeing meaningful recognition given. It’s like, “thanks for the cupcakes.” What we tended to do then once we’ve moved past that was actually give examples of great ways that you can actually recognise and promote people and give specific examples. The power of it is where you have examples and people go, “oh, yeah somebody did that for me too,” and so I’m going to send them an eCard to thank them for what they did.”

Glen also commented on Reward Gateway and their partnership.

“It’s been a great partnership so far and the fact that we’re really open to looking at different and new ways that we can create and encourage people to recognise. I think what we’ve managed to establish is that great working relationship where they know what we want and what we’re all about from a values and behaviours perspective so that when we have a request for some new eCard or something creative, it’s usually very much on point.”



Achieving high user adoption and employee buy-in

This continuous culture of recognition has resulted in impressive user adoption across Bupa’s workforce.

“While there is ongoing recognition of our people, we also actively look at new ways to encourage people to recognise their peers. Our most successful campaign happened in October last year, which was called Bupa Boost Boom, which encouraged people who received a Boost from somebody, to pay it forward and Boost somebody else. As a result, the average **1200-1,800 Boosts sent every month**, more than doubled in the month of October, to **over 4,000 Boosts**. This was an incredible result.”



The critical role of leadership

We know that becoming a leader in recognition and rewards is impossible without strong stakeholder support and leadership buy-in.

On a scale of one to 10, 68% of HR managers rate their leadership's efforts to promote recognition and reward as a seven or above.

Conversely, when asked how fulfilled they feel by their leadership's efforts to promote recognition and reward, 50% of Australian employees rated their fulfilment as a seven or above, while one in three rate it as five or below. This shows another gap between employee reality and HR perception when it comes to their leadership's efforts to promote recognition.

Additionally, 53% of employees say leadership that promotes recognition and rewards is a must-have, while 40% say it's a nice-to-have and only 6% say it's not important at all.



67% of HR managers agree that employees should have the flexibility to choose rewards depending on their lifestage and needs versus having a standardised package for all.

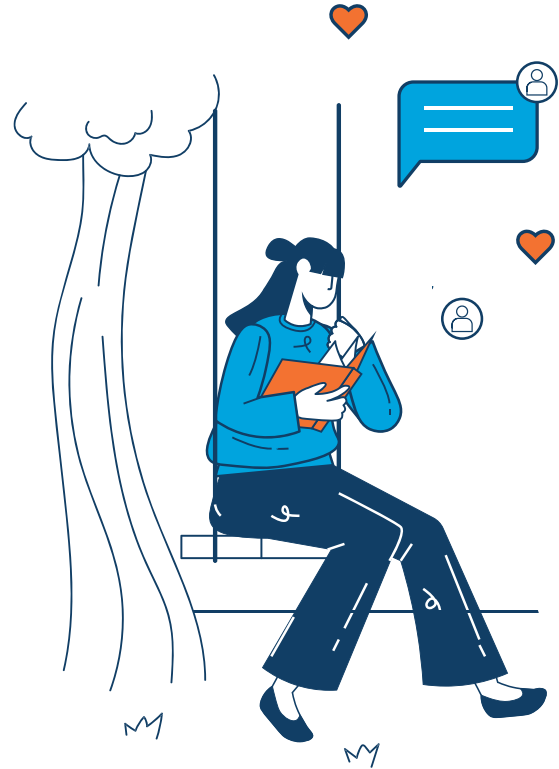
It's not just about getting that executive buy-in and support, it's also about listening to your employees and giving HR leaders the autonomy to design a total rewards package that will add real value to their people's lives.

Conclusion

It's clear that recognition and rewards can bring big business benefits to your organisation, with both global and Australian data showcasing the importance of appreciation and recognition to your people.

We know it can feel daunting to start such a significant initiative, so we hope this report helps arm you with some convincing statistics and inspiring success stories!

Want to learn more about designing and implementing an impactful recognition and rewards program?

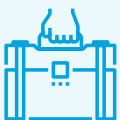


Handy recognition and reward resources:



Building a World-Class Recognition and Reward Program to Strengthen Connection and Culture

Watch this workshop session to discover leading strategies and tools to build a successful reward and recognition strategy for your organisation. Our recognition experts, Joy Adan and Kylie Terrell, discuss how to develop a framework that enables multi-directional and cross-functional reward and recognition that is both peer-led and manager-led.



The Business Case for Benefits and Recognition: Securing Budget Approval and Buy-In

With increasing costs of doing business negatively impacting budgets, how can you secure investment and executive buy-in for key employee engagement programs to enhance your EVP? **Discover best practices and strategies** to overcome resistance with tips for presenting a compelling case for benefits and recognition that resonates with decision makers.



Employee Recognition & Reward Budget Calculator

We constructed the formulas, you provide the numbers! **Find out how much budget you need** for your employee recognition and reward program.

About Reward Gateway

**Improving employee engagement to build better,
stronger and more resilient organisations.**

Reward Gateway is culture- and client-driven. Since 2006, we've been right by the side of the world's most innovative HR people, giving them the tools and products they need to engage their people and drive company success. We empower more than 8 million employees to connect, appreciate and support one another to make the world a better place to work.

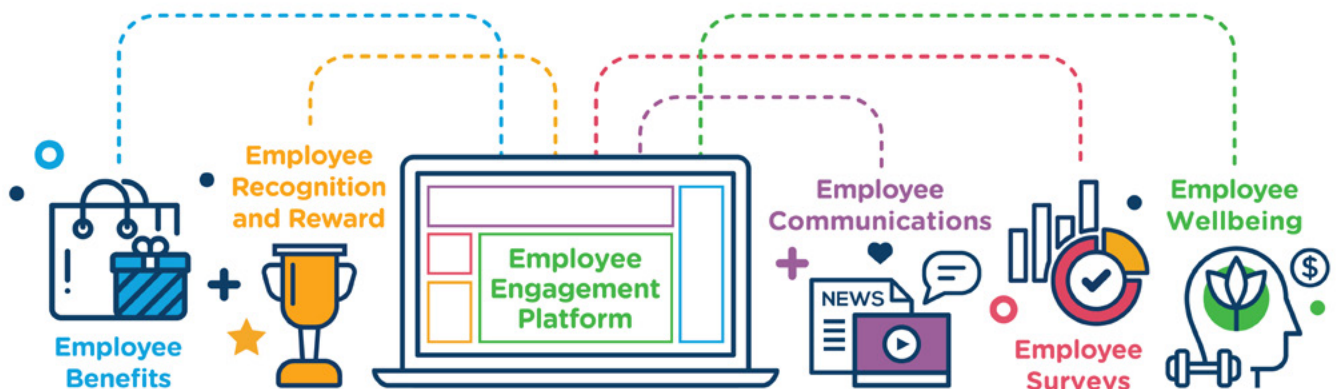
8m+ employees
use our employee
engagement
solutions

4,500+ clients
trust us with
their employee
engagement
strategy

We're in
6+ offices
around the
world

Our RG team is
700+ strong
and growing

**Our unified employee engagement hub provides the best of
recognition, reward, wellbeing, surveys, benefits and discounts that
support talent acquisition, retention and values-driven growth.**



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