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make the
difference

People Make The Difference whitepaper

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Boost team performance with the right recognition

It's an easy trap to fall into – getting so caught up in the day to day of your business, achieving financial targets, reporting to the board and so forth, that you forget to acknowledge the great work of your team.

But it's a dangerous mistake to make. Not recognising performance is one of the nine most common factors that lead to good employees leaving an organisation says Talentsmart. And according to Bob Nelson, author of *1001 Ways to Reward Employees*, the top two drivers of employee performance are being able to say "I am able to make a difference at work" and "I have been recognised for what I do." Yet in his research interviews, Nelson found that 68% of workers had never even received a simple thank-you!

The business impact of employee recognition

Recognising performance has a measurable impact on an organisation's overall success. One study found that organisations that meaningfully recognise employee achievements score 14% better on employee engagement, productivity, and customer service – and have a 31% lower voluntary turnover rate. Plus there's the cost of employee disengagement to consider — Gallup estimates this to be in the range of \$450 billion to \$550 billion annually in the US alone.

Recognition motivates

If you want to motivate your employees to go the extra mile and to deliver on their loyalty to you as a leader, then recognition plays a big role. But it's important to recognise performance

in the right way for each employee. Leaders need to use their relationships with and knowledge of employees to tailor this recognition in a way that employees will appreciate.

Here's just a few different ways that employees can be given recognition:

- Being presented an award at a public event, like an all-hands staff meeting
- Recognition during a one on one meeting
- A financial reward, like a salary increase or a one-off bonus
- A weekend away with their family
- Extra time off
- A promotion
- Professional development opportunities like training programs or a secondment
- A new project or additional responsibilities

But it's not all good

Recognising good performance is an important, and often overlooked, aspect of leadership. But equally important – and definitely overlooked – is recognising and managing poor performance. So often leaders avoid tackling unsatisfactory employee performance head on and instead hope that the employee will improve of their own accord, or leave the organisation.

But the head in the sand approach is risky and costly. First of all, how can you expect an employee to get better at their job if they don't know there is a problem? As a leader, you need to be able to use your emotional intelligence to have these tough conversations and help your employees to learn and develop – and if necessary, implement a disciplinary procedure. The second reason not to avoid broaching unsatisfactory performance is the impact it has on other employees. This can take the form of frustration, overwork and burnout if not effectively managed. It can also mean you look weak as a leader for not taking action on poor performers.

Ultimately, leaders need to remember that for most businesses, people are their greatest asset and it's important to have everyone working at their best towards achieving common goals. If you have employees who aren't meeting expectations or employees who start to feel frustrated because their efforts aren't seen to be recognised and appreciated, it drags down the performance of the entire organisation.

To help you become a more effective people manager and implement strong employee recognition programs, People Make The Difference has our one-on-one coaching services, in-house workshops and Coach-on-Call for those times when you get a bit stuck and need some quick advice. To find out more, visit www.peoplemakethedifference.com.au or call +61 412 333 415.