

workhuman*

Reducing Voluntary Turnover With Social Recognition





Unwanted turnover is a costly liability and a pervasive business issue. According to research by the Work Institute, employers paid **\$600 billion** in turnover costs in 2018 – and that wasn't during a global health crisis. In 2021, a record **47.4 million** people voluntarily quit their jobs. Using an average salary of **\$50,000**, U.S. businesses paid at least **\$2.37 trillion** on turnover in 2021 alone.

When we factor in the time and productivity lost to vacancies and onboarding, we begin to see just how significant these “hidden costs” really are.





Research overwhelmingly shows that recognized employees are more likely to stick with you.

Workhuman® iQ has found employees who have the strongest recognition experience have the lowest turnover. So how can you be sure that employees feel appreciated? Recognize them.

A company culture built on gratitude drives a sense of purpose and collaboration, reduces burnout, and is associated with decreased intention to leave the company. In fact, when employees feel fulfilled by the amount of recognition they receive, they have a greater sense of wellbeing, are more engaged and productive, and are strong brand ambassadors.

Employees working at companies with strong recognition cultures are:

73% less likely to “always” or “very often” **feel burned out**

56% less likely to be looking or **watching for job opportunities**

5x as likely to feel **connected to their culture**

4x as likely to be **engaged**

5x as likely to see a path to **grow at their organization**

Source: “[Unleashing the Human Element at Work: Transforming Workplaces Through Recognition](#),”
Gallup and Workhuman report, 2022



Data tells us that the most active participants in recognition are more likely to stay. Turnover drops from **18%** to **11%** when employees receive recognition versus none, and down to **7%** for employees receiving and giving recognition. Employees who both give and receive recognition are engaging in their company's culture and building connections, making them less likely to leave.

Likewise, when an employee receives recognition from both their managers and their peers, they see lower turnover than receiving from one source alone. When only receiving recognition from a manager, turnover drops from **17%** to **13%**; when only from peers, turnover is **9%**. But if employees receive recognition from both, turnover drops to **7%**. An employee's coworkers are more likely to see the collaborative aspects of their work, and their manager is more likely to see their long-term projects and career development. Receiving from both provides a holistic reward experience.

The impact of funding and values on your program results

Appropriately funding recognition is crucial to reach the frequency and volume needed to remind employees throughout the year they are noticed, they are valued, and their contributions matter.

When recognition is based on core values and funded at 1% or more of payroll, companies are:

3.5x

more likely to attract new job candidates

2x

more likely to retain their current talent

2x

more likely to deliver a strong return on investment

Source: "[Designing Work Cultures for the Human Era](#)," SHRM and Workhuman report, 2018

Calculate your turnover rate and annual turnover cost. Compare that against the investment in a social recognition program. Invest in recognition as a way of keeping retention high. You want to retain your talent by enhancing your culture and making work a place where your people want to be – and the tool to help you do it is Workhuman's Social Recognition® platform.

**To learn more, connect with us directly
or visit workhuman.com.**

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