

workhuman*

Exploring the Synergy Between Employee Wellbeing and Recognition

FINDINGS FROM A GALLUP-WORKHUMAN STUDY





“Employee wellbeing” is a loaded term. It’s often conflated with “health,” but wellbeing isn’t just about the absence of illness or injury – or even the presence of physical fortitude. Wellbeing is about a life well lived and being fulfilled in the aspects of life that matter most. All of which makes findings from Gallup and Workhuman’s recent research report all the more alarming.

The data shows that the U.S. workforce is on the precipice of a tragic workplace wellbeing crisis. Employees are struggling with stress, burnout, and loneliness like never before – in fact, 4 in 10 U.S. employees say their job is negatively impacting their mental health.

You read that right: Forty percent of Americans who showed up – or signed on – to work today are struggling more in life because of it.

So, what are organizations doing about it? The short answer: not enough.

The current state of employee wellbeing should be a red flag, particularly with trends like quiet quitting (now loud quitting) growing in size and scope.

It's time for business leaders and managers to consider – and implement – the innovative and research-backed solutions we know will help. This isn't a cliché call to action; it's a reminder of the woefully untapped tool that every person reading this sentence has at their disposal: employee recognition.

Through prior research, Gallup and Workhuman® found recognition boosts wellbeing, and wellbeing touches nearly every aspect of an employee's personal and professional life. The data was so compelling we decided to dig a little deeper.

Gallup and Workhuman's latest research explores the synergy between wellbeing and recognition and how the two, together, can pave the way for better business outcomes and thriving workplaces.

Here's an overview of some of the report findings.

Defining the key elements of wellbeing

First, let's define the five key elements of wellbeing that Gallup has developed through decades of research. Gallup has found that these elements of wellbeing contribute to people's thriving, struggling, or suffering in life.

Five key elements of wellbeing

Career wellbeing:

How people spend their days and whether or not they generally like what they do with their time

Social wellbeing:

People's relationships with others and whether or not they have meaningful connections and positive interactions with others

Financial wellbeing:

People's economic stability and standard of living and whether or not they have the funds they need to provide for themselves and/or their family

Physical wellbeing:

People's health and physical condition and whether or not they have the energy and endurance to be productive each day

Community wellbeing:

People's daily environment and whether or not they feel satisfied, connected and engaged with the areas in which they live

To summarize how people in their lives are doing overall, Gallup asked more than 10,000 U.S. working adults how they view their lives, then bucketed people into three wellbeing categories that differentiate how their lives are really going:

Thriving wellbeing	High wellbeing across most elements
Struggling wellbeing	A mix of high, medium or low wellbeing across all elements
Suffering wellbeing	Low wellbeing across most elements



Defining the key elements of strategic recognition

Next, Gallup explored the five key pillars of strategic recognition – broadly defined as giving and receiving praise, appreciation, acknowledgment, and thanks (i.e., more than the reactive or occasional “thank you”).

Five key pillars of strategic recognition

Fulfilling employees’ recognition expectations:

The amount you receive makes sense.

Authentic:

It isn’t just a “checklist” thing.

Personalized:

One size doesn’t fit all.

Equitable:

It’s given fairly without playing favorites.

Embedded in an organization’s culture:

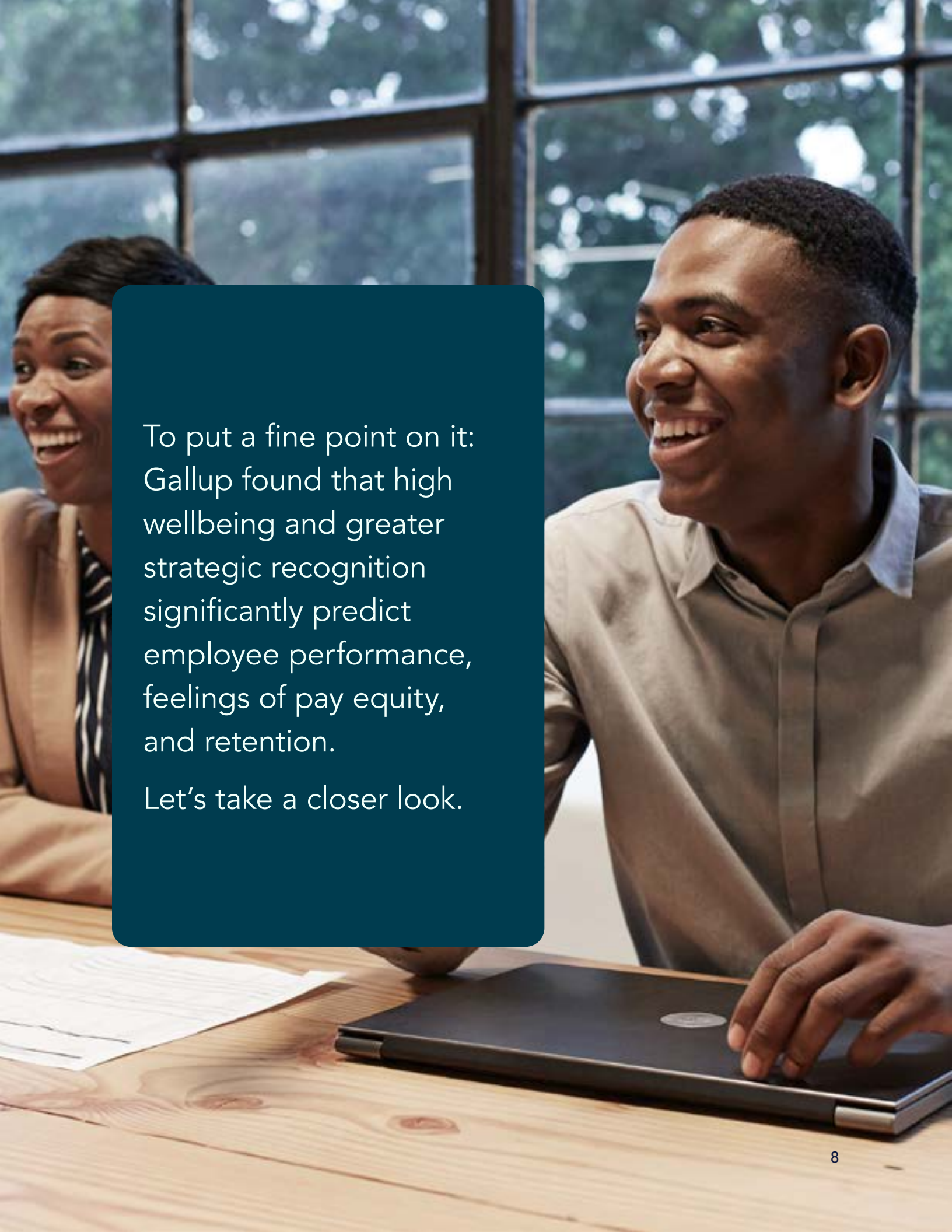
It’s integrated into the day-to-day.

Again, Gallup surveyed more than 10,000 U.S. working adults to identify three categories of recognition experiences that describe the types of praise, appreciation, acknowledgment, and thanks people are experiencing at work:

Great recognition	The best recognition experiences across all pillars
Inconsistent recognition	A mix of stellar and lackluster recognition experiences across pillars
Poor recognition	The worst recognition experiences on all pillars

From there, Gallup examined the ways in which wellbeing and recognition are connected: How do they influence each other? And what happens when an organization prioritizes one without also focusing on the other? To do this, Gallup looked across many different employee performance outcomes to better understand what combination of wellbeing and recognition leads to thriving employees and businesses.

Employee outcome	Corresponding survey item
Performance	Has your manager or leader told you that you are a top performer?
Fair pay	I am paid fairly for the work I do.
Job-searching	To what extent are you currently looking for a new primary job?

A photograph of a man and a woman in an office setting. The man, on the right, is smiling and looking towards the left. The woman, on the left, is also smiling and looking towards the left. They are sitting at a wooden desk with a laptop and some papers. A large window in the background shows greenery outside. A dark teal rounded rectangle is overlaid on the image, containing white text.

To put a fine point on it:
Gallup found that high
wellbeing and greater
strategic recognition
significantly predict
employee performance,
feelings of pay equity,
and retention.

Let's take a closer look.

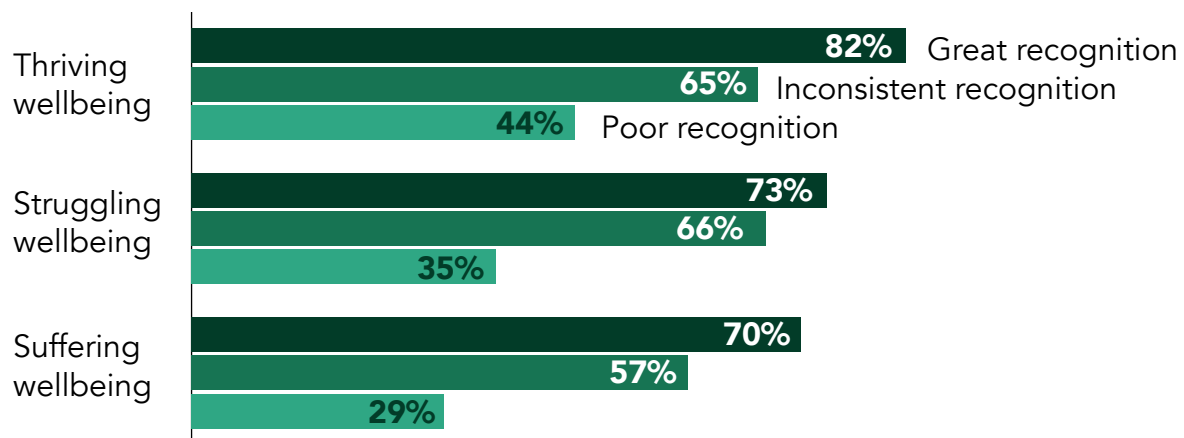
Performance

Fifty-four percent of U.S. working adults Gallup surveyed have been told by a manager or leader they're a top performer at work.

Employees who have suffering wellbeing are told they're a top performer at a significantly lower rate (42%). However, when suffering employees have great recognition experiences, they're told they're a top performer at a rate of 70%!

Conversely, employees who have thriving wellbeing but have poor recognition experiences are told they're a top performer at a rate of just 44%.

Percentage of employees told they are a top performer by manager or leader



In the figure above, the rate of employees being told they're a top performer remains at 70% or higher for people with great recognition experiences, regardless of their wellbeing level.

In other words, recognition is buffering the damaging effects of low wellbeing on employees' likelihood they will be called a top performer by management or leadership.

Perception of fair pay

Gallup's analysis also found that only 31% of surveyed U.S. employees strongly agree their paycheck is fair. This isn't a tremendous surprise given the current economic turbulence, but it sheds light on the need for employees to feel valued in more ways than a paycheck.

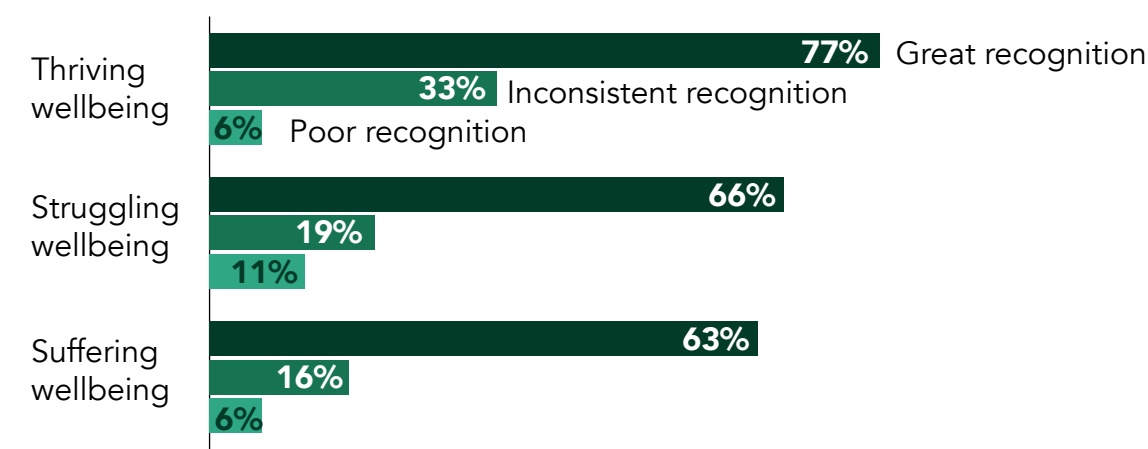
Employees with thriving wellbeing feel they're paid at a significantly higher rate (60%) than those with struggling and suffering wellbeing (30% and 18%, respectively).



However, the rate of employees who strongly agree their paycheck is fair remains at a minimum of 63% for those with great recognition experiences, across all wellbeing levels.

Things become much more complicated when wellbeing and recognition are imbalanced. Employees who have thriving wellbeing but have poor recognition experiences feel they're paid fairly at a rate of just 6%.

Percentage of employees who strongly agree they are paid fairly



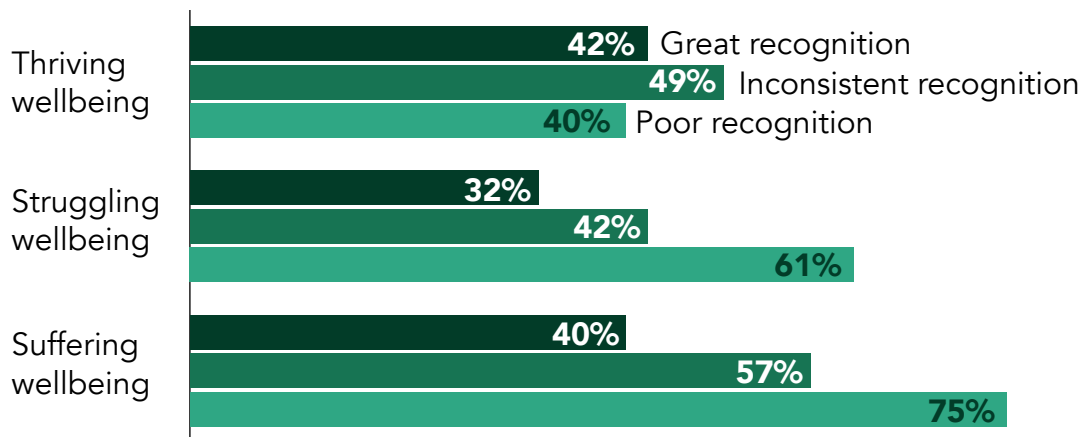
This does not mean that praise is a substitute for adequate pay. Instead, it shows that, amid the struggles that come with a lower level of wellbeing, employees are more likely to feel their paycheck aligns with their expectations when they're appreciated strategically, too.

Job-searching

Exactly half of employees Gallup surveyed are either actively looking or watching for job opportunities – spelling an employee retention disaster for organizations across the U.S.

That said, when employees have thriving wellbeing, less than half (41%) are actively looking or watching for job opportunities. But, again, the data show how misalignment between recognition and wellbeing can send things awry. Sixty-three percent of employees with suffering wellbeing are actively looking or watching for job opportunities – among those with poor recognition experiences, this rate soars to 75%.

Percentage of employees who are actively looking or watching for job opportunities



But there's hope for this group: When employees have suffering wellbeing but great recognition experiences, only 40% are actively looking or watching for job opportunities.

This shows that, especially among employees with struggling or suffering wellbeing, great recognition experiences are buffering the relationship between low wellbeing and job-hunting.

In closing

The return on investment is clear: When employees have thriving wellbeing and are receiving the best recognition experiences possible, they're more likely to be told they're a top performer and to feel like they're paid fairly – and less likely to be actively looking or watching for job opportunities. That's a massive opportunity to improve business outcomes by empowering (and recognizing) employees.

To learn more about the synergy between wellbeing and recognition, download Gallup and Workhuman's report, From “Thank You” to Thriving: A Deeper Look at How Recognition Amplifies Wellbeing.

+1 888.743.6723 | workhuman.com
Or read more on our blog: workhuman.com/blog

Join HR's leading innovators and trailblazers at our next [Workhuman Live](#) conference.

