

workhuman*

How Recognition Reduces Absenteeism (And Improves Your Bottom Line)





How often do your employees miss work? We're not talking about planned vacation days here – we're talking unscheduled absences. Are they frequent enough that absences are dragging down your productivity?

Missed days are a huge drain on companies. They add up to incomplete work, backlogs, and significant costs in lost revenue and/or productivity.

Here's the good news: There's an antidote – it's employee recognition. Let's talk about it.



The impact of missed days

The average full-time employee is absent for five unplanned workdays in a calendar year. People miss work for all sorts of reasons: illness, family emergencies, poor mental health, and more.

And the impact of that missed day varies by industry. An office worker might get behind on a project and miss a deadline while a production line worker might end up delaying product deliveries.

No matter the role or industry, absenteeism adds up in a big way, particularly for large organizations. According to Gallup research, absenteeism due to mental health alone is estimated to cost the economy \$47.6B annually in lost productivity.



Recognition is the answer to absenteeism

Thanks to employee recognition, you don't need to accept missed days as an inevitable sunk cost.

Gallup and Workhuman estimate that, by doubling the number of employees who have received recognition or praise for doing good work in the past week, absenteeism can be reduced to less than four days per employee annually — a 22% decrease.

This translates to multi-million-dollar savings for an average organization, with some variability across industries. For an organization with 10,000 employees, this adds up to over \$3M in savings due to fewer unplanned work absences.

Cost reduction in absenteeism after doubling the rate of employees who have received recognition or praise for good work in the last seven days for an organization with 10,000 employees.

Industry	Reduction in # of workdays missed	Cost savings for reduced absenteeism
Average	11,180	\$3,244,416
Professional & Business Services	9,051	\$3,077,272
Finance & Insurance	7,986	\$2,715,240
Manufacturing	11,180	\$3,801,336

*Absences per-employee were calculated based on BLS Current Population Survey data. Results assume a typical full-time employee is expected to work 242 days per year and is absent 2.1% of hours usually worked due to illness, injury, medical problems, family or personal obligations, civic or military duty, or maternity/paternity leave. Gallup estimates that the business cost of absence for a typical full-time employee for one day of missed work is \$340 USD. The cost savings estimate for an “average” 10,000-person organization was revised on April 3, 2023, to correct an underestimation of cost savings.

Recognition reduces absenteeism because it helps people feel more connected to their work. Cultures of appreciation foster more social interactions and a greater sense of camaraderie. That, coupled with a belief that your work matters and a more optimistic mindset, makes for a more engaged workforce.

If work isn’t a positive environment, your employees won’t want to be there. But when it’s a place full of positivity, support, and meaning, employees show up. In fact, they don’t just show up – they show up as their best selves.



Boosting engagement with appreciation

Engagement isn't just about getting people to show up. It's getting them to show up with enthusiasm and motivation. Highly engaged employees are your best asset – and recognition can help cultivate more of them.

Research from Gallup and Workhuman found that recognition acts as a buffer against job stress and enhances multiple aspects of wellbeing. This positively impacts employees' overall lives and gives them the vitality and resiliency to show up for their employers.

Work itself can affect mental health; 40% of employees say their job has had a somewhat negative or extremely negative impact on their mental health in the last six months. And our data show employees who report **fair or poor mental health miss four times more work** than those who report good, very good, or excellent mental health.

Feeling more engaged and appreciated at work makes employees want to show up and do their best. Recognition fosters this by enabling positive relationships both between managers and employees and among peers. And it makes success more tangible by rewarding team members for their hard work and accomplishments.



Supercharge your workplace culture with recognition

The more recognition is infused into the workplace, the more your people – and your business – can thrive. And it doesn't just improve absenteeism: Gallup and Workhuman data points to a significant increase in productivity and decrease in safety incidents with more frequent recognition.

Learn more about how recognition influences absenteeism and impacts your bottom line in [Workhuman's report](#).

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