

workhuman*

Exploring the Cost Savings of Recognition (and the Cost of Doing Nothing)

FINDINGS FROM A GALLUP-WORKHUMAN STUDY





If you're a business leader who still thinks recognition is a nice-to-have, you are sitting on an untapped resource that could turn your company around. It's still an employee market out there, and yet, those same employees are more disengaged at work than at any time in the last decade.

It's uncertain what business or work will look like next quarter or next year, but one thing is clear: Employees want to feel valued, to connect with their coworkers, and to believe the work they do matters. And a strategic recognition program hits the mark on all three fronts.

Gallup and Workhuman® research supports the cause and effect relationship between recognition and positive business outcomes, but you're not convinced yet, are you? So, let's flip this discussion and look at the cost of remaining on the sidelines.



There is a price to pay for ignoring employee wellbeing.

Workplaces shape wellbeing every day – for better or worse. Most of us spend more time at or doing work than anything else. Our social circle is often composed of coworkers, and our sense of self may be based partly on the value we bring to the workplace. So, whether we're simply punching in or thriving at our 9-to-5 ultimately depends on how we're treated.

Only one in four employees have received any recognition for a job well done in the last week. Why is that important? Because employees who feel undervalued in the workplace, according to Gallup and Workhuman research, are:

- 5x as likely to be **disengaged**
- 74% more likely to say they **don't plan to be at their company** in one year
- 27% more likely to be **struggling** in their life overall

Disengaged employees are less likely to connect with coworkers, managers, or leaders and are more likely to be performing poorly overall. But the disturbing news doesn't end there. Gallup and Workhuman research found that 40% of employees say their job has had a somewhat negative or extremely negative impact on their mental health in the last six months. All this amounts to 25% of employees saying they are always or very often burned out. This isn't simply employees having a bad day.

Employees who are burned out much or all of the time don't bring their best to work and are 63% more likely to not show up at all.

The costs of neglecting wellbeing are real and significant, for employees personally and for their employers.

\$20M

\$20 million of opportunity loss for every 10,000 workers due to low wellbeing and its drain on performance

\$16.1M

Up to \$16.1 million in turnover costs in a 10,000-employee company, plus lost productivity when low wellbeing shows up as employee burnout

Cutting a check is not the answer.

If your company's solution is a paycheck and flexible schedules, you need to think again. The latest Gallup and Workhuman report, [From Praise to Profits: The Business Case for Recognition at Work](#), found that outside, or extrinsic, motivators will only go so far in influencing how much effort employees put into their work.



A workplace culture lacking recognition communicates that “nobody notices or cares” what employees are doing. It can exacerbate cutting corners so the quality of work suffers. And quality and safety are two sides of the same coin. If wellbeing is not a priority at work, it ensures that employees are not watching out for each other or concerned about the safety of production or the final product.

A lack of social bonds among coworkers means potential risks in the workplace are someone else’s responsibility.

When money is the sole motivator, employees lack the critical intrinsic motivators like feeling valued and having a purpose that gets them out of bed in the morning. Why come to a place that stresses you out and where no one knows your name or what exactly you do? Work remains a place you *have* to be, instead of a place you *want* to be – the place that offers you the potential to thrive both personally and professionally.

Recognition can tip the scales.

If you're waiting for the right time to make recognition a strategic priority in your organization, that time may never come. And in the meantime, your employees, company, and bottom line will suffer the effects of indecision. A recognition program is a proven tool that will engage employees in highly productive ways by finding the intrinsic motivators that will change a typical workday into a more engaging and enjoyable experience.



Ready to see how your organization can drive cost savings and improve the employee experience through strategic recognition? **Read the report or contact us today.**

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