

workhuman*

Exploring 3 Ways Recognition Improves Business Performance

FINDINGS FROM A GALLUP-WORKHUMAN STUDY





Employee recognition has the power to transform culture and propel business forward – and the data shows it’s gaining in momentum.

Gallup and Workhuman® research, which tracked the career paths of 3,447 employees from 2022 to 2024, shows senior leaders were 50% more likely in 2024 than in 2022 to strongly agree that they value recognition. What’s more, 40% of employees in 2024 indicated that their organization has a recognition program, which is a six-point increase from 34% in 2022.

The research shows that, by making recognition an important part of company culture, employees feel a greater sense of wellbeing that translates into increased engagement, reduced levels of burnout, and improved company loyalty. In fact, employees who rate their recognition program as very good or excellent are 2.5x as likely to be engaged as employees who have a recognition program they rate less favorably.

At Workhuman, that's what we call recognition done right. We believe so deeply in the power of recognition that we've built our business of 25+ years around the practice of creating workplace cultures of recognition. It's the belief that powers our #1-rated employee recognition solution and fuels our industry-leading product innovations.

Gallup and Workhuman's report, *The Human-Centered Workplace: Building Organizational Cultures That Thrive*, explores how companies can build engaged, adaptable, and resilient workplace cultures through recognition. Prior Gallup and Workhuman research shows how recognition improves business performance through increased productivity, safer workplaces, and decreased absenteeism.

When **employees feel valued for who they are and what they do** – and are treated like they're more than cogs in the machine – **they act differently**, in ways that positively impact their teams and organizations.

In 2024, only 22% of employees strongly agreed they get the right amount of recognition for the work they do. However, employees who strongly agree they get valuable feedback about their performance from the people they work with are:

- **57% less likely to be burned out**
- **48% less likely to be looking or watching for another job**

Safety, absenteeism, and productivity influence each other. For example, when employees are safe and show up to work, they are going to be more productive.

These three business outcomes are interrelated, and their benefits compound over time.

Read on to learn how a more comprehensive recognition strategy can directly correlate to positive business outcomes for your organization.

ONE

Increased employee productivity




Companies that strategically incorporate recognition into their culture can drastically improve employees' perceptions that they are valued, cared for, and respected as people. Employees who feel their best show up every day ready to give their best and with the right mix of motivation. A paycheck only goes so far when you talk about productivity. Gallup's recent research points to three factors that go beyond money that draw employees in.

Work feels impactful and engaging when employees:

- Like the work they do
- Like the people they are around
- See the meaning and purpose in their efforts

When all three are in play, employees work harder, are more productive, and connect their own personal achievements to organizational success. It's a win-win for employees and the company alike.

A photograph of two women in an office environment. The woman in the foreground has vibrant red hair, is wearing a blue and white striped shirt, and is laughing joyfully. The woman in the background has dark hair and is wearing a yellow top, looking towards the camera with a slight smile. A dark teal text box is overlaid on the lower left portion of the image.

Well-recognized employees are 4.4x as likely to strongly agree that their job gives them purpose in their life. When they also strongly agree that they receive valuable feedback at work, there is a 71% chance they strongly agree their job gives them purpose.

TWO

Reduced safety incidents in the workplace



The effects of an engaged and purposeful workforce can be seen throughout a company. Not only are employees more productive, surrounded by coworkers they like, but they are also paying more attention to how their work gets done. “Phoning it in” is not an option when employees are frequently recognized by managers and coworkers for high-quality work and a job well done.

Safety in the workplace becomes a goal that everyone is more aware of individually and collectively.

Accidents will happen. In fact, every year, work injuries cost U.S. businesses \$163.9 billion and take a serious toll on employees and their families. However, Gallup research supports the conclusion that employees who feel confident that what they do matters pay greater attention and are more focused on the job. This, in turn, leads to fewer accidents – and fewer accidents leads to cost savings for the organization.



Employees who receive high-quality recognition are less likely to leave their jobs.

In fact, well-recognized employees were 45% less likely in 2024 to turn over than in 2022.

THREE


Decreased absenteeism on the job



Did you know the average full-time employee is absent for five unplanned workdays a year? Couple that with Gallup data that shows 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 you have a workforce that doesn't want to show up for work.

The simple truth is that encouragement and praise for excellent work would make employees show up more often. A consistent environment of appreciation makes the workplace somewhere people want to be rather than where they have to be. A team of employees who show up engaged and ready to work each day ultimately translates to bottom-line savings.

Organizations play a critical role in shaping employee wellbeing, and research shows that recognition acts as a buffer against job stress and enhances multiple aspects of wellbeing. The workplace is a social environment that fosters positive connections and interactions, both of which contribute to an overall sense of wellbeing for employees.



The latest Gallup-Workhuman survey finds that those who strongly agree that recognition is an important part of their organization's culture are **4.2x as likely to strongly agree** that their **organization cares about their overall wellbeing.**

Recognition done right

Recognition is a powerful driver of business performance, but it only makes a difference if it's done right. Incorporating the five key pillars identified by Gallup research ensures employees respond positively, meaning they are more likely to show up with the vitality and resiliency needed in today's workplace.

The five key pillars of successful recognition programs

- Fulfilling: Appropriate to accomplishment
- Authentic: Genuine, not a checklist
- Personalized: How you want to be recognized
- Equitable: Not favoritism
- Embedded: Part of the values and practices throughout the organization



To learn more about the power of recognition and how it can transform your workplace culture and propel your business forward, download the Gallup and Workhuman [report](#).

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