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workhuman*



From “Thank You” to Thriving

A DEEPER LOOK AT HOW RECOGNITION
AMPLIFIES WELLBEING

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Introduction

Employee recognition is more than a nice-to-have — it’s essential. When done right, it touches every critical element of employees’ personal and professional lives and unlocks a powerful tool for leaders to revitalize wellbeing.

Let’s be blunt: Employees are struggling with stress, burnout and loneliness like never before. It’s no surprise that four in 10 U.S. employees say their job is *negatively* impacting their mental health.¹ 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? *Not enough, apparently.* Fewer than one in four employees say their organization cares about their wellbeing² — nearly *half* the number who said the same before the COVID-19 pandemic rocked the workplace. These data suggest the workforce is headed toward a tragic wellbeing crisis if things don’t change.

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: recognition.

In [previous research](#), Gallup and Workhuman established an extensive connection between employee recognition and wellbeing, finding employees who receive the right amount of recognition for their work have:

- **Lower burnout:** Employees are up to 90% less likely to report being burned out at work “always” or “very often.”
- **Improved daily emotions:** Employees are up to two times as likely to report having experienced a lot of gratitude the previous day and about 40% less likely to report having experienced a lot of stress, worry and sadness.
- **Stronger relationships:** Employees are seven times as likely to strongly agree they have meaningful connections or a best friend at work, and as much as 10 times as likely to strongly agree they belong.

But the complicated issue of employees’ low wellbeing deserves deeper investigation. We know recognition boosts wellbeing, and wellbeing touches nearly every aspect of an employee’s personal and professional life. Unpacking the intricate connections between recognition and wellbeing can pave the way for better business outcomes and thriving workplaces.

In this report, Gallup and Workhuman unpack the relationship between recognition and wellbeing and how, together, they can help or harm employee performance, job-searching tendencies and feelings of pay equity. We also share next steps for leaders to act on, today.

The fact of the matter is great recognition, coupled with great wellbeing, takes performance to a whole new level — but recognition done poorly can undermine those benefits.

1 Witters, D., & Agrawal, S. (2022 November). *The Economic Cost of Poor Employee Mental Health*. Gallup.com. <https://www.gallup.com/workplace/404174/economic-cost-poor-employee-mental-health.aspx>

2 Harter, J. (2022 March). *Percent Who Feel Employer Cares About Their Wellbeing Plummet*s. Gallup.com. <https://www.gallup.com/workplace/390776/percent-feel-employer-cares-wellbeing-plummet.aspx>

Wellbeing and Strategic Recognition

First, let’s recap how Gallup and Workhuman define wellbeing and strategic recognition.

Through decades of research, Gallup has identified five key elements of wellbeing that contribute to people’s *thriving, struggling* or *suffering* in life.

- **Career wellbeing** — refers to how people spend their days and whether or not they generally like what they do with their time.
- **Social wellbeing** — refers to people’s relationships with others and whether or not they have meaningful connections and positive interactions with others.
- **Financial wellbeing** — refers to 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** — refers to people’s health and physical condition and whether or not they have the energy and endurance to be productive each day.
- **Community wellbeing** — refers to 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 are doing in their life *overall*, Gallup asked more than 10,000 working adults in the U.S. how they view their lives, then bucketed people into three wellbeing levels 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



Broadly speaking, Gallup defines recognition as giving and receiving praise, appreciation, acknowledgement and thanks. But to do recognition *strategically* requires more than a reactive and occasional "thank you." Gallup and Workhuman have identified five pillars of recognition that are critical to driving the impact of recognition.

THE FIVE PILLARS OF STRATEGIC RECOGNITION



Similar to wellbeing, some employees surveyed are getting the best in each pillar of recognition, while others are craving thanks. Most are receiving recognition that hits some, but not all, of the recognition pillars.

Gallup studied survey results from more than 10,000 U.S. working adults to identify three categories of recognition experiences that describe the types of praise, appreciation, acknowledgement and thanks people are experiencing at work.



Now, let's explore the roles wellbeing and recognition play in key employee experiences that lead to thriving organizations.

The Synergy Between Recognition and Wellbeing

We've already established that wellbeing and employee recognition are connected. But how do they influence each other? And what happens when an organization prioritizes one without also focusing on the other?

In our latest analysis, we looked across many different performance outcomes to better understand what leads to thriving employees and businesses. We found that high wellbeing and greater strategic recognition significantly predict employees being top performers, their perception of pay equity, and their likelihood to *not* actively be looking or watching for other job opportunities.

TABLE 1

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?



How Recognition and Wellbeing Predict Top Performance, Pay Equity and Job-Searching

Employees with *thriving wellbeing* (wellbeing that is strong in most elements) are more likely to be told they’re a top performer and feel like they’re paid fairly, and are less likely to be actively looking or watching for job opportunities.

By the same token, those whose wellbeing is *suffering* (low wellbeing across most elements) are experiencing quite the opposite — they’re less likely to be told they’re a top performer, less likely to feel their paychecks are fair, and more likely to be actively searching for another job or watching for other job opportunities.

TABLE 2

Top Performance, Fair Pay and Job-Searching Across Wellbeing Levels

Wellbeing Level	Performance	Fair Pay	Job-Searching
Thriving	74%	60%	42%
Struggling	55%	30%	44%
Suffering	42%	18%	62%

We see a similar and strong pattern with employee recognition. Employees with great strategic recognition experiences at work are more likely to hear praise for their performance, to perceive their paychecks as fair, and are less likely to be actively looking or watching for another job.

What’s more, employees with great strategic recognition experiences at work are also more likely to be thriving in their lives overall. In contrast, just like employees with suffering wellbeing, employees with poor recognition experiences are less likely to be told they are a top performer and feel their paychecks are fair, and more likely to be looking for another job or watching for other employment opportunities.

TABLE 3

Top Performance, Fair Pay and Job-Searching Across Recognition Levels

Recognition Level	Performance	Fair Pay	Job-Searching	Thriving Wellbeing
Great	76%	69%	37%	72%
Inconsistent	63%	20%	47%	58%
Poor	33%	8%	67%	39%



How Does Your Recognition Strategy Affect Outcomes for Employees With Low Wellbeing?

A deeper look into our latest data reveals how a combination of different levels of wellbeing *and* strategic recognition predict employee experiences across all three areas.

The results show strategic recognition and thriving wellbeing independently predict outcomes — and *great* strategic recognition experiences can buffer the toll suffering wellbeing takes on employees' performance, perceived fairness of pay and job-searching tendencies.

In short, when people's wellbeing is struggling or suffering, recognition matters even more.

Performance

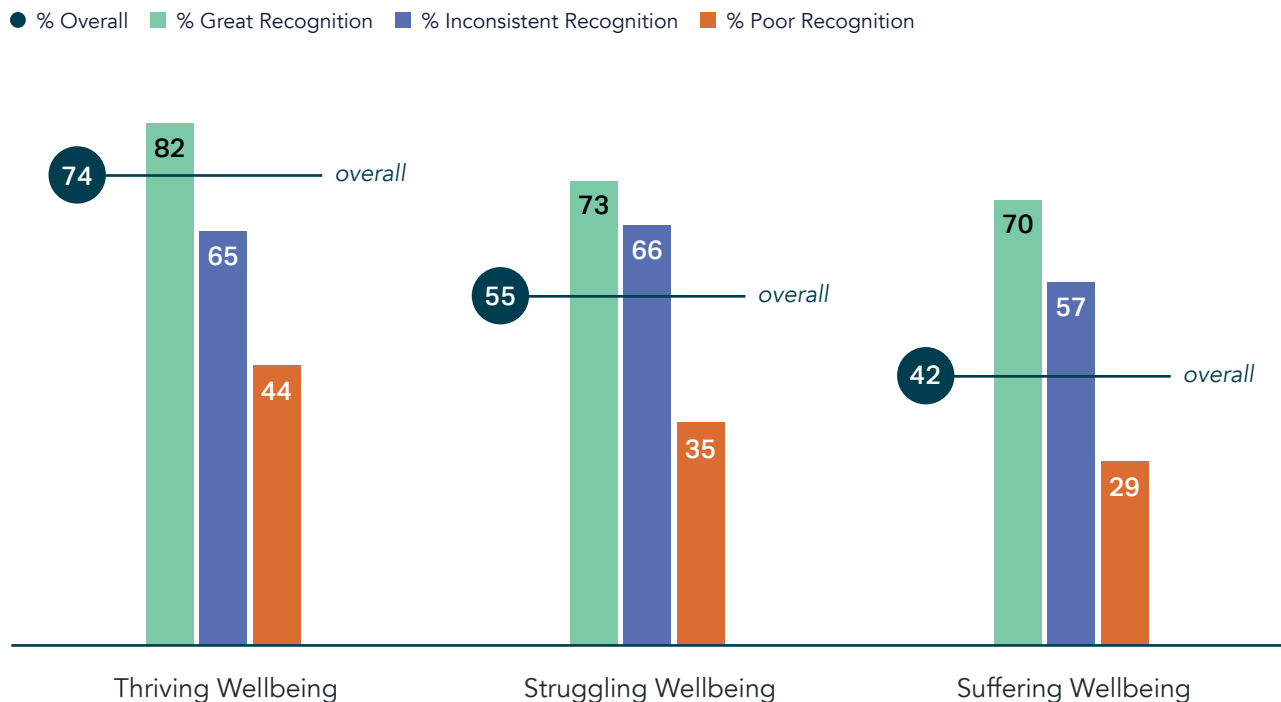
In our research, we found that across the United States, 54% of employees have been told by a manager or leader that they’re a top performer at work. Employees who have *suffering* wellbeing are told they’re a top performer at a significantly lower rate: 42%. However, when suffering employees have *great strategic recognition* experiences, they are told they’re a top performer by their manager or leader at a rate of 70%.

Here’s where things take a turn for the worst: Employees who are *thriving* (doing well in their lives overall), but have *poor* recognition experiences, are much less likely to be a top performer than their peers with better recognition experiences. Only 44% of thriving employees with poor recognition experiences have been told they’re a top performer by their manager or leader at work (compared with 74% of thriving employees overall who have been told they’re a top performer, when recognition is not considered).

Consider the figure below, where 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. Recognition is *buffering* the damaging effects of low wellbeing on employees’ likelihood they will be called a top performer by management or leadership.

FIGURE 1

Percentage of Employees Told They Are a Top Performer by Manager or Leader



You might be wondering: Are the people with poor recognition experiences just *not that great* at their jobs? This is where a robust recognition strategy comes in, because people should be recognized for more than just the quality of their work. Our research shows employees who receive recognition for life events and workplace milestones — both unrelated to performance — are three times as likely to strongly agree their organization cares about their wellbeing than those who don’t. Yet, only 23% of employees strongly agree their organization has a system for recognizing these types of events.

Perception of Fair Pay

Our study also found 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 be valued in more ways than a paycheck.

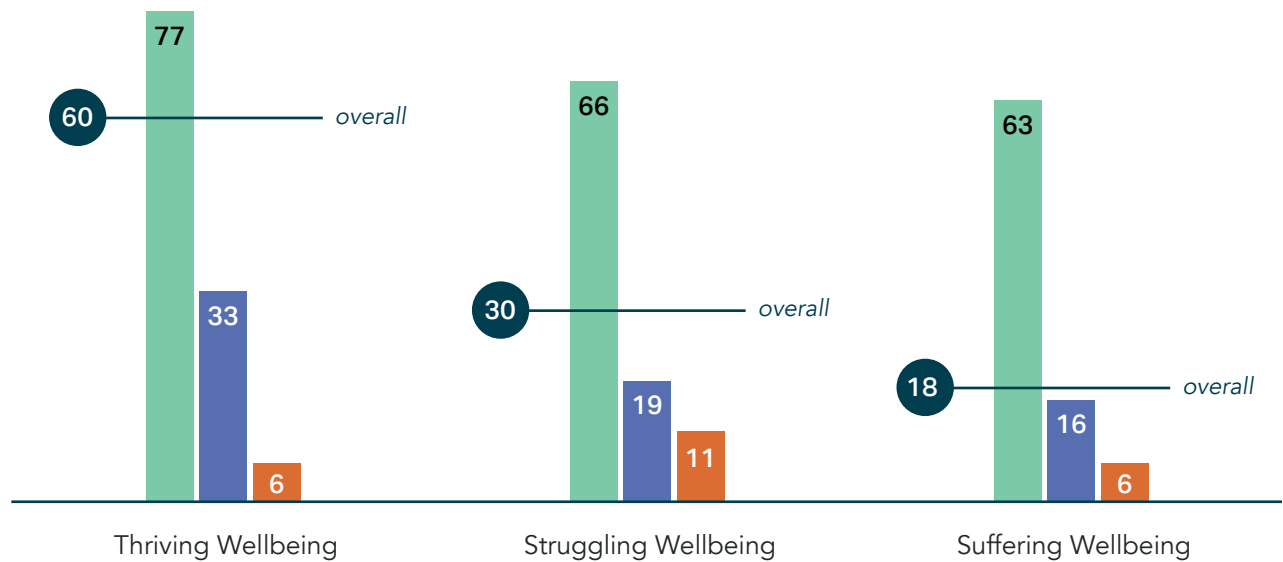
Workers who are thriving feel they're paid fairly at a significantly higher rate (60%) than those who are struggling or suffering (30% and 18%, respectively). However, employees across all wellbeing levels are more likely to perceive their pay as fair if they experience great strategic recognition, compared with their peers who have inconsistent or poor recognition experiences. For example, the rate of employees who strongly agree their paycheck is fair remains at a minimum of 63% for those with great strategic recognition experiences, across all wellbeing levels (See Figure 2).

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

FIGURE 2

Percentage of Employees Who Strongly Agree They Are Paid Fairly

● % Overall ■ % Great Recognition ■ % Inconsistent Recognition ■ % Poor Recognition



This doesn't mean 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. Your people are more than just a paycheck; it's time to start treating them like it.

Job-Searching

Fifty percent of employees in our survey were either actively looking or watching for job opportunities. 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.

Struggling employees are more likely to have one foot out the door and it’s magnified for those who also don’t feel appreciated at work. Sixty-three percent of suffering employees are looking or watching for job opportunities. Among those with poor recognition experiences, this rate soars to 75%. That means three in four employees whose wellbeing is suffering and who are poorly recognized are actively seeking or watching for a way out of their organization.

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

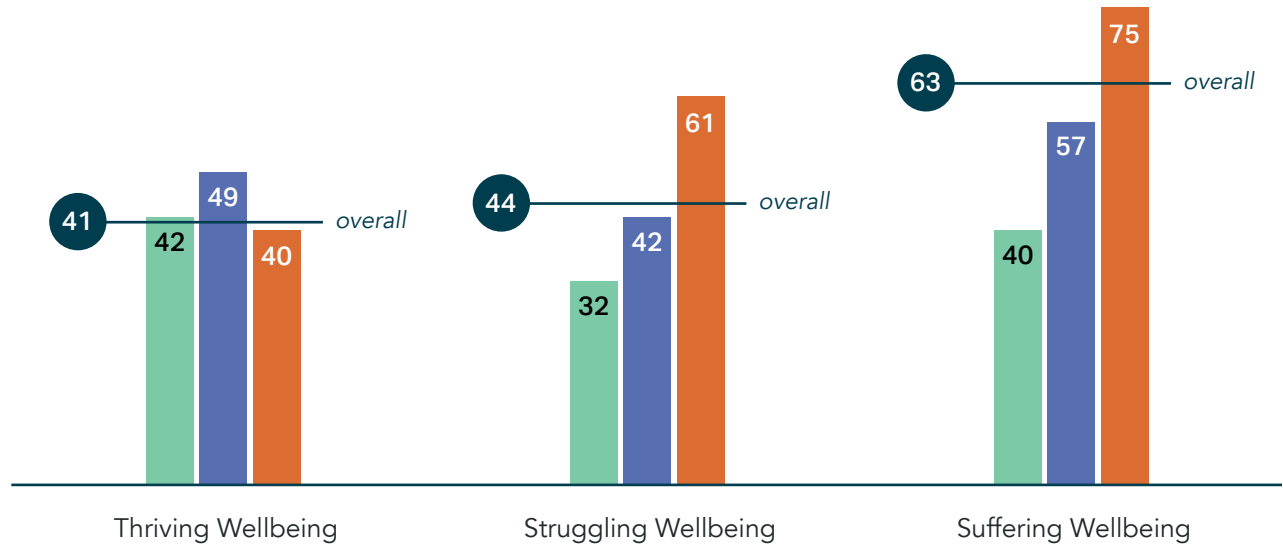
Figure 3 illuminates this effect. Especially among struggling and suffering employees, *great* strategic recognition experiences are buffering the relationship between low wellbeing and job-hunting.



FIGURE 3

Percentage of Employees Who Are Actively Looking or Watching for Job Opportunities

● % Overall ■ % Great Recognition ■ % Inconsistent Recognition ■ % Poor Recognition



Turnover is incredibly expensive. Past [Gallup and Workhuman research](#) found that a culture of recognition can reduce turnover costs at a 10,000-person organization with an already engaged workforce by up to \$16.1 million dollars.

The patterns in our latest analyses further validate the importance of recognition in the workplace — especially for employees with struggling and suffering wellbeing. And the large percentages of U.S. workers who receive little to no recognition at work leave huge amounts of untapped potential sitting on the table.

In all cases, the business benefits of high wellbeing are greatly *enhanced* by optimum recognition and greatly *damaged* by poor recognition.

Next Steps for Leaders

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 are 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.

Here are four strategies leaders can deploy to simultaneously increase recognition and wellbeing to create positive change in their organization:

- 1. Link wellbeing and recognition strategies.** Review your existing programs or practices before making any changes. Is your organization all-in on wellbeing, but sub-par on recognition? What about the opposite? Consider how you're currently allocating resources for wellbeing and recognition in your organization and figure out where and *why* they might be falling short. Seek and recognize feedback from managers and employees to identify how improvements can be made at each level of the organization to promote recognition and wellbeing *together*. Be strategic when addressing these gaps. Consider supporting your employees by providing — and promoting — opportunities to focus on their wellbeing. Then, find ways to recognize people who pursue them, such as giving awards to employees who successfully track daily steps and preventative wellness checks.
- 2. Empower your managers.** While everyone in the organization is responsible for giving recognition and encouraging wellbeing among their peers, managers play a pivotal role in establishing these as key parts of the workplace culture. Educate every manager on the importance of recognition and wellbeing, and underscore the important synergy between the two. Regardless of the tools or budget at your disposal, every manager should be equipped to recognize employees strategically by leveraging the five pillars and to have conversations with their team about wellbeing.
- 3. Executives lead the way.** While managers are often employees' primary recognition role model, employees are still looking to company leaders to set the tone. Whether it be recognizing someone for their good work on a project or implementing policies to prioritize work-life balance, employees are watching what their leaders are doing and taking note. When it comes to recognition and wellbeing, be the change you want to see in your organization; others will follow suit.
- 4. Create opportunities and celebrate healthy habits.** Life gets busy. And it can be hard for employees to prioritize their personal wellbeing. Show support for your employees by helping them put their health first. Consider implementing company-wide wellbeing challenges that include opportunities for employees to recognize one another's efforts. These initiatives will not only promote employee engagement, but will foster a culture of wellbeing *and* recognition. Whether it's encouraging workgroups to establish monthly step goals or promoting employees' participation in an annual 5k for charity, celebrate your employees for taking steps to establish healthy habits — it benefits everyone in the long-run!

Methodology

These results are based on a Gallup Panel web study completed by 10,026 working U.S. adults, aged 18 and older, fielded February 8-28, 2023. The survey was conducted in English. Individuals without internet access were not covered by this study. Respondents were recruited from the Gallup Panel, supplemented from a third-party sample provider (Dynata). There were 3,137 Black, 3,863 White and 2,791 Hispanic respondents.

The Gallup Panel is a probability-based panel of U.S. adults whom Gallup selects using address-based sampling methods and random-digit-dial phone interviews that cover landlines and cellphones. Demographic targets were specified for the third-party sample provider to improve representativeness of the sample. Sample sources were integrated through propensity score matching, and the combined sample for this study was weighted to be demographically representative of the U.S. adult population, using the most recent Current Population Survey figures.

For results based on this sample, the maximum margin of sampling error, which takes into account the design effect from weighting, is ± 1 percentage point at the 95% confidence level. Margins of error for subgroups are higher. In addition to sampling error, question wording and practical difficulties in conducting surveys can introduce error and bias into the findings of public opinion polls.



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