GALLUP | workhuman

The Human-Centered Workplace

BUILDING ORGANIZATIONAL CULTURES THAT THRIVE



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A Letter From Workhuman

The world of work has changed drastically over the past few decades. Once upon a time, strict parameters existed around how and where work happened. Fast-forward to today, where pervasive technologies like video-conferencing and asynchronous collaboration tools have rendered in-office, face-to-face work entirely optional for some. What's more, the mainstream availability of artificial intelligence (AI) tools means many mundane tasks can be completed by technology instead of humans.

In most industries, innovation and agility have long been the hallmarks of market leadership. Connectedness and trust within teams serve as the foundation upon which innovation and agility are built. This interconnectedness and trust form the fabric of any great culture. But that fabric — your culture — is being pulled apart seam by seam. And with a future about to upshift to hyper speed, strengthening that fabric has never been more critical. Businesses that let that fabric unravel will be left behind faster than ever before.

In turbulent times, the best organizations mobilize around absolute truths. And in the world of work, one truth has held constant from the start — work simply does not get done without the people in your organization. It starts with the human. It's always started with the human. Brains, brawn, innovation, agility, endurance, creativity — whatever skills a job calls for, it is people who answer it.

As we stare down a new, unpredictable future of work, let us start by acknowledging this absolute. We have a blank canvas: Let's design our workplaces with our people at the center. Let's reinvest in building back the connections we've lost. Let's prioritize employee wellness and psychological safety. Let's respect employee boundaries and who they are as people. In fact, let's recognize and celebrate who they are as people.

Because when people feel their best, when they're part of a community, when they have social support, when they feel seen, heard, appreciated and valued, they thrive.

Organizations have the power to create the conditions for their cultures to thrive. And the science has always evidenced that thriving cultures translate to exceptional business outcomes. But right now, amidst rapid multidimensional change, most organizations are not using that power.

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According to Gallup research, only 33% of employees in the U.S. and 23% of employees globally are engaged.[1] Over half of the world's employees are signaling their discontent with their current workplace by watching for or actively seeking a new job. And, as multiple reports have found, positive daily experiences for employees are near historic lows.[2]

For some groups, the work experience gets even worse. McKinsey reports that for every 100 men promoted to manager, 87 women are promoted. This number drops to 73 for women of color.[3] Textio offers additional research on this topic.[4]

A 21st century world of work cannot operate with 20th century practices. For organizations to succeed, every employee needs equitable opportunities and treatment. The foundation of this new era of work must be an intentional focus on the employee experience.

In practice, this includes flexible working arrangements, frequent and constructive interactions between managers and their direct reports, a psychologically safe space for voicing concerns and asking for support, and timely, authentic and fulfilling acknowledgment of employees' efforts. This is what we call recognition done right.

In this research report, we focus on three elements of supporting and uplifting people at work: strategic recognition, feedback and wellbeing. Then we discuss how the everyday momentum of coaching and support unlocks new potential through upskilling and learning opportunities through AI.

Dig in, marinate, take notes. Then take action and join us in the movement to make work human.



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1 Gallup, Inc. (n.d.). *Indicators: Employee engagement.* Gallup.com. https://www.gallup.com/394373/indicator-employee-engagement.aspx

2 Gallup, Inc. (2024). *State of the global workplace.* https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx

3 Field, E., Krivkovich, A., Kügele, S., Robinson, N., & Yee, L. (2023). *Women in the workplace 2023.* McKinsey & Company. https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace

4 Textio. (2023). *Does high-quality performance feedback improve retention?* https://textio.com/feedback-bias-2023

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Recognition and Retention: New Evidence of Recognition's Long-Term Impact

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Organizations face the constant risk of losing top talent, shouldering the cost of their replacement and managing the cultural disruption of their exit. Gallup research found that, in May 2024, more than half (51%) of all U.S. employees were watching for or actively seeking a new job.[5] Fortunately, Gallup also finds that much of this turnover is preventable. New longitudinal research from Gallup and Workhuman strengthens existing evidence that employees who receive high-quality recognition are more connected to their organization's culture and more likely to stay at their organization years into the future.

The latest research from Gallup and Workhuman reveals that senior leaders are giving increased attention to the power of recognition. In 2024, senior leaders were 50% more likely than they were in 2022 to strongly agree that the senior leaders at their organization value employee recognition.

However, leaders have yet to make real progress in implementing widespread practices that elevate the day-to-day recognition experiences of most employees. In 2024, just 22% of employees strongly agreed they get the right amount of recognition for the work they do. To close this gap, leaders must focus not just on providing recognition, but on providing it with quality and consistency across their organization.

To secure success now and build resiliency for the future, forward-thinking leaders will act with intention to ensure high-quality recognition is delivered across their organization. The following uncovers new research linking recognition and retention and evaluates the growing enthusiasm for recognition amongst leadership. It underlines the room for growth in the quality of recognition given across organizations and shares essential strategies for taking recognition experiences from good to great.



5 Tatel, C. & Wigert, B. (2024, July 10). 42% of employee turnover is preventable but often ignored. *Gallup.com*. https://www.gallup.com/workplace/646538/employee-turnover-preventable-often-ignored.aspx

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High-Quality Recognition Drives Employee Retention

The implications of reducing turnover can be massive for organizations. Through a review and summary of published studies, Gallup estimates that replacing leaders and managers costs around 200% of their salary, replacing employees in technical roles costs 80% of their salary, and replacing frontline employees costs 40% of their salary.[6] Failing to prioritize or thoughtfully incorporate strategic recognition puts an organization in line for additional costs and at risk of cultural deterioration due to a lack of continuity or commitment among employees.

In new longitudinal research, Gallup and Workhuman evaluated the relationship between recognition and turnover by tracking the career paths of 3,447 employees from 2022 to 2024. The results are unequivocal:

> Employees who receive high-quality recognition are less likely to leave their jobs. In fact, well-recognized[7] employees were 45% less likely to have turned over two years later.

These longitudinal findings confirm the lasting impact of high-quality recognition. Recognition does not just momentarily boost an employee's mood or how they respond to survey questions. When embedded in an organization's culture and delivered according to an employee's needs and preferences, recognition affects real, long-term behavior that has substantial implications for an organization's future.

6 Tatel, C. & Wigert, B. (2024, July 10). 42% of employee turnover is preventable but often ignored. *Gallup.com*. https://www.gallup.com/workplace/646538/employee-turnover-preventable-often-ignored.aspx

7 Well-recognized employees include individuals who report receiving recognition that fulfills at least four of the five pillars of strategic recognition.

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Recognition Has Gained Increased Attention From Organizational Leaders

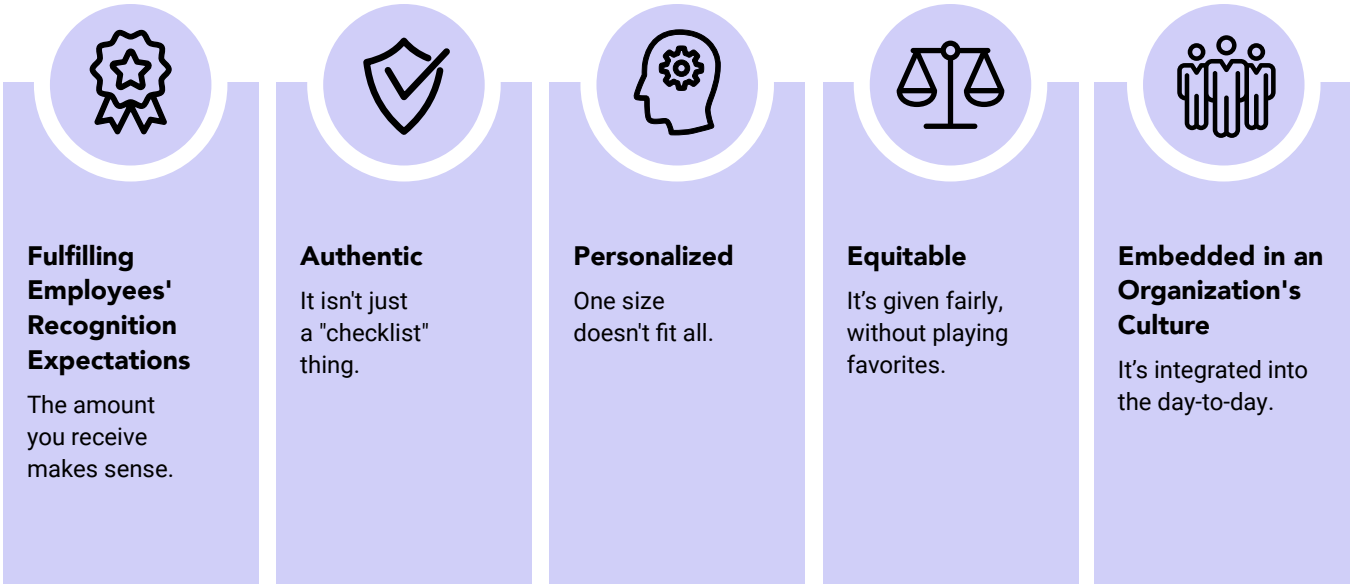
Leaders have increasingly begun to acknowledge the potential for recognition to transform organizations and positively influence real business outcomes. In 2022, Gallup and Workhuman found that 28% of senior leaders strongly agreed that their organization's senior leadership valued employee recognition. In 2024, this percentage increased substantially to 42%.

Senior leaders' increased valuation of strategic recognition is also evident in the modest but statistically significant increase in the percentage of employees who report that their organization has a recognition program. In 2024, 40% of employees indicated that their organization has a recognition program. This is a six-point increase from 34% in 2022.

Building Up the Quality of Recognition Through the Five Pillars of Strategic Recognition

Caring about recognition is a necessary first step, but leaders and organizations are missing the mark when it comes to their recognition practices. Opportunity rests in distinguishing between poor, good and great recognition, which all *feel* unmistakably different to the person receiving it and lead to vastly different outcomes in the workplace.

To operationalize what great recognition looks like, Gallup and Workhuman have identified five essential pillars of strategic recognition in the workplace. Recognition is most impactful when it is fulfilling, authentic, personalized, equitable and embedded in company culture.



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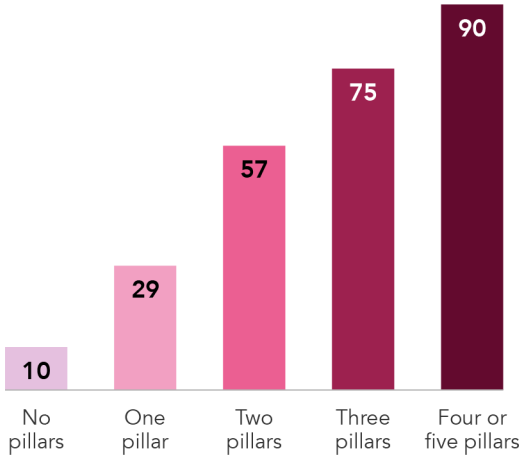
Independently, fulfillment of each pillar of strategic recognition corresponds with improvement in fundamental employee experiences and business outcomes such as engagement, wellbeing and turnover. Yet more than half (55%) of all U.S. employees do not receive recognition at all or receive recognition that does not satisfy any of the five pillars of strategic recognition. Critically, most of these employees do receive recognition, but it is not delivered with the quality needed to drive meaningful changes in their workplace experiences.

No matter their starting point, there is a benefit for any organization to improve the quality of their recognition practices. Even employees who receive recognition that fulfills just one pillar are 2.9 times as likely to be engaged as those who receive recognition that does not fulfill any of the five pillars.

When recognition incorporates a majority of the five pillars, it can be truly transformational. Those who receive recognition that fulfills at least four pillars are 12.2 times as likely to strongly agree that they are connected to their organization's culture and 9.0 times as likely to be engaged, as compared to employees whose recognition experiences do not fulfill any of the five pillars.

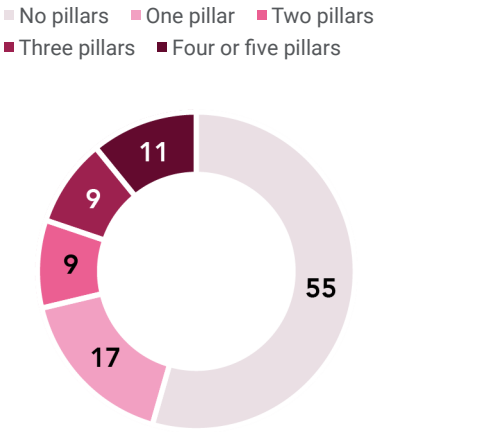
Percent Engagement by Number of Recognition Pillars Fulfilled

% Engaged



Recognition Experience Frequency According to Recognition Pillars Fulfilled

% of Recognition experiences



Note: Due to rounding, percentages may not sum to 100%.

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Room for Growth: Measuring the Frequency of Recognition Pillar Fulfillment



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Implementing and Embedding Recognition for the Future

Recognition has captured the attention of more business leaders. However, scaling strategic recognition requires organizations to close the gap between how leaders feel about recognition and how their employees experience it. Only 20% of managers and 22% of individual contributors strongly agree that senior leaders in their organization *value* employee recognition. It is apparent that leaders must do more to emphasize the value of recognition and translate its importance to their employees.

Leaders and managers must also do more to bring recognition to life within their organizations. Starting with fulfilling just one pillar of strategic recognition can make a difference. Organizations that already have a robust culture of recognition can also vitalize it by incorporating additional elements of strategic recognition that have not yet taken hold. For example, only 11% of employees say someone in their current workplace has ever asked them how they like to be recognized for their accomplishments — the primary indicator for personalized recognition. Every manager and leader whose employees currently say "no" to this item could flip responses to "yes" with a simple inquiry about how employees like to be recognized. By then following up with more personalized recognition, they could boost employee experiences across their team.

Announcing an initiative toward more recognition or adopting a recognition program is not something that, simply upon adoption, ensures all employees will begin to receive high-quality recognition. Employees whose organization does have a recognition program are generally more likely to receive high-quality recognition, but still only 24% of employees with a recognition program strongly agree they receive the right amount of recognition.

The reality is that not all recognition programs are created equal, and like all forms of recognition, the quality with which it is given is crucial. Simply caring about or valuing recognition is not enough. Among employees who have a recognition program, 71% say their leaders care about their recognition program, but only 38% say the program is very good or excellent. This difference in quality matters. Employees who rate their recognition program as very good or excellent are 2.5 times as likely to be engaged as employees who have a recognition program they rate less favorably.

Leaders stand to create a distinct competitive advantage by integrating high-quality strategic recognition across their organizations. Yet the full power of recognition remains untapped and underappreciated in most organizations.

Research from Gallup and Workhuman confirms that when implemented with intention and backing from employees, strategic recognition can help facilitate drastic, long-lasting improvements in retention and employee engagement. These benefits not only set organizations up to flourish today, but also set the foundation for sustained success far into the future.

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Elevating Cultures of Feedback Through Recognition

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Providing feedback is one of the most important habits a manager can have, and receiving high-quality feedback has a strong positive correlation with engagement on other key measures of the employee experience. However, research from Gallup and Workhuman finds that 46% of all employees do not get feedback from their manager at the rate they want. Furthermore, just 25% of employees strongly agree they receive valuable feedback from the people they work with. Many employees may hold negative perceptions about feedback not because they are fundamentally opposed to input about their performance, but because the feedback they are currently receiving is not productive or valuable to them.

If managers and leaders want their feedback to be acted upon, they must deliver it effectively. Organizations must seize the opportunity to redefine what feedback means to their employees by demonstrating that intentional, meaningful feedback can provide them with real value. When it does, employees turn this value back around. Employees who strongly agree they get valuable feedback about their performance from the people they work with are 5.0 times as likely to be engaged.

Gallup and Workhuman find that, by combining high-quality feedback with strategic recognition, organizations can build balanced cultures of feedback where employees freely share input and praise with others no matter their role or position. Blending recognition and feedback helps employees feel supported and valued, while also transmitting critical information that establishes the behaviors an organization needs from its employees to be successful.

Forward-thinking companies will foster a workplace that encourages not just leaders and managers but all employees to provide feedback and recognition to their peers. The following defines what makes feedback meaningful, explores how it benefits individuals and teams, and reviews how recognition and feedback can work in combination to develop healthy cultures of feedback.



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Defining Meaningful Feedback

Gallup research finds that meaningful feedback is feedback that helps employees learn, grow and do their jobs better. Often, meaningful feedback conversations focus on collaboration, strengths, goal setting and recognition.

When delivered the right way, feedback has a transformational effect on employee experiences. A recent Gallup study showed that 80% of employees who say they have received meaningful feedback in the past week are fully engaged, regardless of whether they are working in the office or on-site, hybrid or remotely.[8]

Providing quality feedback does not have to be cumbersome or overly complicated. A quick connection to reflect can happen casually and candidly. Managers who provide effective feedback do it in a way that is frequent, focused and future oriented.[9] These managers approach giving feedback as a vital coaching tool to refine and inspire employee performance, not as a box to check or a scare tactic.

Creating Synergy With Feedback and Recognition

Recognition is a form of feedback in and of itself that can help communicate expectations and positively reinforce the behaviors that drive an organization forward.

When an employee demonstrates positive behaviors like mentoring a new colleague, taking the initiative to improve an existing process or achieving one of their goals, recognition serves as feedback that encourages them to engage in similar behaviors in the future. Simultaneously, recognition uplifts an employee to approach their work with more energy and enthusiasm. When recognition and other forms of feedback are delivered with specificity, these positive effects are amplified. Sharing broad praise such as “great work on that presentation last week!” is distinctly less actionable and meaningful than more tailored feedback such as “the extra time you spent designing that presentation made the information much more understandable and impressed the client!”

Frequently providing recognition can help managers alleviate or even fully eliminate tensions in challenging moments when they must deliver more critical, negative feedback to an employee. When check-ins are normalized, they are less likely to feel like a moment of extreme consequence for both parties. Conversely, if a manager fails to develop a healthy relationship with an employee or does not commonly provide them with high-quality recognition when deserved, the employee is likely to receive negative feedback in a way that is less productive.

Ultimately, there is no such thing as too much feedback or recognition if delivered in a meaningful, authentic and fair way. With that said, when either is delivered carelessly or just to check off a list, it can have the opposite effect. Employees who receive recognition or feedback that is not reflective of their actual behaviors or accomplishments can be left feeling misunderstood or unseen.

8 Harter, J. (2023, May 30). A great manager’s most important habit. *Gallup.com*. https://www.gallup.com/workplace/505370/great-manager-important-habit.aspx

9 McLain, D. & Nelson, B. (2022, January 1). How effective feedback fuels performance. *Gallup.com*. https://www.gallup.com/workplace/357764/fast-feedback-fuels-performance.aspx

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Leveraging Peer-to-Peer Feedback and Recognition

In most organizations, employees are likely to receive feedback from their managers, even if it is just once a year during performance reviews. Feedback between peers is less often formally facilitated. However, data shows that *recognition* already happens more often from peer to peer than from manager or leader to employee. Forty-six percent of employees say they receive recognition from a peer at least a few times a month, while 38% say they receive recognition from a manager in their organization that often.

Many organizations could stand to benefit from encouraging employees to intentionally focus and refine their existing recognition practices to provide valuable feedback to their peers. Through recognition, employees can provide affirmation to their peers when they communicate, perform a task or share a deliverable in a way that aligns with their own preferences and workstyle. When individuals on a team leverage recognition to communicate their own needs, they enjoy closer bonds and collaborate with higher efficiency.

Gallup and Workhuman research confirms that, when the culture of an organization or team enables employees to share feedback with one another in a way that is safe and productive, they are likely to have vastly improved experiences in their workplace.

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

Elevating Feedback and Recognition Through Personalization

Gallup and Workhuman research finds that all employees — both managers and individual contributors — are ill-equipped to deliver personalized recognition. Just 13% of all employees strongly agree they know how others at work like to be recognized.

If all employees in an organization became even better prepared to deliver feedback and recognition to peers, the impact could be drastic. Employees who strongly agree that they know how the people they work with like to be recognized are 2.6 times as likely to strongly agree that they have meaningful connections with their coworkers and 2.9 times as likely to strongly agree that they feel connected to their organization's culture. These results underscore how closer employee relationships set the foundation for better recognition and feedback experiences and stronger workplace cultures.

Each person has unique preferences for how they like to be recognized, but also what they like to be recognized for. In the latest Gallup-Workhuman survey, employees identified the most common reasons people receive recognition at their organization.

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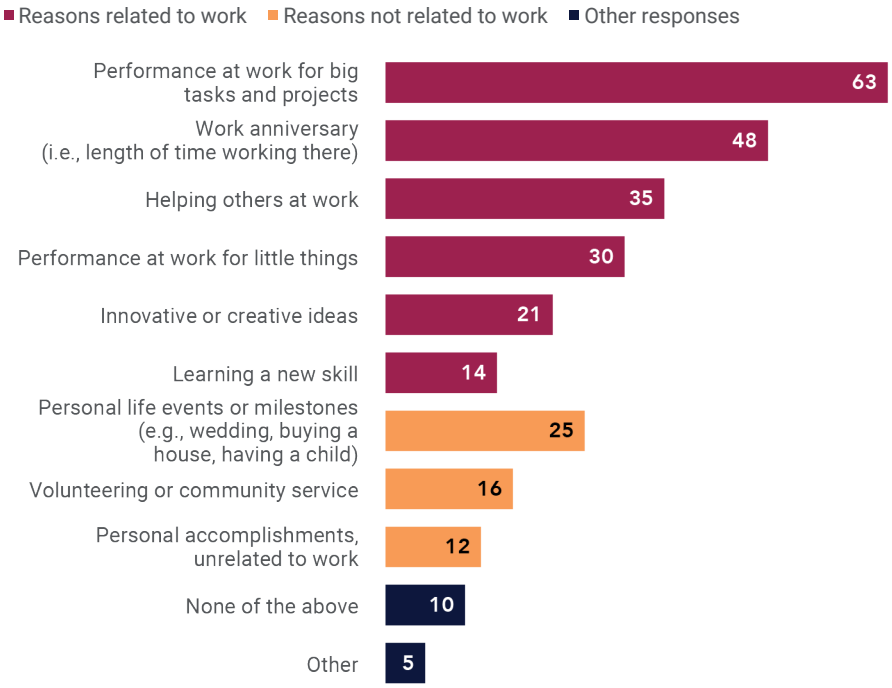
Most Common Recognition Reasons

What are the most common reasons why employees at your organization are recognized, thanked or appreciated?

% Endorsed



These data show that most organizations do not expand the list of reasons employees are recognized beyond performance for big tasks and projects and work anniversaries. Only 37% of employees say that non-work-related reasons for recognition are among the most common reasons people receive recognition in their workplace. Recognizing productivity and performance is imperative but should not be the only reason people are valued at work. People in an organization should feel empowered to recognize, appreciate and express gratitude for their colleagues for who they are in addition to what they do in their job.

A comparison of respondents who say they receive recognition for non-work-related reasons and those who do not suggests that having a wider range of reasons for which people are recognized corresponds with having a more robust and better-connected culture. When non-work-related reasons are commonly recognized in the workplace, employees are 67% more likely to be engaged and 74% more likely to strongly agree they are connected to their organization's culture.

There is a great opportunity for managers and leaders to redefine what feedback looks and feels like within their organizations. When feedback is specific, productive and meaningful, it corresponds with improved employee experiences and elevated productivity. When all employees across an organization give intentional and personalized feedback and recognition to their peers, dynamic cultures of feedback develop and amplify the benefits even further.

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Using Recognition to Uplift Wellbeing and Daily Emotions

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Every company's greatest asset is its workforce. However, more than any other part of an organization, people are complex. How someone shows up and performs in their role every day is a function not just of their work environment, but all the things they think about and experience in their life.

Successful leaders and managers recognize the need to prioritize the wellbeing of their employees not only to make a positive impact on their lives but also to maximize their organization's productivity and resiliency for the future. Thriving employees are the backbone of thriving businesses. However, in the emotional climate of the world today, it can be particularly difficult to provide this support.

Gallup's latest trends reveal that the daily emotional experiences of U.S. employees have only improved somewhat from the lowest points of the COVID-19 pandemic, and the percentage of employees who experience a range of negative daily emotions remains elevated relative to historical benchmarks.[10]

Stress and worry, in particular, have lingered at higher levels. Almost half (49%) of all U.S. employees now report feeling stress a lot in the previous day. Research unveiled in the *2024 State of the Global Workplace* report also indicates that one in five employees globally experienced loneliness a lot in the previous day.[11]

An organization's bottom line is impacted by how well its leaders and managers support the wellbeing and emotional experiences of its employees. Research from Gallup and Workhuman has identified strategic recognition as a key practice with a unique ability to uplift employee wellbeing and facilitate stronger social connections. The following details the positive relationship between high-quality recognition and daily emotional experiences. It explores how organizations can leverage recognition to communicate and align their mission, values and expectations in support of their employees' wellbeing.

Recognition Positively Influences Emotional Experiences

Strategic recognition is a dynamic tool associated with higher wellbeing and better daily emotional experiences. More specifically, when employees receive high-quality recognition as defined by the five pillars of strategic recognition, they are more likely to experience positive emotions and less likely to experience negative emotions. However, few employees enjoy the full extent of these benefits.

Just 11% of employees report having recognition experiences that fulfill four or five pillars of strategic recognition.



Receiving authentic recognition in the workplace can feel akin to a heartfelt compliment, often providing a boost to energy and positive emotion for the day. On a deeper level, workplace recognition affirms the value of one's work and provides foundational reassurance that the effort an employee is putting in is seen and valued by their organization. This reassurance helps quell feelings of stress and anxiety that can run rampant in organizations where employees work without clear expectations or support.

10 Gallup, Inc. (n.d.). *Indicators: Employee wellbeing*. Gallup.com. https://www.gallup.com/394424/indicator-employee-wellbeing.aspx

11 Gallup, Inc. (2024). *State of the global workplace*. https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx

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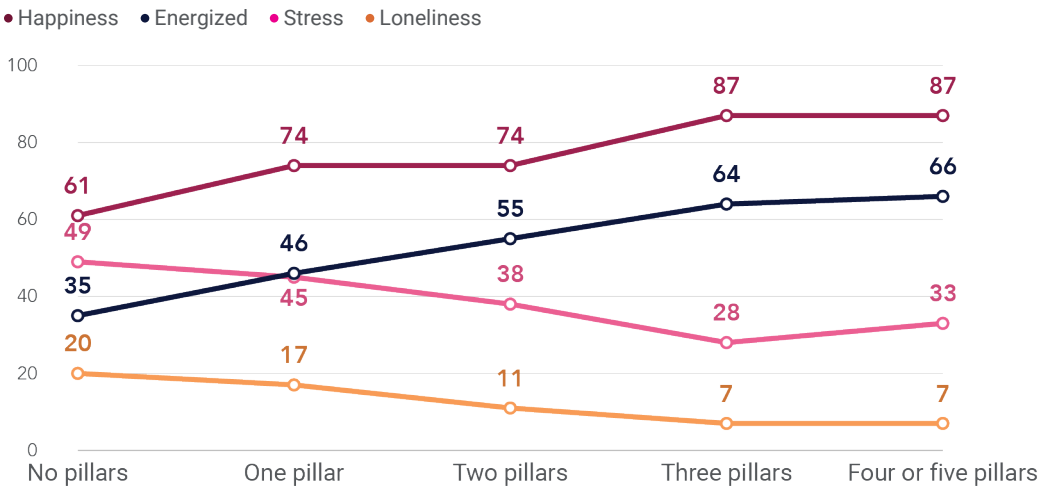
Recognition can also be given amongst employees to efficiently form new, meaningful connections and further enrich existing relationships. The CDC finds that social connection can improve one's ability to manage stress, anxiety and depression and help prevent serious chronic illnesses.[12] Embedding recognition as a major component of culture and combining it with meaningful feedback can aid organizations in building strong, connected communities that enable employees to develop bonds with one another.

Leaders and managers do not need to perfect their feedback and recognition practices to start positively impacting employee wellbeing in their organizations. Fulfilling just one pillar of strategic recognition moves all daily emotional experiences in the right direction and each additional pillar provides an incremental gain.

Recognition Pillars' Influence on Daily Emotions

Did you experience the following feelings during a lot of the day yesterday?

% Yes



Recognition is particularly potent in addressing loneliness. Those who receive recognition that fulfills at least four of the five pillars of strategic recognition are 66% less likely to experience loneliness on a daily basis, as compared to those who receive recognition fulfilling three or fewer pillars. Recognition's community-building power can be a vital antidote for communities, workplaces and individuals afflicted by the loneliness epidemic.[13]

12 U.S. Centers for Disease Control and Prevention. (2024, March 27). *Social connection*. CDC.gov. https://www.cdc.gov/social-connectedness/about/index.html

13 U.S. Department of Health and Human Services. (2023, May 3). *New surgeon general advisory raises alarm about the devastating impact of the epidemic of loneliness and isolation in the United States* [Press release]. HHS.gov. https://www.hhs.gov/about/news/2023/05/03/new-surgeon-general-advisory-raises-alarm-about-devastating-impact-epidemic-loneliness-isolation-united-states.html

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Aiming Recognition Toward Wellbeing

Wellbeing encapsulates much more than just feeling more positive emotions and less negative emotions day to day. Employees are more likely to thrive when their work is engaging and connected to their organization's mission. Organizations can leverage recognition and feedback to serve as a reminder of *why* an employee comes to work every day and advocate for balance between work and life.

Well-recognized employees, specifically those who receive recognition that fulfills at least four of the five pillars of strategic recognition, are 4.4 times 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.

Frequent check-ins to provide high-quality recognition and feedback give employees consistent affirmation that their work matters and makes a real difference for a customer or someone in their organization. Providing recognition that ties to the impact of an employee's work can be especially critical for employees who may not have the chance to directly see their work delivered to a customer or stakeholder.

High-quality recognition also reinforces care for a person as a whole, not just as an employee. The latest Gallup-Workhuman survey finds that those who strongly agree that recognition is an important part of their organization's culture are 4.2 times as likely to strongly agree that their organization cares about their overall wellbeing. Recognition leads the way for other best practices and closer managerial relationships, which can compound and further positively influence employees' lives and wellbeing.

As stewards of an organization's culture, managers play an important role in modeling recognition that promotes employee wellbeing. For example, if an employee is recognized only when they provide deliverables that require overtime to complete, they may begin to believe their manager expects them to put in overtime to complete all their projects. If left unchecked, this could create an increased risk of burnout and a lack of work-life balance that may lead to the turnover of a top performer. The employee in this example should still be recognized for their hard work and performance. However, their manager may be wise to accompany this recognition with clarified expectations, additional support, timelines and resourcing to reinforce a more reasonable status quo that is supportive of wellbeing.

The wellbeing of employees is not just a personal matter but a pivotal factor that influences their presence and performance at work. Organizations that acknowledge the importance of wellbeing and create supportive and engaging work environments can positively impact their employees' experiences at work and enjoy increased productivity as a result.

However, wellbeing is complex and reflective of a wide range of factors and experiences. Alongside other best practices, organizations may leverage high-quality strategic recognition to boost employees' daily emotional experiences, promote work-life balance and foster holistically supportive cultures.

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Promoting Upskilling to Harness the Power of Advancing Technology

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Technological advancements in computing and the increased availability of tools powered by AI promise to fundamentally shift how people work and interact with one another. As we stand on the edge of a transformative new era, the emergence of advanced AI can help organizations operate with unprecedented efficiency and unlock new innovations. Organizations primed to succeed in the modern world will develop cultures that enable them to reap the benefits of new technologies through the empowerment of their employees.

Making new technology available is an important first step, but efficiency and innovation are only generated when employees are bought in and comfortable using it. To harness AI's full potential, organizations must equip employees with the skills and knowledge necessary to confidently interact with and effectively leverage it in their role. Many organizations fall flat in empowering their employees to build such proficiency. Among organizations that have begun to implement AI technology, nearly half (47%) offer no formal or informal training opportunities. This finding reflects the broader trends uncovered by Gallup and Workhuman research that underline the distinct gap between employees' desire to upskill and the support to do so offered by their organizations.

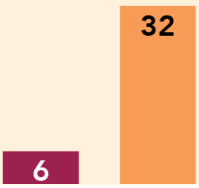
Leaders and managers who are in tune with the demands of the modern workplace meet their employees' enthusiasm for upskilling and build cultures of skills-based learning where upskilling is not just encouraged but engrained in the fabric of how work is done. The following explores new research about employees' intentions to upskill and highlights how organizations can do more to empower them. Gallup and Workhuman uncover how strategic recognition and direct promotion of upskilling can drive effective adoption of new technologies and yield additional cultural benefits.

The Opposing Perspectives on AI of Business Leaders and Their Employees

Data from a 2024 Gallup survey of the U.S. workforce shows that 33% of employees say their organization has begun to integrate AI technologies. Additionally, past Gallup research indicated that 72% of chief human resources officers (CHROs) predicted that AI would begin replacing roles in their organization in the next three years.[14] Leaders, in particular, are enthused by the future of AI in their organizations, with the hope that it will boost efficiency, innovation and decision-making.

Other employees feel less enthused. Workers share that they feel unprepared and uncertain about the future of AI in the workplace. Gallup finds that organizations are not doing enough to help employees feel comfortable and build proficiency using AI technology.

Among employees whose organizations have begun to implement AI, only 6% are very comfortable using AI in their role, while 32% are very uncomfortable using AI in their role.



14 Barrett, H. & Pendell, R. (2023, August 21). 72% of top CHROs see AI replacing jobs — and workers aren't ready. *Gallup.com*. https://www.gallup.com/workplace/509540/top-chros-replacing-jobs.aspx

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Integrated AI technologies show great promise, but organizations must adopt them with care and intention to fully realize their benefits. For leaders who hope to leverage AI technology to push their organizations ahead of the curve, simply buying a new AI software or service for their organization is not enough. Organizations will maximize the potential of AI and other new technologies only when their employees are motivated to learn, explore and make a conscious effort to integrate them into their role.

Promoting Upskilling to Engage and Better Equip Employees for the Future

To ease employees' concerns and maximize the return on their investment, leaders looking to integrate new technologies such as AI into their organizations must offer ample opportunities for training and development. Furthermore, by promoting upskilling and reskilling as cultural priorities, organizations can ensure their employees use opportunities for development and build a workforce capable of integrating new technologies in stride.

Fortunately, there is an appetite amongst employees to use upskilling to develop within their current roles and career paths. Most often, employees who recently learned a new skill report that they did so because it helped them do their job more effectively (60%) or learn and grow (51%).

Employees who are encouraged to upskill are more likely to take on training and learning opportunities that will help them be more efficient when using new technologies or implementing new business practices. However, promoting upskilling also helps show employees that they are cared for and valued by their organization.

Employees who strongly agree their organization encourages them to learn new skills are 8.4 times as likely to strongly agree that there is a path for them to grow in their organization, 47% less likely to be searching or watching for another job, and 4.2 times as likely to be engaged. These benefits are invaluable and help organizations maintain a full pipeline of talented employees capable of filling their most critical roles and adapting to the modern world of work.

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Gaps and Disparities in Upskilling

The reality is that most organizations are failing to properly upskill their employees for success in the future. For example, according to Gallup research of employees whose organizations have begun to implement AI, just 23% say they are offered optional training, and only 15% are provided with required training.

Even organizations that do provide or subsidize opportunities for their employees to learn and develop still often miss out on the added benefits of promoting upskilling as a cultural value. Only 26% of employees strongly agree that their organization encourages them to learn new skills. This data shows another concerning pattern: Newly tenured employees (36%) and leaders (43%) are more likely to strongly agree that their organization encourages them to learn new skills, while managers (25%), project managers (24%) and individual contributors (26%) are left behind.

Further analysis finds even deeper disparities not just in upskilling but in overall development opportunities. Senior leaders (44%) are more than twice as likely as managers (20%), project managers (21%) and all other individual contributors (16%) to strongly agree that they see a path to grow within their organization. When organizations do not create or promote opportunities for their workforce to develop, they sabotage their own growth and agility. Additionally, performance across the organization may become stagnant, and employees are more likely to become complacent and more inclined to maintain their current way of working.



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Leveraging Strategic Recognition to Encourage Upskilling and Development

Encouraging employees to upskill and solidifying learning and development as an organization's core value are not insurmountable goals. Gallup and Workhuman find that strategic recognition is an influential tool that can strengthen cultures and communicate priorities by positively reinforcing behaviors considered central to driving an organization's success. Leaders and managers focused on modernizing their workforce through upskilling can communicate its importance and reward employees for taking charge of their own learning and development.

Most organizations do not capitalize on the utility of recognition to promote upskilling. **Just 14% of employees say learning a new skill is one of the most common reasons employees at their organization are recognized, thanked or appreciated.** Like the pattern seen in employees' reporting of how often they are encouraged to learn new skills, recognition for learning new skills is most often given to newly tenured employees and leaders, while managers and all other employees are less recognized. Significant messaging gaps and opportunities remain for leaders hoping to inspire and engrain upskilling as part of their organization's identity.

When the importance of upskilling is communicated strategically through recognition, the message is clear: Employees who say learning a new skill is commonly recognized in their workplace are 75% more likely to strongly agree their organization encourages them to learn new skills. Gallup and Workhuman research finds that this encouragement translates directly into more tangible intentions to upskill. When learning a new skill is commonly recognized in a workplace, employees are 56% more likely to strongly agree they are motivated to learn new skills.

The rapid development of new AI technologies has placed increased pressure on organizations to evolve their culture and adapt their workplaces for the future. Yet employee feedback indicates that they and, more critically, their organizations are largely unprepared for these changes.

By encouraging and providing the resources for employees to upskill and develop within their organization, leaders improve their organization's ability to remain adaptable, innovative and at the forefront of technological changes. Gallup and Workhuman underline how strategic recognition can help clearly communicate the importance of upskilling and cement innovation as a cultural value.

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Conclusion

In the modern business landscape, evolution is essential for organizational survival and success. When organizations implement strategies that improve the experiences of their employees, they ready their workforce for agility and innovation and drive other key business outcomes. Strategic recognition, meaningful feedback, support for wellbeing and upskilling are more than just beneficial — they are imperative for building a resilient and future-ready workforce.

While the potential of each of these practices is extensive, their current utilization is limited, signaling a significant opportunity for organizations willing to embrace change and invest in their people. By prioritizing these practices, companies can not only navigate the complexities of today's work environment but also lay the groundwork for sustained success. Through a steadfast commitment to a people-centric approach, organizations will not just endure but flourish.

Methodology Statement

Primary results from this report are based on a survey conducted April 16-30, 2024, with 4,439 adults who are employed full or part time, aged 18 and older, and living in all 50 U.S. states and the District of Columbia, as a part of the Gallup Panel™. For results based on these samples of national employed adults, the margin of sampling error at the 95% confidence level is ±2.3 percentage points for response percentages around 50% and ±1.4 percentage points for response percentages around 10% or 90%.

Some results from this report are based on a survey conducted May 7-21, 2024, with 21,543 adults who are employed full or part time, aged 18 and older, and living in all 50 U.S. states and the District of Columbia, as a part of the Gallup Panel. For results based on these samples of national employed adults, the margin of sampling error at the 95% confidence level is ±0.9 percentage points for response percentages around 50% and ±0.5 percentage points for response percentages around 10% or 90%.

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