

58% Of Workers Feel Undervalued at Work — How Benefits and Recognition Can Help

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If employees are happy with their benefits, why are employers still struggling to retain talent?

In its latest Human Workplace Index survey, human capital management company Workhuman found that while 75% of respondents indicated feeling satisfied with their benefits, more than half (58%) reported feeling not valued at all or only somewhat valued at work. In a talent market that continues to challenge recruiting efforts, that statistic may read as an alarm bell to employers — and a call to action to think about compensation, benefits and recognition in a more holistic way.

"Years ago and definitely generations ago, there was such a focus on making sure you had a good job at a stable company with a good salary, health insurance and — if you were lucky — a 401(k) match," says Lauren Van Duyn, recruitment manager at Workhuman. "But that's just not enough anymore, especially for newer generations of the workforce. They want companies that go the extra mile to say: we care about you as a human."

In her career as a recruiter and in her current role at Workhuman, Van Duyn has seen more and more employees get comfortable talking about challenges that once were taboo topics of conversation at work. In fact, 56% percent of respondents believe an employer's benefits should support workers' personal lives.

"I asked to reschedule this conversation the first time around because I'd had a tough parenting morning, and I was just not in a great state of mind to have a good conversation," she says. "Those types of situations, especially as we move post-pandemic, will continue to impact employees, and it's creating a lot of decision fatigue around what's healthy or not for ourselves and our families. And that's a lot of personal stress for workers."

That personal stress has shifted what employees expect from their benefits packages. Sixty-three percent ranked financial benefits as the most important, followed by mental health benefits (24%). If an offering doesn't apply to a specific candidate or employee, the impact an inclusive benefit package has on company perception is significant.

"I've gotten a lot of candidates from over the years who might not use a given benefit at Workhuman, but have pointed out that it's great to see the company offer that," Van Duyn says, pointing to robust paid family leave programs at her own employer as an example. "It says a lot about whether a company's values align with your own, even if an offering isn't something an individual would ever anticipate using."

Still, Van Duyn points out, benefits alone can't anchor employees to an organization. Those financial programs employees are craving can include both compensation and bonuses, but an additional sense of value can be created via delivery.

"Most companies have a traditional kind of annual bonus, which can be great, but it's not necessarily tied to an employee's specific goals or achievements or development," Van Duyn says. In contrast (or addition) to annual bonuses, she points to "micro bonuses," based on manager or peer recognition, as a way to help an employee understand their impact at the organization while receiving a reward that feels personal and unique to their performance.

"We've seen these peer-to-peer bonuses really build that sense of community and purpose," she says of the kinds of recognition programs Workhuman's platform enables. "It helps workers feel like they're contributing very directly, rather than feeling like a cog in the machine."

According to the survey, 73% of employees feel the most valued when their work is directly recognized by managers; nearly 50% of respondents would prefer to receive that recognition via monetary rewards. Additionally, when an employee receives recognition from a colleague, they're more likely to pay that forward, Van Duyn says. That can have an empowering impact, and build a deeper connection with an organization — and one more incentive to stick with an organization.

"There are a lot of opportunities out there right now, and there are so many people looking for new opportunities because they want to work for a company that aligns with their values," she says. "You could have great benefits, but if you don't feel like you're appreciated and cared for, that job is just something pulling you away from your personal life, and the things that are most important to you."