KUDOS® INDUSTRY REPORT

Recognition That Lands

Four new findings to make employee recognition work in 2027.



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Kudos. Research conducted by Leger, May and June 2026.

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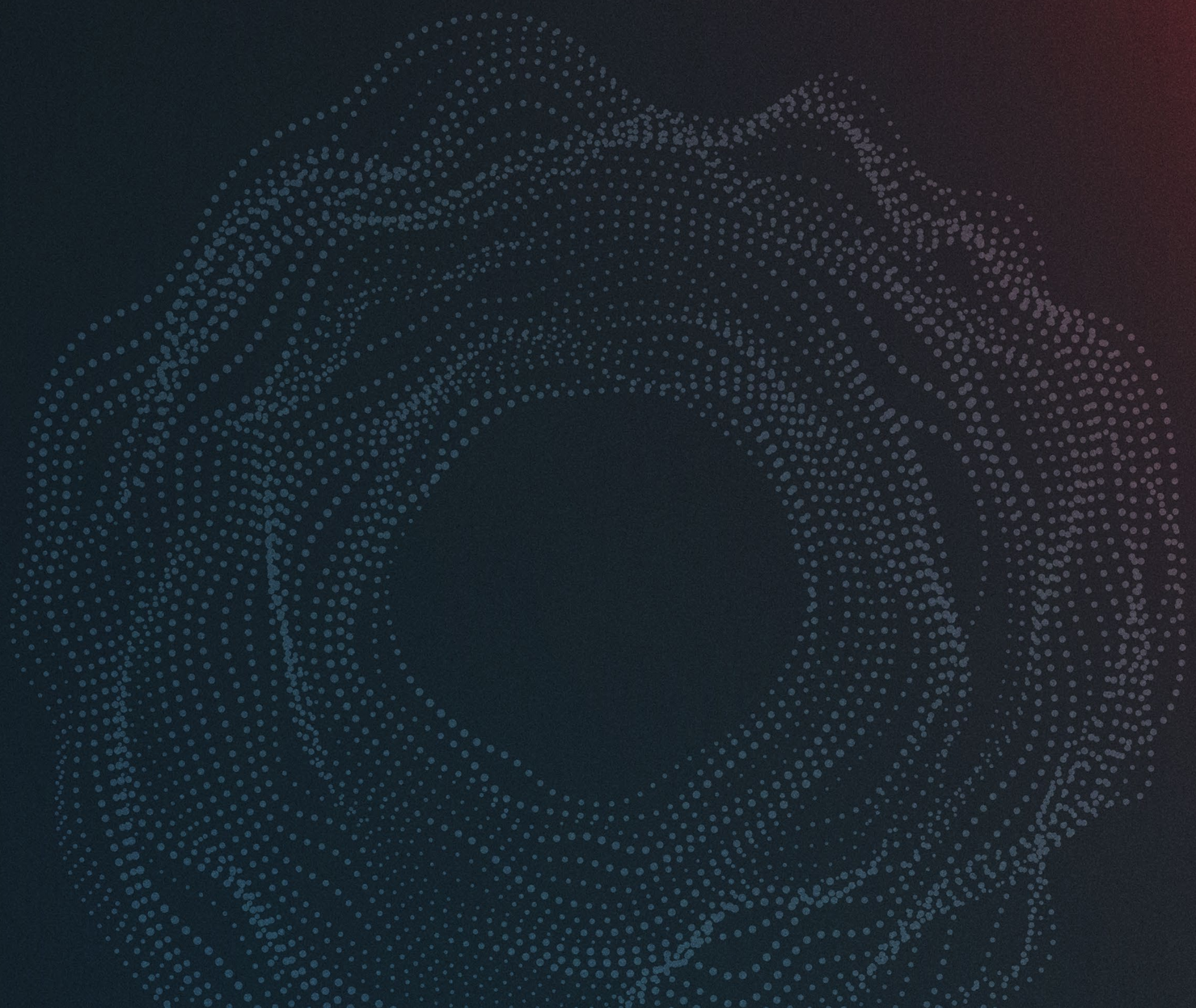
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About this research

The state of employee recognition today.

Work looks different than it did five years ago. Organizations are navigating increasingly complex workforces, with employees spread across departments, locations, shifts and roles. People may work closely with their immediate team, but opportunities to connect with colleagues across the broader organization are limited.

Disengagement is the problem that persists. Gallup puts global engagement at 20%, the lowest since 2020. Manager engagement dropped five points in a single year, to 22%.

Recognition has always mattered to an organization's success, but it has not always been consistent or top of mind. Contributions go unnoticed, particularly when they happen outside a manager's immediate view or across different teams and shifts. Making recognition meaningful and consistent takes intention.

Organizations have adapted. Programs exist, platforms get deployed, values are defined. What is less settled is what makes recognition reach its full potential once it is running. So we asked.

The research at a glance:

Leger



Conducted by

Leger Research, independently.
Commissioned by Kudos.

When

Fielded May to June 2026.

How

Online surveys, about 10 minutes, in English.

Who was surveyed

805 employees and 43 organizational leaders, at organizations using Kudos today.

Industries

18 industries, led by healthcare and social assistance (26%), manufacturing (16%) and financial services (8%).

Full methodology on request: press@kudos.com

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The four key findings.

01	**Monthly is what matters.**	Employees recognized at least once a month report two to three times the impact across every outcome, including productivity, engagement and retention.
02	**Peer recognition is what makes it memorable.**	33% of employees say a message stands out because it came from a coworker. 23% say their manager, 17% say senior leaders. The moments they remember most are about each other: helping a teammate (25%) and supporting someone through a difficult stretch (20%).
03	**Manager recognition is what makes it stick.**	Where a manager recognizes monthly, employees are 3.2x more likely to say they will stay and 4.2x more likely to report a better relationship with them.
04	**Your newest people are your biggest opportunity.**	Recognition has about twice the effect on people in their first three years as it does on people past ten, and the early years are when most people leave.

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THE FINDINGS

Four findings, five moves.



Finding 1 of 4



Monthly is what matters.

The jump comes from reaching someone once a month. Going beyond that helps, but far less. Monthly is the standard worth setting.

3x Employees recognized monthly are three times more likely to say recognition increased their intent to stay, compared with those recognized less often.

Your next move

Set monthly as the standard, and measure reach rather than volume. The percentage of people recognized in the last 30 days is the number that predicts everything else in this report.

Base: 805 end users. Monthly versus less than monthly is significant at $p<0.001$. Weekly versus monthly is not.

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Finding 2 of 4



Peer recognition is what makes it memorable.

Programs are usually built from the top down. When asked what makes recognition memorable, employees rank it the other way round, and the moments they remember are about each other.

1.9x

A message is nearly twice as likely to stand out when it comes from a coworker rather than a senior leader.

What makes a recognition message stand out:

It comes from peers or coworkers	**33%**
It comes from my direct manager	**23%**
It comes from senior leaders	**17%**

Your next move

Lead with peers. Make peer-to-peer the default path rather than an add-on to a manager-driven program, and celebrate giving recognition, not just receiving it.

Top 3 recognition moments

Helping a teammate or team succeed	**25%**
Supporting others through a busy or difficult time	**20%**
An everyday contribution that might otherwise go unnoticed	**19%**

Base: 805 end users. Employees also name more participation from coworkers (24%) ahead of more participation from their manager (18%) as what would get them recognizing more.

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Finding 3 of 4



Manager recognition is what makes it stick.

Peers make recognition memorable. Managers make people stay. Where a manager recognizes regularly, the effect on retention and on the relationship itself is among the strongest in the study.

Employees whose manager recognizes them monthly or more, against less often:

Relationship with manager is **4.2x better**

Likelihood to stay is **3.2x higher**

Sense of belonging is **2.3x stronger**

Relationships with peers are **2x stronger**

Your next move

Get managers recognizing. Give them a monthly target rather than a reminder, and train them. 72% of organizations expect managers to recognize; 37% train them.

4.2x

When a manager recognizes someone monthly, that employee is more than four times more likely to report a better relationship with them.

252 recognized by their manager monthly or more, 498 less often.

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Finding 4 of 4



Your newest people are your biggest opportunity.

Recognition has twice as much impact on people in their first three years as it does on people past ten, and the early years are when most people leave. In healthcare the gap is wider still.

Share of employees who said recognition improved each area, by tenure:

	FIRST 3 YEARS	10+ YEARS	MULTIPLE
More likely to stay	**34%**	**14%**	**2.4x**
Stronger sense of belonging	**48%**	**25%**	**1.9x**
More collaboration	**28%**	**15%**	**1.9x**
Stronger relationships with peers	**50%**	**28%**	**1.8x**

Your next move

Start on day one. Build recognition into onboarding rather than introducing it later, and report your first-year cohort separately from everyone else.

2.4x

Employees in their first three years are more than twice as likely to say recognition made them want to stay.

Base: 805 end users. 278 in their first three years, 197 with ten or more.

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Spotlight: Healthcare

Healthcare was the largest group in our study, at 26% of employees surveyed. It is also where early-tenure turnover is most expensive. The tenure effect we just described is wider here than anywhere else we looked.

Share of healthcare employees who said recognition improved each area, by tenure:

	FIRST 3 YEARS	
More likely to stay	**42%**	**4.6x higher** than for employees past ten years
Stronger sense of belonging	**51%**	**2.8x higher** than for employees past ten years
Stronger relationships with peers	**56%**	**2.6x higher** than for employees past ten years
Better relationship with their manager	**43%**	**2.1x higher** than for employees past ten years

Why it matters

NSI's 2026 report puts 56.8% of departing hospital employees at under two years of service, and the cost of replacing a single staff RN at $60,090. The window where recognition does the most good is the same window where hospitals lose people.

4.6x Healthcare employees in their first three years are more than four times as likely to say recognition made them want to stay.

Base: 173 healthcare end users; 69 in their first three years, 46 with ten or more. All differences significant at p<0.05.

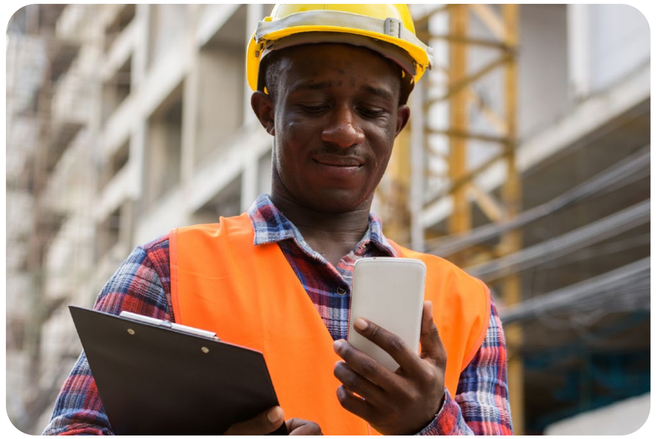
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WHAT IT IS WORTH

The impact of monthly recognition



The impact of monthly recognition



What changes when recognition reaches people monthly.

How employees describe their experience of work. Those recognized monthly or more, against those recognized less often:

	MONTHLY OR MORE		LESS OFTEN
Feel more appreciated at work	**82%**	2x	42%
Say their recognition culture has improved	**79%**	2.4x	33%
Report a stronger sense of belonging	**73%**	2.2x	32%
Report being more engaged and motivated	**64%**	2.6x	25%
Feel more comfortable speaking up	**61%**	2.5x	24%

2.6x Employees recognized monthly are 2.6x more likely to say they feel more engaged and motivated than those recognized less often.

Base: 805 end users. 394 reporting monthly recognition, 384 reporting less.

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Where recognition shows up in the business.

How employees describe the impact of recognition. Those recognized monthly or more, against those recognized less often.

	MONTHLY OR MORE		LESS OFTEN
More likely to stay	**38%**	3.7x	10%
Better relationship with their manager	**44%**	3.4x	13%
Higher productivity	**45%**	3.2x	14%
Stronger sense of belonging	**57%**	2.9x	20%
Stronger relationships with peers	**60%**	2.6x	23%

3.2x Employees recognized monthly are three times more likely to say their productivity improved.

Base: 805 end users. 394 reporting monthly recognition, 384 reporting less.

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What the retention gap is worth.

Employees recognized monthly are nearly **four times more likely** to say recognition made them want to stay. 38% against 10%, the widest gap in the study.

Turnover is expensive, and over half of it may be avoidable.

Gallup puts the cost of replacing one employee at **one-half to two times their annual salary**, calls that a conservative estimate, and puts the annual cost of voluntary turnover to US businesses at $1 trillion. In healthcare, NSI's 2026 report puts **a single staff RN replacement at $60,090**, and RN turnover at $5.19 million a year for the average hospital.

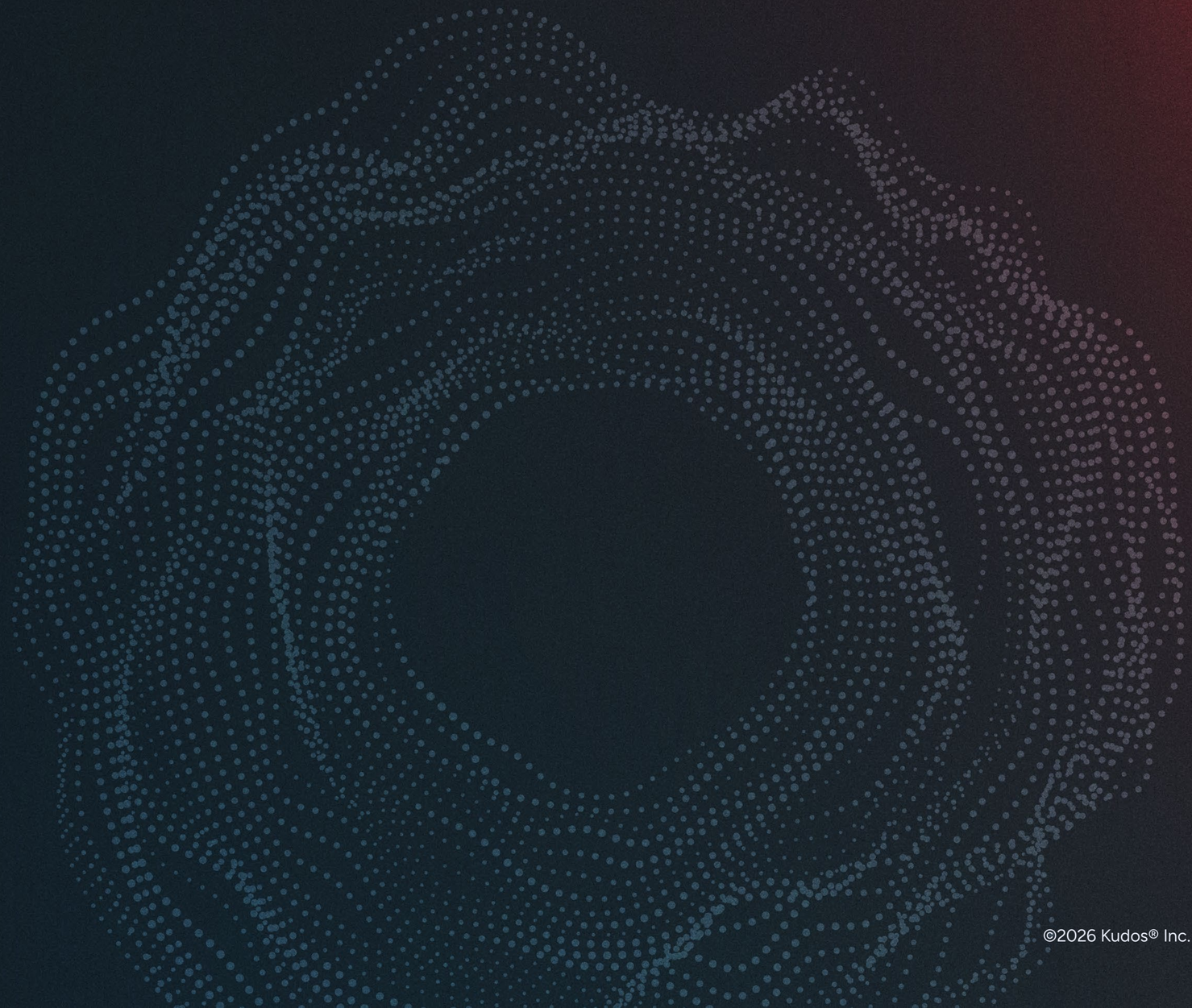
It is not inevitable either. Gallup found **52% of employees** who left voluntarily said their manager or organization could have done something to stop them.

We are not claiming recognition delivers those savings. We are pointing at the scale of what turnover costs, and at how small a shift would need to be to pay for a recognition program.

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> Hearing from a team member that they appreciate something I’ve done that feels small to me makes me feel seen.

Healthcare and social assistance, mix of desk-based and frontline.



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WHAT TO DO ABOUT IT

Your 2027 plan





Small changes, big return.

None of this needs a bigger platform or a bigger budget.

When a program underperforms, the instinct is to look for the answer in more features. Employees point somewhere else. When asked what would get them recognizing more often, 12% said easier use in their daily workflow and 8% said better reminders. What ranked higher was other people: 24% wanted more participation from coworkers, 18% from their manager. The barrier is social, not technical.

That is why three of the five recommendations for 2027 are standard-setting, measurement and communication. The fourth and fifth are onboarding and manager training, where the expectation is already in place: 72% of organizations expect managers to recognize, while 37% train them. The gap is enablement, not money.

And what you bring to the table in 2027 is a number nobody else in your organization is reporting: how many of your people were recognized last month, and what that is doing to retention and belonging. That is a different conversation than asking for budget.

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Your 2027 plan

The plan on one page.

01 Set monthly as the standard. Tell managers and employees what it is.

02 Measure reach, not volume. Replace total recognition messages sent with percentage of people reached.

03 Lead with peers. Default to peer-to-peer; celebrate giving, not receiving.

04 Get managers recognizing. Training and monthly targets.

05 Start on day one. Recognition inside onboarding; first-year cohort reported separately.

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KEY TAKEAWAY

If you take one thing from this:

Recognition once a month goes a long way.

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Methodology



Conducted by Leger on behalf of Kudos. 805 employees using Kudos and 43 recognition decision-makers, surveyed separately in May and June 2026.

Every respondent works at an organization that already runs a recognition program, so these findings describe the practice where it is underway rather than the workforce as a whole.

These findings are correlational. Employees recognized more often report better outcomes, but a single survey at one point in time cannot show which way the relationship runs. People who already feel they belong may also notice and report recognition more readily. We publish it because the gradient is large, consistent across six separate outcomes and three separate behaviors, and useful to anyone running a program. The monthly threshold reported here is the point at which the differences become statistically significant.

Full topline data available on request.
Contact press@kudos.com

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About the publisher



Four findings. One platform already built for them.

Kudos is an employee recognition and rewards platform built on peer-to-peer appreciation, tied to the values an organization defines, for desk, frontline and shift-based workforces alike.

THE FINDING	WHAT KUDOS DOES ABOUT IT
Monthly is what matters	Reach reporting shows how many people were recognized in the last 30 days, and which teams were missed. That number is already on your dashboard.
Peers make it memorable	Peer-to-peer by default. Anyone can recognize anyone, so reach never depends on a manager remembering.
Managers make it stick	Manager participation data and prompts, so you can see which teams sit below monthly and act before it shows up in turnover.
Newest people gain most	Organizations can automate onboarding eCards in Kudos. New hires are recognized in their first week, before a manager relationship exists to carry it.

We commissioned this study to understand what recognition does in practice, including the parts that are inconvenient for us, and we intend to repeat it so results can be compared over time.

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