Workforce INSTITUTE

2026

Engagement and Retention Report

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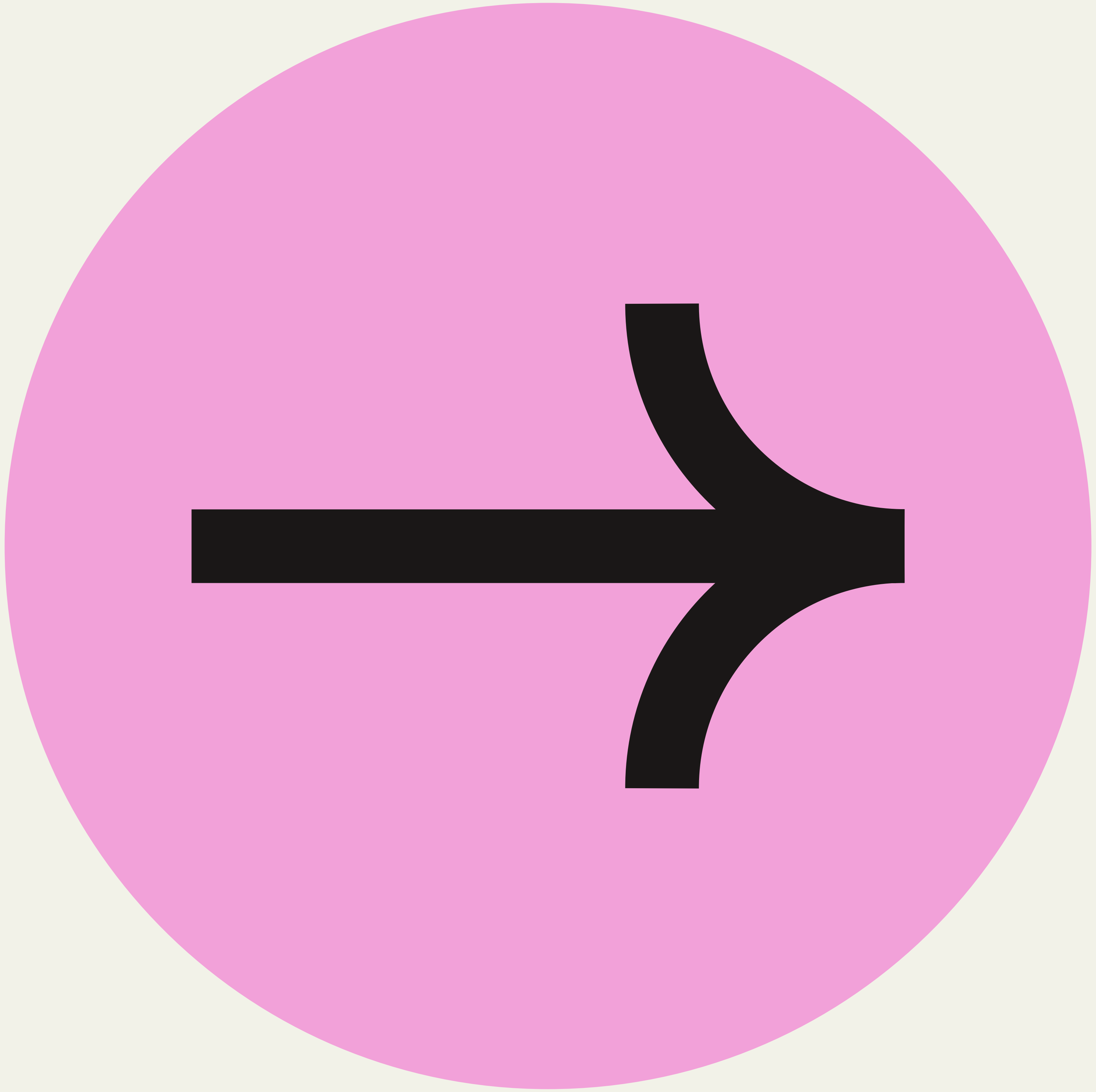
Introduction

Engagement and retention in 2026 — navigating the turning point in employee experience



Employee engagement and retention are at a crossroads. **Only 26% of employees are engaged in their work,** and less than half express a commitment to staying with their current employer. Even more concerning, a mere **25% envision a long-term career** within their organization.

The topline finding is stark: just one in four employees feel genuinely appreciated, while nearly two-thirds would consider returning to a former workplace if it meant feeling valued again.

A low tank

Across organizations, a widespread sense of detachment is eroding culture and performance. Most employees report feeling disconnected from company values, and only about half find their work meaningful. This disconnection creates a gap between purpose and productivity — a gap that directly fuels turnover and undermines innovation.

Obstacles aplenty

Just 22% of employees believe they have access to the growth opportunities, resources, and tools required to perform at their best. This lack of enablement is symptomatic of a larger issue: managers are not consistently creating the conditions for success. Leadership gaps in recognition, communication, and development are compounding the disengagement problem.

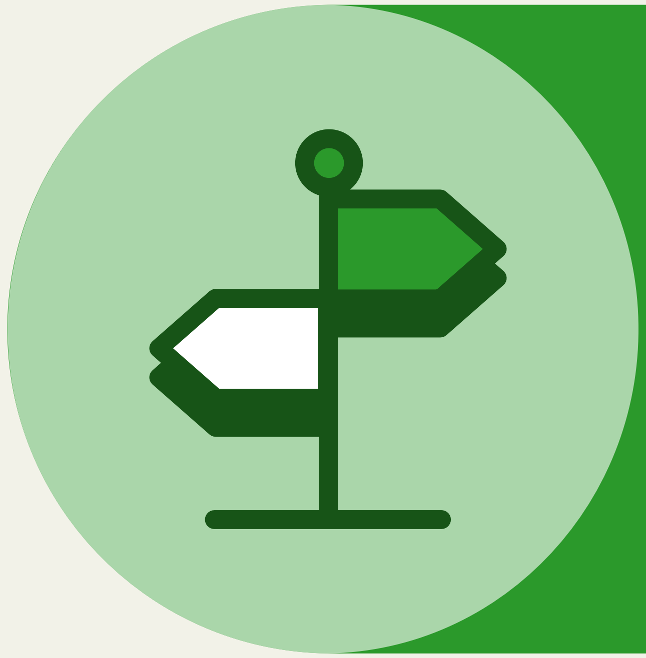
The clear path forward

While the data paints a challenging picture, the evidence on what drives engagement is unequivocal. Three elements consistently emerge as the foundation for lasting employee commitment:

01 **Recognition:** Regular, authentic acknowledgment of effort and achievement.

02 **Reward:** Fair, meaningful systems that reinforce contribution and value.

03 **Connection:** Strong interpersonal and cultural ties that align people with purpose.



Next stop: Strategy

Organizations must evolve toward performance-based cultures that balance accountability with empathy. Preparing for rapid change — including the integration of AI and new technologies — requires environments that align skills, reward adaptability, and honor human ingenuity. Recognition and reward are not just retention levers; they are strategic tools for building resilient, future-ready workforces.

Missed signals

Why appreciation isn't reaching its destination

Key takeaway

Appreciation is the cornerstone of engagement and retention — when employees feel valued, they're more connected, more committed, and more likely to thrive.

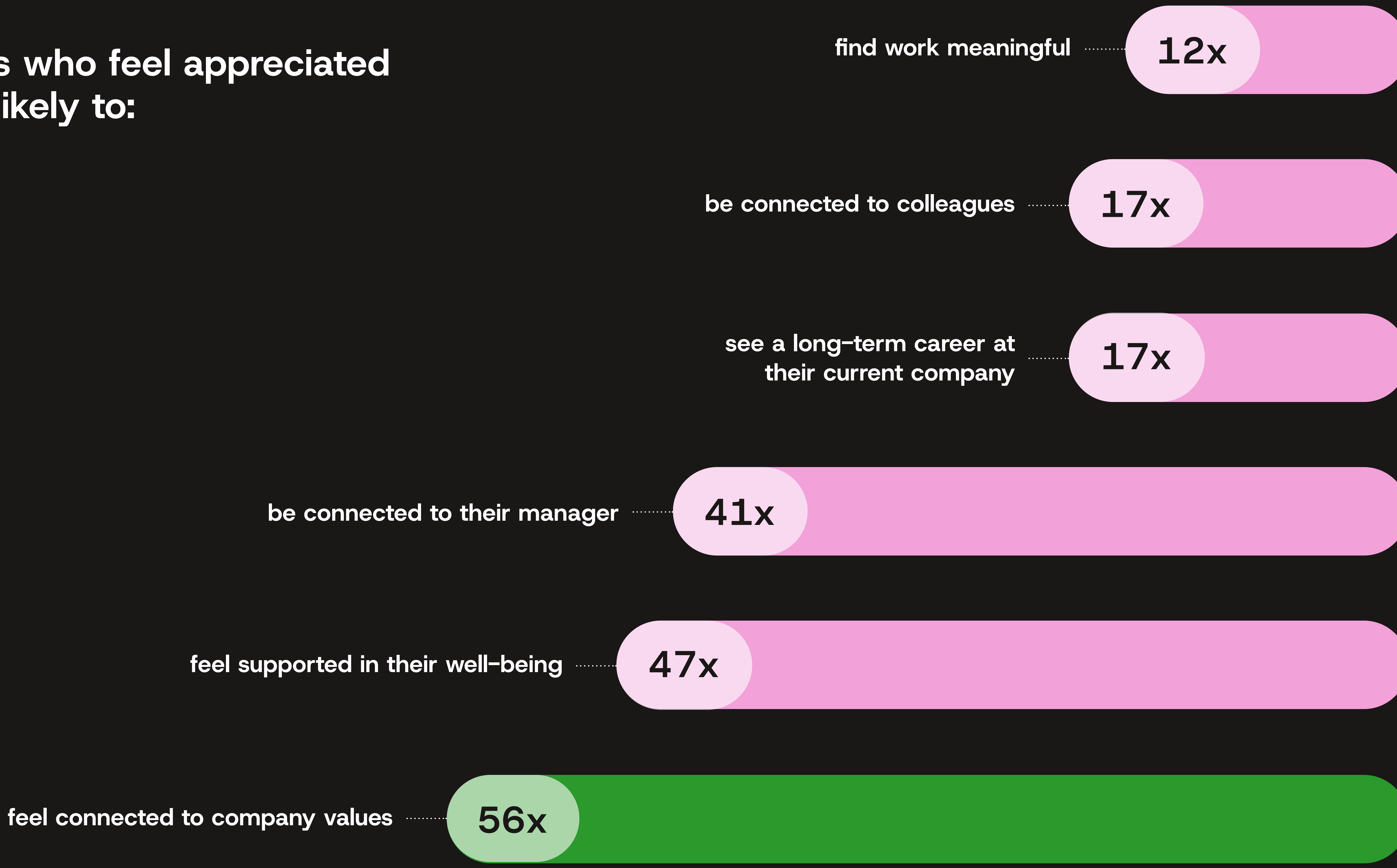
In 2026, appreciation isn't just a nice-to-have — it's the foundation of engagement, meaning, and retention. **Yet only 25% of employees feel appreciated at work.** That number should stop leaders in their tracks. Why? Because appreciation changes everything.

Employees who feel appreciated are 12x more likely to find work meaningful and 56x more likely to feel connected to company values. Half of appreciated employees see a long career with their company, compared to just 3% of those who don't — a 17x difference. Appreciation isn't a perk; it's a predictor of loyalty and purpose.

Recognition frequency matters too. Weekly or monthly recognition is strongly linked to higher engagement and retention. In contrast, employees who are never recognized — a staggering 69% of those in the low-appreciation group — face dramatically higher turnover risk. The data is clear: recognition isn't an event; it's a habit.

Data highlight

Employees who feel appreciated are more likely to:

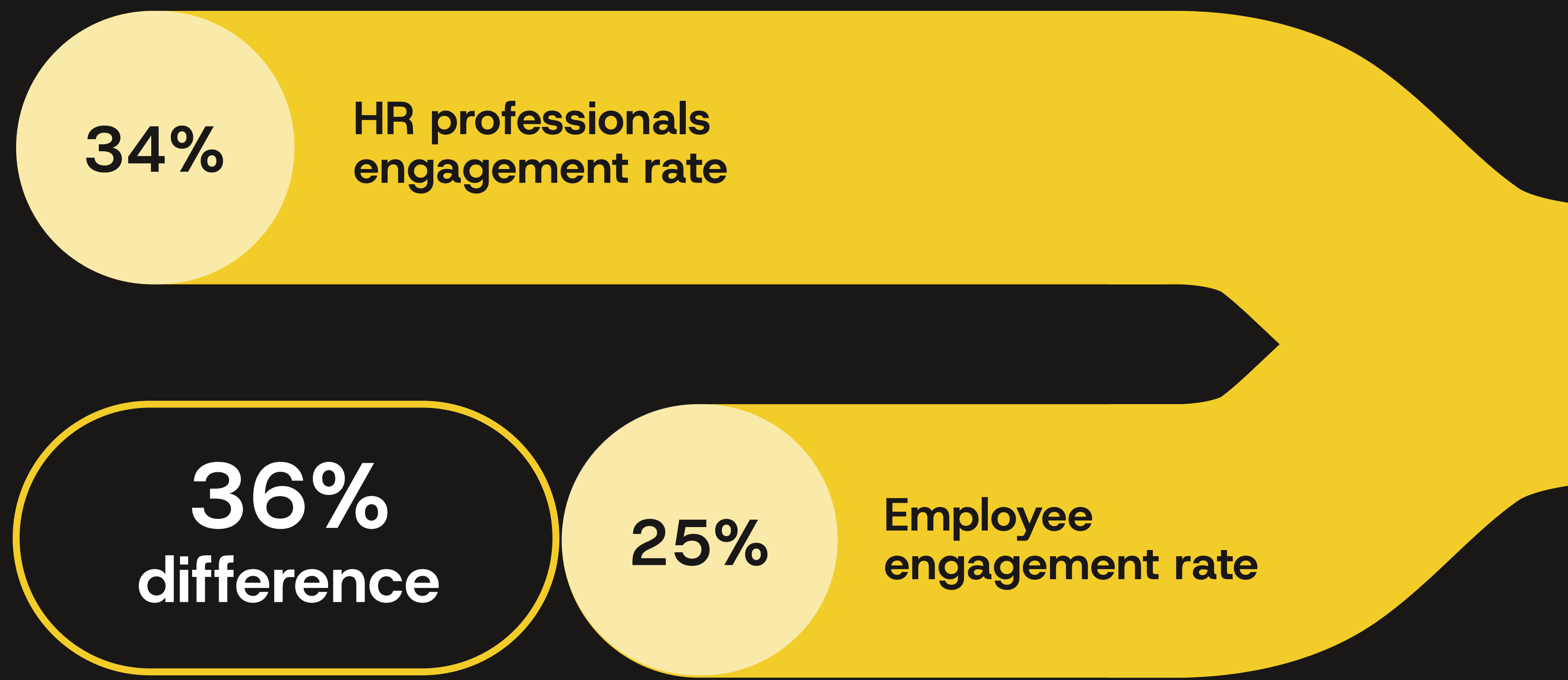


Split tracks

When HR and employee experience diverge

Here's where it gets interesting: HR professionals report feeling more appreciated and engaged than the employees they serve. 34% of HR professionals feel appreciated, compared to 25% of employees — a 36% gap. Engagement follows the same pattern: 34% of HR professionals say they're highly engaged, versus 25% of employees. This suggests that while HR teams may feel the impact of their own programs, that experience isn't translating across the organization.

Why does this matter? HR sets the tone for engagement strategy. If their experience is out of sync with the broader workforce, leaders risk designing programs that look good on paper but miss the mark in practice.



Fueling the journey

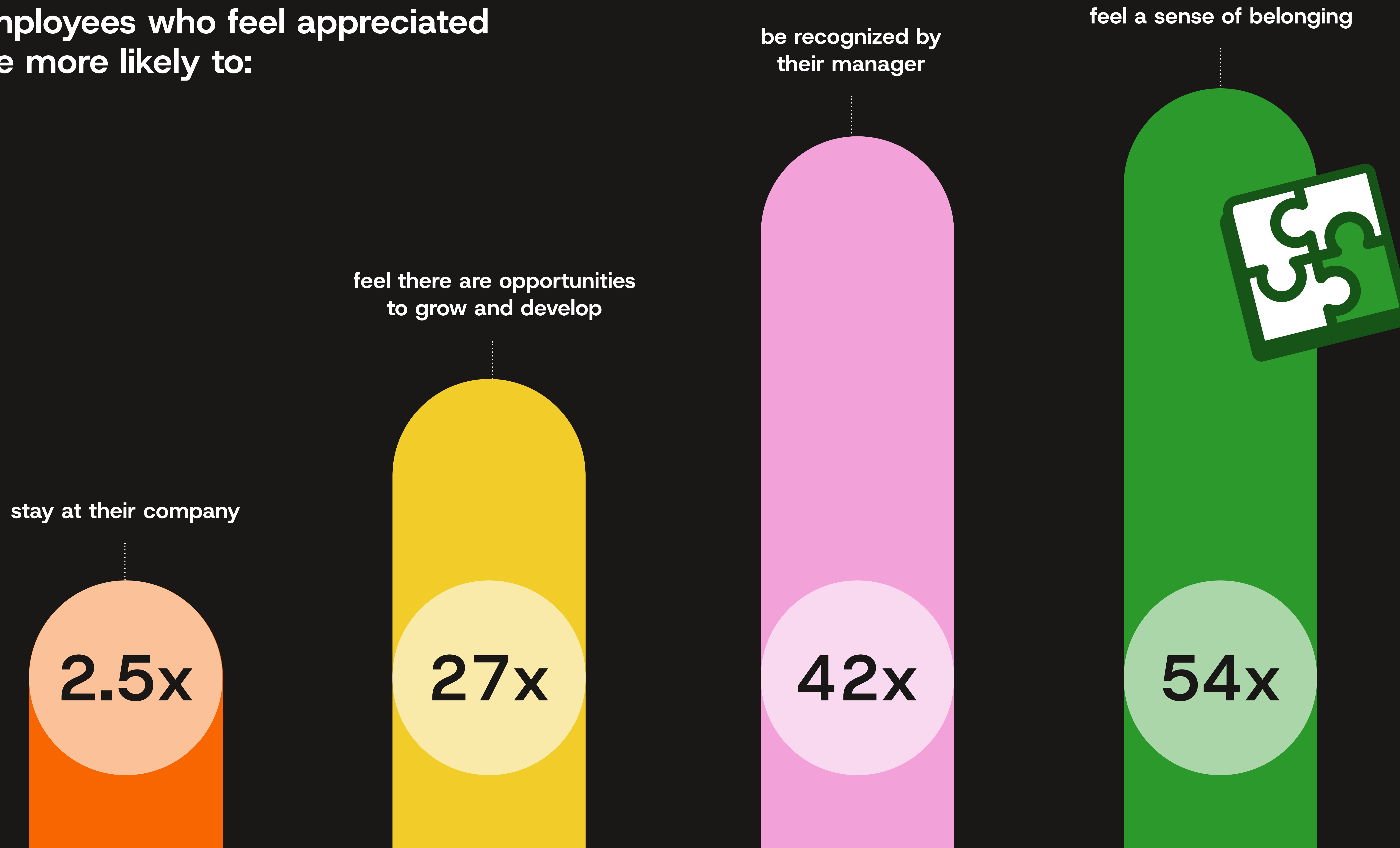
How appreciation powers retention

The ripple effects of appreciation go beyond engagement. Employees who feel valued are 54x more likely to feel a sense of belonging, 27x more likely to see career growth opportunities, and 42x more likely to feel recognized by their manager. They're also far less likely to be job hunting: only 28% of highly appreciated employees are looking for work, compared to 71% of those who feel undervalued — that's a 2.5x difference.

These numbers tell a story HR leaders can't ignore: appreciation fuels connection, trust, and retention. Without it, organizations face not just disengagement, but cultural erosion.

Data highlight

Employees who feel appreciated are more likely to:



Next stop

Embedding appreciation into everyday culture

For HR and business leaders, the takeaway is simple: appreciation isn't optional — it's a strategic lever for engagement and retention. To close the gap between intention and impact:

→ Make recognition frequent and inclusive — weekly, not yearly

→ Empower every employee to recognize peers, not just managers

→ Connect recognition to values, growth, and well-being, so it feels meaningful

→ Listen deeply and act on feedback to ensure programs resonate beyond HR

→ Audit recognition practices regularly to identify gaps and improve consistency

When appreciation is embedded in culture, engagement follows — and so does retention.

Bridging the gap

Connection as the express route to engagement

Key takeaway

Connection is the foundation of engagement and retention — when employees feel connected, they're more engaged, more loyal, and more likely to thrive.

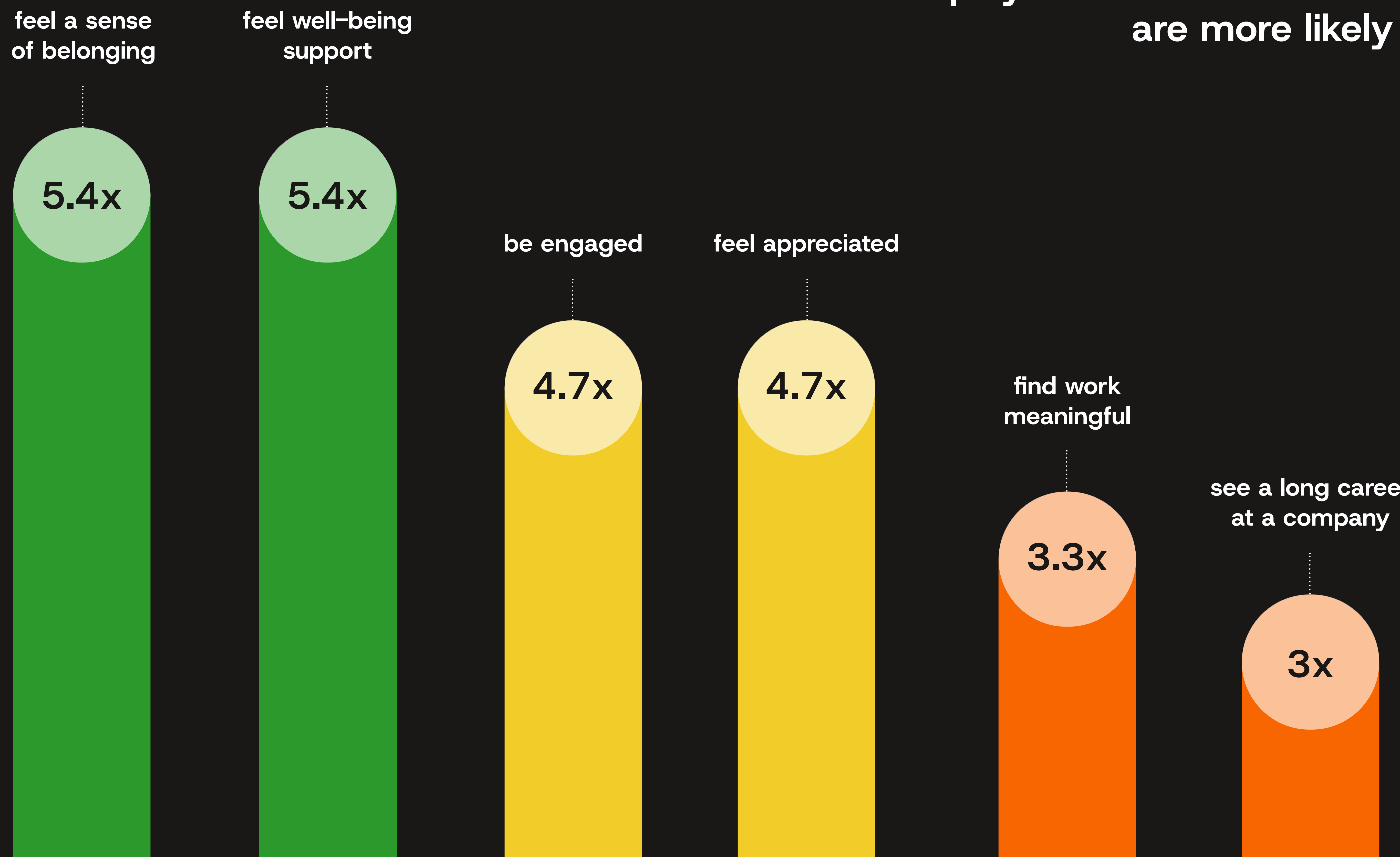
In 2026, connection isn't just a cultural nice-to-have — it's a critical driver of productivity, engagement, and retention. Yet the numbers reveal a stark reality: only 21% of employees say they can access the people they need to be productive, and just 23% can access the resources they need. Even more concerning, only 20% feel company communications help them feel informed and connected.

Why does this matter? Because connection changes everything.

Employees with strong peer relationships are 4.7x more likely to feel engaged and 3.3x more likely to find work meaningful. In fact, 61% of employees with high peer connection report feeling appreciated, compared to just 13% of those with low connection. That's nearly a fivefold difference — and it ripples across every aspect of the employee experience.

Data highlight

Employees who feel connected are more likely to:



Disconnected signals

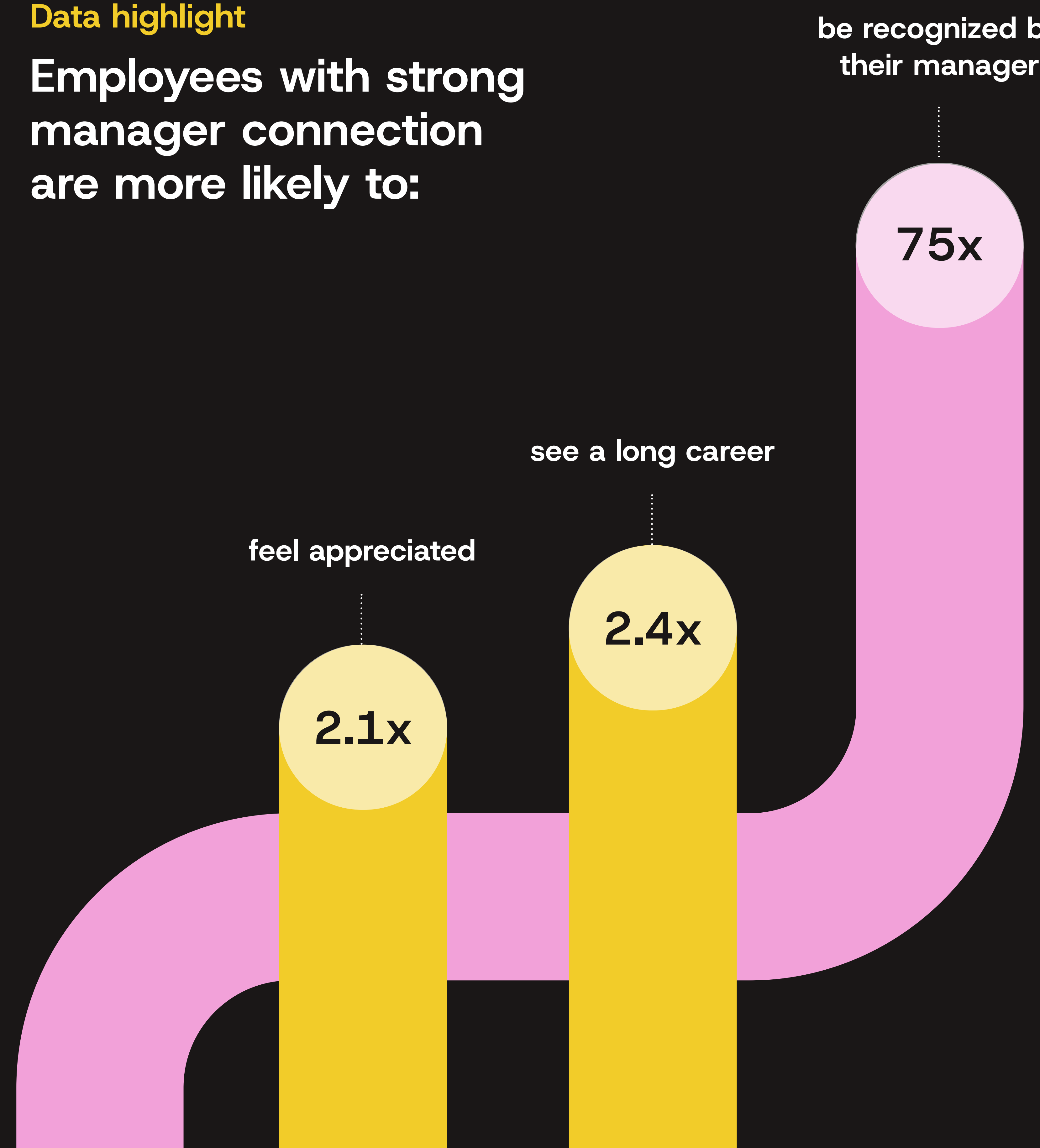
When managers miss the mark

Peer connection matters, but manager connection is just as critical — and just as scarce. Only 19% of employees feel connected to their manager, yet those who do are 2.1x more likely to feel appreciated and 2.4x more likely to envision a long career with their company.

Recognition plays a role here too: employees with strong manager ties are 75x more likely to be recognized by their manager than those without. When that connection is missing, the risk of disengagement and turnover skyrockets.

Data highlight

Employees with strong manager connection are more likely to:



Building bridges

Connection as the foundation of loyalty

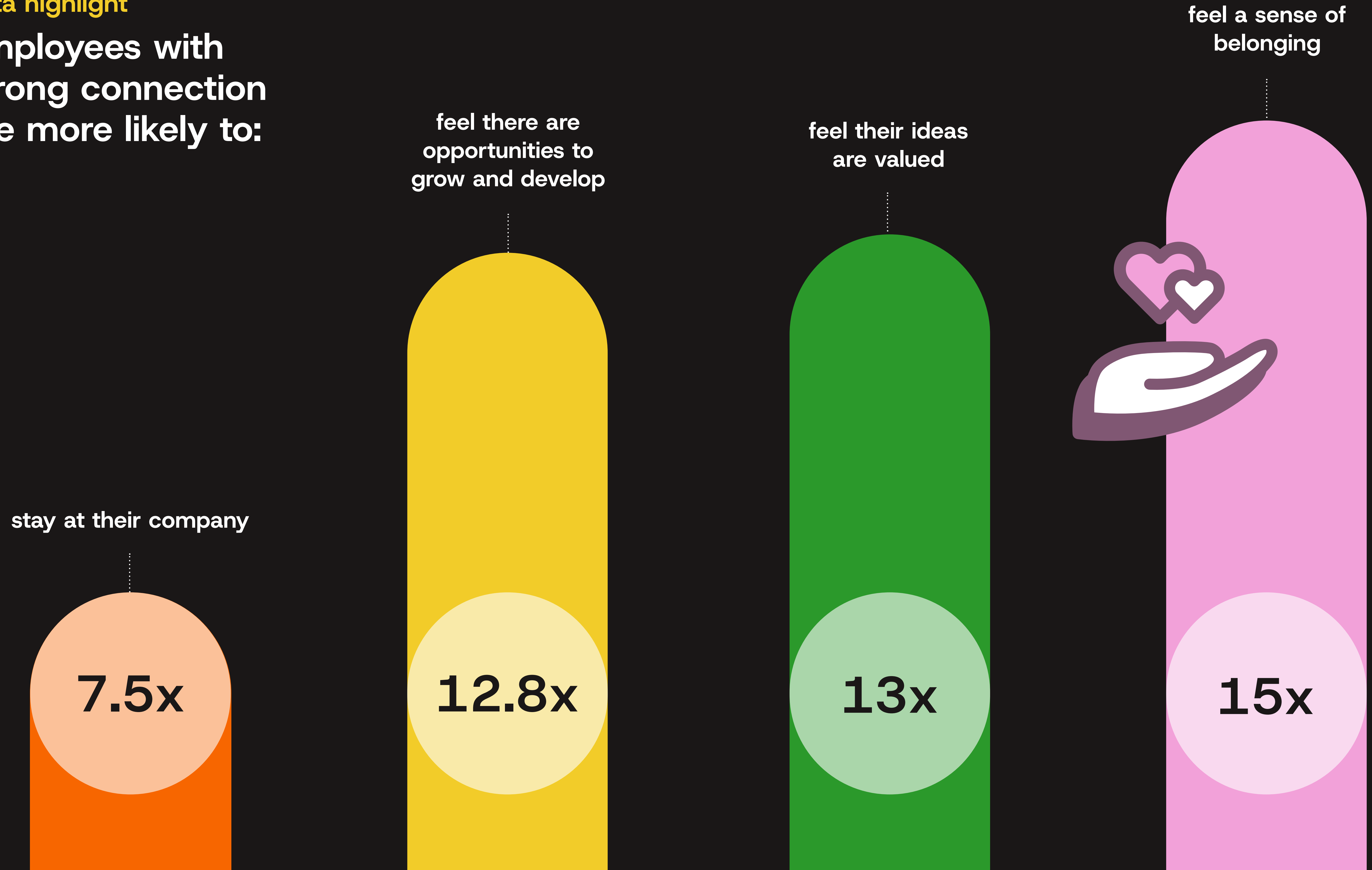
The ripple effects of connection go far beyond engagement. Employees who feel connected are more likely to experience belonging, growth, and well-being — and far less likely to be job hunting. Only 29% of highly connected employees are looking for work, compared to 68% of those who feel disconnected.

Connection to mission, manager, mandate, and peers — especially through recognition — builds resilience and clarity. Recognition and reward don't just make people feel good; they reinforce what's expected and motivate repeat performance. In fact, 85% of employees say they're likely to repeat an action if they're recognized for it.

These numbers tell a story HR leaders can't ignore: connection fuels trust, loyalty, and performance. Without it, organizations face not just disengagement, but cultural erosion.

Data highlight

Employees with strong connection are more likely to:



Designing the route

Making connection part of the workflow

For HR and business leaders, the takeaway is clear: connection isn't optional — it's a strategic lever for engagement and retention. To make connection intentional, not incidental:

- → Empower managers to build relationships, not just manage tasks
- → Create peer-to-peer networks that foster collaboration and recognition
- → Make communication two-way and transparent, ensuring employees feel heard
- → Integrate connection into workflows, so it becomes part of everyday culture
- → Measure connection regularly to identify gaps and act quickly

When employees feel connected to their peers, their managers, and their organization, engagement isn't just higher — it's sustainable.

Staying the course

Grounding in belonging and balance

Key takeaway

Belonging and balance are the cornerstones of retention — when employees feel included and supported, they're more loyal, more engaged, and more likely to thrive.

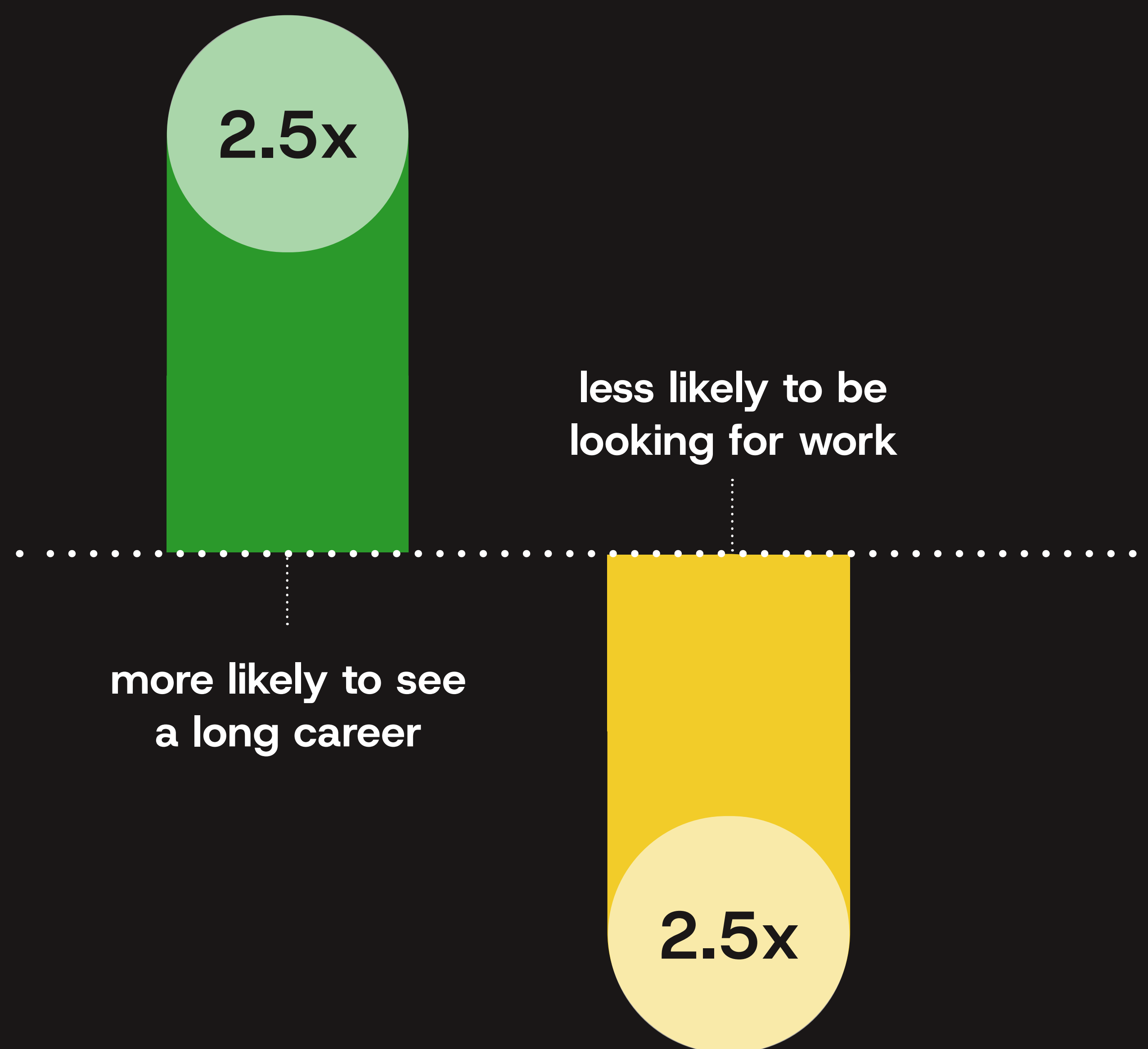
In 2026, belonging and balance aren't perks — they're predictors of loyalty and performance. Yet only 26% of employees report having work–life balance, and just 21% feel a strong sense of belonging. These numbers matter because when balance and belonging are present, everything changes.

Employees with work–life balance are much less likely to be job hunting (28% vs. 70%) and far more likely to see a long career with their company (44% vs. 11%). Similarly, employees who feel a strong sense of belonging are 33% less likely to be looking for work and 2.2x more likely to envision a long- term future with their employer.

Belonging and balance aren't just feel-good factors — they're strategic levers for retention.

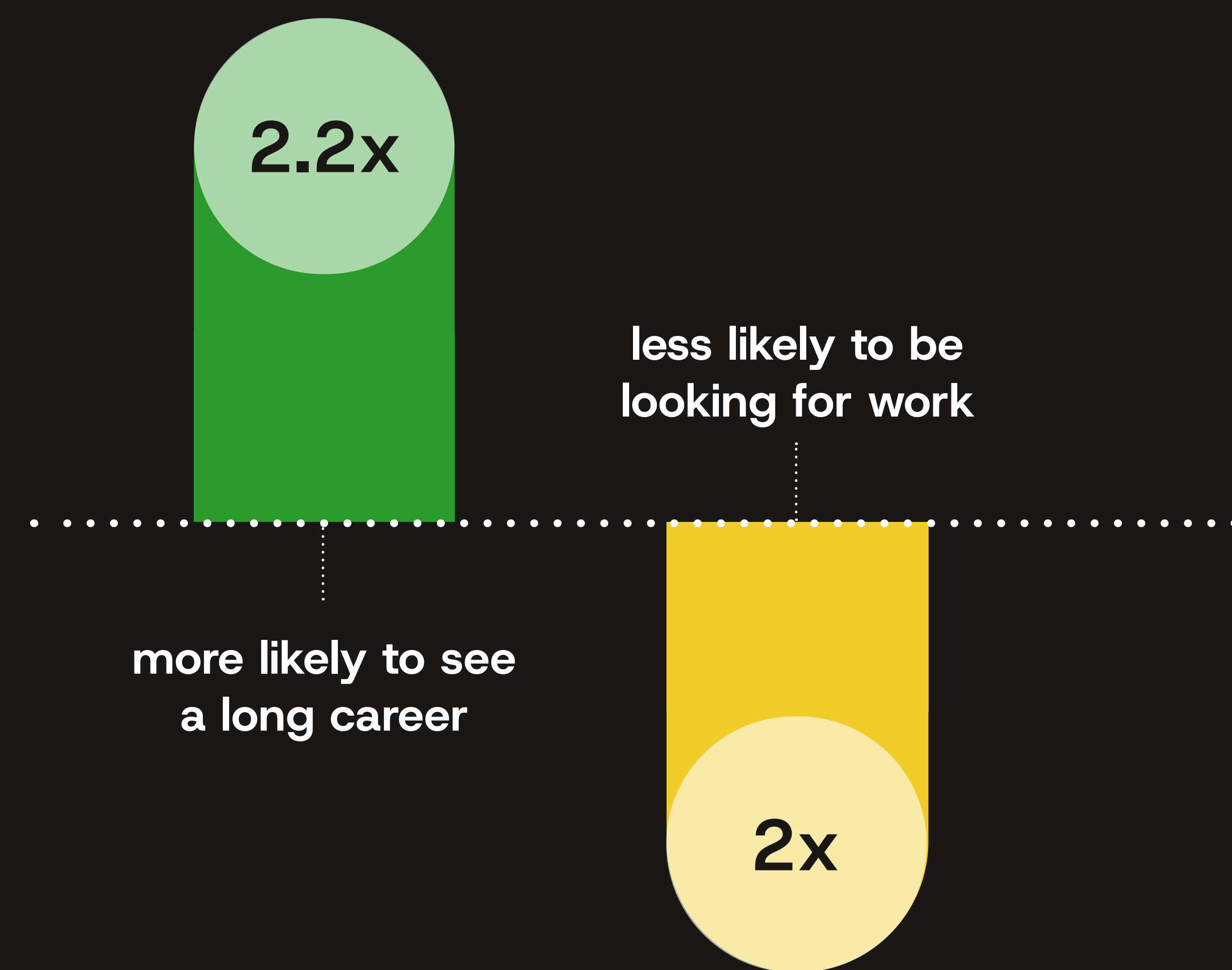
Data highlight

When employees have work–life balance, they are:



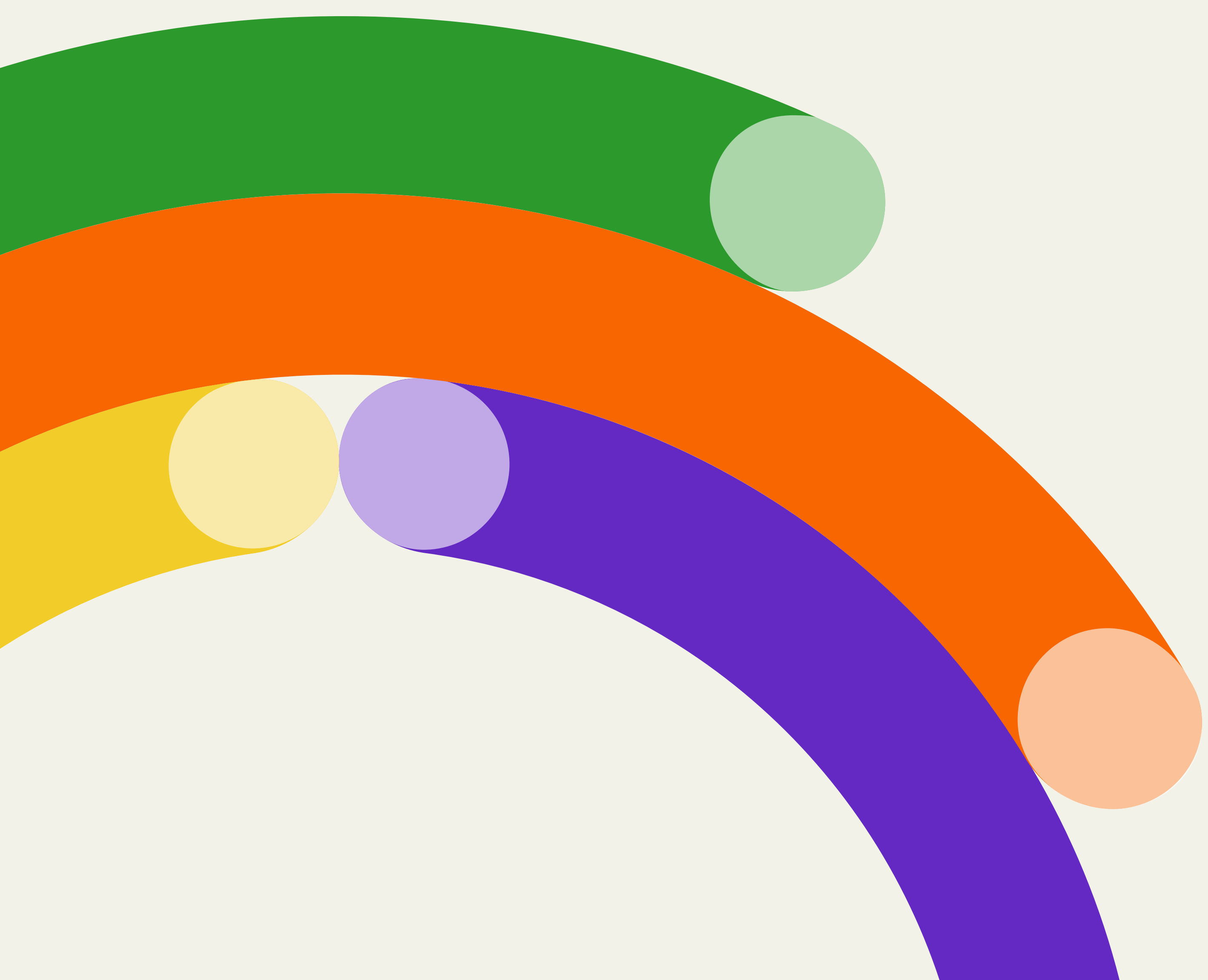
Data highlight

When employees feel a strong sense of belonging, they are:



Recalibrating the route

Designing for inclusion and sustainability



Belonging and balance aren't optional — they're essential to engagement and retention. To build a culture where employees thrive:

- → Listen deeply to understand where employees feel disconnected or overextended
- → Embed flexibility into work design, not just policy
- → Create inclusive cultures where every voice matters and contributions count
- → Close the perception gap between HR and employees by validating real experiences
- → Monitor well-being and belonging regularly to prevent burnout and disengagement

When employees feel they belong — and have balance — they're more engaged, more innovative, and more likely to stay.

The manager junction

Where recognition meets retention

Key takeaway

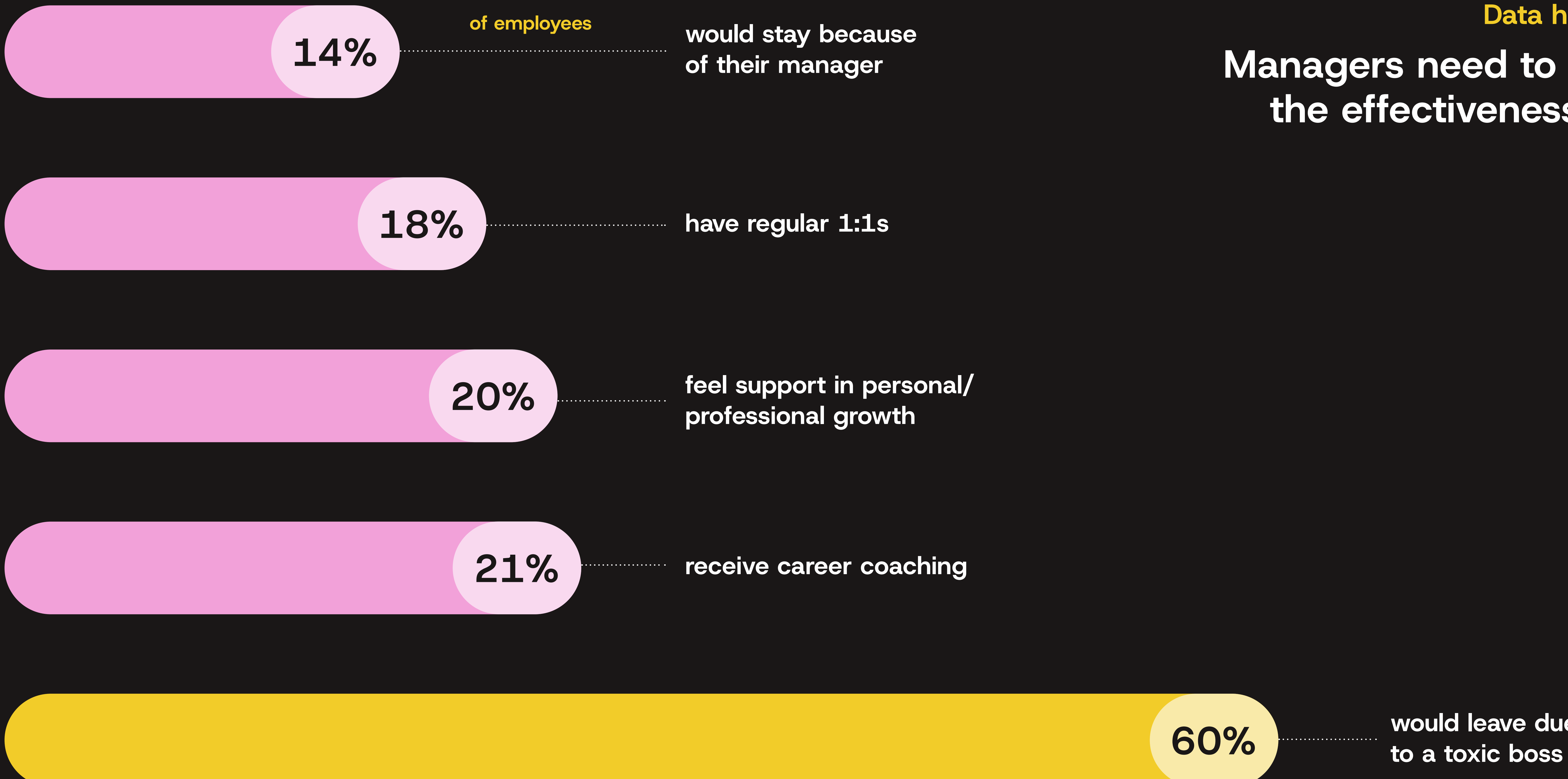
Manager recognition is a powerful retention lever — when managers recognize, coach, and connect, employees are more engaged, more loyal, and more likely to thrive.

In 2026, managers remain one of the most powerful drivers of engagement and retention — but most employees aren't getting the support they need. Only 18% have regular 1:1s, 21% receive coaching, and just 20% feel supported in their personal and professional growth. Even fewer (18%) say their manager helps them feel connected to the broader organization.

The stakes are high: 60% of employees would leave because of a toxic boss, and nearly half would walk if their contributions were overlooked. Yet only 14% say they would stay because of their manager — a clear signal that many managers aren't delivering the experience employees expect.

Data highlight

Managers need to close the effectiveness gap



Green light

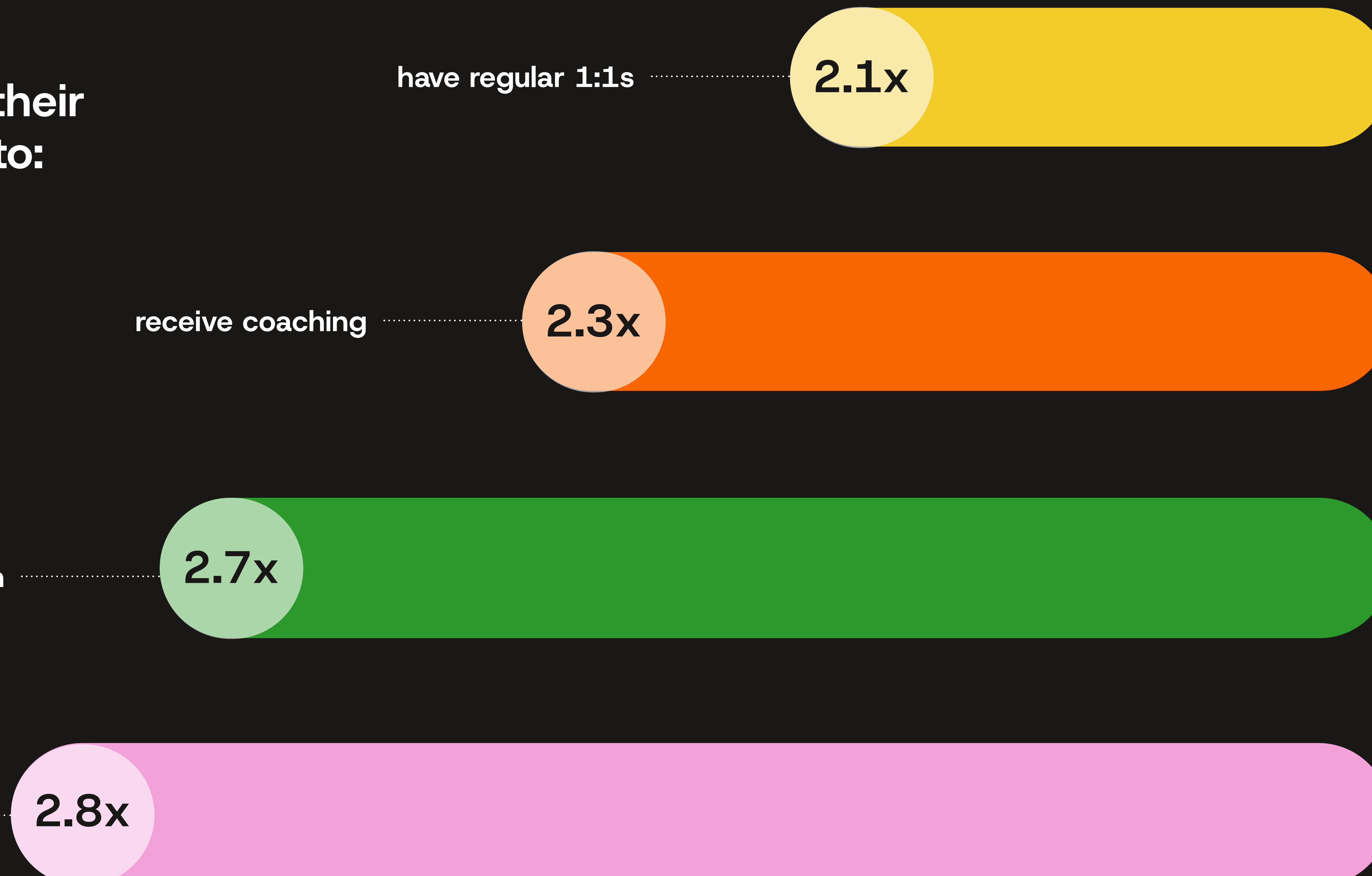
How manager recognition accelerates engagement

Recognition from managers is a game-changer. Employees who receive regular recognition from their manager are 2.1x more likely to have regular 1:1s, 2.3x more likely to receive coaching, 2.7x more likely to feel supported in their growth, and 2.8x more likely to feel connected to the organization. They're also 64% more likely to stay because of their manager and 20% less likely to leave in search of a better one.

Recognition doesn't just make employees feel good — it strengthens relationships, builds trust, and reduces turnover risk. By contrast, employees who don't receive regular recognition from their manager report alarming gaps: none receive coaching, only 1% feel supported in growth, and just 1% feel connected to the organization. They're also 2.2x more likely to leave for a better manager.

Data highlight

Employees who receive regular recognition from their manager are more likely to:



Equipping the driver

Helping managers lead with recognition

Manager effectiveness isn't about micromanaging — it's about meaningful connection. Regular recognition signals that contributions matter, while coaching and 1:1s create space for growth and alignment. When these elements are missing, employees disengage — and leave.

For HR and business leaders, the message is clear: equip managers to lead with recognition and support. Start by:

- → Making recognition a habit, not an afterthought
- → Training managers to coach, not just manage tasks
- → Building systems for regular 1:1s that focus on growth and connection

Because when managers recognize and support their teams, employees don't just stay — they succeed.

AWI

Fuel for the journey

Growth as a driver of loyalty

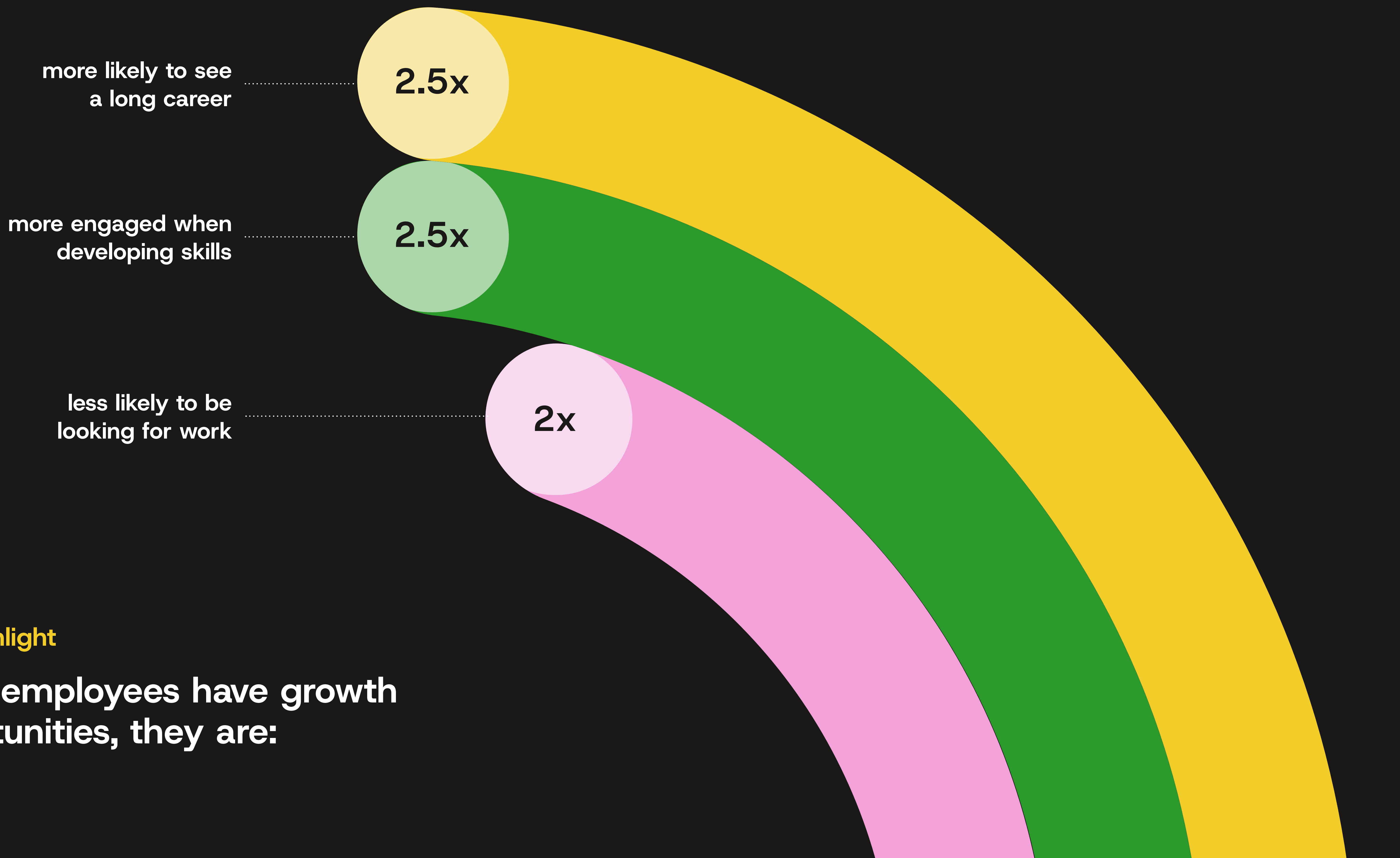
Key takeaway

Growth and feedback are the ultimate retention multipliers — when employees have opportunities to develop and receive regular feedback, engagement soars, turnover drops, and performance thrives.

In 2026, growth isn't just a career perk — it's a retention strategy. Yet only 22% of employees say they have opportunities to grow and develop their careers. That gap matters because when growth is present, everything changes.

Employees with growth opportunities are 2.5x more engaged when developing skills (63% vs. 22%) and twice as likely to see a long career with their company (50% vs. 5%). They're also far less likely to be job hunting: 30% vs. 77% without growth.

Recognition of skills matters too: 54% of employees say skills recognition would increase their desire to stay, a 60% jump over the average. Growth isn't just about training — it's about visibility, value, and career confidence.



Data highlight

When employees have growth opportunities, they are:

Cruise control or course correction

Why feedback cadence matters

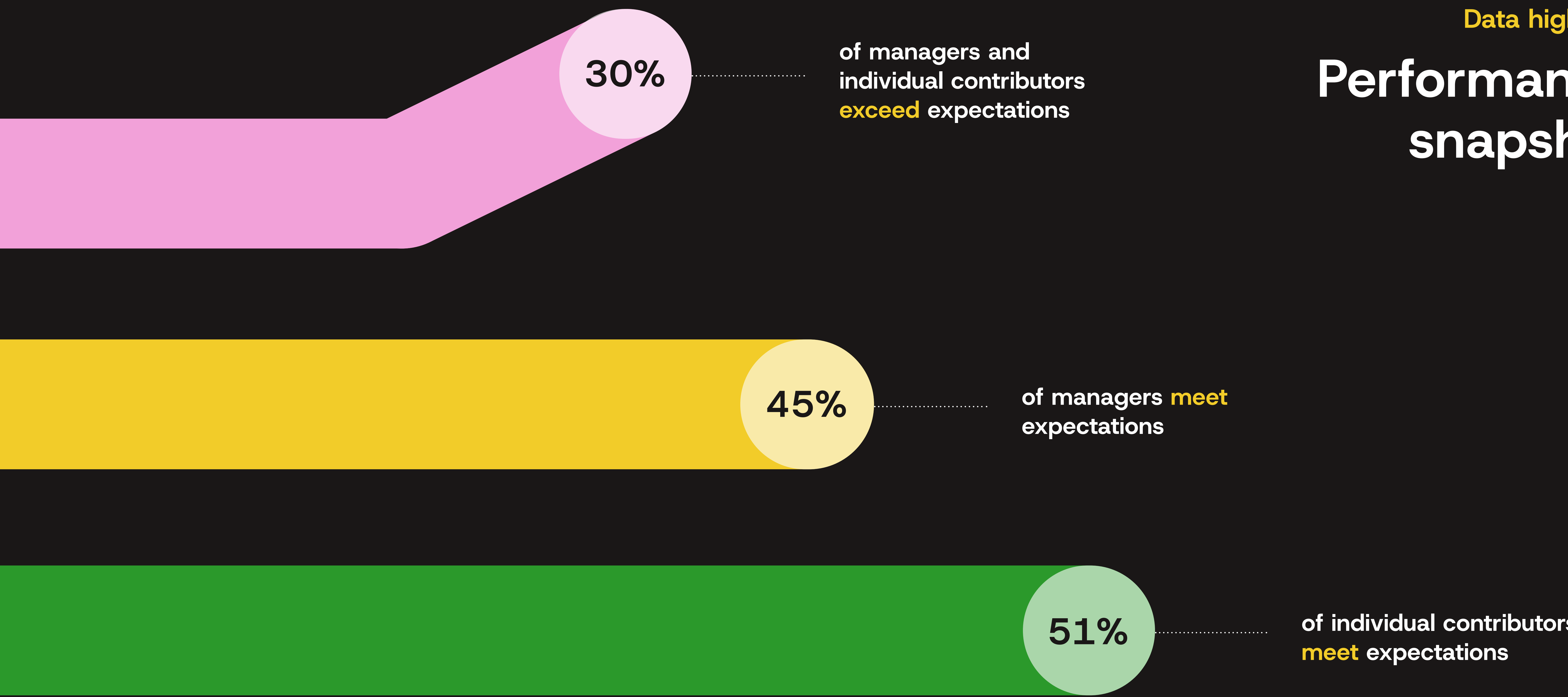
Growth and performance go hand in hand — and feedback is the bridge. Most organizations assess and track skills effectively (32%), but fewer excel at identifying talent early (28%). Performance data shows that individual contributors are more consistent in meeting expectations (51%) than managers (45%), though both groups are equally likely to exceed expectations (30%).

Feedback cadence is shifting toward continuous engagement: 38% of organizations provide feedback daily (11%) or weekly (27%), while monthly feedback (31%) remains the most common. Quarterly or less frequent feedback (24%) risks disengagement and missed opportunities for recognition.

Why does this matter? Frequent feedback supports real-time course correction, reinforces positive behaviors, and builds trust — all proven drivers of engagement and retention. Infrequent feedback, by contrast, delays recognition and development, increasing turnover risk.

Data highlight

Performance snapshot



Building momentum

Embedding growth into everyday work

For HR and business leaders, the message is clear: growth and feedback aren't optional. They're essential to engagement and retention. Start by:

- → Embedding development into everyday work, not just annual plans
- → Recognizing skills as they emerge, not just roles as they change
- → Making feedback continuous, not episodic

Because when employees see a future — and feel supported in reaching it — they're not just more engaged. They're more loyal, more innovative, and more likely to stay.

The value stop

Rethinking rewards on the road to retention

Key takeaway

Rewards and compensation are more than retention tools — they're cultural signals. When employees feel valued and fairly rewarded, engagement rises, behaviors improve, and loyalty follows.

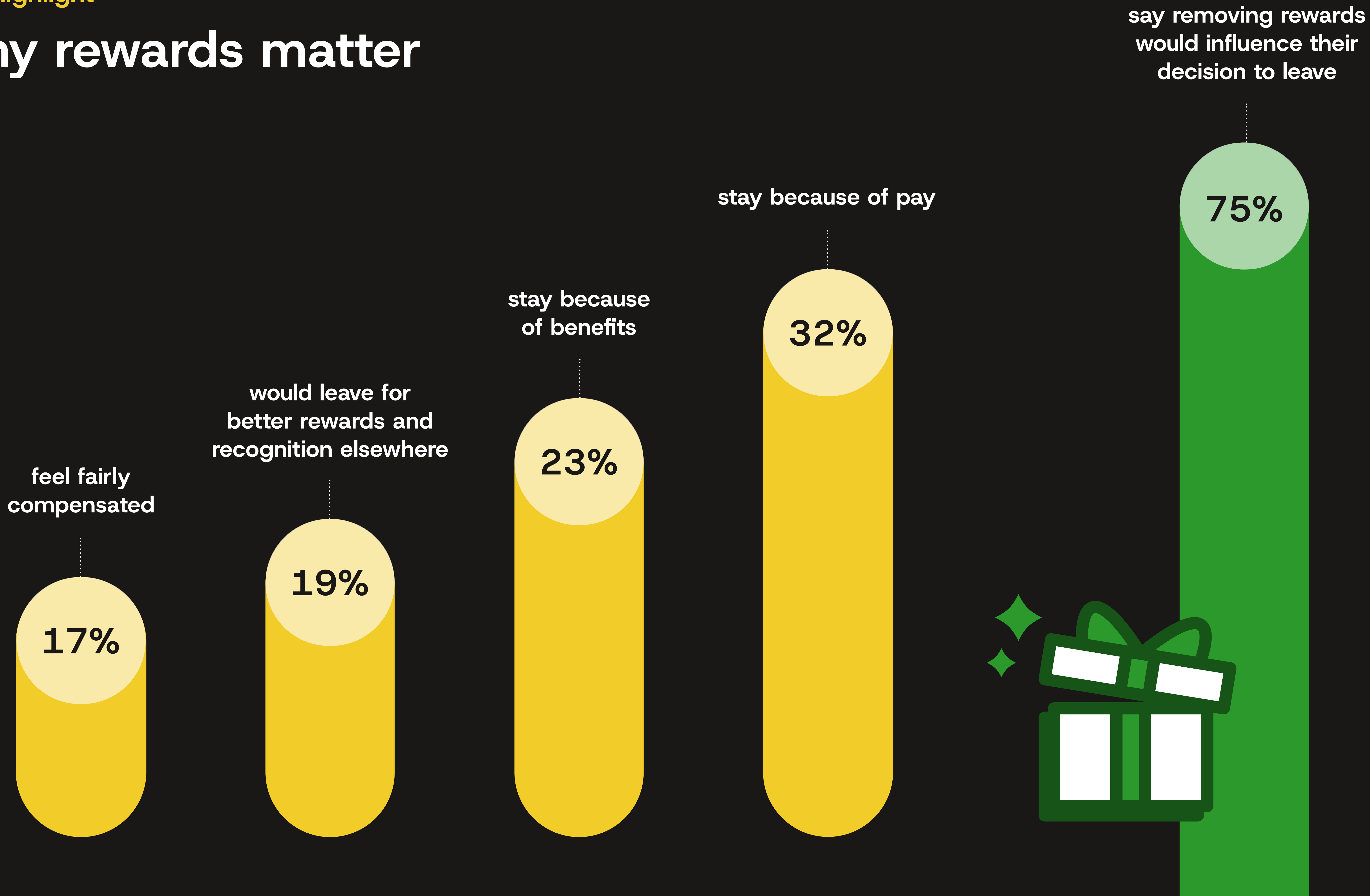
In 2026, rewards and compensation remain critical drivers of engagement and retention — yet most employees don't feel they're getting it right. Only 17% of employees feel they are fairly compensated, and just 29% say they would repeat a behavior when rewarded for it. When appreciation enters the picture, these numbers climb dramatically: employees who feel appreciated are 56% more likely to say removing rewards would impact their desire to stay.

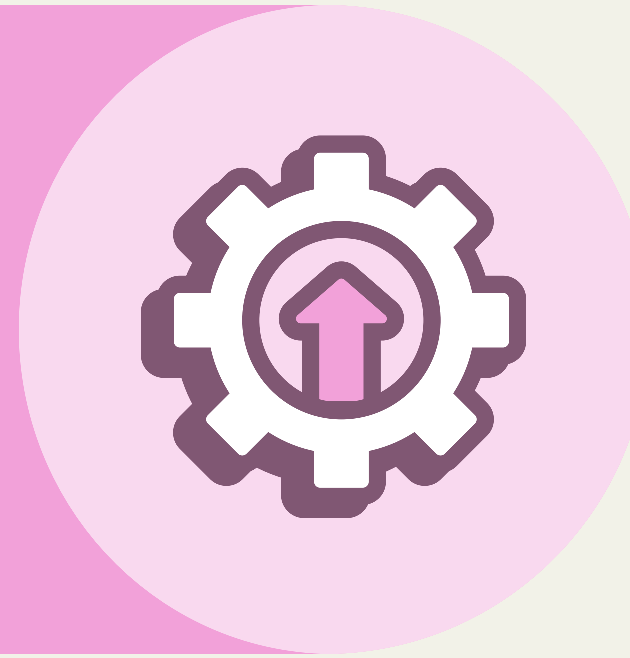
Rewards matter for retention too. 75% of employees say not being appreciated with rewards would impact their decision to stay at the company. At the same time, 32% stay because of pay, and 23% stay because of benefits — proof that compensation still anchors loyalty, even as recognition and growth gain prominence.

While financial rewards top the list, recognition and development opportunities remain powerful motivators — especially when tied to meaningful work and career growth.

Data highlight

Why rewards matter





Upgrading the engine

How platforms drive cultural impact

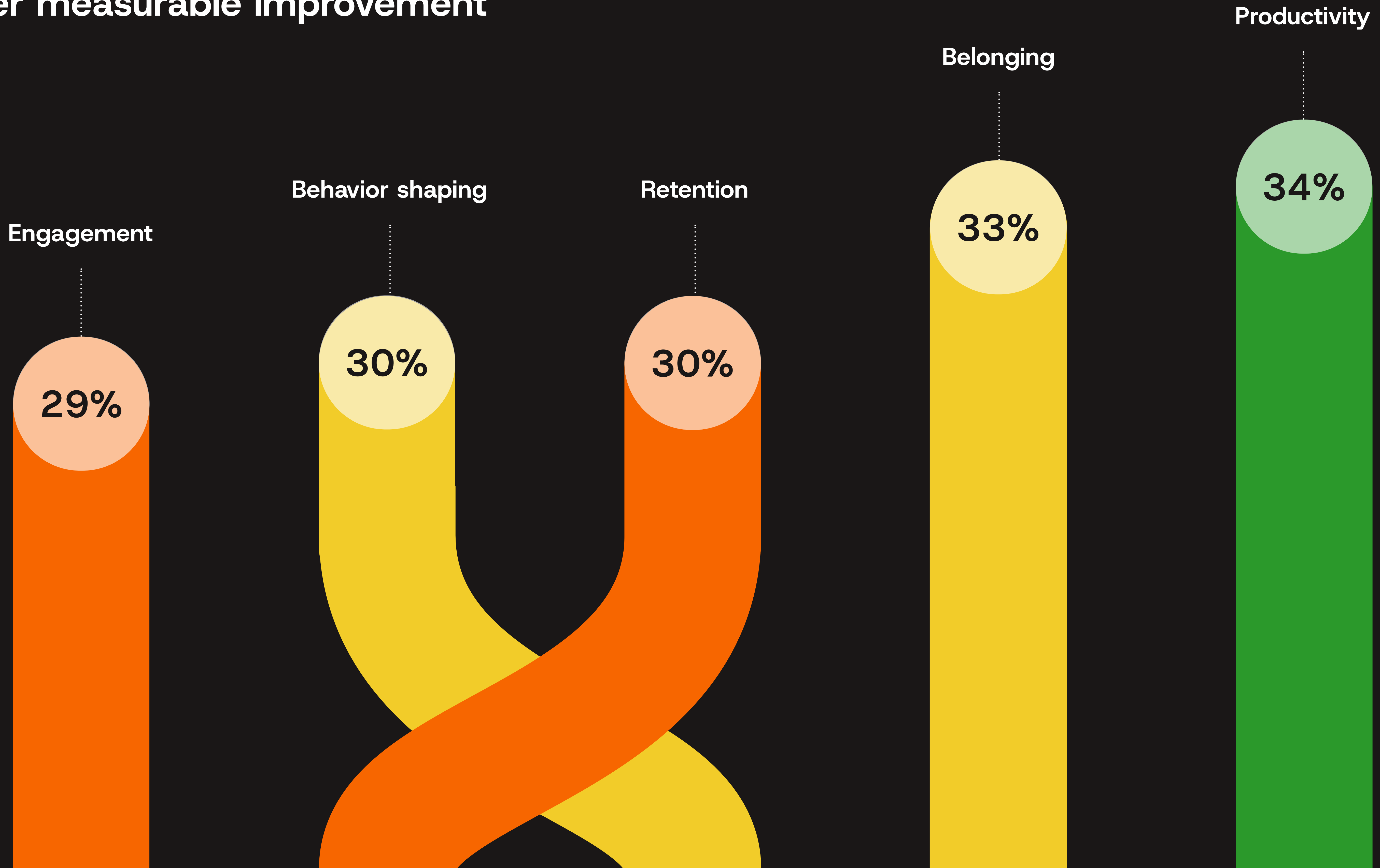
Recognition and rewards platforms are now mainstream, with 69% of companies using one and 31% still relying on informal approaches. Most organizations (58%) empower all employees to give points, promoting inclusive recognition, while 27% restrict this and 15% have no points system — limiting peer-to-peer engagement.

Compensation and rewards go beyond paychecks; they signal value. Employees who feel fairly paid are 2.5x more likely to feel appreciated and engaged, 7x more likely to receive weekly recognition, and 11x more likely to see growth opportunities. Conversely, underpayment drives disengagement and turnover.

Rewards marketplaces deliver measurable impact: 34% report productivity gains, 33% stronger belonging, and 29% higher engagement, while shaping behavior (30%) and supporting retention (30%). These outcomes prove rewards aren't transactional — they're cultural drivers of connection and loyalty.

Data highlight

Rewards are an effective way to deliver measurable improvement



Balancing the load

Aligning rewards with what employees value

For HR and business leaders, the message is clear: rewards and compensation strategies must evolve beyond transactions. Start by:

- → Aligning rewards with values and behaviors, not just outcomes
- → Making recognition inclusive, empowering everyone to participate
- → Balancing monetary and non-monetary rewards, including growth opportunities and skill recognition

Because when employees feel valued — through fair pay, meaningful rewards, and visible recognition — they're not just more engaged. They're more loyal, more productive, and more likely to stay.

AWI

Exit ahead

What's driving employees to stay, switch, or stall

Key takeaway

Retention isn't about one factor — it's about the full experience. Pay and benefits matter, but appreciation, growth, and flexibility are what turn jobs into careers.

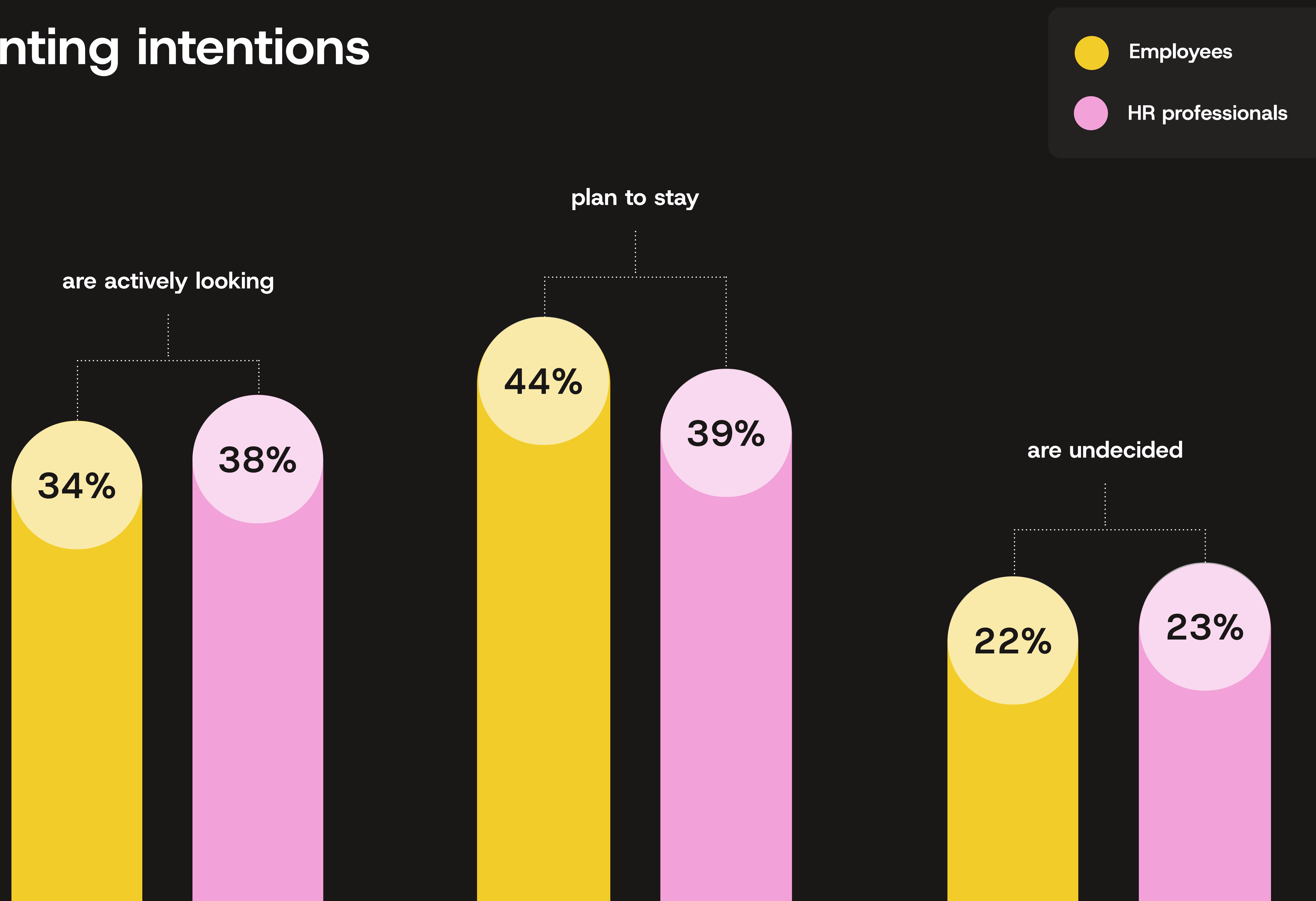
In 2026, job mobility is high across the board — and HR professionals are no exception. About a third of employees are actively looking for a new job, while nearly half intend to stay and the rest remain undecided. Among HR professionals, even more are planning to leave, signaling a deeper engagement challenge within the very teams responsible for shaping retention strategies.

This gap suggests HR roles may feel undervalued, overextended, or lacking growth opportunities. If HR teams are disengaged, it undermines their ability to champion engagement programs effectively — creating a ripple effect across the organization.

The large "unsure" group in both populations adds vulnerability. Organizational changes, leadership alignment, and career development could tip the balance either way, making proactive retention strategies critical for employees and HR professionals alike.

Data highlight

Job hunting intentions



Off-ramp decisions

What's pushing employees out

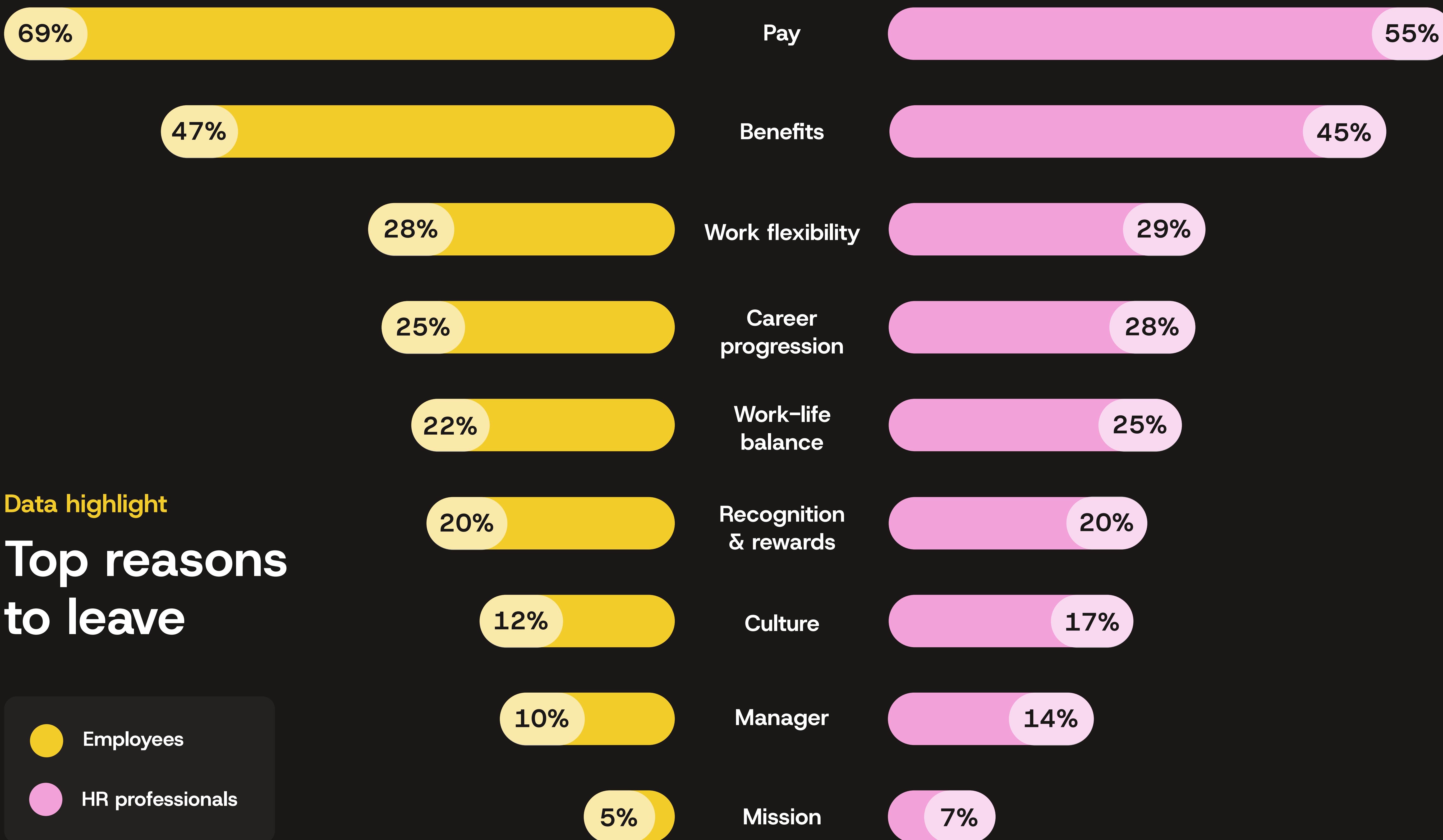
Employees leave primarily for better pay, followed by benefits, flexibility, and career progression. Recognition, work-life balance, culture, and manager quality matter less, while mission alignment is the least influential — showing that practical needs outweigh aspirational values.

HR professionals share the same order of priorities but with different weightings. While pay and benefits remain important, HR places greater emphasis on flexibility, career progression, and work-life balance. Recognition, culture, and manager relationships also rank higher for HR, suggesting that organizational health and leadership support play a bigger role in their decisions.

These differences highlight the need for tailored retention strategies. Employees lean heavily on financial security, while HR seeks a balanced mix of compensation, flexibility, growth, and cultural health. Retention isn't about one factor — it's about creating an experience where appreciation, development, and flexibility turn jobs into careers.

Data highlight

Top reasons to leave



Staying in lane

What keeps employees committed

Employees leave primarily for better pay, followed by benefits, flexibility, and career progression. Recognition and work-life balance also influence decisions, while culture, manager quality, and mission alignment matter least — showing that practical needs outweigh aspirational values.

HR professionals share the same priorities but with different weightings. While pay and benefits remain important, HR places greater emphasis on flexibility, career progression, and work-life balance. Recognition, culture, and manager relationships also rank higher for HR, suggesting that organizational health and leadership support play a bigger role in their decisions.

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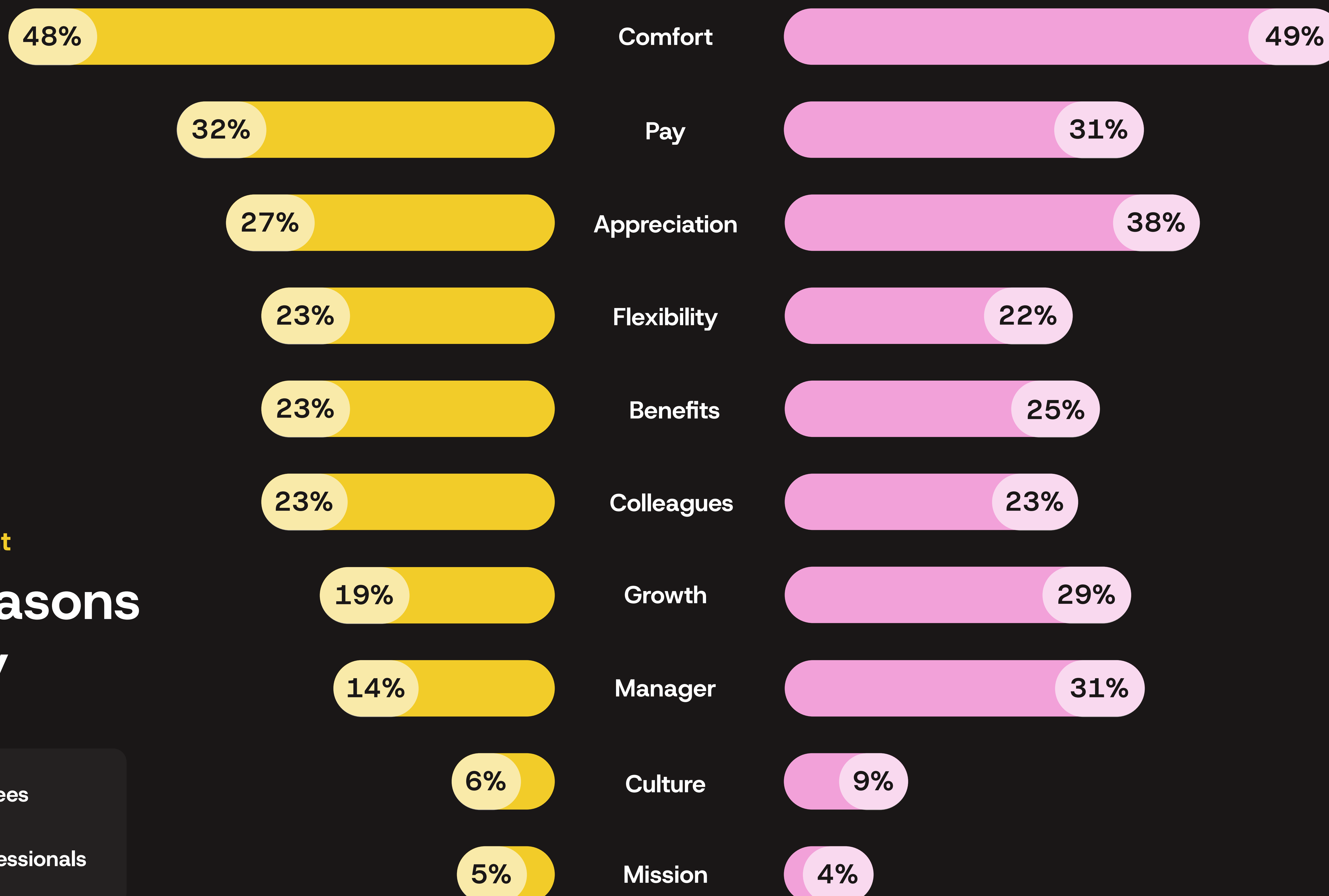
Data highlight

Top reasons to stay



New routes

How freelance work is reshaping the commute

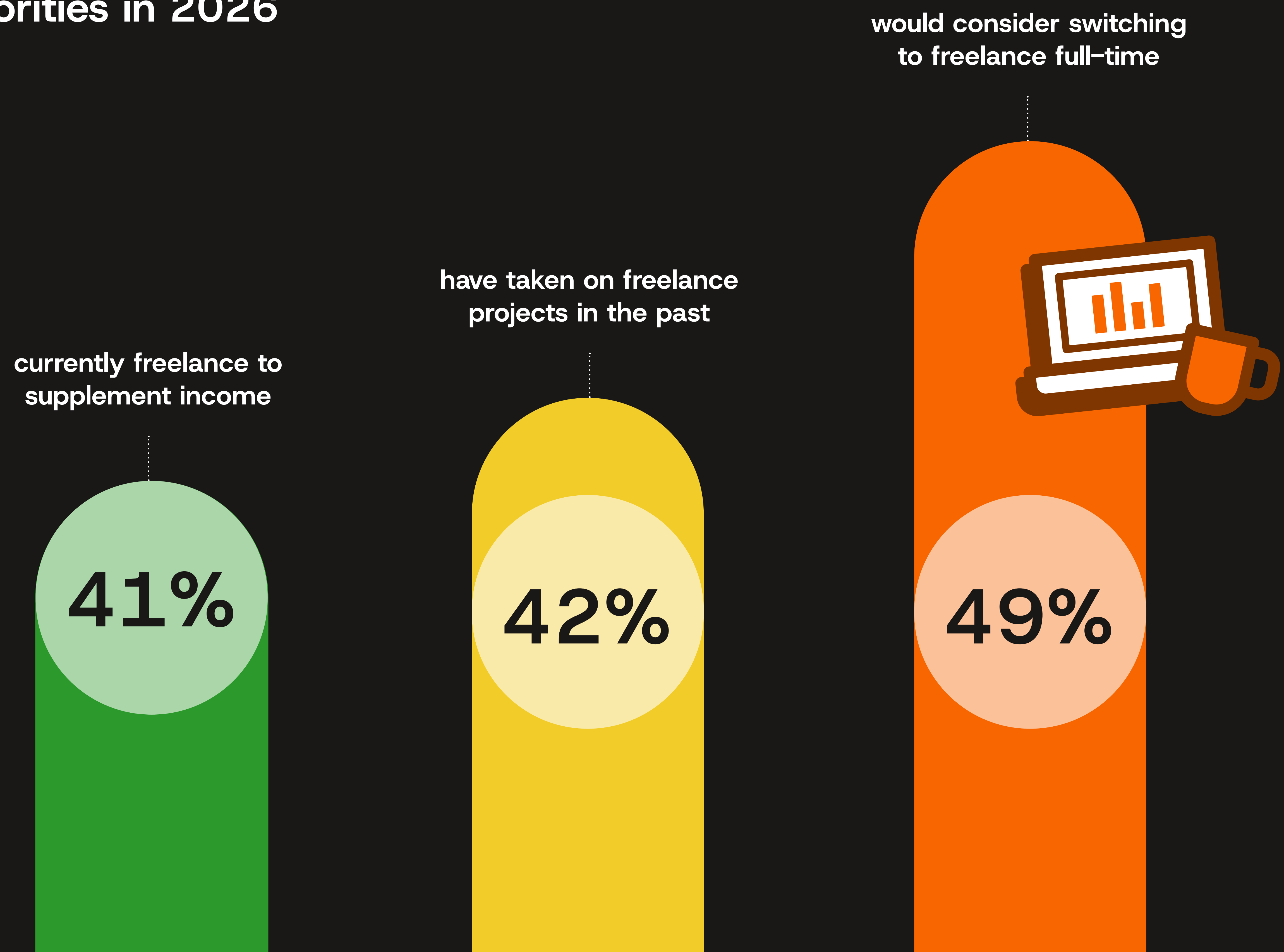
Freelance work is becoming a serious consideration for employees in 2026. A whopping 49% of employees would consider switching to freelance full-time if the conditions were right and 42% have previously taken on projects outside their primary role. For many, the motivation is financial — 41% say they currently freelance to supplement income — but the trend also reflects a growing appetite for flexibility and autonomy.

Employees increasingly want control over when, where, and how they work, and freelance opportunities offer that freedom in ways traditional employment often cannot.

This shift signals a challenge for organizations: retaining talent will require more than competitive pay. Employers must rethink work design to incorporate flexibility, autonomy, and meaningful choice, or risk losing skilled employees to alternative work arrangements. The rise of freelance work isn't just about income — it's about empowerment. Companies that fail to adapt may find themselves competing with the gig economy for top talent.

Data highlight

Freelance work is reshaping employee priorities in 2026



Designing the journey

Retention strategies that go the distance

For HR and business leaders, the message is clear: retention strategies must go beyond paychecks. Start by:

- → Making recognition and appreciation visible and frequent
- → Offering clear career progression and skill development opportunities
- → Embedding flexibility into work design
- → Aligning rewards and benefits with employee priorities

Because when employees feel valued and see a future with your organization, they're not just less likely to leave — they're more likely to thrive.

About the report

Data in this report is based on a survey conducted in October 2025, completed by 2,500 employees and 1,500 HR professionals across the United States, Canada, the United Kingdom, France, Germany, Australia, Singapore, and Hong Kong.

About the Achievers Workforce Institute

The Achievers Workforce Institute (AWI) is the research and advisory arm of Achievers, dedicated to advancing the science of employee experience. Through global research, expert insights, and community collaboration, AWI empowers business leaders with the data and practices needed to elevate recognition and rewards — turning appreciation into action and impact across the employee experience.

About Achievers

Achievers empowers organizations to shape their workforce through meaningful recognition and motivating rewards. Our platform connects people to purpose, inspires high-impact behaviors, and drives real business results. With unmatched recognition frequency, global scalability, and seamless integrations, Achievers transforms culture, boosts engagement, and delivers the outcomes modern workplaces need.

Ready to turn insights into impact?

Explore more findings from the Achievers Workforce Institute and see what recognition can do for your organization.

Learn more about AWI

Get a demo

Help us shape your workforce