Generative Care

2025 Global Culture Report
O.C. Tanner Institute

HOW TO USE THE 2025 GLOBAL CULTURE REPORT

No matter what term they use—"greatest asset," "human capital," or simply "people"—almost every organization understands the value of caring for employees. But what are the best ways to support, nurture, and engage a workforce? For over a decade, we've helped many of the world's best companies find answers, and we hope this report is helpful to you. To get the most out of it, here are a few suggestions.

First, there's actionable advice in the research. A few of our favorite insights this year include:

- The evolving framework of Total Rewards hinges on understanding the states of surviving and thriving
- Care must be at the core of crafting Total Rewards strategies
- Recognition plays a unique role in fostering mental health and emotional intelligence
- It's important to meet employees with care in moments of professional transition

Next, identify areas where the data coincide with the needs and aspirations of your organization. But don't be tempted to tackle everything at once. Instead, trust your instincts and focus on the principles you feel will make the greatest or most immediate impact on your people and business.

Finally, remember every workplace culture is fluid and evolving. Even the best organizations are testing, learning, and adapting. Progress, not perfection, is the goal, and every step that elevates the employee experience is progress.
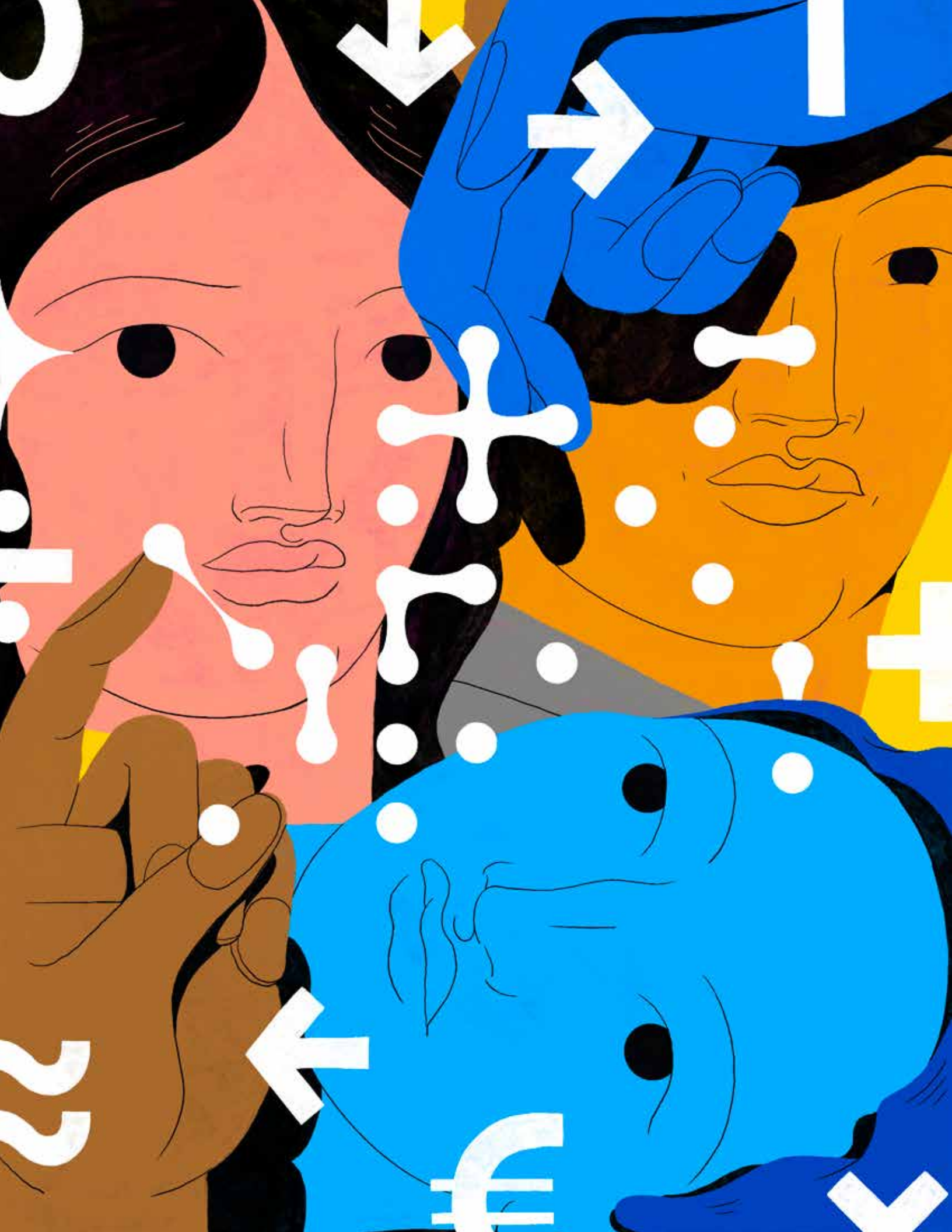
Thank you for joining us on the journey. As the architects and stewards of our cultures, let's use our influence to make them a place where employees feel an abundance of care that enables them to offer more to others in their lives. Let's provide care that becomes generative—and allows everyone to thrive.

Scott Sperry
President & CEO, O.C. Tanner

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The recent pace of change in workplace cultures has been dramatic, to say the least. Yet, in the eye of the storm, leaders may finally have a chance to pause, take a breath, and refine their relationship with employees. The question is how. And this report has an answer: Start by putting care at the center of strategies to create environments where everyone can thrive. In speaking with HR professionals, we found this starts with reorienting Total Rewards. While many feel trapped in a cycle of expanding benefits that fail to satisfy, our research suggests the failure, in most cases, isn't because programs offer too little or too much. Instead, it's because the offerings simply don't fit people's underlying needs.

This year, we propose a powerful framework to better understand and address the evolving essentials of Total Rewards. It hinges on the differences between—and within—two categories of functioning at work: surviving and thriving. Unfortunately, nearly a third of workers say they struggle to hold their lives together. But when the basic needs for adequate compensation, physical and mental healthcare, and a sense of belonging in the workplace are met, employees feel empowered and motivated to seek opportunities for growth and development. And when organizations provide avenues for skill building and career advancement, coupled with a culture that values flexibility and shows appreciation, the likelihood of a thriving workforce surges.

Our report also illuminates the profound impact of mental health and emotional intelligence (EQ) on employees' ability to thrive. Employers that prioritize mental wellbeing can buffer against burnout and increase resilience, while those with high EQ reap the benefits of greater trust among their people. To be sure, the advantages of thriving employees extend far beyond individual satisfaction. They include improved retention and a deeper sense of purpose and belonging that drive organizational success.

One final theme focuses on the inevitable job transitions people navigate throughout their careers, and how positive onboarding experiences that foster connection, community, and development can be the difference between long-term success and a lot of empty seats.

For 2025, the O.C. Tanner Institute examined the experiences of tens of thousands of employees, leaders, HR practitioners, and business executives across the world. Our goal: to equip leaders in HR and across the organization with the necessary insights and strategies to meet today's most immediate and consequential challenges head-on.

The foremost challenge now is closing the distance between organizational offerings and employee needs. There's no better time to make Total Rewards more effective to ensure both the individual and the business can thrive.

The word "generative" has had many partners over time. Lately, it's appeared next to new technologies like artificial intelligence, but its meaning remains much closer to nature. "Generative" denotes having the power to create more of something. And when paired with the word "care," it offers a strong foundation for thinking about the potential of human resources: Building workplaces where caring for employees gives them the capacity to care for others in ways that both benefit and transcend the organization. When our help enables our people to help, families and communities are also the better for it. Ultimately, this momentum of multiplying care allows us to create a legacy that lifts society at large.

Caring for employees has always been a primary aim of human resources. And over the past 20 years, that goal has taken shape in the concept called Total Rewards. Born out of the best intentions, these regular statements and communications are supposed to help workers see the full investment organizations make in them—compensation, benefits, career development, recognition, and various perks—all in one compelling package. A transparent strategy made in good faith to help retain and recruit talent. Not surprisingly, employees have broad expectations, and faced with the increasing costs and complexities of living, they are looking for always-on benefits to help meet planned and unexpected challenges.

How have Total Rewards teams responded? Many have curated a deep catalog of niche offerings. There are now thousands of solutions designed to help organizations connect their people to resources for spouses, children, pets, homes, paid time off, mental wellness, financial challenges, social health, retirement, education expenses, etc.

Yet most employees don't see these combined offerings in the light organizations have hoped—as the sum of ways their employer cares about them. In fact, one of the biggest hurdles with Total Rewards is that most employees don't understand the name. According to our research, less than 40% of workers know the meaning of the term, "Total Rewards," and only 14% of those people can explain it. Some confuse it with a customer loyalty program.

The research also shows it doesn't matter how robust a benefits package is if employees don't believe their organization has their best interest at heart. Our focus groups and surveys repeatedly indicate that a buffet of benefits will backfire if it doesn't reflect an authentic concern for people's wellbeing.

Here again, the term itself may help explain the problem because many employees wouldn't call every element of Total Rewards a reward. As one focus group participant put it, "A lot of people don't feel like it's a reward to get your compensation and benefits." In other words, much of Total Rewards is the minimum people expect for their employment. Likewise, Total Rewards statements shared in our focus groups were rarely assessed holistically. Instead, the recipients saw them with cynicism and a general sense that they're designed to distract from low pay or a lack of company profit sharing.

So, what's missing from most Total Rewards strategies? Additional novel and imaginative benefits? No. What's missing is the communication of care.

"We need a clear, consistent, and differentiated Total Rewards strategy and experience to keep talent engaged."

—HARISH BUBNA, HEAD OF COMPENSATION, INTUIT INDIA

SURVIVING VS. THRIVING

The relevance and effectiveness of Total Rewards at the personal level depend on how employees answer one question: Am I surviving or am I thriving?

People who are merely surviving feel anxious, financially uncertain, doubtful of growth opportunities, and pessimistic about the future. Their struggles at work impact their ability to survive outside of work. As an employee in one focus group said, "Not surviving at work will affect everything to a point where it's scary."

Contrast that with people who are thriving. They feel their organization cares about their mental health, they work in a cooperative workplace, and they have opportunities for growth and mentorship along a clearly defined career advancement path. They have hope.

When employees do not feel they're surviving, their unmet basic needs shape their perception of Total Rewards offerings—and they focus exclusively on the offerings that provide financial and physical stability. Only after employees believe they're surviving will they think about thriving or be receptive to other Total Rewards offerings.

To better understand the effect of Total Rewards on people's capacity to survive and/or thrive at work, we asked employees to rate the elements of Total Rewards that influence their perspective. We found compensation and recognition were essential to surviving, while recognition and development help employees thrive.

The modern workplace requires a Total Rewards strategy designed to help employees survive *and* thrive. Rather than provide an exhaustive list of offerings, organizations should prioritize meeting employees' basic needs, and the goal of Total Rewards should be to demonstrate how the organization cares and wants everyone to thrive at work.

Categorically speaking, offerings like competitive compensation and health benefits are considered basic, help provide financial stability, and meet survival needs. Offerings such as career development and skill building move beyond the required to provide long-term growth and satisfy other criteria to thrive. Interestingly, recognition is a practice that provides a bridge to help employees feel seen and valued at any stage of surviving or thriving. Keeping these distinctions top of mind helps Total Rewards leaders prioritize care at the core of their compensation and benefits mix.

"Traditional methods of rewards and recognition are incompetent to drive a holistic strategy aimed at enhancing personal lives and invigorating employees' sense of purpose."

—MANAVI PATHAK, HEAD OF LEARNING AND ORGANIZATIONAL DEVELOPMENT, SAMSUNG RESEARCH

REWARDS THAT MEET NEEDS HELP EMPLOYEES THRIVE

Employees who are thriving are:

- **84% less likely to burn out**
- **30% less likely to leave the organization**
- **12x more likely to feel high engagement**
- **7x more likely to do great work**

Total Rewards can play a crucial part in an employee's ability to thrive. As the table on the following page shows, employees who are satisfied with their organization's offerings are less likely to suffer from mental health challenges. They're also more likely to feel engaged and want to stay.

The approach to Total Rewards must evolve to meet employees' needs and ensure that they can survive and thrive. Our report this year explores each of these two states more deeply and shares insights and best practices to help you assemble, communicate, and support the right mix of offerings so employees can progress— regardless of where they are now.

Of course, it also helps to see where the key metrics of workplace culture currently stand.

# Odds of Outcomes When Employees Are Satisfied with Total Rewards

| BENEFIT	CHANGE IN ODDS WHEN SATISFIED WITH TOTAL REWARDS
Reduction in probable diagnosis of depression	–42%
Reduction in probable diagnosis of anxiety	–43%
Sense of thriving	+759%
Higher sense of purpose	+422%
Higher sense of opportunity	+740%
Higher sense of success	+806%
Higher sense of appreciation	+414%
Higher sense of wellbeing	+100%
Higher sense of leadership	+497%
Great work	+285%

TALENT MAGNET™ AREAS

Each year we measure changes in the six core elements of workplace culture that together determine employee decisions to join, engage with, and remain at any place of work. We call them Talent Magnets because of their power to attract and connect people to their teams and organizations.

Notably, each of our Talent Magnet scores are the same as they were last year with consistent impacts on culture measures. Across all geographic regions, metrics such as employee engagement, job satisfaction, job fulfillment, and satisfaction with organizational culture all remain virtually unchanged.

This indicates that, collectively, organizations are neither improving nor declining in key areas important to creating healthy organizational cultures and positive employee experiences. The absence of movement signals that, on average, little has changed in how employees feel about their organizations and jobs.

73%
±0%
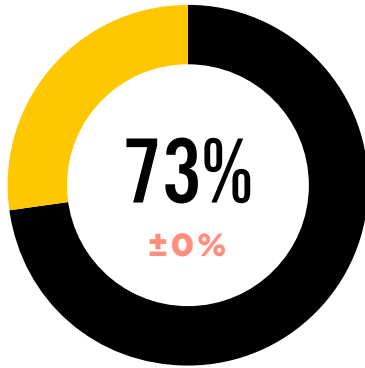
**EMPLOYEE SENSE OF
PURPOSE**

68%
±0%
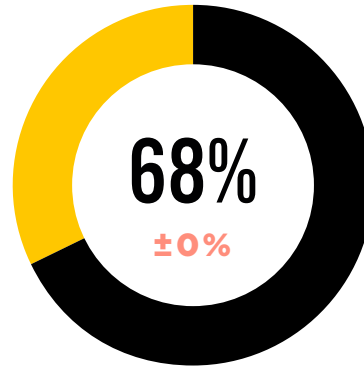
**EMPLOYEE SENSE OF
OPPORTUNITY**

69%
±0%
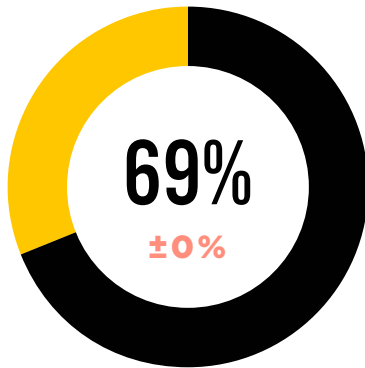
**EMPLOYEE SENSE OF
SUCCESS**

62%
±0%
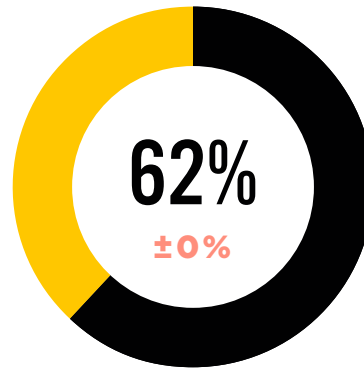
**EMPLOYEE SENSE OF
APPRECIATION**

56%
±0%
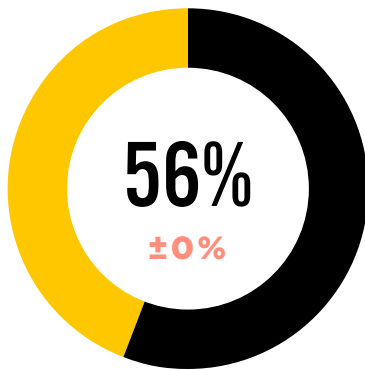
**EMPLOYEE SENSE OF
WELLBEING**

65%
±0%
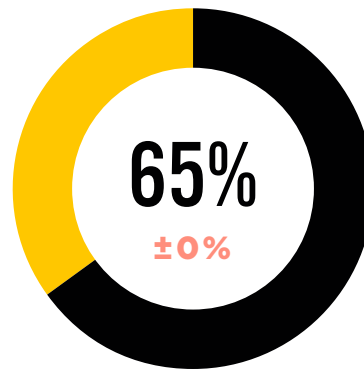
**EMPLOYEE SENSE OF
LEADERSHIP**

Figure 1. TALENT MAGNET SCORES REMAINED THE SAME YEAR OVER YEAR
Current state of six essential elements that define thriving cultures.

YEAR-OVER-YEAR CHANGE

Figure 2. THE TALENT MAGNETS
Six essential elements that define thriving workplace cultures.

1. Purpose

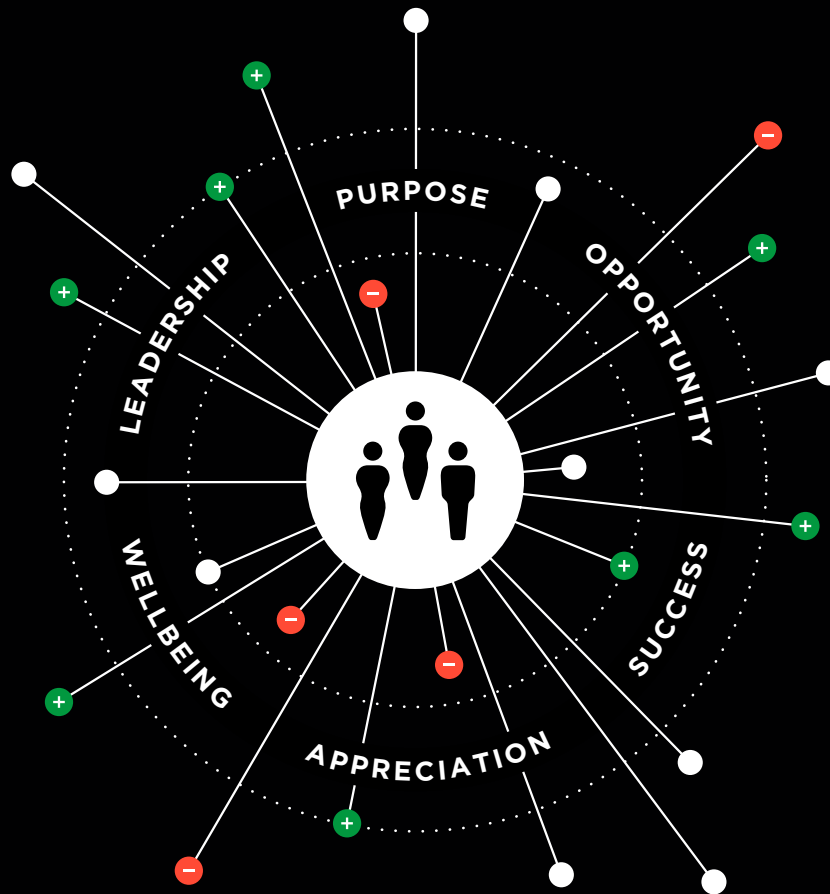An organization's reason for being besides profits. It's the difference it makes in the world, why the company exists. Employees need to feel connected to the purpose and understand how their jobs contribute to it. Once they do, their work takes on meaning. Organizations should clearly articulate the connection between work and purpose.

2. Opportunity

The chance to develop new skills, contribute to meaningful work, feel challenged, have a voice, and grow. Opportunity is more than the lure of promotions and pay increases. It's about preparing and empowering employees to make decisions, inviting them to the table, and offering them projects that will expand their skills and relationships.

3. Success

The thrill of accomplishment, innovation, breaking barriers, playing on a winning team, and experiencing victories. Employees must find success at the individual, team, and organizational levels, and it should be nurtured and publicly celebrated.

4. Appreciation

Feeling valued for one's contributions and being recognized for one's worth. Appreciation is essential to employees—people need to know their leaders and peers notice and are grateful for their efforts and contributions. [Appreciation](#) is most effective when it's delivered in timely, personal, and meaningful ways.

5. Wellbeing

Caring about the employee as a whole—their physical, emotional, social, and financial health. Wellbeing ensures employees can be their strongest, most capable, most authentic selves at work. A comprehensive approach to wellbeing requires leaders to create an environment of inclusivity, life balance, and connection.

6. Leadership

The mentoring, coaching, inspiring, and facilitating that allow individuals, teams, and, ultimately, organizations to succeed. Great leaders co-create a shared purpose for their teams and empower their employees to do great work. As the most influential of the six Talent Magnets, [leadership](#) cultivates the other five.

72%

±0%
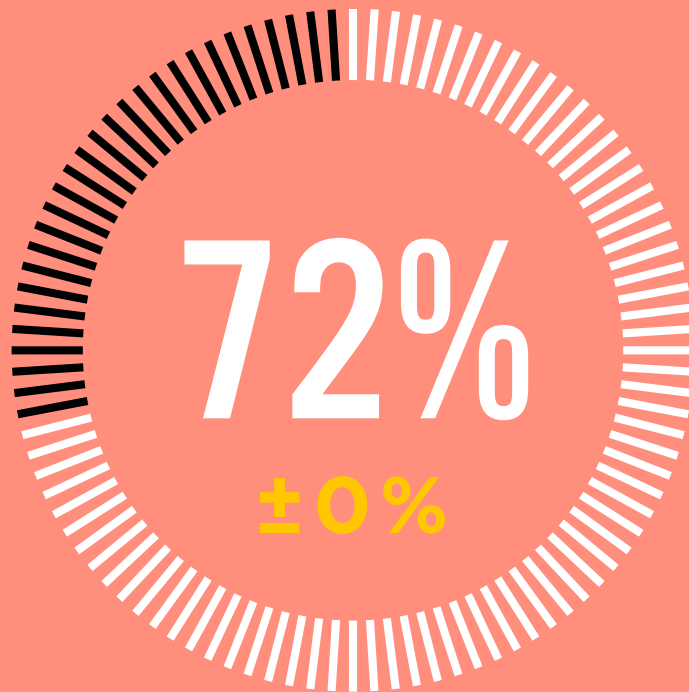
THE AVERAGE
ENGAGEMENT SCORE IS THE
SAME AS LAST YEAR

OPPORTUNITIES FOR ORGANIZATIONS IN 2025

Based on our research, we see five significant ways organizations can improve their workplace cultures, both within and beyond their Total Rewards programs.

1. Help employees survive

When people are merely surviving, it's nearly impossible to be productive, innovate, or even think beyond the next paycheck. By meeting basic needs for financial stability, healthcare, and recognition, companies can ensure all employees get to a place where thriving is possible.

2. Enable employees to thrive

Providing opportunities for growth, advancement, and recognition communicates the company is invested in long-term success and security for all employees. This builds connection, belonging, and appreciation, and ultimately leads employees to thrive and find fulfillment at work.

3. Get smart—emotionally

Employees at every level can learn and apply emotional intelligence (EQ) to determine whether others are surviving or thriving and how to help them. Demonstrating EQ behaviors creates strong cultures and high trust where employees can start to thrive.

4. Aid employees' mental health

Caring for employees means more than providing physical health benefits—employees need mental health support, too. Destigmatizing mental health issues and removing cultural factors that contribute to them are two good ways to start.

5. Meet needs in key moments of change

Job transitions are a chance for employers to create transformative experiences for their people and set them up to thrive. Connection, community, growth, and flexibility should be part of every new job.

We hope these opportunities and the specific findings behind them in this report help clarify what it means to care for employees. Just as importantly, we hope they expand our expectations of how generative that care can be.

"As work constructs are changing, the way organizations structure their pay and rewards programs is also changing. This will play a massive role in deciding whether your organization delivers on its promises."

—DR. SCOTT CAWOOD, CEO, WORLDATWORK

Working to Survive

Nearly a third of employees manage their lives in survival mode.
A challenge with consequences and solutions.
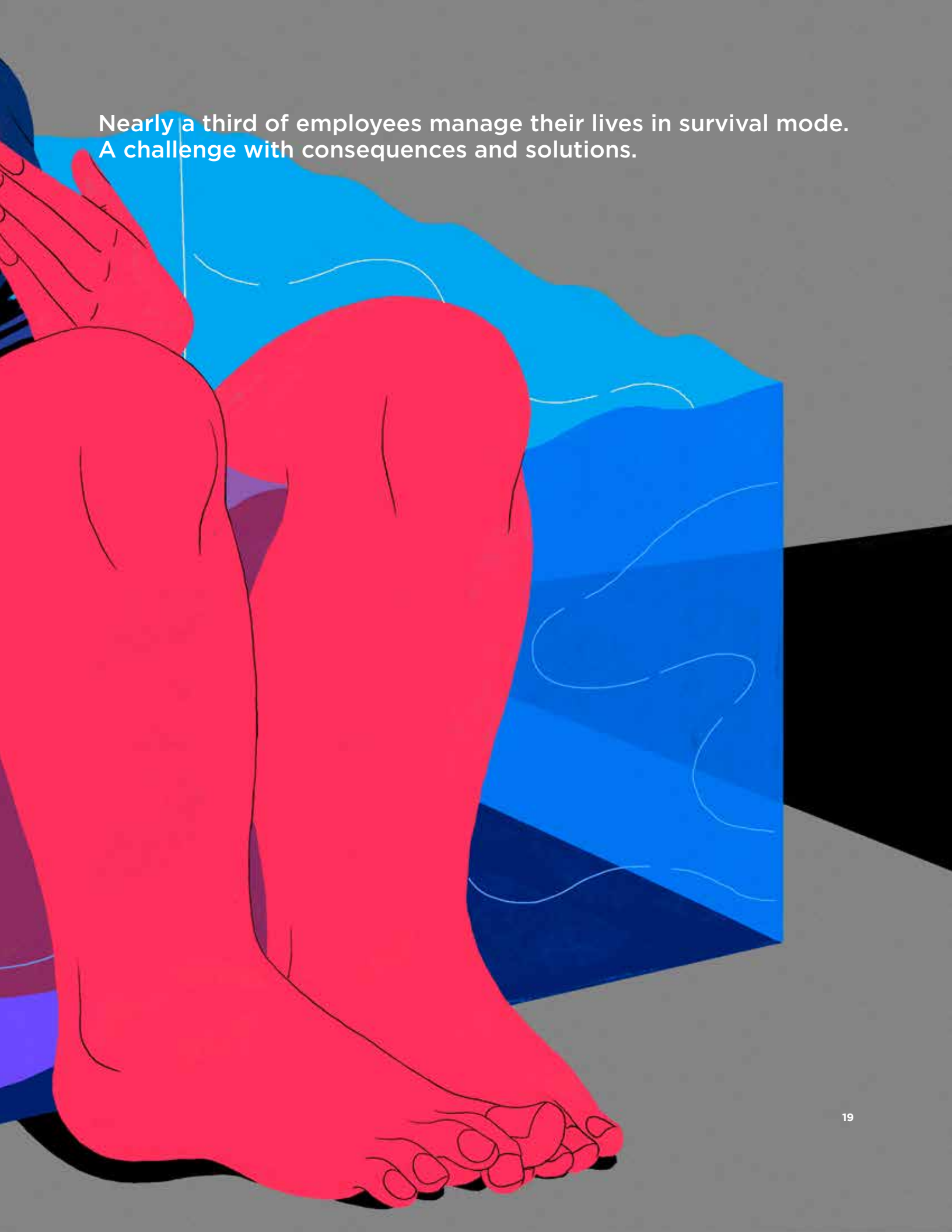
31%

OF EMPLOYEES REPORT
THEY ARE MERELY SURVIVING

The pain of living and working in survival mode is usually more dull than sharp, but it is nonetheless traumatic. Psychologically and physically, this discomfort is exhausting in the same way extreme stress or prolonged grief can be. And just like hunger or various chronic diseases, survival mode is the direct result of unmet needs. The good news is organizations can provide employees relief. Namely, stability and security. By reframing Total Rewards as a foundation for caring— rather than a bonus or retention plan— and by strategically optimizing offerings, tools, and resources to satisfy people's most basic requirements, employers can help ensure the strain and distraction of surviving are only temporary.

INTRODUCTION

After a global pandemic, widespread layoffs, rising inflation, and intense political turmoil, employees around the world continue to work with uncertainty and instability. PwC, the multinational professional services firm, reports that 52% of all employees are "financially stressed," meaning they're unable to pay their bills, struggling to pay bills, or have little or nothing left for savings, holidays, and extras.[1]

Many of these employees feel trapped. They may have difficult personal circumstances, suffer overwhelming job responsibilities, or feel unappreciated and unfulfilled at work. All of which can push employees into survival mode.[2]

Nearly a third of employees (31%) told us they are "merely surviving." In focus groups, people in survival mode described their circumstance in the following ways:

"It's the paycheck, not the passion."

"Having the bare minimum, doing the bare minimum."

"You're just staying stagnant."

"You're on the verge of burnout."

"When you're in survival mode, you can't even see outside of that little bubble."

Our research finds that surviving is a convergence of six factors that hinder the overall employee experience. These include financial insecurity, poor life balance, hopelessness about their future, and a lack of opportunity, resources, and autonomy.
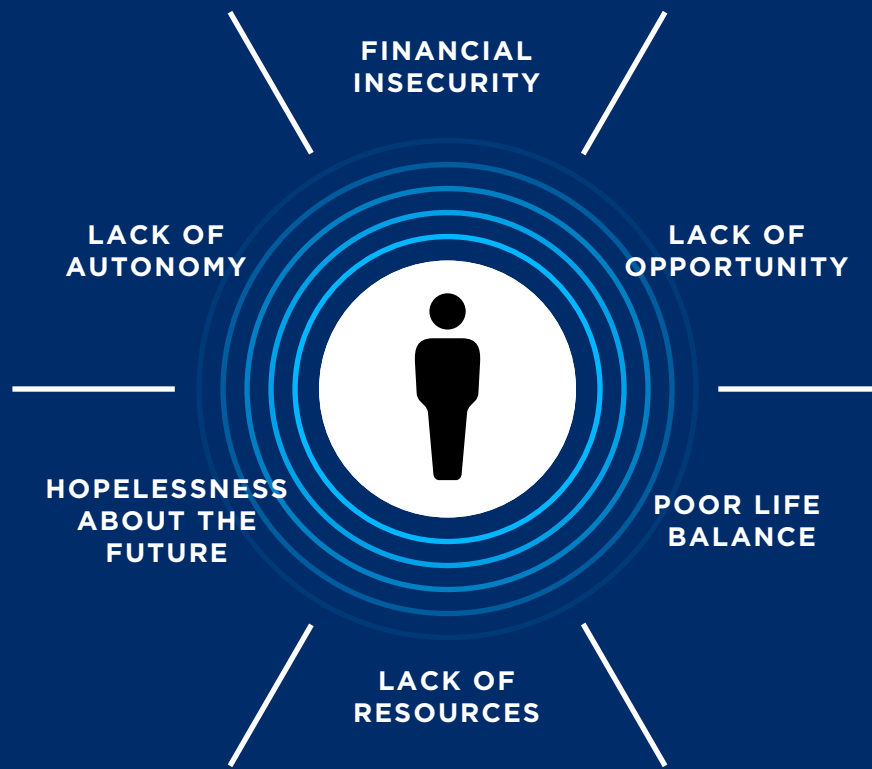
FINANCIAL
INSECURITY

LACK OF
AUTONOMY

LACK OF
OPPORTUNITY

HOPELESSNESS
ABOUT THE
FUTURE

POOR LIFE
BALANCE

LACK OF
RESOURCES

Figure 3. SURVIVING INDEX
The six factors that limit employees to a mindset of surviving in the workplace.

Organizations would do well to take these survival factors into account when considering the employee experience and employment benefits. Unfortunately, 60% of employees say their companies' benefits do not currently meet their needs,[3] and only 37% feel their organization understands what they need in their personal lives and for their families.[4] Compounding the problem, some companies are curtailing fundamental benefits and offerings, including healthcare, that employees need to survive.[5]

Employees depend on their employers to help them build security and stability in their lives: 92% expect their organizations to show care in the workplace, and 83% feel companies have a responsibility for the health and wellbeing of their people.[6] For employees to thrive at work, they must first reach the threshold of surviving. Even highly engaged employees are at risk of leaving when they struggle to survive in their personal lives.[7] This means addressing employees' fundamental needs for financial, physical, and emotional security through Total Rewards offerings is essential to organizational success.

Done well, Total Rewards reflects a culture of care. When the workforce feels stable and secure, organizations benefit, too. The first step in moving employees out of survival mode is to see and present Total Rewards as an extension of a people-centered culture that appreciates and genuinely cares about employees. It must be less of a transaction or exchange and more of a commitment to address employees' changing needs.

"If I don't have financial security, I can't have physical security because I don't know if I'm going to be able to have a roof over my head. And if I don't have financial security, it usually leads to anxiety and uncertainty and poor performance and all those things because I'm trying to figure out how to just meet basic needs."

—FOCUS GROUP PARTICIPANT, BUSINESS DEVELOPMENT MANAGER

NOT ALL BENEFITS CARRY THE SAME WEIGHT

Our research finds that employee survival is a continuum from low to high. Based on the degree to which employees feel impacted by the six survival factors, we can identify whether individuals are surviving on a lower or higher level. The difference is significant. Those on the higher side meet a baseline of immediate security and stability but lack opportunities for growth and development. Those on the lower end of surviving are less financially secure and less likely to feel optimistic about work or remaining with their organization. They're also 5x more likely to feel work has a negative impact on their physical health and have much higher odds of anxiety and burnout (6x and 12x respectively).

Odds of Key Outcomes for High- and Low-Surviving Employees

OUTCOME	HIGH-SURVIVING EMPLOYEES	LOW-SURVIVING EMPLOYEES
Retention*	**+177%**	**−64%**
Employee as Promoter**	**+145%**	**−59%**
Sense of fulfillment	**+234%**	**−70%**
Above-average job satisfaction	**+200%**	**−67%**
Satisfaction with employee experience	**+226%**	**−69%**
Sense of appreciation	**+306%**	**−75%**

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*Retention is defined as planning to stay two or more years
**Promotes organization as a great place to work

For employees in any part of survival mode, the two offerings that matter most are compensation and physical and mental health benefits. Covering their monthly expenses is employees' top concern and nearly 30% of low-income workers take a second job or do gig work to supplement their income.[8] Until employees meet their financial and health needs, they can't think about finding meaning or fulfillment in their work.[9] Other Total Rewards offerings like skill building or career development are simply not relevant yet.

However, as the following table shows, when compensation and health benefits are adequate, the odds of fulfillment at work improve for both low- and high-surviving employees.

Odds of Fulfillment When Satisfied with Compensation and Health Benefits

OUTCOME	HIGH-SURVIVING EMPLOYEES	LOW-SURVIVING EMPLOYEES
Overall compensation	**+228%**	**+21%**
Overall physical health benefits	**+174%**	**+13%**
Overall mental health benefits	**+259%**	**+69%**

2025 GLOBAL CULTURE STUDY, O.C. TANNER INSTITUTE

In terms of employee engagement, the data show that if overall compensation is inadequate, offerings such as incentive pay and even health benefits can actually have a negative effect for employees on the low end of surviving.

Probability of Increased Engagement for High- and Low-Surviving Employees When Offered Specific Benefits

BENEFIT	HIGH-SURVIVING EMPLOYEES	LOW-SURVIVING EMPLOYEES	LOW-SURVIVING + ABOVE-AVERAGE OVERALL COMPENSATION
Performance bonus	+110%	–24%	+46%
Year-end bonus	+95%	–32%	+36%
Company stock options	+96%	–24%	+51%
Profit sharing	+102%	–25%	+44%
Group medical/ health coverage	+137%	–27%	+48%
Maternity leave	+151%	–31%	+62%
Dental insurance	+134%	–28%	+46%
Mental health care/counseling	+156%	–23%	+58%

An important note: Once basic compensation needs are met, offerings like mental health counseling and parental leave have a greater impact on engagement than bonuses or incentive pay. This demonstrates that mental wellbeing—including feeling appreciated and a sense of belonging—is a critical part of what keeps employees who are on the high end of survival engaged and wanting to stay. Total Rewards programs that emphasize financial rewards at the expense of robust wellbeing and recognition offerings will ultimately fail to move these employees out of survival mode.

REWARDS ARE INCOMPLETE WITHOUT ACCESS AND COMMUNICATION

By themselves, benefits and other offerings are not enough. Employers also need to promote them, provide support to ensure people can use them, and subsidize the cost as much as possible. Only 40% of employees say their organizations communicate their workplace benefits well.[10] Unfortunate, given that when people understand the benefits available to them, they're 101% more likely to trust their organization, 94% more likely to feel valued, and 60% more likely to want to stay with their employer for another year.[11]

These findings inspired us to conduct an experiment. In it, we found good communication and organizational support not only help ensure employees use health benefits. They also create feelings of belonging and a belief that the organization cares about its people, which engenders loyalty.

Health Perks: How and How Much Do They Make a Difference?

We conducted two experiments to test a hypothetical approach to offering physical and mental health benefits. In both instances, we found that when organizations provide benefits that meet employee needs, and then clearly communicate and support the offerings (with internal resources for guidance and questions), positive employee outcomes like loyalty, engagement, and belonging increase.

EXPERIMENT 1: PHYSICAL HEALTH

Scenario

You've just started a job at a new organization. Your job meets your basic financial needs; however, you don't know much about your benefits package.

Control	On your first day, you learn that the job does not come with health insurance benefits. Any health coverage must be purchased outside of your employer.		
Treatment 1	On your first day, you learn that the job comes with health insurance benefits, but information is difficult to find, your employer offers little help or support, and premiums and deductibles are so high that the benefits are ultimately out of reach.		
Treatment 2	On your first day, you learn that the job comes with health insurance benefits that meet your health and wellness needs. Accessing information about services and providers is easy and your employer provides support if you have questions. You end up paying a reasonable amount of money out of pocket for the services you need.		
Treatment 3	On your first day, you learn that the job comes with health insurance benefits that meet your health and wellness needs. Accessing information about services and providers is easy and your employer provides support if you have questions. You end up paying nothing out of pocket for the services you need.		

Results (Probable Effect of Treatments on Outcomes):

OUTCOME	TREATMENT 1 Health benefits offered, but don't meet needs; info is hard to find, little employer support, excessively high cost	TREATMENT 2 Health benefits offered that meet needs; info is easy to find, employer provides support, reasonable cost	TREATMENT 3 Health benefits offered that meet needs; info is easy to find, employer provides support, no cost
Loyalty	−4.4%	+20.4%	+46.3%
Feeling that organization cares	+2.9%	+19.9%	+52.6%
Engagement	−2.5%	+78.6%	+91.7%
Belonging	−4.8%	+21.5%	+48.9%

All effects significant at $p < .001$. Shaded fields reflect scenarios with a more pronounced impact on outcome variable at $p < 0.05$.

Scenario

You've just started a job at a new organization. Your job meets your basic financial needs; however, you don't know much about your benefits package.

Control	On your first day, you learn that while the job comes with health insurance benefits, no mental health services or support are available. Any mental health coverage must be purchased outside of your employer.
Treatment 1	On your first day, you learn that in addition to health insurance benefits, your company provides mental health services. However, information is difficult to find, your employer offers little help or support, and premiums and deductibles are so high that the benefits are ultimately out of reach.
Treatment 2	On your first day, you learn that in addition to health insurance benefits, your company provides mental health services. Accessing information about services and providers is easy and your employer provides support if you have questions. You end up paying a reasonable amount of money out of pocket for the services you need.
Treatment 3	On your first day, you learn that in addition to health insurance benefits, your company provides mental health services. Accessing information about services and providers is easy and your employer provides support if you have questions. You end up paying nothing out of pocket for the services you need.

Results (Probable Effect of Treatments on Outcomes):

OUTCOME	TREATMENT 1 Health benefits offered, but don't meet needs; info is hard to find, little employer support, excessively high cost	TREATMENT 2 Health benefits offered that meet needs; info is easy to find, employer provides support, reasonable cost	TREATMENT 3 Health benefits offered that meet needs; info is easy to find, employer provides support, no cost
Loyalty	–5.2%	+31.6%	+82.3%
Feeling that organization cares	–4.6%	+21.7%	+57.9%
Engagement	–61.4%	+18.8%	+67.3%
Belonging	–9.1%	+26.1%	+66.9%

All effects significant at $p < .001$. Shaded fields reflect scenarios with a more pronounced impact on outcome variable at $p < 0.05$.

"**Employees may be more receptive than ever to the charms of Total Rewards. Beyond salary, employees are placing a higher value on benefits like healthcare, including wellness, mental, and financial health, which help them thrive outside of work. To support thriving professionally, recognition and development play a strong role.**"

—ELIZABETH BASKIN, CEO, TRIBE INC.

THE EFFECTS OF RECOGNITION, NOW AND LATER

All employees have a fundamental need to be seen, valued, and appreciated. So we examined many of the benefits that strive to accomplish this, and one consistently had greater impact: recognition.

As a lever of Total Rewards, integrated recognition provides immediate security that tells employees the organization appreciates and cares for them in the present, as well as future security that reinforces they're a valued part of the organization.[12]

When employees at either level of survival experience integrated recognition, several important outcomes improve, as detailed in the following table.

Probability of Increased Outcomes for High- and Low-Surviving Employees with Integrated Recognition

OUTCOME	HIGH-SURVIVING EMPLOYEES	LOW-SURVIVING EMPLOYEES
Promotes organization as a great place to work	+311%	+79%
Sense of fulfillment	+377%	+79%
Sense of belonging	+118%	+40%
Above-average job satisfaction	+160%	+30%
Connection to organization	+185%	+48%

"If I'm not happy, if I'm not being heard…then I'm not going to be happy no matter how much money I make. It's just not going to be rewarding for me. For me it's important to have that communication, that sense of belonging."

—FOCUS GROUP PARTICIPANT, QUALITY CONTROL TESTER

To help employees in survival mode, focus on meeting their basic needs for security, provide and support adequate health offerings, and show appreciation for them.

(1) **Satisfy employees' fundamental needs for immediate security**

When basic needs like sufficient compensation and wellbeing go unmet, they create a ripple effect across the employee experience. Not only do they negatively affect the individual's physical and mental health, they also harm work-related performance and engagement. Any supplemental Total Rewards offerings will not fill the gap.

Ensure employees have adequate base compensation (outside of bonuses and incentives) that aligns with local market rates, inflation, and skills required for the job. And provide for mental health benefits in addition to physical health benefits. Organizations with robust mental health offerings have 4x better odds of employee retention and 8x better odds of employees feeling a strong sense of fulfillment at work.

Furthermore, while any access to essential benefits has a positive effect, the overall impact on metrics like engagement is significantly greater when the benefits come from the employee's organization, as seen in the following table.

**Odds of Increased Engagement at Work
by Access to Offerings (Compared to No Access)**

BENEFIT	ACCESS THROUGH WORK	ACCESS NOT THROUGH WORK
Group medical/health coverage	2.1x	1.4x
Maternity leave	1.8x	1.2x
Paternity leave	1.9x	1.2x
Vision insurance	2x	1.4x
Dental insurance	1.9x	1.3x
Mental health care/counseling	2.2x	1.4x

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People who must rely on an external source for health insurance—
e.g., spouse, partner, parents, or third-party vendor—also experience
higher stress and anxiety.

Pizza makers and delivery drivers at Domino's® franchises no longer have to wait two weeks to receive their wages. Through new partnerships and technology, employees can receive their hourly pay, tips, and mileage reimbursement at the end of each shift.

This example of payroll flexibility gives workers more immediate access to their paychecks and helps them feel more secure about their future.[13]

(2) **Provide access, communication, and support for Total Rewards offerings**

Great offerings come up short without proper communication.

Clearly explain what Total Rewards offerings you provide and why you offer them. Align your offerings and messaging with financial stability and health security—for both immediate and future needs. Then ensure information is easy to find and understand, and provide resources to help people access and fully use their benefits. Also, fund as much as possible to minimize employees' out-of-pocket costs.

As mentioned in the introduction to this report, organizations can and should use Total Rewards to demonstrate they care about their people. Including this sentiment in communicating and supporting Total Rewards builds a sense of belonging and loyalty.

(3) Use recognition to enhance employees' sense of security

Increasing compensation or adding benefits isn't always an option for organizations—but extending genuine recognition is. Frequent, meaningful recognition at all levels can have a powerful impact on how an employee perceives their experience.

Recognition can lighten the weight of difficult circumstances. Employees in survival mode whose organizations use integrated recognition programs[14] have increased probability of:

- **Engagement (86%)**
- **A strong sense of opportunity (111%)**
- **A strong sense of success (131%)**

Invest in recognition that is frequent, specific, genuine, and an integrated part of the employee experience. Ensure all employees— including those who are frontline or offline[15]—are recognized and able to recognize one another.

Spartan Light Metal Products, an engineering solutions company, wants all its employees to feel appreciated and recognizes them throughout the year with regular employee appreciation luncheons, safety milestone celebrations, holiday and birthday gifts, and performance awards.

The company marked its 60th anniversary with an event and gave every employee a custom gift they could share with their families. Melissa Markwort, Vice President of Program Management, says, "We talk a lot about how our employees are our most valuable asset for our business. Nothing really happens without them...and we want to celebrate that."[16]

"You could make a little bit less money, but if you're happy, if you're heard...if my boss was able to say, 'Hey, I'm sorry we're not able to give you an increase this year, but you've done a great job, the whole company recognizes that, C-suite recognizes that, and we're hoping that next year will be better and please ride it out with us,' I would have nothing but respect for that."

—FOCUS GROUP PARTICIPANT, PAYROLL & BENEFITS MANAGER

For employees in survival mode, Total Rewards should meet basic needs for stability and security— compensation, physical and mental health benefits, and recognition.

After basic compensation needs are met, mental health offerings have the greatest impact on employees in survival mode.

Access and support for both physical and mental health benefits are key to positive outcomes.

Integrated recognition helps employees feel an increased sense of both security and belonging.

Working to Survive Sources

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Thriving at Work

Living your best work life requires more than
meeting basic needs. It takes flexibility and growth.

68

INCREASED ODDS EMPLOYEES WILL THRIVE AT
WORK WHEN ORGANIZATIONS PRIORITIZE FLEXIBILITY,
SKILL BUILDING, AND CAREER DEVELOPMENT

Shrinking the separation between employee needs and organizational offerings creates enormous possibilities for everyone involved. Based on our studies this year, when employers focus on fulfilling necessities such as sufficient compensation and robust healthcare, they open the door for people to thrive via growth and development, workplace flexibility, and a stronger sense of purpose. At the same time, the larger investments in workers' wellbeing unlock a wealth of untapped potential for organizations, including increased productivity, innovation, and loyalty. If we can look beyond employment as a business transaction, and embrace a broader human-centric perspective, we will find much greater mutual success.

INTRODUCTION

According to a recent Gallup poll, barely half (52%) of people in the U.S. consider themselves to be thriving in life.[1] And based on our global research, other nationalities feel much the same way. This decline from past years is at least partly attributable to increased daily stress and worry, coupled with feelings of discouragement about personal finances.

Given the substantial role work plays in most of our lives (and the amount of our time and energy it consumes), it's easy to imagine how pressures in the workplace spill into our personal lives and inhibit us from thriving. This is especially true for frontline and offline workers who feel detached from their organizational cultures.[2] Conversely, cultures that foster connection, support, security, and belonging can help us feel we're succeeding in our lives.

So, what does it mean to thrive at work? The hallmarks are a feeling of fulfillment and security about the future. Thriving is what happens when employees have their basic needs met (adequate pay, health benefits, etc.) and can then enjoy growth opportunities, flexibility, and appreciation.

When employees feel they're thriving at work, the odds of several important outcomes improve significantly:

- **Retention (6x)**
- **Promoting the organization to others (7x)**
- **Great work (8x)**
- **Overall satisfaction with employee experience (14x)**

Unfortunately, simply having a long list of Total Rewards offerings won't help people thrive. Organizations must evolve how they approach these offerings, and the most effective strategies clearly convey to employees that they are understood, cared for, and valued.[3]

Our research finds employees with Total Rewards programs that communicate long-term security have 5x improved odds of feeling they're thriving at work. That said, organizations have a lot of progress to make because while employees consistently rank offerings like career development among their top priorities, only 20% of global employers have the infrastructure for building skills or charting career paths.[4]

And even organizations that do provide development opportunities should take a close look at their motives. Offerings and efforts to help employees thrive are more effective when they're people-centered and purpose-driven. For example, the odds of an above-average sense of thriving are 8x greater when employees feel their Total Rewards package serves their needs (rather than their employer's.) Make no mistake, employees know when their organization genuinely cares about them.

"Companies have been engaged in an arms race to offer the best perks. But once basic needs are met, people are more powerfully motivated by feelings than by material features. Employees today want to be treated as people, not just workers. When HR leaders can generate these emotions in employees, both organizations and the human beings that comprise them win."

—CAROLINA VALENCIA, VICE PRESIDENT
 TEAM MANAGER, GARTNER

THE THREE KEY ELEMENTS OF THRIVING

According to our research, once basic needs are met, three key elements elevate an employee's sense of thriving in the workplace: flexibility, skill building, and career development.
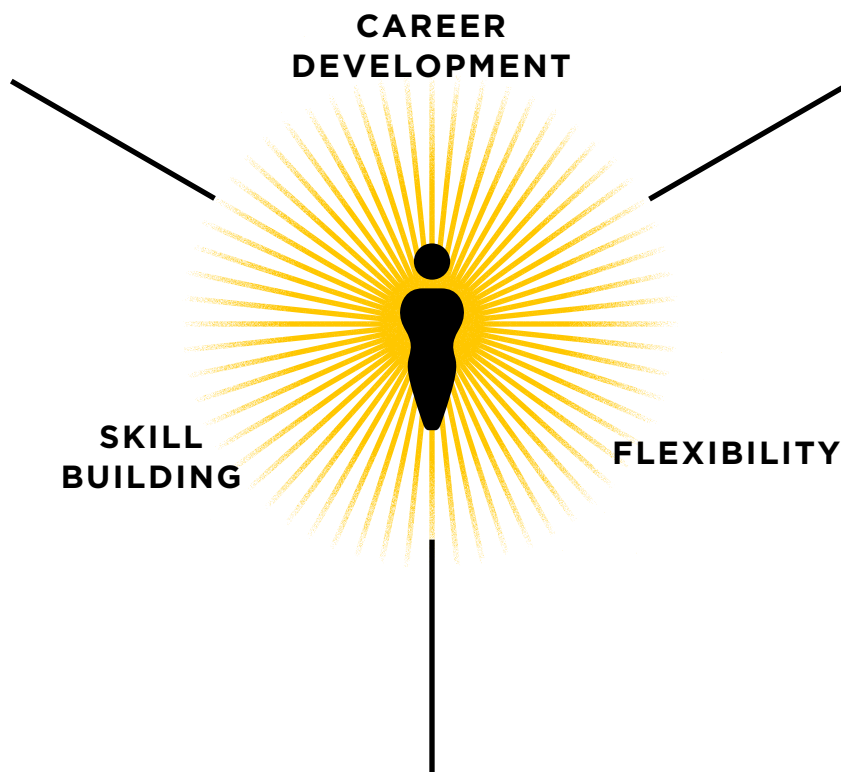
CAREER DEVELOPMENT

SKILL BUILDING

FLEXIBILITY

Figure 4. THRIVING INDEX
The three components of a thriving mindset in the workplace.

These three factors communicate that the organization is invested in employees and their wellbeing for the long term. And, as the following table shows, when part of a Total Rewards strategy, each of these levers improves the odds of belonging, fulfillment, and thriving at work.

Increased Odds of Positive Outcomes with Three Key Elements

ELEMENT	RETENTION (PLAN TO STAY TWO OR MORE YEARS)	BELONGING	FULFILLMENT	ENGAGEMENT	THRIVING AT WORK
Flexibility	4x	6x	8x	7x	9x
Skill building	5x	7x	9x	10x	14x
Career dev.	6x	9x	10x	11x	19x

Moreover, when these elements are combined, outcomes soar:

Skill building + career dev.	7x	12x	16x	18x	30x
Flexibility + skill building	8x	13x	20x	21x	48x
Flexibility + career dev.	8x	14x	20x	22x	46x
Flexibility + skill building + career dev.	10x	18x	28x	31x	68x

"When I think of thriving at work, it's also about the future. I'm enjoying my role today, I'm doing good work, but do I have a career path in this company? Or do I have to leave to find that career path elsewhere?"

—FOCUS GROUP PARTICIPANT, TECH OPERATIONS PROFESSIONAL

THE IMPORTANCE OF FOCUSING ON PEOPLE

Flexibility, skill building, and career development each have characteristics that can make them people-centered and purposeful.

Let's look at flexibility first. Organizations can (and should) clarify what flexibility means for all employees and give leaders autonomy to work with their teams to determine the best ways to implement such policies.[5] Employees crave—and respond to—the kinds of flexibility that allow them to manage their own time, better balance their lives, find greater fulfillment, and ultimately thrive.[6]

Figure 5. FLEXIBILITY FACTORS
Elements that constitute flexibility in the workplace.

For skill building and career development, a people-centered approach means allowing employees to choose what skills they want to build and how to build them. Or it could involve offering a variety of opportunities and providing a clear development path with tangible steps.[7]

Figure 6, 7. SKILL BUILDING AND CAREER DEVELOPMENT FACTORS
The various elements that constitute skill building and
career development in the workplace.

How Much Difference Do People-centered Strategies Make?

We conducted an experiment to better understand the impact of skill building on several positive outcomes, including loyalty, engagement, and belonging.

Scenario

You've just started a job at a new organization. Although the organization offers good compensation and benefits, you don't know much about the organization's culture. During the interview process, you hear the organization emphasizes skill building for employees.

Control	On your first day, you learn that while the company expects employees to build their skills to remain in good standing, it can't cover the costs of any courses or certificates that employees pursue. In addition, your leader explains that skill building will likely have to take place outside of normal working hours: "Your team just has too much to do."
Treatment 1	On your first day, you learn that because the company expects employees to build their skills to remain in good standing, it will cover the costs of any courses or certificates that employees pursue. However, your leader explains that skill building will likely have to take place outside of normal working hours: "Your team just has too much to do."
Treatment 2	On your first day, you learn that because the company expects employees to build their skills to remain in good standing, it will cover the costs of any courses or certificates that employees pursue. However, your leader explains that although the company will support you as best it can, skill building may have to take place outside of normal working hours so your team can meet their other goals.
Treatment 3	On your first day, you learn that because the company expects employees to build their skills to remain in good standing, it will cover the costs of any courses or certificates that employees pursue. Additionally, your leader explains the company will support you as best it can and, even though your team is busy, you can use a few normal working hours each week to build your skills. Lastly, your leader mentions that you can decide which skills to develop—the company has no requirements. As long as employees are learning something, they remain in good standing.

Results (Odds of Effect of Treatment on Outcomes):

OUTCOME	KEY
Loyalty	**Rel. Odds** **Std. Error**
Feeling that organization cares	**Rel. Odds** **Std. Error**
Engagement	**Rel. Odds** **Std. Error**
Belonging	**Rel. Odds** **Std. Error**

All effects significant at p< .001.

After applying these treatments, we found that when organizations take a people-centered, purpose-driven approach to skill building, it significantly increases self-reported levels of loyalty, belonging, and engagement. Equally notable, because these are survey experiments, participants are randomly assigned a treatment. This methodology allows us to examine causality, and this experiment demonstrates that a people-centered approach to skill building has a causal impact on positive outcomes.

An experiment using career development produced similar results.

	TREATMENT 1	TREATMENT 2	TREATMENT 3
	47%	79%	143%
	0.119	0.144	0.203
	42%	71%	140%
	0.114	0.137	0.199
	132%	169%	353%
	0.258	0.307	0.608
	45%	83%	155%
	0.116	0.148	0.214

Final note

Our experiments indicate it's not just the presence of offerings like skill building or career development that make the difference for employees. It's also whether the employees feel supported in a people-centered way. Clearly communicating the offering, providing leader and organizational support to use it, and giving employees resources and options for participating all lead people to feel more loyal, engaged, and cared about. Half measures don't produce the same results.

When done well, a Total Rewards package that includes flexibility, skill building, and career development can strengthen feelings of belonging and inclusion, which bolster the sense of future security that allows employees to thrive. Statistically speaking, when employees feel a sense of long-term security at work, it increases the odds of thriving (2x), engagement (3x), fulfillment (3x), and retention (5x).

After meeting their basic needs, help employees thrive at work by providing offerings that support flexibility, skill building, and career development.

(1) **Provide Total Rewards packages that offer long-term security**

As outlined in the previous chapter, fulfilling employees' basic needs is a prerequisite for helping them thrive. And thriving at the highest level takes support for their personal and professional growth. Be sure to include offerings that focus on flexibility, skill building, career development, and recognition in Total Rewards packages. Also include benefits like retirement plans and life insurance to care for people's future needs.

Even if employees have skill-building or career-development opportunities outside of work, the impact is greater when the employer provides these—with resources and support—in the workplace. As the following table illustrates, access to such offerings significantly improves engagement (to name just one cultural metric).

**Odds of Increased Engagement at Work by
Source of Growth Offerings**

OFFERING	ACCESS THROUGH WORK	ACCESS NOT THROUGH WORK
Leadership training	4x	1.3x
Career mentorship	5x	1.6x
Professional growth opportunities	6.5x	2x
Personal growth opportunities	5.8x	2x

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"In designing [a clear, consistent, and differentiated Total Rewards strategy], we must look at what motivates employees and then map it to their individual aspirations and personalize the experience."

—MEENAKSHI VIRANI, HEAD OF HR, ZEE ENTERTAINMENT

Banking giant Capital One has created a culture that fuels employees' personal and professional success. Specifically, its Magellan program provides a comprehensive and customized nine-month career development experience that includes skill building, career road mapping, networking, and mentoring.

Likewise, the company's employee recognition solution, ONEderful, ensures people feel genuine appreciation, as well as a sense of purpose and belonging. According to feedback on an employee survey, recognition at Capital One "motivates people and puts the organization at the same level as other well-known technology companies that reward associates."[8,9]

(2) **Approach offerings in a people-centered, purpose-driven manner**

For a Total Rewards program to be most effective, our research shows it must do more than address the three key elements of thriving. It must also deliver offerings in ways that show the organization cares about employees.

Clearly communicate that flexibility, skill building, career development, and other long-term security and inclusion benefits are available because the organization values employees and wants them to succeed over the entire course of their careers. Also, make sure policies, resources, training, and leadership support are easily accessible and contextualized. For example, promote (rather than just provide) a library of learning modules by explaining the importance of growth and development, and offer skill-building opportunities on the clock. Or have a formal mentorship program with regular check-ins at work. Or let employees choose training or other classes that interest them and cover as much of the costs as possible.[10]

Communicating that the organization cares requires both words and actions. Resources and support to take advantage of offerings help ensure employees feel valued, want to return the good faith, and ultimately, thrive. As the following table shows, the degree to which employees believe their organization cares about them has a dramatic impact on their perception of whether they're thriving at work.

Odds of Increased Impact Based on Employee Perception

BENEFIT	STRONG SENSE THE ORGANIZATION "CARES ABOUT ME"	WEAK SENSE THE ORGANIZATION "CARES ABOUT ME"
Sense of thriving at work	**+378%**	**–80%**

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The cloud-based software company, Salesforce, doesn't wait for people to ask for career development. Beginning on every employee's first day, the Great Leader Pathways program provides a customized leadership pipeline with an assigned career stage based on the role, as well as a detailed profile identifying the skills needed for success.

Employees at every level also receive a blend of business and people-leadership training, learning interventions over time, and personalized experiences with bite-sized content and activities. The Pathways program underscores how no two Salesforce careers are the same, and neither are the development journeys.[11]

(3) Recognize employees often to reinforce security, inclusion, and belonging

Recognition inherently communicates that people are a crucial part of your organization and its success. When employees recognize each other frequently for their great work, it connects them with a shared purpose and meaningful appreciation. Conversely, if recognition is infrequent or absent, employees are more likely to feel they're in survival mode, especially during times when they feel overworked, overwhelmed, unsupported, or burned out.

Organizations that make recognition an integrated, everyday part of the employee experience increase the odds of improving several cultural metrics, as illustrated in the following table.

Odds of Increased Specific Cultural Metrics

OUTCOME	RETENTION (PLAN TO STAY TWO OR MORE YEARS)	BELONGING	FULFILLMENT	ENGAGEMENT	THRIVING AT WORK
Integrated recognition	5x	8x	10x	11x	15x

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Recognition that's integrated happens frequently and in meaningful ways.[11] So provide tools to recognize a variety of accomplishments and milestones. Communicate what employees uniquely contribute and share how they further the organization's purpose. And ensure all employees, no matter what their role or location, can give recognition and feel appreciated as a crucial part of the company's success.

As a company that continually adapts to meet its members' and employees' needs, ACG (The Auto Club Group) refines and rebrands its recognition solution based on evolving business goals and employee situations. Its Celebrate as One solution improves the accessibility, inclusivity, and alignment of its recognition.

All employees, including those who work remotely, can give and receive recognition through every stage of the employee lifecycle. ACG uses O.C. Tanner's recognition platform that enables leaders to create their own campaigns tied to specific team goals and celebrate career anniversaries in more meaningful ways. Such capabilities ensure all employees feel appreciated, which helps explain why ACG is known as a top place to work.[12]

When recognition is given to employees who are already thriving, it improves odds of:

- **Staying with the organization (11x)**
- **Promoting the organization as a great place to work (16x)**
- **Doing great work (24x)**
- **Satisfaction with the employee experience (31x)**

"We have the opportunity, especially with everything that is happening in the world today, to step up our game and value the wonderful people we have here at ACG. What we are seeing right now is that companies who truly value their people are going to not just survive but thrive."

—SENIOR EXECUTIVE, THE AUTO CLUB GROUP

Helping employees thrive at work requires more than fulfilling their basic needs.

Companies must provide and support three key elements of thriving—flexibility, skill building, and career development.

Delivering the key elements of thriving in people-centered ways is more impactful than simply offering them as Total Rewards options.

Integrated recognition builds long-term security and belonging, which is essential to thriving at work.

Thriving at Work Sources

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The Mental Health Link

How much can workplace culture exacerbate or alleviate depression, anxiety, and burnout?

$8K

APPROXIMATE ANNUAL SAVINGS PER EMPLOYEE
WITH PROBABLE DEPRESSION AT U.S. ORGANIZATIONS
WITH A STRONG RECOGNITION PROGRAM

The persistent stigma around mental health has contributed to employee suffering by hindering progress and extending the struggle. But when organizations remove this obstacle from the workplace, they can become catalysts for healing. In the absence of negative and unfair beliefs, positive solutions such as open dialogue, psychological resources, and modeled conversations promoting mental wellness can significantly improve the prognosis. Add recognition, so people feel appreciated and valued for their contributions, and both the individual and employer become stronger together. It's time to replace silence with support and cultivate workplaces where caring is the protocol and mental health is nurtured, not neglected.

INTRODUCTION

Mental health issues are common, costly, and rising to the top of employers' minds. According to a study by Mind Share Partners, 76% of U.S. workers have at least one symptom of a mental health condition—burnout, depression, or anxiety.[1] These ailments also prove widespread in our global research this year. Employees who could qualify for a probable diagnosis of depression: 44%. Those who could qualify for a probable diagnosis of anxiety: 39%. And employees who reported levels of burnout: 77%.

While many organizations may be unaware of how they contribute to the problem, they do keep track of the expense. The economic burden of American adults with depression is estimated at $325 billion, with 61% of that attributable to lost productivity at work.[2]

Despite the ubiquity and financial toll of mental health issues, employees and employers are reluctant to talk about them. Only 42% of employees claim to feel comfortable discussing mental health at work,[3] and even fewer (32%) believe it's a priority for their organization.[4] However, 81% say they will be looking for workplaces that support mental health in the future.[5]

When asked to define mental health, employees in our focus groups described experiences in terms similar to the criteria used to diagnose depression and anxiety (e.g., tiredness, fatigue, irritability, worry, restlessness):

"Excessive work demands"

"No work-life balance"

"Stress from financial insecurity"

"Lack of fulfilling work"

"No advancement or opportunity"

"Underappreciation"

Employees and organizations often use words like "burnout," "quiet quitting," and "absenteeism" that can disguise or avoid the real problems. Ideally, both sides would benefit if they could address mental health issues in an open, caring, and non-stigmatized environment.

So how can organizations best support employees' mental wellbeing?

"Creating a mentally healthy workplace should no longer be considered a peripheral concern for leaders. It is something that needs to be at the core of successful, thriving organizations."

—PROFESSOR SAMUEL HARVEY, EXECUTIVE DIRECTOR AND CHIEF SCIENTIST, BLACK DOG INSTITUTE AUSTRALIA

POOR WORKPLACE CULTURES CONTRIBUTE TO MENTAL HEALTH STRUGGLES

Most of us spend a large part of our lives at work, and work can affect our mental health positively or negatively. Unfortunately, poor mental health (and a lack of organizational care for it) is prevalent in many workplaces. On the social media platforms we visited, 32% of posters mention employment difficulties. Other studies show that 84% of employees say workplace conditions—such as emotionally draining work, challenges with life balance, and lack of recognition— negatively impact their mental health.[6]

To help identify mental health concerns and the role employers play in their development, we asked the employees in our samples nearly two dozen yes-or-no questions about ways their work could contribute to several mental health conditions. Organizations with employees likely to answer yes to the questions are also likely to have a higher risk of these conditions. The tables on the following page show the five greatest predictors that increase the chance for burnout, anxiety, and depression.

Identifiers of Mental Health Challenges

TOP INDICATORS FOR BURNOUT	INCREASED ODDS AN EMPLOYEE WILL EXPERIENCE BURNOUT
I am stressed about work	+129%
I get frustrated with people at work	+120%
I want to leave my job	+101%
It's hard for me to get out of bed on workdays	+79%
I count down the minutes I have left until work is over	+78%

TOP INDICATORS FOR PROBABLE ANXIETY	INCREASED ODDS OF A PROBABLE DIAGNOSIS OF ANXIETY
My work causes mental health problems	+77%
It's hard for me to get out of bed on workdays	+64%
I am stressed about work	+56%
I am unable to get my work done in a scheduled work week	+45%
My team is toxic	+29%

TOP INDICATORS FOR PROBABLE DEPRESSION	INCREASED ODDS OF A PROBABLE DIAGNOSIS OF DEPRESSION
It's hard for me to get out of bed on workdays	+83%
My work causes mental health problems	+65%
I feel lonely at work	+63%
I am unable to get my work done in a scheduled work week	+55%
I hate my job	+55%

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"There are a lot of things that can impact employees' mental health. The job itself can be a factor. If the job is not manageable or reasonable, that can definitely lead to an employee feeling trapped and overwhelmed."

—COLLEEN MARSHALL, CHIEF CLINICAL OFFICER, TWO CHAIRS

Given that organizations with poor workplace cultures and practices may unintentionally harm mental health, those that make improvements and foster an environment where employees are likely to answer no to these questions can potentially reduce the likelihood of these concerns.

However, such changes must happen at the organizational level. For example, when faced with work pressures, unrealistic deadlines, toxic work environments, insensitive managers, or conflict among teams, employees are often expected to "just get through it" or "grin and bear it" to demonstrate resiliency and grit. But our research last year finds this doesn't address the root cause of employees' mental health struggles.[7] On the contrary, it adds to them. Creating a healthy workplace culture that encourages connection, community, care, and appreciation can reduce stress and lower levels of burnout, anxiety, and depression.

HEALTHY WORKPLACE CULTURES HAVE A POSITIVE IMPACT

According to our research, organizations can help mitigate factors that lead to mental health struggles. Creating a culture filled with purpose, opportunity, appreciation, and strong leadership—and its impact on employee wellbeing and success—lowers the odds of burnout and probable anxiety and depression, as demonstrated in the following table:

Change in Odds of Mental Health Challenges

CULTURE ELEMENT	ODDS OF BURNOUT	ODDS OF PROBABLE ANXIETY	ODDS OF PROBABLE DEPRESSION
Purpose	**–82%**	**–46%**	**–50%**
Opportunity	**–83%**	**–40%**	**–43%**
Success	**–85%**	**–44%**	**–45%**
Appreciation	**–87%**	**–54%**	**–58%**
Wellbeing	**–89%**	**–78%**	**–79%**
Leadership	**–80%**	**–34%**	**–38%**
High sense of survival	**–92%**	**–87%**	**–89%**
High sense of thriving	**–92%**	**–40%**	**–42%**

While mental health challenges are everywhere, employers have a clear role to play in solving them. Simply put, organizations can protect against mental health struggles through a positive and supportive culture and Total Rewards offerings that help their employees thrive.

"On average, we spend 90,000 hours of our lifetimes at work. Businesses and employers have a responsibility to ensure that those hours are spent in environments that support the mental health of employees and their families. Doing so is not only better for people's wellbeing, but better for the businesses themselves. We cannot underestimate the positive impact we can have when we align our workplace policies and practices with people's psychological health."

—ARTHUR C. EVANS JR., PHD, CEO,
 AMERICAN PSYCHOLOGICAL ASSOCIATION

GIVING AND RECEIVING RECOGNITION CAN IMPROVE EMPLOYEE MENTAL HEALTH

Clinical research establishes that gratitude can improve mental health, and medical practitioners often prescribe expressing thankfulness as part of treatment.[8] Showing appreciation is also linked to reduced symptoms of depression and anxiety.[9] Our research supports these findings. Employees who gave recognition in the past 30 days report significant decreases in the odds of burnout (57%), probable diagnosis of anxiety (24%), and probable diagnosis of depression (28%).

A robust employee recognition program lets employees express and receive gratitude more easily, which leads to positive business outcomes. For example, organizations in the U.S. with such programs can see absenteeism cost savings of over $8,000 annually for employees with probable depression. Furthermore, the World Health Organization states 5% of the global population struggles with depression[10] (an estimate much more conservative than the probable rates of depression and anxiety reported at the beginning of this chapter). So, using those figures, a company of 5,000 employees could save at least $2 million annually.

Let's take a closer look at the landscape of mental health-related costs and potential savings.

Absenteeism

The following table estimates the time and money lost to absenteeism (per employee, per month), and the realistic difference a recognition program can make. Predictably, employees with mental health issues report more absenteeism than those without.

Impact Due to Absenteeism

MENTAL HEALTH CONCERN	DAYS MISSED WITHOUT RECOGNITION PROGRAM	FULL-TIME ABSENTEEISM COST PER MONTH	DAYS MISSED WITH RECOGNITION PROGRAM	COST SAVINGS WITH RECOGNITION PROGRAM	COST SAVINGS AS A PERCENTAGE
No burnout or probable diagnoses	3	$1,052.85	2	$412.19	39%
Reported burnout	4	$1,242.30	2	$538.40	43%
Probable anxiety	4	$1,545.42	3	$402.02	26%
Probable depression	6	$2,214.08	4	$674.21	30%

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Costs savings calculated based on data provided by the U.S. Bureau of Labor Statistics. Cost savings may vary by country.

Presenteeism

Employees who show up to work but underperform can also be costly for organizations. The following table estimates the monthly impact when a worker is 50% and 80% productive (because people may experience presenteeism to a greater or lesser extent), as well as the savings a recognition program could provide.

Impact Due to Presenteeism

MENTAL HEALTH CONCERN	DAYS LESS PRODUCTIVE WITHOUT RECOGNITION PROGRAM	FULL-TIME PRESENTEEISM COST PER MONTH	DAYS LESS PRODUCTIVE WITH RECOGNITION PROGRAM	COST SAVINGS WITH RECOGNITION PROGRAM	COST SAVINGS AS A PERCENTAGE
No burnout or probable diagnoses	3	50% effort: $539.00; 80% effort: $215.60	2	50% effort: $203.80; 80% effort: $81.52	50% effort: 37%; 80% effort: 38%
Reported burnout	4	50% effort: $743.49 80% effort: $297.40	3	50% effort: $76.37 80% effort: $30.55	50% effort: 10%; 80% effort: 10%
Probable anxiety	5	50% effort: $819.35 80% effort: $327.74	4	50% effort: 119.53 80% effort: $47.81	50% effort: 15%; 80% effort: 15%
Probable depression	7	50% effort: $1,204.17 80% effort: $481.67	5	50% effort: $177.23 80% effort: $70.89	50% effort: 15%; 80% effort: 15%

Costs savings calculated based on data provided by the U.S. Bureau of Labor Statistics. Cost savings may vary by country.

Workplace accidents

Employees experiencing burnout, probable anxiety, or probable depression are more likely to report having a workplace accident in the past month than employees who don't have any mental health conditions. However, as the following table shows, recognition programs can decrease the likelihood of workplace injuries by up to 50%.

Change in Odds of Workplace Accident Reporting

MENTAL HEALTH CONCERN	ODDS OF REPORTING AN ACCIDENT RESULTING IN PHYSICAL INJURY WITHOUT RECOGNITION PROGRAM	ODDS OF REPORTING AN ACCIDENT RESULTING IN PHYSICAL INJURY WITH RECOGNITION PROGRAM
Reported burnout	2%	1%
Probable anxiety	5%	3%
Probable depression	11%	8%

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While single-digit improvements in workplace accidents may seem small, it's worth noting that even one less accident can be lifesaving.

Formal complaints

Finally, we assessed the impact that employee recognition might have on documented grievances. For those likely to be diagnosed with anxiety, we see a 33% reduction in a formal complaint being filed over the past month when the organization has a recognition program. For those with probable depression, we see a 20% decrease.

Because mental health issues are so widespread—and no organization is immune—every employer should provide resources to identify, discuss, and address them. Doing so demonstrates the kind of genuine care that improves the lives of employees and enables them to improve the lives of others.

"The same amount of work can feel like it's overworking. But with recognition and the accolades that you get from recognition—the validation and the confidence—it turns into something positive."
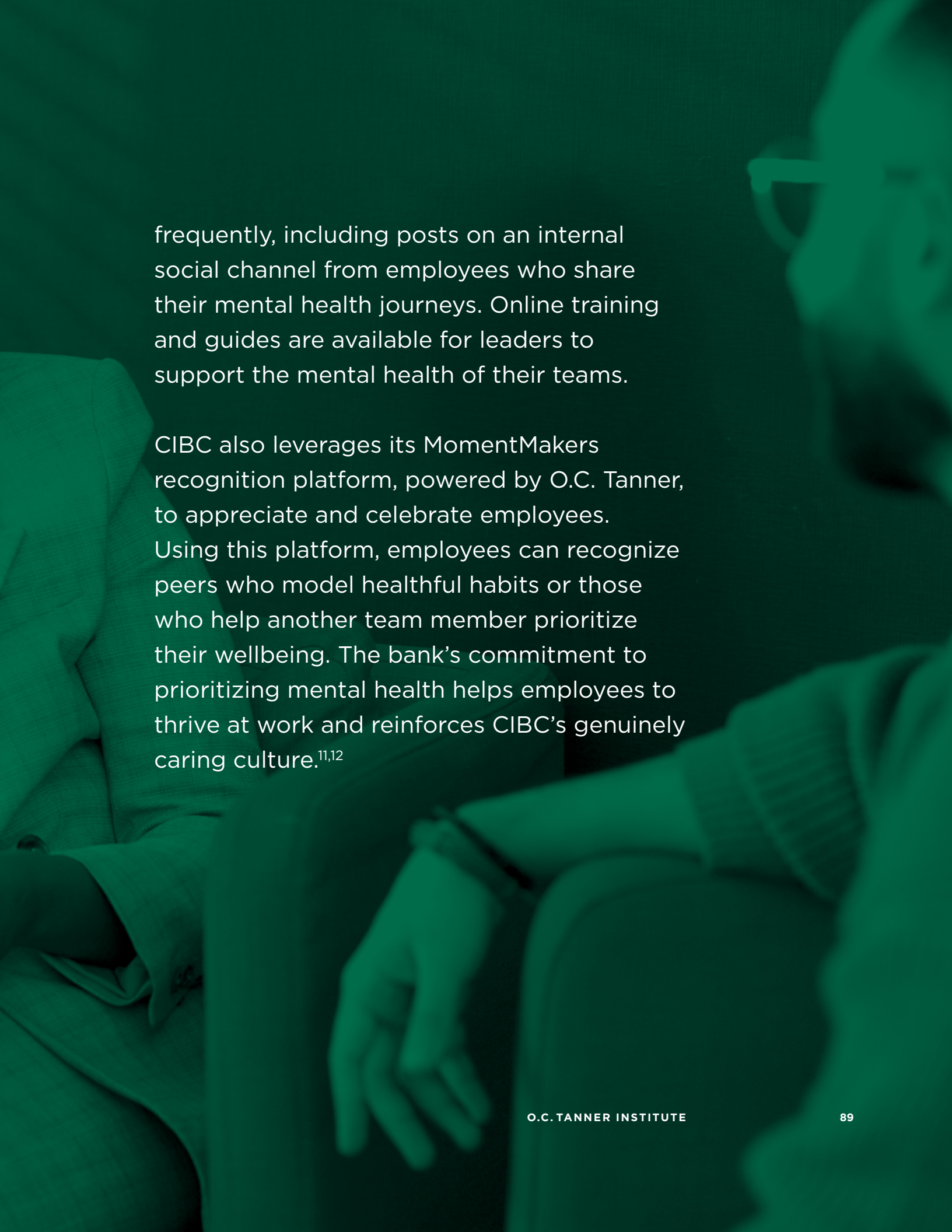
—FOCUS GROUP PARTICIPANT, MANUFACTURING WORKER

CIBC, a leading North American financial institution, is committed to prioritizing mental health and has made wellbeing a shared responsibility between employees and the organization. It removes financial barriers for those seeking mental health care by offering full reimbursement up to an annual limit. The company also provides a robust employee assistance program and a 24/7 virtual care platform, accessible on employees' mobile devices, that connects to a nurse practitioner to assist with medical issues, including mental health concerns.

The president and CEO is the executive sponsor for wellbeing, who, along with other members of the executive team, shares his own stories to deepen CIBC's commitment to wellbeing. The importance of mental health is talked about

frequently, including posts on an internal social channel from employees who share their mental health journeys. Online training and guides are available for leaders to support the mental health of their teams.

CIBC also leverages its MomentMakers recognition platform, powered by O.C. Tanner, to appreciate and celebrate employees. Using this platform, employees can recognize peers who model healthful habits or those who help another team member prioritize their wellbeing. The bank's commitment to prioritizing mental health helps employees to thrive at work and reinforces CIBC's genuinely caring culture.[11,12]

Improving workplace culture and leveraging recognition can help protect and support employee mental health.

1 **Focus on the elements of a healthy culture and destigmatize mental health issues**

The six areas of culture most important to employee decisions to join, stay, and engage with an organization (see Talent Magnets in the Introduction) can reduce workplace stress, lessen team conflict, and improve connection and community—all of which help reduce stressors that can cause mental health struggles for employees.

As part of the Wellbeing Talent Magnet, remove the stigma around mental health in the workplace. Implement policies that prioritize mental health and encourage employees and leaders to discuss it openly. Have a process and resources available when employees come to leaders with mental health concerns. Interestingly, the most desired resource for mental health, according to one study, was having a workplace culture open to discussing mental health issues.[13] Also, be flexible and support employees when they take time off. Leaders should model time off and talk about their own mental health struggles when appropriate.

(2) Enable employees to give and receive recognition

Having a [recognition program](#) that allows employees to express gratitude at work can reduce the likelihood of burnout, anxiety, and depression, as well as the incidents and costs of absenteeism, presenteeism, workplace accidents, and formal grievances. But just having a recognition program is not enough.

Recognition must be an [integrated](#) part of employees' daily experience. Solutions and tools should enable frequent, timely, and meaningful recognition and provide a variety of ways and reasons to show appreciation and gratitude.

Encourage employees and leaders, as they recognize, to strengthen gratitude and connection in their recognition. Specifically, align employees' work to a greater purpose, be specific in how they contributed and why it was unique, and focus on genuine, positive sentiment.

Giving and receiving recognition can increase belonging, connection, and gratitude, which counteract many factors that lead to poor mental health. Of course, recognition is not a substitute for comprehensive mental health care (e.g., psychotherapy, medication, etc.). Employees struggling with severe mental health challenges should seek help from qualified professionals, and organizations should provide resources and support for such care.

Everyday Wins, the recognition solution of multinational conglomerate 3M created in partnership with O.C. Tanner, ensures employee appreciation is intuitive, integrated, and inclusive. Tools including a mobile app, email integration, and physical kiosks make it natural and easy for all employees, including offline production workers, to show and feel gratitude at work. And even pre-shift team meetings are part of a unified approach to recognition that helps employees feel more connected and strengthens a sense of community.

Jeff Finley, Total Rewards and Recognition Program Manager, says, "Everyday Wins makes recognition inclusive, so everybody feels they are recognized and appreciated."[14]

(3)   **Include mental health offerings in Total Rewards packages**

Medical benefits that cover mental health are critical to helping employees survive and ultimately thrive at work. In fact, employees who believe their compensation is inadequate are more likely to need such benefits because they're also more likely to feel their work negatively impacts their mental health.[15]

Consider adding specific resources, such as:

- **Subsidized access to mental health care (either onsite or easy-to-access professionals)**
- **Dedicated mental health days**
- **Time or days off to attend therapy appointments**
- **Mental health training (with time for it during the workday)**
- **Stress management and mindfulness resources**
- **Flexible work schedules with more frequent breaks**
- **Programs that promote positive mental health practices**
- **Clear, equitable career advancement and training pathways**
- **A formal, integrated recognition program**

As we've seen in the previous two chapters, organizations must do more than make offerings available; they must also support and provide resources for employees to use them. Train leaders to support mental health (within appropriate boundaries[16]), create formal flexible work policies, and give people autonomy in their work to improve their emotional wellbeing.

"The most important thing is to be honest about where mental health sits on the hierarchy. If it's up among the top key priorities for business, as I think it should be, then put structure and responsibility around it— as you would with other priorities for your business."

—SAM HARVEY, PROFESSOR OF PSYCHIATRY, UNIVERSITY OF NEW SOUTH WALES

Notes on the methodology and important limitations for consideration

The Bureau of Labor Statistics in the U.S. reports that the average hourly compensation for an employee is $43.11. This includes both wages and salaries ($30.34) and benefits ($12.77). To calculate the value contributed by full-time employees, we multiply the average hourly rate by the number of hours worked per day (eight) and by the number of days a healthy employee would save the company.

It's important to note two limitations to the findings in this chapter to avoid confusion. First, the analyses may not generalize well to other conditions not explored in this chapter (i.e., mental health concerns other than burnout, probable anxiety, or probable depression). While we do provide evidence that giving recognition might reduce anxiety and depression, which is in line with other research in this area,[17,18] estimates of recognition's effectiveness may depend on several factors (e.g., the company, the company's average salary, the severity of mental health concerns, relevant risk factors, etc.).

Second, while recognition appears to have tangible benefits for both employees and employers and clearly indicates a culture of caring, recognition alone is an inadequate substitute for comprehensive mental health care (e.g., psychotherapy and/or medication). Those struggling with such concerns should seek the help of qualified professionals.

Poor organizational culture can cause or contribute to employee mental health struggles.

Now is the time for employers to address the causes and effects of mental health issues.

Mental health conditions are unavoidable, but organizations can improve them with resources and offerings that support employees.

Giving and receiving recognition increase feelings of gratitude, improve emotional wellbeing, and decrease the impact of mental health concerns.

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Applied Emotional Intelligence

Mastering one set of interpersonal skills can improve multiple workplace metrics.

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X

ORGANIZATIONS THAT PRACTICE
EMOTIONAL INTELLIGENCE ARE 107X
MORE LIKELY TO THRIVE

For many years, emotional intelligence has been the exclusive sphere of charismatic leaders and select professions. Not anymore. According to our research, this multi-faceted set of interpersonal skills has become extremely useful throughout workplaces and industries where it can quickly increase trust, innovation, and the bottom line. In fact, organizations that become emotionally smarter across every level aren't just creating a more pleasant work environment; they're outperforming their peers by many, many times.

This creates an obvious new mandate: Champion the ability to perceive and control emotions, and then shift it from a specialized executive prowess into a general expectation for all employees.

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INTRODUCTION

Emotional intelligence, often abbreviated as EQ, is traditionally—and briefly—defined as the ability to understand and manage one's own emotions, as well as recognize and influence the feelings of others.

Those with high EQ tend to be better communicators, build stronger relationships, work more productively, and advance their careers. Studies show that managers with high EQ retain 70% of their employees for five years or more, and employees whose leaders have high EQ feel more inspired.[1]

Over the three-and-a-half decades since psychologists Peter Salovey and John Mayer coined the term, emotional intelligence has become increasingly valuable, especially for people in healthcare, consulting, sales jobs, or management positions. According to the World Economic Forum, EQ traits are the top skills organizations look for today,[2] yet research by emotional intelligence expert Travis Bradberry suggests only 36% of people possess them.[3]

Such findings raise the question: Are people born with emotional intelligence or can it be taught and learned?

Like practical empathy (one of the main themes in last year's report),[4] our research confirms that people can develop emotional intelligence. But to be effective, it must be applied through practice. When applied well, high EQ behaviors build trust, foster innovation, and create a strong, caring workplace culture.

Interestingly, our research revealed that organizations can also practice EQ. And when they do, it's groundbreaking. Employees who work for high-EQ organizations are 6x more likely to be Promoters, 9x more likely to have a sense of purpose, 13x more likely to do great work, and 18x more likely to feel a strong sense of success.

"Unlike IQ, which changes little after our teen years, emotional intelligence seems to be largely learned, and it continues to develop as we go through life and learn from our experiences."

—DANIEL GOLEMAN, AUTHOR, PSYCHOLOGIST, AND SCIENCE JOURNALIST

THE ELEMENTS OF HIGH EQ

Emotional intelligence is typically broken down into the core competencies of self-awareness, self-management, social awareness, and relationship management.

In our research, we took these competencies a step further. We asked employees what it means to be emotionally intelligent and identified five key characteristics:

- **Practical empathy**
- **Self-awareness**
- **Nimble resilience**
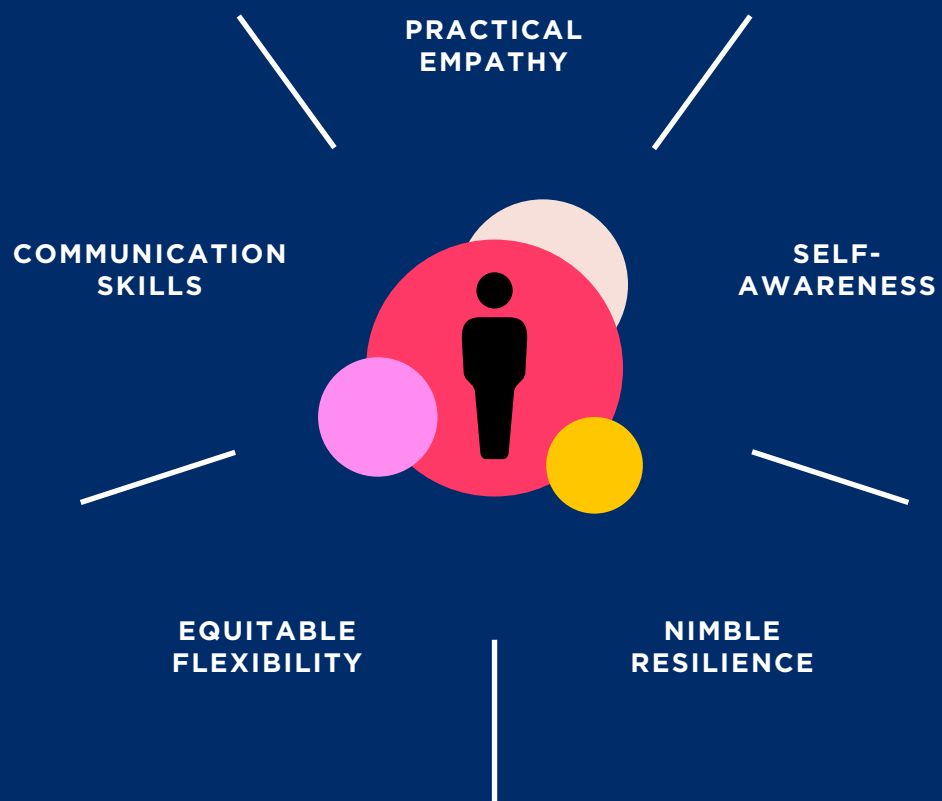- **Equitable flexibility**
- **Communication skills**

PRACTICAL
EMPATHY

COMMUNICATION
SKILLS

SELF-
AWARENESS

EQUITABLE
FLEXIBILITY

NIMBLE
RESILIENCE

Figure 8. EQ INDEX
The five elements of strong emotional intelligence.

Each element of the EQ Index has a specific meaning for our research.

Practical empathy. Listening to understand, taking supportive action, maintaining boundaries.

Self-awareness. Self-confidence in values, managing emotions, openness to feedback, acknowledging strengths and weaknesses.

Nimble resilience. Embracing change, adaptability, willingness to fail, recovering from setbacks.

Equitable flexibility. Excellent life balance, supporting time-flexibility needs, encouraging new ways of thinking.

Communication skills. Holding oneself accountable, admitting to mistakes, open communication.

While our previous studies highlight the importance of [practical empathy](), [nimble resilience](), and [equitable flexibility]() for leaders,[5] this year we've found each of the five elements apply to individuals, leaders, and organizations. To be clear, it's not just leader EQ that impacts the workplace. Employees and organizations can also practice EQ to improve connection and culture, and organizations that practice all five of the EQ characteristics are 107x more likely to be considered thriving when compared to their peers.

EMOTIONAL INTELLIGENCE BUILDS INTEGRITY AND TRUST

Our research shows there is a strong relationship between EQ, integrity, and trust. In effect, EQ behaviors signal integrity to others, which builds trust.

Emotional Intelligence → Integrity → Trust

Integrity is the alignment of an organization's practices and policies with their core values and principles. In other words, it's the degree to which employees perceive their company and its leaders "walk the talk." It's one thing for an organization to say it advocates values like inclusion, empathy, and belonging, but only organizations with genuine integrity translate those values into day-to-day policies and actions. When a leader demonstrates EQ characteristics such as self-awareness and practical empathy, it communicates that their actions are guided by ethical principles and that they're committed to doing what they say. As a result, workers are more willing to trust their leader's direction and guidance because their actions have established an expectation that it's safe to do so.

Usually, employees interpret organizational integrity through leader behaviors such as:

- **Delivering on promises**
- **Attempting to be fair in their dealings with others**
- **Behaving in the same ways they encourage others to behave**
- **Acting in alignment with ethical principles**

When employees perceive their leaders as having high EQ, there is a 44x increase in the odds they will also see their organization as having high integrity. While this places a lot of responsibility on leaders,[6] how they act can determine the integrity level of themselves and the organization.

An organization with high integrity also fosters a strong sense of belonging, connection, success, and other outcomes:

OUTCOME	ODDS WHEN ORGANIZATIONAL INTEGRITY IS HIGH
Belonging	8x
Inclusion	9x
Community	6x
Connection to organization	6x
Connection to leader	9x
Purpose	8x
Opportunity	9x
Success	10x
Appreciation	7x
Leadership	11x
Wellbeing	2x

"Every company has their code of ethics or their core values. If a company says people are our greatest asset on paper and they just laid off 2,000 people while giving their CEO a $30 million bonus, it seems to be at odds with that statement."

—FOCUS GROUP PARTICIPANT, STUDENT SERVICES SPECIALIST

Next, let's consider the impact on trust. When emotionally intelligent leaders show integrity working with others and dealing with workplace issues, employees are, predictably, more likely to trust them and the organization. The following table also details how leader integrity increases the odds that people will feel their organization handles conflict in a positive way.

Increased Odds of Outcomes Based on Employee Perception

EMPLOYEE PERCEPTION	ODDS OF TRUST IN LEADER	ODDS OF TRUST IN ORGANIZATION	ODDS OF POSITIVE CONFLICT MANAGEMENT
Leader actions are guided by ethical principles	7x	6x	14x
Leader behaves in the same ways they encourage others to behave	7x	6x	15x
Leader tries to be fair in their dealings with others	7x	6x	15x

High levels of trust in leaders and organizations, in turn, yield greater feelings of connection and belonging, as shown in the following table.

EMPLOYEE PERCEPTION	BELONGING	OPPORTUNITY	CONNECTION TO LEADER	CONNECTION TO ORGANIZATION
High leader trust	5x	5x	7x	5x
High organizational trust	6x	6x	5x	6x

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When leaders build trust in their teams, employees work together better, feel safer speaking up and taking risks, and look out for one another.

"A leader's ability to demonstrate genuine emotional skills directly results in creating trusted work relationships. Trusted relationships are critical to being a deeply connected and communicative team that not only cares about each other's success, empowers one another, plays to the strengths of the team, but also seeks help where necessary while remaining focused on shared purpose."

—MADHAVI JAGADAM, VICE PRESIDENT,
PEOPLE INNOVATION, TELADOC HEALTH

EQ CAN BE LEARNED AND MUST BE PRACTICED

Fortunately, emotional intelligence is not dependent on an inherited gene or natural talent. All the behaviors associated with EQ are, in fact, attainable. Focusing on just one characteristic of EQ can impact integrity, trust, conflict management, and the ability to thrive at work.

The table on the following page specifies how these four metrics improve when individuals, leaders, and organizations practice a behavior associated with each of the five EQ elements.

Increased Odds of Outcomes Based on Emotionally Intelligent Behaviors

EQ BEHAVIOR	SENSE OF TRUST	SENSE OF INTEGRITY	CONFLICT MANAGEMENT	THRIVING OVERALL
Openly addresses mistakes (communication)				
Individuals	3x	7x	7x	5x
Leaders	7x	11x	11x	8x
Organization	6x	8x	9x	7x
Takes time to understand others (practical empathy)				
Individuals	5x	9x	10x	6x
Leaders	8x	11x	11x	6x
Organizations	7x	11x	13x	10x
Acknowledges strengths and weaknesses (self-awareness)				
Individuals	3x	6x	8x	6x
Leaders	7x	11x	12x	10x
Organizations	5x	8x	9x	8x
Embraces change (nimble resilience)				
Individuals	4x	7x	8x	6x
Leaders	6x	11x	13x	9x
Organization	6x	9x	9x	8x
Supports time flexibility (equitable flexibility)				
Individuals	4x	6x	7x	6x
Leaders	6x	10x	10x	8x
Organizations	6x	8x	9x	7x

Even though leader EQ is responsible for the biggest improvements, these findings reveal organizations would benefit greatly by adopting practices and training all employees to build EQ in the workplace.

Unsurprisingly, high organizational EQ generally has a positive influence on the employee experience, but low leader EQ can neutralize (or even reverse) this effect. So employers should undoubtedly encourage and enable leaders to develop EQ skills. Per the following table, outcomes improve dramatically when leaders and organizations both exhibit high EQ.

Changes in Odds of Outcomes Based on EQ Combinations

OUTCOME	HIGH ORGANIZATIONAL EQ	HIGH ORGANIZATIONAL EQ + LOW LEADER EQ	HIGH ORGANIZATIONAL EQ + HIGH LEADER EQ
Burnout levels	–86%	[no impact]	–90%
Sense of wellbeing	+90%	–43%	+120%
Sense of appreciation	+551%	–42%	+921%

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To effectively apply emotional intelligence at work, create policies, resources, and support to practice and reward it.

(1) **Encourage leaders to demonstrate EQ behaviors**

If the goal is to build integrity and trust, leaders must consistently model EQ practices. Encourage them to follow up on employee concerns, deliver on promises, and act in ways that are fair and in sync with what they say.

Train leaders to listen and take supportive action with appropriate boundaries to prevent burnout,[4] manage emotions, be open to feedback, embrace change, and support flexibility for their people. Nurture a workplace that openly admits mistakes and where people hold themselves accountable. Support leaders as they practice these EQ skills.

When leaders do what they say, employees are more likely to promote the organization, find success, and develop a strong sense of trust.

Increased Odds of Outcomes Based on Employee Perception

EMPLOYEE PERCEPTION	EMPLOYEE AS PROMOTER	SENSE OF SUCCESS	SENSE OF TRUST
My leader's values are consistent with their actions	4x	7x	11x
My leader delivers on promises	4x	6x	10x
My leader does what they say they will do	4x	6x	10x

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"I found that being very open about the things I did not know actually had the opposite effect than I would have thought. It helped me build credibility."

—JIM WHITEHURST, CEO, RED HAT

When enterprise software maker Red Hat went to market with a product that failed, employees were angry and frustrated with having to redo work that would set them back more than a year. But instead of placing blame, Jim Whitehurst, CEO, admitted that he was wrong and explained his bad decision to employees with as much detail as he gave the board of directors. Being accessible, answering questions, and apologizing helped Whitehurst earn back employees' trust and loyalty. "I've learned that nothing builds engagement more than being accountable to the people in your organization. You simply have to have the confidence to own your mistakes and admit when you're wrong," says Whitehurst.[7,8]

(2) **Apply EQ to repair trust and manage conflict**

When trust is damaged, EQ practices can re-establish integrity. If leaders are open and honest about their mistakes and work to remedy them through consistent behavior, trust can be rebuilt.

Odds of a strong sense of trust improve:

- **7x when leaders admit they made a mistake**
- **6x when direct leaders show consistent behavior in making amends**
- **6x when senior leaders are actively involved in rebuilding trust and improving culture**

Establish an environment where it's safe for leaders to concede errors (and encourage them to do so), and where senior leaders model how to own and fix mistakes.

EQ behaviors that build trust can also assist conflict management strategies. Leaders with high emotional intelligence are 40x more likely to have an effective approach to conflict management than those who rank low.

Furthermore, fostering open communication with their teams can help leaders improve the odds of several cultural metrics, as seen in the following table.

Increased Odds of Outcomes Based on Open Communication

COMMUNICATION	SENSE OF BELONGING	SENSE OF INCLUSION	SENSE OF SUCCESS
Leader encourages debate and discussion	4x	6x	6x
Leader helps the team communicate with each other	5x	7x	7x
Leader helps the team resolve internal conflicts	5x	7x	7x

"EQ is a must for leaders as we foster approachability while our teams are more remote than ever. I count on my EQ to check in with team members by reading their tone and body language and being vulnerable, open, and honest myself. This presence and authenticity—often found in coaching—builds the trust to share risky ideas, take on new challenges or roles, or communicate directly when under pressure."

—MAGDALENA NOWICKA MOOK, CEO, INTERNATIONAL COACHING FEDERATION

(3) Use recognition to help develop emotional intelligence

Overall workplace culture improves significantly when everyone, including employees, increases their EQ. And at organizations where all workers give and receive recognition, our data show the EQ of employees and leaders rises.

Increased Odds of EQ Based on Integrated Recognition

PERCEPTION	ODDS OF EMPLOYEE EQ	ODDS OF LEADER EQ
I often give recognition	8x	7x
I often receive recognition from my leader	7x	14x
There is an integrated recognition culture at my organization	9x	16x

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Recognition helps employees hone their EQ skills of empathy, self-awareness, and communication. It can also encourage and reinforce EQ behaviors, so recognize employees and leaders who participate in EQ training or demonstrate EQ skills. Share those stories so others can see the importance of these behaviors in the workplace. And make EQ one of the formal reasons employees receive recognition in your recognition tools.

The Appreciate Great program at O.C. Tanner recognizes employees for extra effort, great work, career milestones, and even emotional intelligence. When employees use the program to send recognition, they can select from several specific categories, including EQ behaviors like Elevating Others and Care.

Additionally, the company's employee performance matrix incorporates EQ skills—providing leaders with a framework that weighs performance outcomes alongside metrics such as being easy to work with, being willing to help out, elevating the work, and influencing the success of the entire team. Integrating EQ with recognition and performance ensures it's encouraged, modeled, and rewarded every day.

"Group emotional intelligence is about the small acts that make a big difference. It is not about a team member working all night to meet a deadline; it is about saying thank you for doing so. It is not about in-depth discussion of ideas; it is about asking a quiet member for his thoughts. It is not about harmony, lack of tension, and all members liking each other; it is about acknowledging when harmony is false, tension is unexpressed, and treating others with respect."

—VANESSA URCH DRUSKAT, ASSOCIATE PROFESSOR OF ORGANIZATIONAL BEHAVIOR, UNIVERSITY OF NEW HAMPSHIRE, AND STEVEN WOLFF, CO-FOUNDER, AGILE EI

High EQ leads to more integrity and trust in the workplace.

EQ and integrity can restore damaged trust and help manage conflict.

Employees, leaders, and organizations can all learn EQ through specific practices.

Recognition encourages and reinforces EQ behaviors by celebrating the actions and impact.

Applied Emotional Intelligence Sources

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Job Transitions

The traditional career ladder for individuals is also a window of opportunity for organizations.

60X

IMPROVED ODDS EMPLOYEES WILL HAVE A TRANSFORMATIVE EXPERIENCE WHEN CONNECTION, COMMUNITY, DEVELOPMENT, AND FLEXIBILITY ARE PART OF THE JOB TRANSITION

Conventional wisdom rarely holds true forever, especially when the subject is as dynamic as workplace culture. One such common and mistaken idea is that onboarding applies only to newly hired employees. On the contrary, our findings reveal that every professional move—whether lateral, promotional, or external—is an important event worthy of more attention. Taking an insightful, deliberate approach to job transitions can mitigate the risks of change, as well as stoke extraordinary levels of engagement, loyalty, and fulfillment. Think about a time in your career when a new job changed your life for the better. If you've ever wondered exactly why, or how you can create the same experience for others, read on.

INTRODUCTION

Accepting and adapting to a new job is a natural part of nearly every employee's career. In the U.S., workers change jobs an average of 12 times,[1] and McKinsey estimates 14% of the global workforce will have a different job by 2030.[2]

How employees transition from one job to the next—whether it's a promotion, a change in teams, a shift in responsibilities, or a position with another organization—can significantly impact their success.

Our latest research shows onboarding isn't just for new hires. In truth, any employee starting a new job (even with their existing employer) should have an onboarding experience because these transitions all entail a period of welcome, training, development, and connection. No matter how experienced or skilled the employee is, getting to know a new team and leader, learning new expectations and processes, and adjusting to a new culture can be challenging. And this phase is a golden opportunity to ensure people get what they need to contribute to the organization and thrive.

According to our data, when done well (with a deliberate plan, resources, and support), job transition experiences can be transformative—a self-described positive, life-changing event in the employee's career. When people feel this way, odds of important outcomes like fulfillment and satisfaction with the employee experience improve dramatically. Conversely, when handled poorly, job transitions can result in disengagement, lower productivity, and attrition. Such cases also increase the odds of probable anxiety and burnout.

Because these short periods of time can have such significant consequences, we've made them the focus of our final chapter this year.

"If someone is shifting to another part of the organization or taking on a significant shift in their role, it is a mistake not to onboard them again. Not doing so will set those internal transfers up to struggle, underperform, and potentially quit."

—BRIAN KROPP, GROUP VICE PRESIDENT, HR, GARTNER

THE FOUR KEY FACTORS OF A TRANSFORMATIVE
TRANSITION EXPERIENCE

Regardless of whether an employee joins a new team or a new organization, their feelings about the move are similar and common. There's great enthusiasm (95% feel high levels of excitement, happiness, and hopefulness), mixed with some anxiety (71% feel nervous, overwhelmed, stressed, or intimidated). And because employees' feelings apply to both scenarios, so do their needs.

Our research reveals four key elements to creating a transformative job transition experience: connection, community, development, and flexibility. When all four are present, the odds of a transformative experience increase by 60x.

CONNECTION

14X

FLEXIBILITY

5X

DEVELOPMENT

5X

COMMUNITY

11X
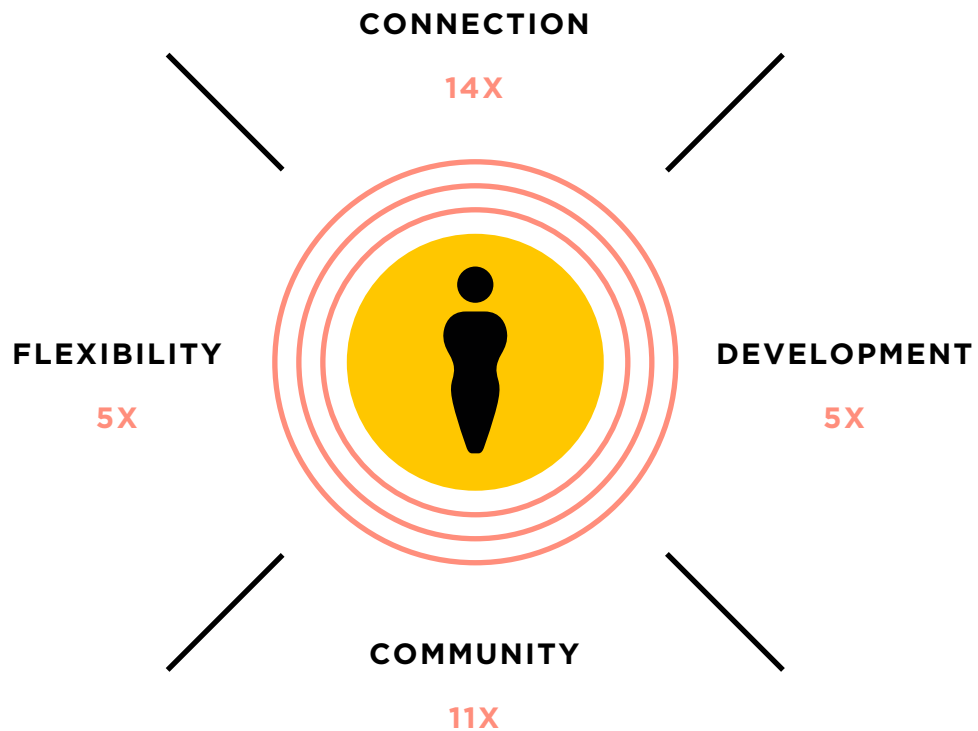
Figure 9. JOB TRANSITION IMPACT
**The four elements of a transformative job transition experience and the
impact of each on increasing the odds of a transformative experience.**

Let's take a brief look at each element.

Connection. Building strong relationships with team members, leaders, and the organization from the beginning unites employees around a common purpose and goals. It also creates a support group that helps employees navigate change.[3] Odds of a positive transition experience increase 14x when employees feel a strong connection with their new teams.

Community. A thriving workplace community[4] is the foundation of a successful job transition experience. When employees feel safe to be themselves, trust their coworkers and leaders, and feel a powerful sense of belonging, the odds they will have a positive transition experience increase 11x.

Development. Employees who believe they have learning and growth opportunities in their new role have 5x better odds that they will experience a positive transition. Odds increase 10x when people have career advancement opportunities and are allowed flexibility to develop new skills.[5]

Flexibility. Flexibility gives employees the time to develop the skills they need for their new roles and adjust to the many changes that come with new jobs. It also helps reduce the risk of burnout. Providing autonomy[6] to manage day-to-day work and allowing adequate time off for personal matters can increase the odds of a positive transition 5x.

By incorporating all four elements of the Job Transition Impact Model, organizations offer employees the tools and support to connect in meaningful ways, which leads to a positive transition experience.

Periods of change are a considerable part the employee experience, and job transitions—whether internal or external—are among the most impactful. As detailed in the following table, positive transition experiences increase the odds of engagement, retention, and thriving, while poor experiences have the opposite effect.

Odds of Employee Outcomes by Job Transition Experience

OUTCOME	ABOVE-AVERAGE TRANSITION EXPERIENCE	BELOW-AVERAGE TRANSITION EXPERIENCE
Thriving at work	+716%	–80%
Promotes organization as a great place to work	+596%	–78%
Sense of engagement	+457%	–72%
Sense of fulfillment	+438%	–71%
Feels organization cares about employees	+298%	–56%
Plans to stay with organization two or more years	+251%	–44%
Sense of belonging	+237%	–50%

When employees say their job transition was positive enough to be transformative or "life-changing," we see even higher odds of many desirable outcomes.

Employee Outcomes by Job Transition Experience

OUTCOME	INCREASED ODDS
Satisfaction with employee experience	29x
Satisfaction with job	19x
Satisfaction with organization's culture	16x
Promotes organization as a great place to work	14x
Sense of fulfillment	10x
Plans to stay with organization one or more years	8x

TRANSFORMATIVE EXPERIENCES START EARLY

In today's job market, many people feel frustrated and cynical about the application and hiring process, citing issues such as AI-assisted resume filtering, employer ghosting, and excessive rounds of interviews. Over 40% of our respondents found the process to be disorganized, inefficient, humiliating, or complicated.

This disillusionment can make the new-hire transition even more challenging. But it also gives organizations a chance to create a candidate-centered hiring process by responding to applications promptly, treating candidates with respect, and providing transparent communication about the position and company culture.

When employers show respect for candidates throughout the hiring process (e.g., quick responses to applications, transparency in interviews, feedback in the moment, etc.), the odds of having a positive onboarding experience and an immediate sense of belonging increase 65% and 126% respectively. Improving the experience, from the initial application through the first day of a job, creates a smoother, more successful transition for new employees.

For employees in their jobs two years or less (those who clearly remember the application and interviewing experience), a candidate-centered hiring process increases the likelihood of feeling an immediate sense of belonging by nearly 10x. The table on the following page highlights the effects on several other cultural metrics.

"If we don't worry about onboarding before the employee starts, then we're way behind."

—BEN PETERSON, CEO, BAMBOOHR

Change in Odds of Outcomes, With and Without Candidate-centered Hiring Process

OUTCOME	CANDIDATE-CENTERED HIRING PROCESS	NO CANDIDATE-CENTERED HIRING PROCESS
Thriving at work	+540%	−19%
Planning to stay another year	+28%	−5%
Burnout	−80%	+26%
Feeling supported by leader	+730%	−34%

THE POWER OF REGULAR TOUCHPOINTS

Any effective transition experience depends heavily on leaders connecting with employees on a regular basis, even if it's a simple interaction.

According to our research, if leaders connect with new employees once a day during the first month of onboarding, the odds of high satisfaction with the onboarding experience improve 3x (compared to 2x if they meet a few times each week). If leaders show practical empathy[7] during these interactions, the odds of new hires having a positive transition experience increase 6x. Ideally, leaders should have this level of connection and empathy beyond the first month and for any employee moving into a new role.

One powerful way for leaders to connect with new team members is through integrated recognition,[8] which shows employees that they're seen and valued. It communicates they're making a difference in their new role and that they belong. When an organization makes recognition an integrated part of its culture, including the job transition experience, the odds an employee will feel satisfied with their transition experience increase 6x.

The following model details what happens when organizations add integrated recognition to each of the four key job transition factors.
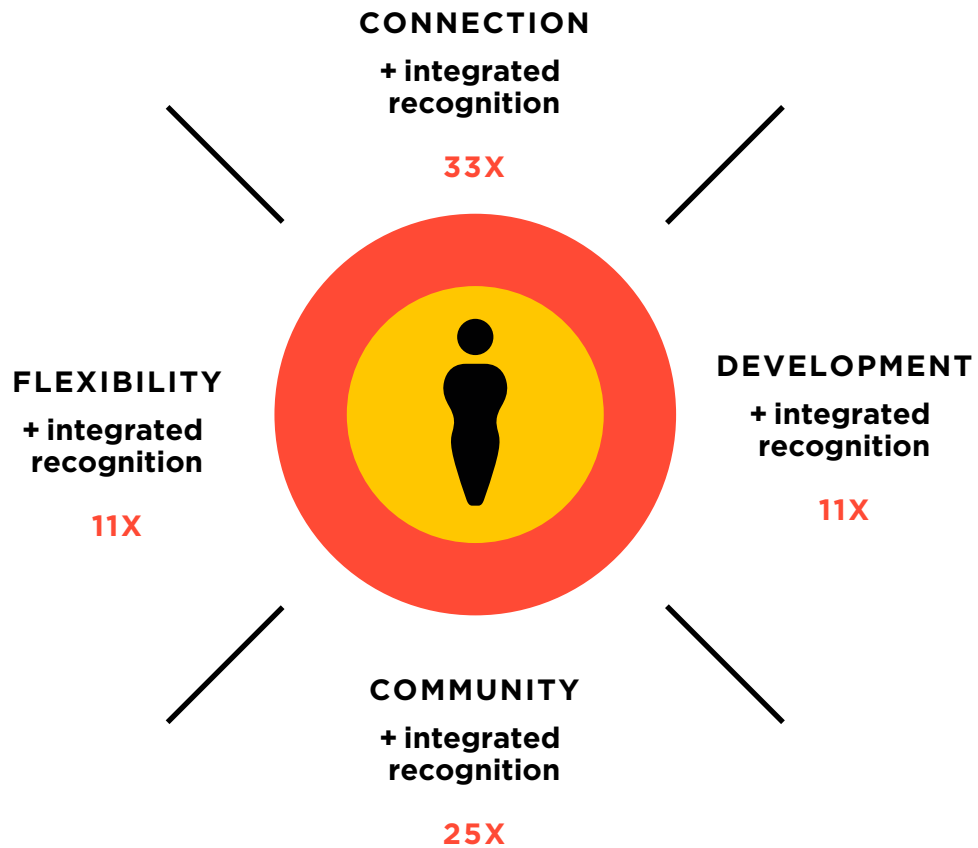
CONNECTION

+ integrated recognition

33X

FLEXIBILITY

+ integrated recognition

11X

DEVELOPMENT

+ integrated recognition

11X

COMMUNITY

+ integrated recognition

25X

Figure 10. JOB TRANSITION IMPACT + INTEGRATED RECOGNITION
The four elements that create a transformative job transition experience and the impact
of each on increasing the odds of a transformative experience when organizations
also have integrated recognition.

To be integrated, recognition must be frequent. When employees receive, give, or observe recognition daily, weekly, or monthly during their transition, they're more likely to see their experience as transformative. The following table shows this effect. Note that even if new team members don't receive recognition right away, the ability to give and observe it still makes a significant difference.

**Odds Employee Will Feel Their Transition
Experience Is Transformative**

FREQUENCY OF RECOGNITION	RECEIVED RECOGNITION	GAVE RECOGNITION	OBSERVED RECOGNITION
Today, or the most recent day I worked	10.3x	4.1x	7.2x
Within the past week, but not the most recent day I worked	5.9x	3.3x	4.8x
Within the past month, but not within the past week	4.3x	2.6x	3.3x
Within the past three months, but not within the past month	3.3x	2.2x	2.6x
Within the past six months, but not within the past three months	2.4x	2.4x	2.3x
Within the past year, but not within the past six months	1.7x	2x	2x
Longer than one year ago	Not significant	Not significant	Not significant

2025 GLOBAL CULTURE STUDY, O.C. TANNER INSTITUTE

The transition period is a critical time for teams and leaders to provide new employees with training, guidance, and feedback. But it's also a window of opportunity to build connection, belonging, and appreciation. When employees have a positive onboarding experience during their transition, we see greater odds of employees feeling:

- **The organization cares about them (3x)**
- **Inclusion (5x)**
- **A desire to promote the organization as a great place to work (5x)**
- **A sense of wellbeing (9x)**
- **They're thriving at work (11x)**

PROMOTED DOESN'T MEAN PREPARED

It's easy to assume that employees who take on leadership roles already know the ropes. If they earned the promotion, they must have the skills to lead, right? However, many employees get promoted because they do their job well and have sufficient tactical, hard skills; not because they have innate leadership qualities or soft skills. In fact, a quarter (26%) of first-time managers feel ill-prepared to lead,[9] and 60% receive no training to be a leader. According to ADP, without the support necessary to be successful, 29% of new leaders leave within a month of receiving their promotions.[10]

How employees navigate the transition from individual contributor to leader can be critical for their success (as well as the organization's). Done well, it's a significant life event, one that merits strong connections, community, development, and flexibility.

So how do the four key factors of a transformative transition experience apply specifically to new leaders? The following table illustrates.

Odds a New Leader Has a Positive Transition Experience

OUTCOME	ODDS
High sense of connection (with team, leaders, and organization)	18x
High sense of community	14x
Strong emphasis on employee growth and development	6x
High sense of flexibility in their job role	5x

2025 GLOBAL CULTURE STUDY, O.C. TANNER INSTITUTE

Furthermore, when new leaders experience a positive transition that includes integrated recognition, the odds of several outcomes improve:

- **Feeling the experience was transformative (38x)**
- **High satisfaction with employee experience (12x)**
- **Promoting the organization as a great place to work (8x)**
- **Sense of fulfillment at work (7x)**
- **Intention to stay at the organization (5x)**

On the other hand, without integrated recognition, the likelihood new leaders will feel highly satisfied with their transition experience decreases 82%.

"The worst thing you can do is hire or promote somebody into a managerial position and not give them the tools to be successful. Often, organizations take an uber-smart, technically competent person and promote him to being a manager and assume he knows what he needs to know about managing a department."

—SHARLYN LAUBY, PRESIDENT, ITM GROUP AND AUTHOR, HR BARTENDER

Help employees successfully transition to new roles with onboarding that includes connection, recognition, flexibility, and opportunities to grow.

(1)   **Employ all four job transition impact elements**

Whether the employee is a new hire, an existing worker who changes teams, or a freshly minted leader, data show the importance of onboarding. Develop a job transition strategy that prioritizes connection, community, development, and flexibility.

Ensure employees have ways to build community with their new teams and connect with their leader often, particularly in the first month of their new role. Provide clear expectations—with a little slack to adjust and find balance—and opportunities to develop skills and grow in their careers.

Don't assume employees will know how to navigate these elements alone. Establish processes, communication, and leader accountability in your transition plans.

(2) Recognize employees frequently to strengthen connection

In a workplace culture with integrated recognition, the Job Transition Impact Model is even more effective at creating transformative experiences. Frequent recognition—received, given, or observed—creates a foundation for positive job transitions and provides meaningful touchpoints during the transition experience.

As the following table shows, when employees experience or observe recognition regularly, the impact of leader interaction and, ultimately, connection increases.

Odds a New Leader Has a Positive Transition Experience

FREQUENCY OF LEADER INTERACTION WITH RECOGNITION	ODDS OF HIGH SATISFACTION WITH ONBOARDING
Once a day	10x
A few times a week	6x
A few times a month	4x
Once during the first 30 days	3x

2025 GLOBAL CULTURE STUDY, O.C. TANNER INSTITUTE

Make recognition a frequent part of every job transition. Provide a variety of tools to recognize, ensure people have access to them, and encourage leaders and employees to use them throughout the transition period.

At Southwest Airlines, "preboarding" applies as much to new hires as it does to customers at the gate—and it's just the first of many recognition experiences. Before their first day, Cohearts (the affectionate term for all employees) receive a gift box that welcomes them to Southwest, introducing them to the company's culture, history, and what it means to work at the airline.

Next, they visit SWA headquarters in Dallas where onboarding includes a walk on a red carpet accompanied by cheers from Cohearts, including executives. Then, in the following weeks and months, they frequently receive recognition for embodying company values, achieving company goals, living the brand, and helping a Coheart or customer—all celebrations that give each Coheart's journey with the airline a clear and promising take-off.[11]

(3)   **Start sooner and make onboarding universal**

For many employees, the job transition experience begins during the hiring process, so treat all candidates with respect regardless of how few will get an offer. This sets an important cultural tone for prospective employees and begins a transformative job experience for those you do hire. Be especially thoughtful about communicating job opportunities, using technology to filter resumes, contacting applicants, and conducting interviews.

Equally important, ensure every employee who changes jobs receives a robust onboarding experience that focuses on connection and growth as much as any job-learning activities. And when people move into leadership roles, create experiences to support and empower them. Remember that very few leaders are born with leadership skills, and new titles don't bestow any either. Leadership training and development plans are critical to success.

CASE STUDY—A TREATMENT PLAN FOR SUCCESSFUL CAREERS

Norton Healthcare, a hospital network in Kentucky and Indiana, encourages job mobility for employees. New hires receive a welcome kit sent to their home with branded swag and meaningful symbols of appreciation. A three-part onboarding program and frequent check-ins help support employees during their first 18 months in any new position. And the organization gives first-time leaders planning tools with information on recognition, engagement, and wellbeing.

Additionally, because Norton Healthcare believes its people shouldn't have to look elsewhere to advance their careers, it discusses succession and career planning early and begins development opportunities after as few as 12 months. Approaches like this demonstrate how employee-centered job transitions can help all employees move and succeed in new roles.[12]

Every job transition can be a transformative experience with positive outcomes for both employees and the organization.

Connection, community, development, and flexibility are the keys to making transitions transformative.

Integrated recognition amplifies the impact of all four transition elements.

Onboarding improves any job transition, not just those of new hires.

Job Transitions Sources

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12. Interview with Jason Coffey,
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Conclusion

It's not just what you do to help employees thrive— it's how you do it.

The topics in this year's Global Culture Report are not new. They are, however, dynamic. Empathy, emotional intelligence, flexibility, and recognition have all evolved and often guide workplace culture discussions because, as our research repeatedly demonstrates, these principles have relevance and longevity. What is new, and vitally important, is how organizations approach these concepts and offerings moving forward.

Each year, we set out to discover and measure the most effective levers to increase feelings of connection, belonging, loyalty, and fulfillment in employees. And what we've found is that "rewards" themselves are nearly powerless. Regardless of the bonus or benefit, opportunity or perk, any reason to join or stay with an organization requires communication, resources, and support. So what do these three mandatories entail?

1. **Communicate well**

Offerings have little value if employees don't know about them. Clearly message what Total Rewards offerings you have, why you provide them, and how employees can access them. Information should be specific, readily available, and easy to understand.

2. **Align offerings to caring**

Total Rewards are more successful when they demonstrate or reinforce a genuine concern for people and their wellbeing. Emphasize that the offerings are a direct reflection of employees' importance and that the organization wants to fulfill immediate and future needs so employees can stay and thrive at work.

3. **Invest more**

Employers should provide financial, health, growth, and recognition benefits so employees don't have to rely on external sources. This means subsidizing medical insurance and retirement accounts as much as possible, as well as having formal policies and practices around flexibility, empathy, and emotional intelligence. It also includes providing paid time for employees to use offerings.

4. **Enlist leader support**

Because employees go to their leaders for the time off to utilize offerings or to seek growth opportunities or to make their work more flexible, these same leaders should practice empathy, give recognition, and take time off for their own mental health. Advocating, modeling, and showing support when employees use their benefits is an imperative.

5. **Reinforce with recognition**

Recognize employees when they practice empathy or emotional intelligence at work or develop new skills. Also, celebrate leaders when they facilitate flexibility or support employees' mental health. Recognition is a powerful way to help all employees thrive because it reinforces the behaviors that strengthen culture, improves mental health, and encourages leaders to support their people and the organization's offerings.

The significance of how organizations present and deliver Total Rewards should not be overlooked or underestimated. Of all the needs that must be met for employees to thrive, the human need to feel cared for comes first. Unless and until employers meet that need, benefits and perks will miss their mark. Conversely, when employees do feel cared for, Total Rewards and every positive outcome we study fall into place.

We wish you every success as you evaluate the programs and strategies to care for your workers. The potential of that care to become generative is awe-inspiring. When the exchange between employee and employer feels less like a transaction, when leaders and their direct reports feel more like allies, and when workplace cultures feel as nurturing as havens, there's no limit to how many people—and how much their organizations—can thrive.

"Actions speak louder than words. All companies say they care, right? But few actually exercise that care."

—SIMON SINEK, SPEAKER AND AUTHOR

METHODOLOGY

The O.C. Tanner Institute uses multiple research methods to support the Global Culture Report, including interviews, focus groups, cross-sectional surveys, and a longitudinal survey.

Qualitative findings came from 27 focus groups among employees, leaders, and HR practitioners of larger organizations. The focus groups and additional interviews were held throughout 2023 and 2024, each representing various types of employers, industries, and included both private and public entities.

Quantitative findings came from online survey interviews administered to employees across Australia, Belgium, Brazil, Canada, Chile, China, France, Germany, Hong Kong, India, Italy, Japan, Mexico, the Netherlands, Poland, the Philippines, Saudi Arabia, Singapore, South Africa, Spain, Sweden, the United Arab Emirates, the United Kingdom, and the United States. The total sample size was 38,075 workers at companies with 500+ employees. The O.C. Tanner Institute collected and analyzed all survey data. This sample is sufficient to generate meaningful conclusions about the cultures of organizations in the included countries. However, because the study does not include population data, results are subject to statistical errors customarily associated with sample-based information.

All figures, unless otherwise stated, are from the O.C. Tanner Institute.

Global Appendix

EUROPE

THE AMERICAS

IMEA
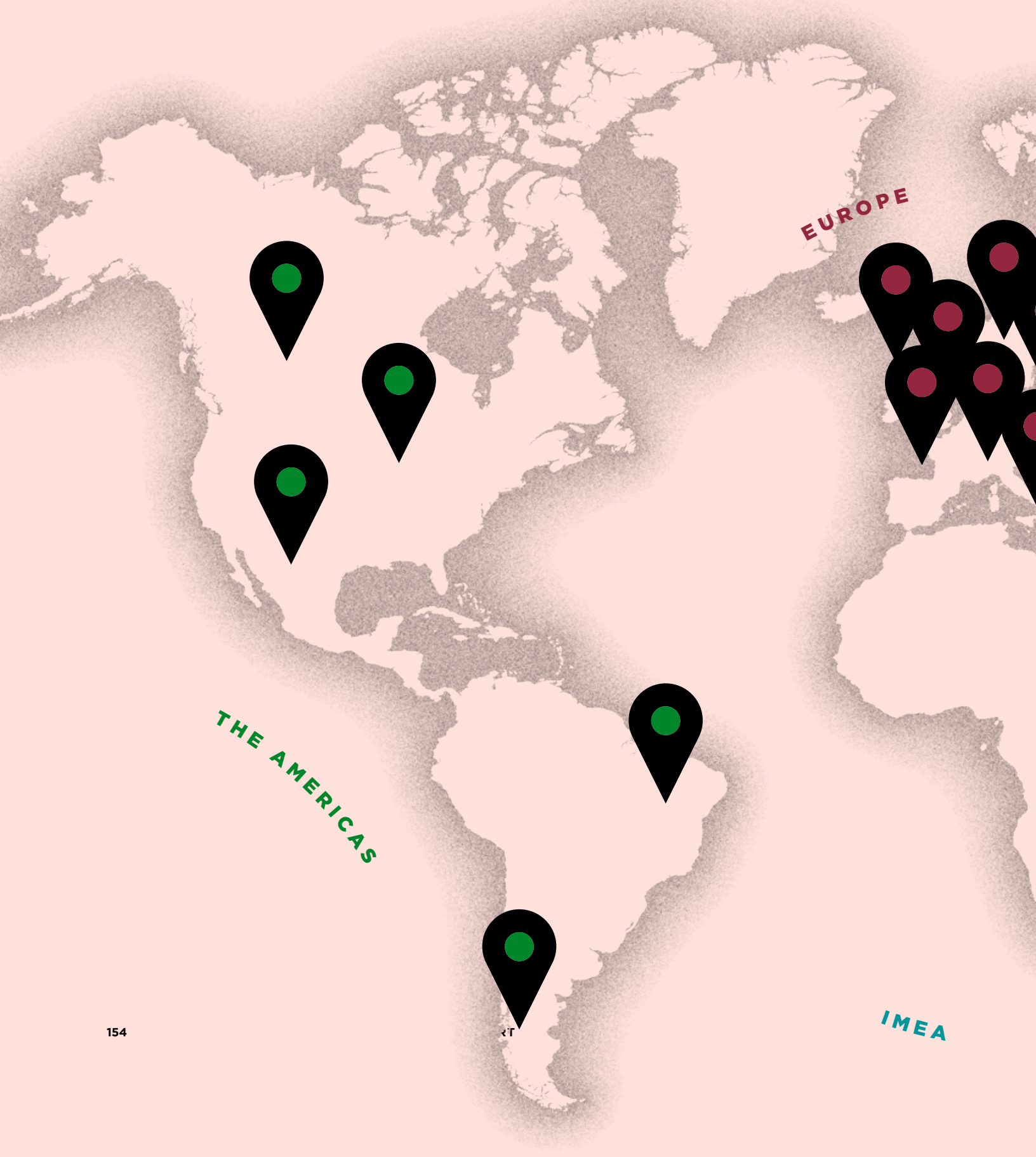
Talent Magnet index scores and workplace culture outcomes across the world.

APAC (ASIA PACIFIC)

(INDIA, MIDDLE EAST, AFRICA)

THE AMERICAS

The call to re-examine Total Rewards strategies resonates across the Americas with unique regional differences. In Canada, universal healthcare provides a measure of security, but long wait times and limited access to specialists mean it takes supplemental benefits for workers to truly thrive. In the U.S., high healthcare costs—both insurance premiums and out-of-pocket charges—are a significant obstacle for employees. Similarly, in Mexico, access to affordable and quality care creates a persistent undercurrent of anxiety. And across South America, a variety of healthcare systems emphasize the importance of tailoring benefits to address socioeconomic disparities. As our research shows, until employers help meet basic needs, including fair compensation, robust health care benefits, and a sense of belonging, the pursuit of higher-level needs and goals is moot. But by understanding regional nuances and tailoring Total Rewards to address specific challenges, organizations can extend care-centered benefits to their people that then expands their ability to care for their families, communities, and beyond.

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MINDI COX
CHIEF MARKETING & PEOPLE OFFICER
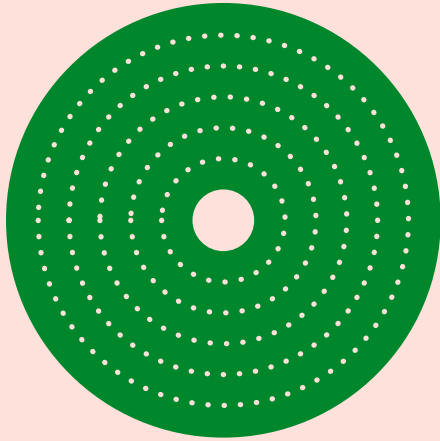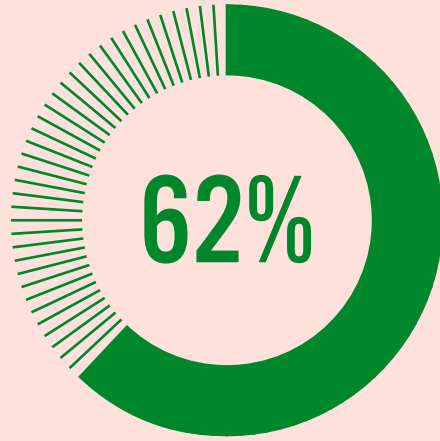**SALT LAKE CITY, UNITED STATES**
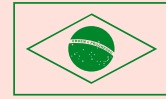
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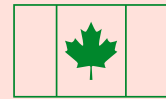
CAN

CHL

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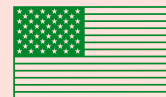
USA

WHEN EMPLOYEES IN THE AMERICAS HAVE CAREER DEVELOPMENT OPPORTUNITIES, THEY HAVE 7X INCREASED ODDS OF STAYING WITH THE COMPANY FOR AT LEAST TWO MORE YEARS

62%

ONLY 62% OF EMPLOYEES IN THE AMERICAS REPORT A POSITIVE EXPERIENCE DURING THE ONBOARDING PROCESS

−87%

EMPLOYEES IN THE AMERICAS REPORT AN 87% DECREASE IN THE ODDS OF BURNOUT WHEN THEY FEEL A SENSE OF PURPOSE AT WORK

THE AMERICAS	OVERALL	BRAZIL
Purpose	74	79
Opportunity	69	74
Success	71	75
Appreciation	63	68
Wellbeing	57	62
Leadership	66	71
Engagement	73	77
Great work	70	74
Community	74	80
Fulfillment	75	81
Burnout	41	58
Survive	44	40
Thrive	50	63
Individual EQ	74	79
Leadership EQ	67	70
Organizational EQ	64	70

CANADA	CHILE	MEXICO	UNITED STATES
69	72	72	77
64	66	71	72
65	67	71	74
58	59	62	65
55	56	59	58
61	60	66	70
68	70	74	76
65	69	72	71
69	73	79	75
69	74	77	77
82	74	66	71
44	46	48	43
36	42	52	59
68	74	73	76
62	62	66	70
59	59	64	68

EUROPE

European employee expectations are rapidly evolving amidst economic challenges, necessitating a re-evaluation of Total Rewards strategy. Whilst European social safety nets are generally robust, our research highlights key areas where they often fall short, particularly in mental health support and access to specialist care. This is especially true in the wake of recent economic pressures, which have worsened financial concerns for many. Forward-thinking companies are bridging these gaps, offering supplementary benefits and resources that empower employees to move beyond mere survival and truly thrive. This includes prioritising mental wellbeing, financial security, and personalised healthcare options to augment public provisions. Recognising the diversity of European countries and their unique social welfare systems, organisations are tailoring their Total Rewards strategies to meet the specific needs of their workforce. By embracing this approach, they will cultivate a more engaged, productive, and resilient workforce, poised to overcome challenges and seize opportunities.

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ROBERT ORDEVER
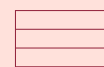**MANAGING DIRECTOR, EUROPE**
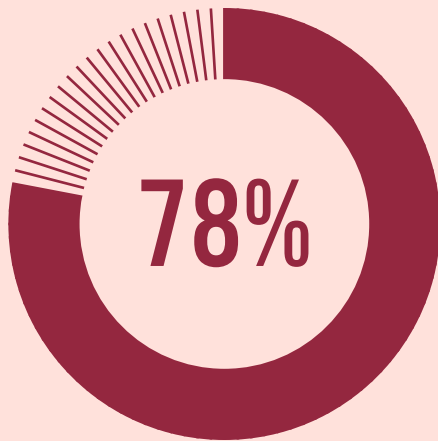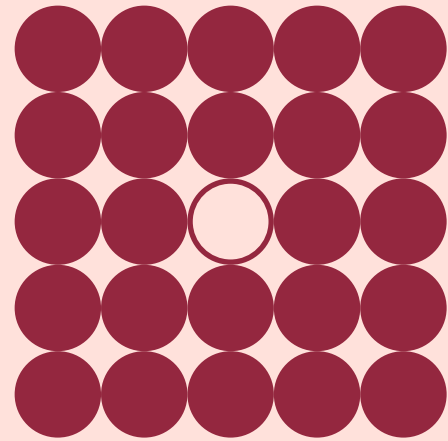**LONDON, ENGLAND**
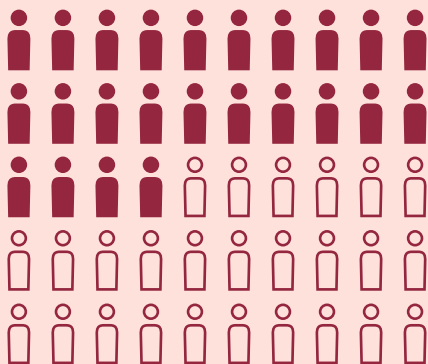
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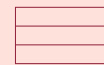
DEU

ITA

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POL

ESP

SWE

GBR

78%

78% OF EMPLOYEES IN EUROPE REPORT FEELINGS OF BURNOUT

WHEN LEADERS SHOW EMPATHY AND TAKE TIME TO UNDERSTAND OTHERS, EMPLOYEES IN EUROPE HAVE 25X INCREASED ODDS IN THE PERCEPTION THEIR LEADERS HAVE INTEGRITY

ONLY 48% OF EUROPEAN EMPLOYEES REPORT AN ABOVE-AVERAGE EXPERIENCE IN THE HIRING PROCESS

2X

**EMPLOYEES IN EUROPE HAVE 2X INCREASED ODDS OF STAYING WITH THEIR COMPANY WHEN THEY ARE NOT IN SURVIVAL MODE**

EUROPE	OVERALL	BELGIUM	FRANCE
Purpose	**70**	**71**	**67**
Opportunity	**63**	**64**	**60**
Success	**64**	**66**	**59**
Appreciation	**59**	**59**	**57**
Wellbeing	**56**	**59**	**56**
Leadership	**61**	**63**	**57**
Engagement	**68**	**71**	**65**
Great work	**63**	**62**	**60**
Community	**68**	**70**	**66**
Fulfillment	**70**	**71**	**68**
Burnout	**78**	**80**	**78**
Survive	**44**	**43**	**48**
Thrive	**40**	**40**	**31**
Individual EQ	**70**	**68**	**65**
Leadership EQ	**60**	**59**	**56**
Organizational EQ	**57**	**56**	**54**

GERMANY	ITALY	NETHER-LANDS	POLAND	SPAIN	SWEDEN	UNITED KINGDOM
70	68	71	67	70	71	72
64	58	68	62	63	64	65
65	62	67	61	65	64	66
59	56	60	58	59	60	59
56	56	58	51	58	58	57
61	58	63	57	59	61	62
69	67	70	63	67	68	70
62	63	65	61	63	64	65
71	68	70	63	70	68	68
69	69	71	67	71	70	70
74	75	77	81	77	75	85
44	45	39	43	42	41	45
39	34	40	31	38	40	43
68	67	69	66	70	69	73
62	54	64	58	58	59	63
61	52	62	56	57	54	59

IMEA

Total Rewards strategies currently confront many challenges in the IMEA region. Explosive economic growth and evolving work landscapes have led to increased burnout and disengagement. Privatisation of the healthcare sector has made comprehensive health coverage unaffordable. And mental health remains stigmatized in India, while adequate care in the Middle East is hindered due to a shortage of professionals. The vast number of employees whose basic needs remain unmet highlights the opportunity for organisations to reimagine Total Rewards to foster true thriving. By focusing on employee wellbeing, addressing obstacles like healthcare access, and offering opportunities for personal development, employers can begin to realise the full potential of their people. The most successful organisations will implement benefits that resonate with local values and address specific regional challenges. They understand that investing in employees' wellbeing, growth, and overall experience is vital to long-term prosperity.

—

ZUBIN ZACK
MANAGING DIRECTOR, INDIA,
MIDDLE EAST, AND AFRICA
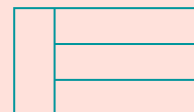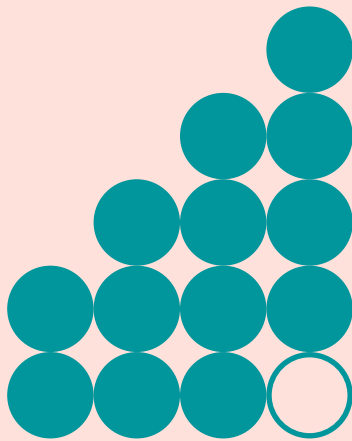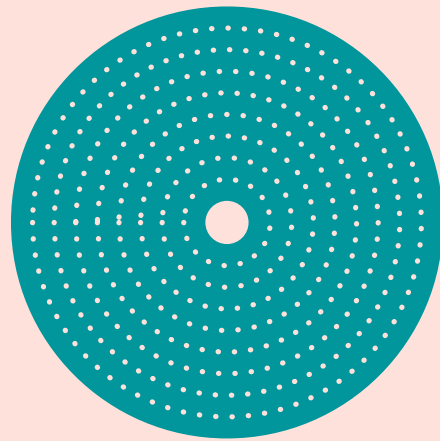**MUMBAI, INDIA**
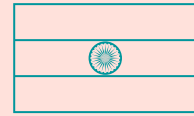
IND

SAU

ZAF

ARE

-67%

WHEN EMPLOYEES IN IMEA FEEL A SENSE OF APPRECIATION, THEY REPORT A 67% DECREASE IN THE ODDS OF A PROBABLE ANXIETY DIAGNOSIS

EMPLOYEES IN IMEA HAVE 14X INCREASED ODDS OF ENGAGEMENT WHEN THEY HAVE SKILL-BUILDING OPPORTUNITIES

WHEN EMPLOYEES IN IMEA PERCEIVE THEIR LEADERS HAVE A HIGH LEVEL OF INTEGRITY, THEY HAVE A 10X INCREASE IN THE ODDS OF FEELING CONNECTED TO THEIR ORGANISATION

IMEA (INDIA, MIDDLE EAST, AFRICA)	OVERALL
Purpose	80
Opportunity	79
Success	80
Appreciation	68
Wellbeing	56
Leadership	74
Engagement	81
Great work	79
Community	82
Fulfillment	82
Burnout	40
Survive	47
Thrive	26
Individual EQ	81
Leadership EQ	77
Organizational EQ	76

INDIA	SAUDI ARABIA	SOUTH AFRICA	UNITED ARAB EMIRATES (UAE)
83	78	78	77
83	75	72	76
83	76	75	77
69	66	68	66
55	53	64	55
78	71	69	72
84	78	79	79
81	76	78	75
84	82	77	81
84	81	80	80
76	64	59	71
52	43	40	45
26	22	32	21
82	78	83	77
80	72	72	73
80	73	70	73

APAC

This region faces a critical juncture in Total Rewards. Our research reveals a significant portion of employees feel stuck in "survival mode," lacking fair compensation, a supportive work environment, and a genuine sense of belonging. These deficiencies hinder productivity and breed resentment towards employers. Adding to the complexity, employees increasingly demand robust mental and physical health support, preventive care, and, in some parts of APAC, access to traditional medicine, reflecting a region-wide focus on holistic wellbeing. (Driving factors include rising stress levels, long working hours, and the expectations of new generations joining the workforce.) Forward-thinking employers are fostering workplaces where employees feel secure, valued, and empowered, which is essential for attracting and retaining top talent and driving innovation. By prioritizing and addressing the foundational needs of their employees, organisations can create a more engaged, productive, and ultimately, successful workforce.

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ALAN HEYWARD
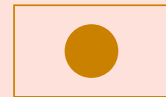**MANAGING DIRECTOR, ASIA PACIFIC**
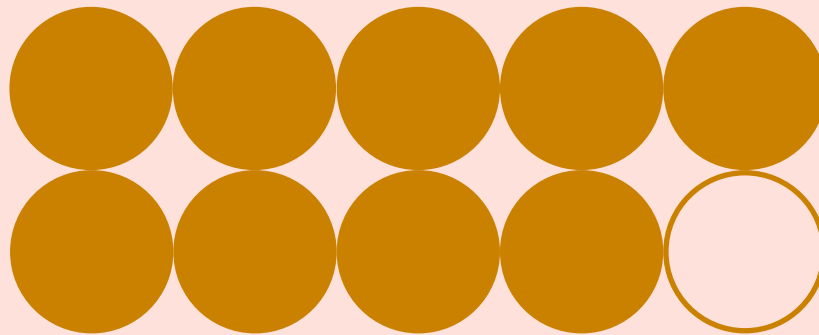**MELBOURNE, AUSTRALIA**

AUS

CHN

HKG

JPN

PHL

SGP

EMPLOYEES IN APAC HAVE 10X INCREASED ODDS OF
HAVING A PROBABLE DIAGNOSIS OF DEPRESSION WHEN
THEY FEEL LIKE THEY ARE IN SURVIVAL MODE

10X

WHEN EMPLOYEES IN APAC HAVE
FLEXIBILITY AT WORK, THEY HAVE 10X INCREASED
ODDS IN FEELING A SENSE OF FULFILLMENT

APAC (ASIA PACIFIC)	OVERALL	AUSTRALIA	CHINA
Purpose	71	69	77
Opportunity	68	63	74
Success	68	64	73
Appreciation	63	58	67
Wellbeing	55	54	57
Leadership	64	61	70
Engagement	69	68	74
Great work	69	66	72
Community	72	67	80
Fulfillment	71	69	76
Burnout	42	82	62
Survive	43	46	36
Thrive	25	38	19
Individual EQ	70	71	70
Leadership EQ	64	61	67
Organizational EQ	63	57	68

HONG KONG	JAPAN	PHILIPPINES	SINGAPORE
81	58	75	70
76	52	73	67
74	50	75	67
68	54	67	59
62	52	60	51
71	47	68	64
80	53	79	68
74	54	77	69
79	51	82	68
74	57	79	69
64	91	70	89
48	46	40	49
18	15	24	38
87	57	80	72
83	53	71	66
80	53	70	66

The O.C. Tanner Institute is a widely respected research and education team focused on delivering valuable insights that help people thrive at work. Our award-winning and peer-reviewed research on corporate culture, employee recognition, leadership, and wellbeing opens hearts and minds, inspires change, and empowers organizations everywhere to intentionally create healthy, productive workplace cultures by design. Such cultures drive innovation, engage talent, and deliver on corporate goals.

O.C. Tanner is the global leader in software and services that improve workplace culture through a wide variety of meaningful employee experiences. Our Culture Cloud™ platform includes a suite of apps and integrations for recognition, team initiatives, and wellbeing that help shape thriving cultures everywhere. We proudly connect people to purpose, accomplishment, and one another at thousands of the world's most respected companies.

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