

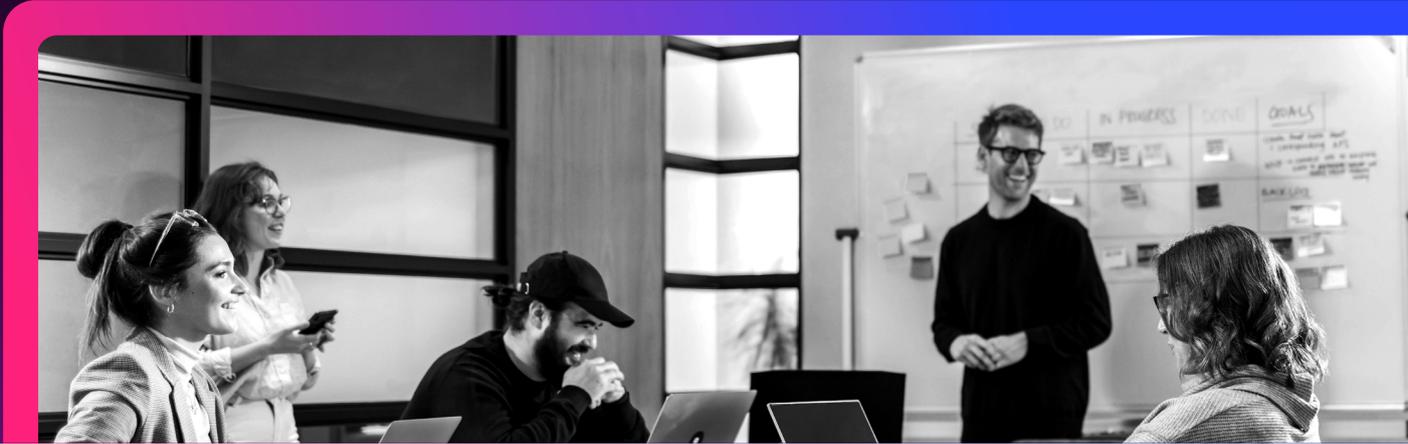


ELMO Software Employee Sentiment Index

Aotearoa New Zealand | October - December 2025



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Overview

500+
RESPONDENTS

**Oct-Dec
2025**



**New Zealand
Employees**

The ELMO Employee Sentiment Index provides a regular pulse check of the actions, attitudes, and behaviours of New Zealand employees. The quarterly report analyses prevailing workforce sentiment to track changes in perceptions of job security, well-being, and the economy, as well as topical issues affecting New Zealand employees. Together, these insights help organisations better understand how employees are experiencing work and where opportunities exist to strengthen engagement, capability, and workplace culture.

We asked respondents to reflect on the three months from October 2025 to December 2025 in an online survey. Respondents were members of a permission-based panel, geographically dispersed throughout New Zealand, including both capital and non-capital city areas. This research was commissioned by ELMO Software and conducted by YouGov in accordance with ISO 20252 standards.

In 2025, ELMO Software updated the fixed survey questions used since 2021 to reflect rapid workplace change, including AI adoption and established post-COVID ways of working. The update also introduced the Index – a single, trackable measure of employee sentiment across key factors such as job security, wellbeing, compensation, recognition, and mobility – providing deeper insight beyond traditional engagement metrics.

Key Findings



10	34	DKK1.834	DKK132.577	DKK153	Rate of return on savings
11	35	DKK1.889	DKK147.060	DKK157	Inflation rate
12	36	DKK1.945	DKK162.977	DKK162	
13	37	DKK2.004	DKK180.463	DKK167	RETIREMEN
14	38	DKK2.064	DKK199.671	DKK172	Starting monthly savings go
15	39	DKK2.126	DKK220.766	DKK177	Amount of savings in: 2057
16	40	DKK2.190	DKK243.928	DKK182	
17	41	DKK2.255	DKK269.357	DKK188	
18	42	DKK2.323		DKK194	
19	43	DKK2.393		DKK200	
20	44	DKK2.464		DKK206	
	45	DKK2.538		DKK212	
	46	DKK2.615		DKK218	
	47	DKK2.693		DKK224	
	48	DKK2.774		DKK231	
	49	DKK2.857		DKK238	
	50	DKK2.943		DKK245	
	51	DKK3.031		DKK253	
	52	DKK3.122		DKK260	
	53	DKK3.216		DKK268	
	54	DKK3.312		DKK276	
	55	DKK3.411		DKK284	
	56	DKK3.514		DKK293	
		DKK3.619		DKK302	

Tracking the Index

The Index has shown a generally stable trend for New Zealand employees. The latest score of 65 eases slightly from the last quarter (65.4) and is still notably below the high achieved in Q4 2024 (71.1).

Key metrics remain weak:

- Mobility: 15.2 (up from 14.4)
- Wellbeing: 13.2 (down from 13.4)
- Economic and job security: 23.3 (compared to 23.8)
- Compensation and recognition: 13.3 (compared to 13.8)

This continued weakness across the measures points to employees still feeling pressure from the broader economic environment, personal finances and day-to-day wellbeing, contributing to a persistently muted outlook.



	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Economic and job security	23.3	23.8	22.9	22.5	27.3
Wellbeing	13.2	13.4	13.6	13.3	16.0
Compensation and recognition	13.3	13.8	13.3	13.1	13.0
Mobility	15.2	14.4	14.6	14.3	14.7

Fixed Questions

While employees remain mindful of economic uncertainty, with fewer than one in four feeling economically secure, concerns around redundancy and the need to demonstrate job security have decreased to 36%, down from 41% last quarter. Burnout remains widespread, even as fewer employees report attending work while unwell.

Over half of employees feel their income isn't enough to meet their needs and coupled with a decrease in fair pay which has weakened since Q3.



Burnout increases

Up three points from the previous quarter, **48%** of employees feel burnt out – though more are taking annual leave, and less are working while unwell suggesting that employees are trying to combat their fatigue while managing ongoing economic uncertainty.



Redundancy has softened

More employees are feeling less pressure to prove their value, with **36% being worried their role could be made redundant**, down from 41% last quarter. Around two in five say they need to work harder or longer hours to keep their job secure, down slightly from 46% while 28% believe their role could be replaced by automation or AI within the next five years, also down compared to last quarter.



Recognition remains strong, but fair pay sentiment dips

Seven in ten employees feel **recognised for their contributions at work**, broadly in line with recent quarters. Yet perceptions of fair pay have softened, with 61% feeling they are paid fairly, down from 65% in Q3 – a shift worth watching as cost-of-living pressures persist.

Topical Questions

This quarter, we explore how employees are experiencing AI in the workplace – from adoption and effectiveness to leadership clarity and support. While AI use is becoming increasingly common across organisations, employees report mixed experiences with its impact, integration, and the guidance they receive to use it confidently and responsibly.



Personal AI use is growing, but its impact is still developing

Among employees in AI-using organisations, AI has become a common part of everyday work (76%), with many employees using approved tools exclusively (35%) or combining them with non-approved tools (25%). While **adoption is strong**, perceived impact is still evolving: only about **one in ten employees** report that **AI tools are highly effective** for daily tasks or decision-making, with most describing the benefits as moderate.



AI integration remains early-stage

AI adoption is growing, with 44% of employees reporting their organisation uses AI-enabled tools, but use remains largely experimental rather than embedded. Most employees see AI limited to pilot programs or selected teams (34%), with **only 7% reporting extensive integration** and **6% seeing clearly visible outcomes** – highlighting how early many organisations still are in translating AI adoption into real impact.



Leaders in AI missing

AI adoption is outpacing leadership guidance in many workplaces. **Only 16%** of employees say **expectations for AI use are very clear**, and just **13%** feel strongly **supported to use AI responsibly and effectively**, highlighting an opportunity for organisations to provide clearer direction as AI becomes more embedded in daily work.

Fixed Question Analysis

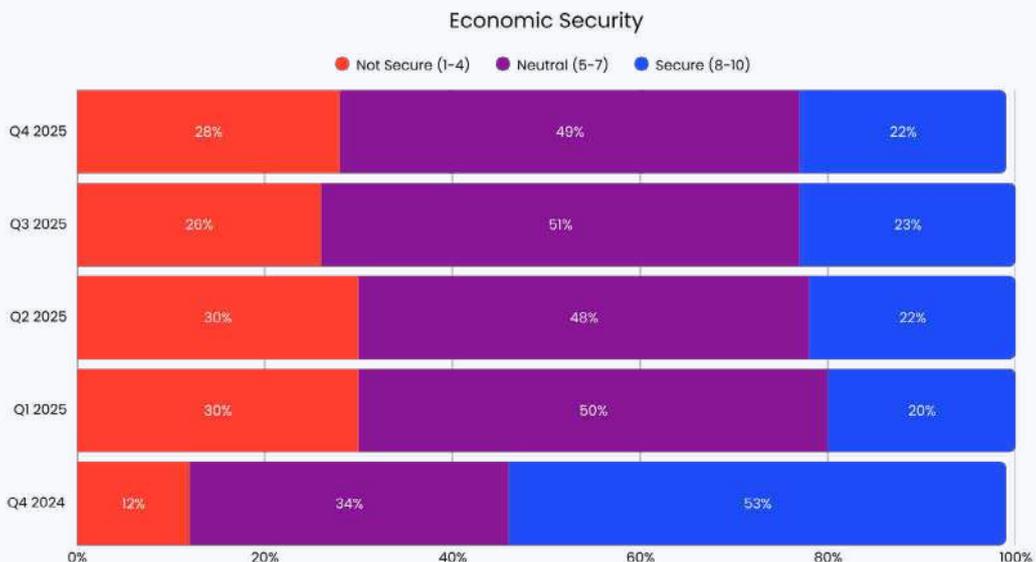
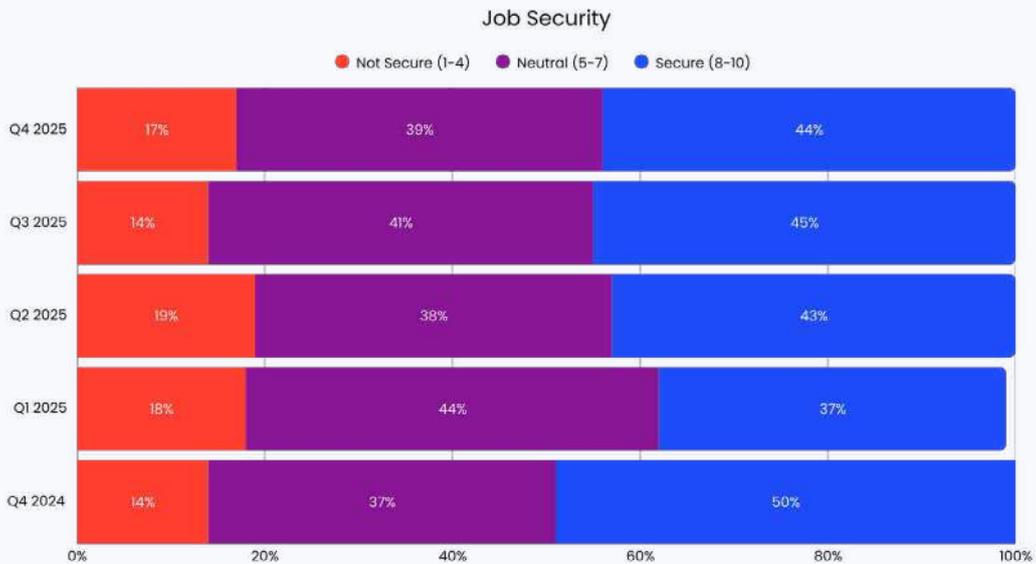


Perceived security

Perceived job security and economic security have remained stable this quarter, although still well below 2024 levels. More than two in five (44%) employees say they feel secure with their job, compared to 45% in the previous quarter. The proportion feeling insecure has edged up slightly to 17%, from 14% in the previous quarter.

Perceptions of economic security remain weaker overall. Around one in five (22%) employees feel economically secure, in line with 23% in the previous quarter, while economic insecurity has increased modestly from 26% to 28%.

With economic security at just 22% – unchanged from mid-2025 and well below the 53% recorded at the end of 2024 – the recovery seen in Australia has not yet materialised for New Zealand employees, reflecting the sustained impact of local economic pressures on financial confidence.



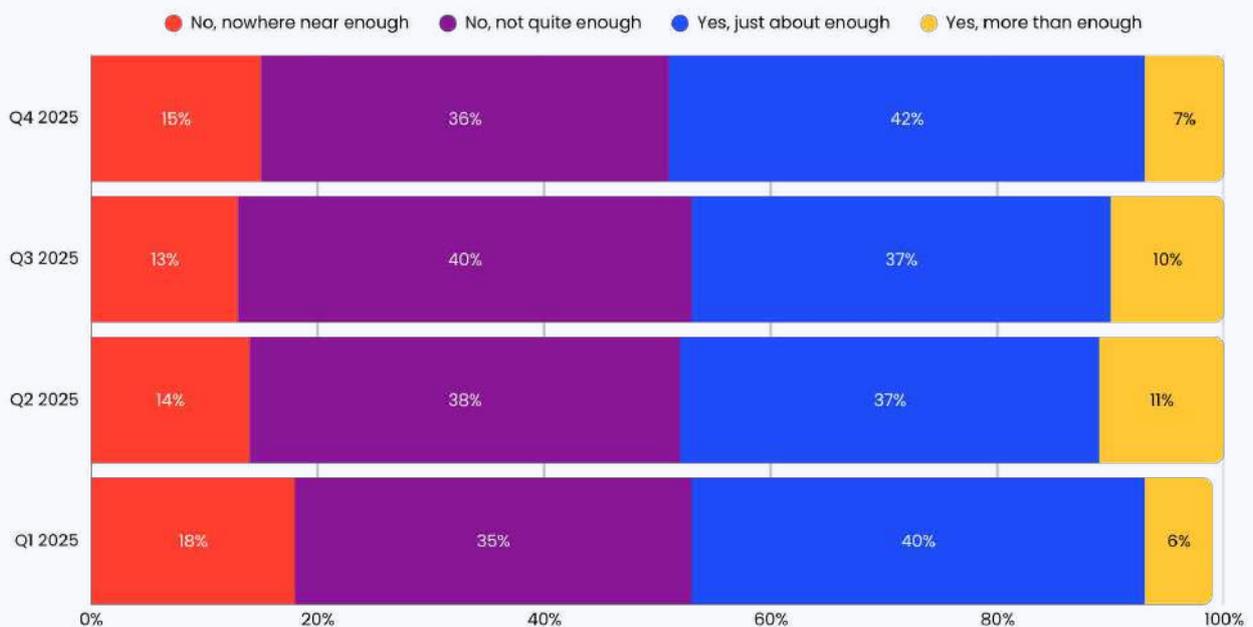
Perceived Earnings

Earnings sentiment remains divided.

Key earnings insights

- 49% of employees say they earn enough to meet their financial needs, in line with 48% in the previous quarter.
- 42% say they are “just about” managing financially.
- Half of employees feels their income is insufficient, including 15% who say they are nowhere near meeting their financial needs.

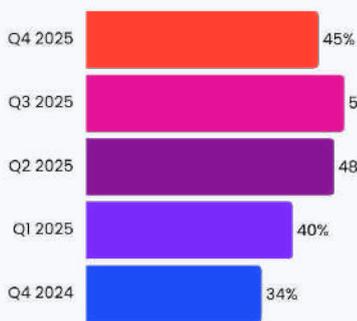
While confidence in earnings has remained steady, the high proportion of employees who are only just managing or not managing at all highlights the continued sensitivity of household finances to economic conditions.



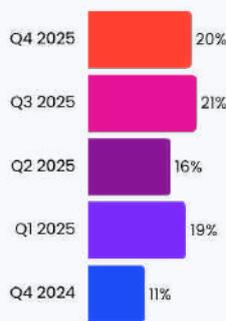
Employee wellbeing

Concerns about employee wellbeing and engagement persist. Burnout remains high, affecting 48% of employees, an increase of 3 points from last quarter (45%). However fewer employees have arrived at work while feeling unwell (40% compared to 45%) and more are taking annual leave (58% compared to 52%) which indicates employees were using the end of the year to hopefully recharge.

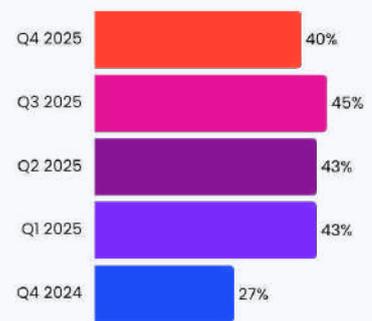
Taken a legitimate sick day



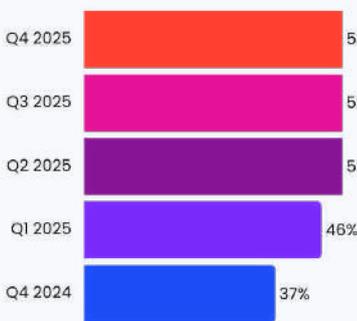
Taken a sick day despite not being sick



Arrived at work while feeling unwell



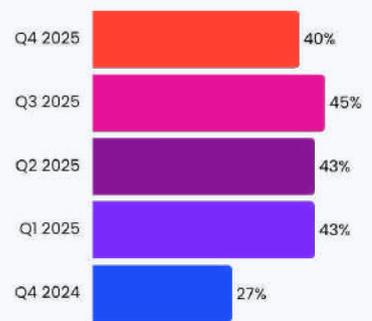
Taken annual leave



Taken carer's or compassionate leave



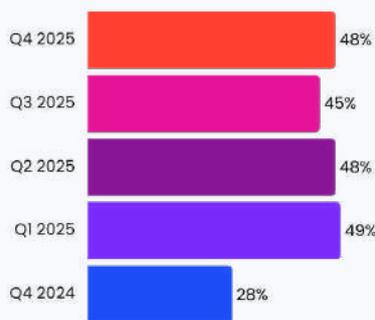
Taken a mental health day



Used an employee assistance program (EAP)



Felt "burnt out"

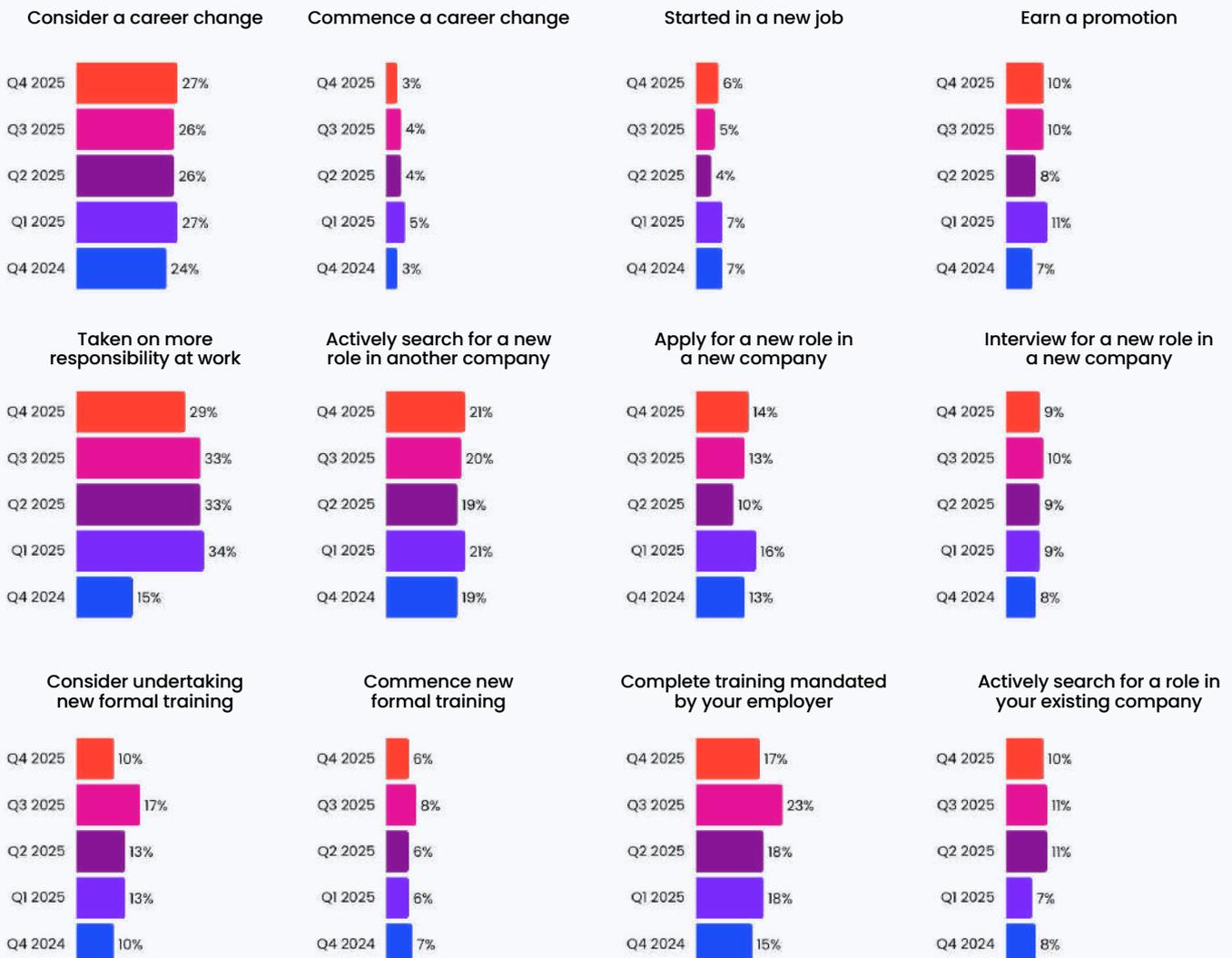


Employee mobility

Most employee mobility indicators remained relatively stable compared to the previous quarter.

- 29% report taking on more responsibility, down from 33% last quarter – the most notable shift this quarter.
- 21% are actively searching for a new job externally, broadly in line with 20% in the previous quarter.
- 14% have applied for a new role, compared to 13% last quarter.
- 10% are exploring new opportunities internally, down slightly from 11%.

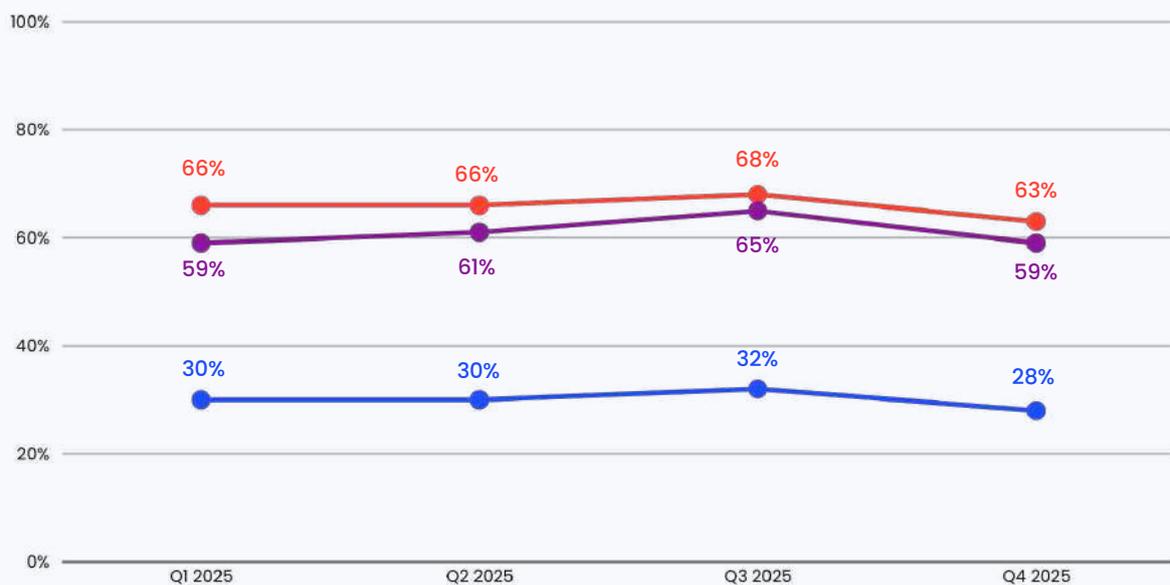
Together, these results suggest a workforce that has settled into a holding pattern. With fewer employees actively looking to leave and mobility largely flat. Organisations have a window to invest in internal development and career pathways, turning stability into engagement before the next cycle of movement begins.



Future of Work

As AI becomes more embedded in the workplace, employees appear to be forming a more realistic view of its role. Fewer see it as a game-changer for their day-to-day work (59%, down from 65%), and fewer feel their skill set alone makes them irreplaceable (63%, down from 68%).

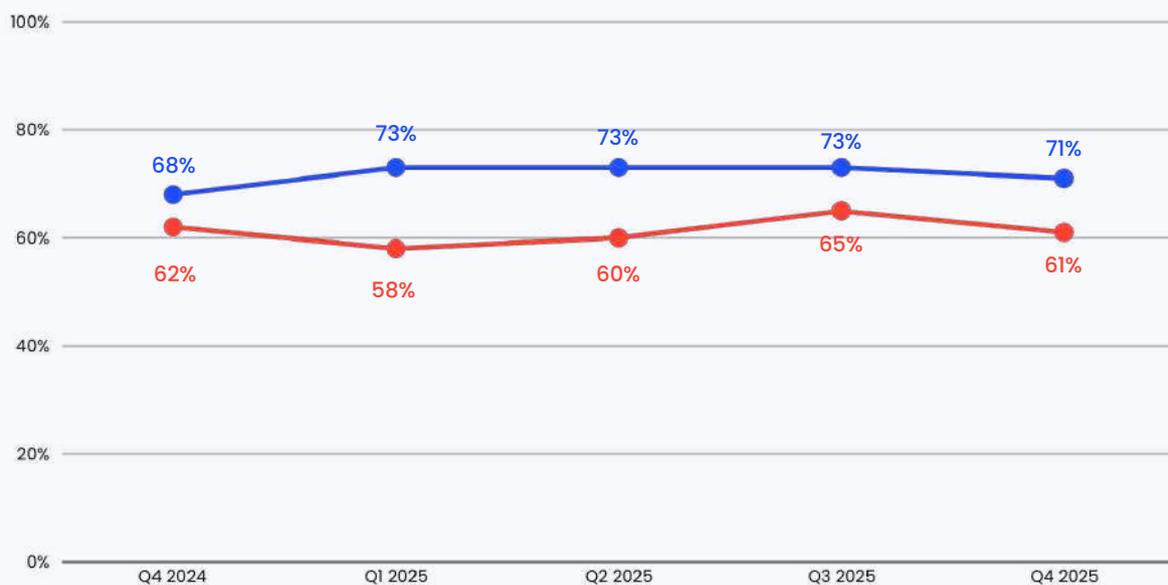
Yet concerns about job displacement have also eased to their lowest level (28%), suggesting employees are becoming more comfortable coexisting with AI – viewing it as neither the silver bullet nor the existential threat it was once perceived to be.



- My role is at risk of being replaced by automation or AI within the next five years
- I see automation or AI as tools that will help me in my role
- My skill set is specialised and unlikely to be replaced by automation or AI

Recognition and Remuneration

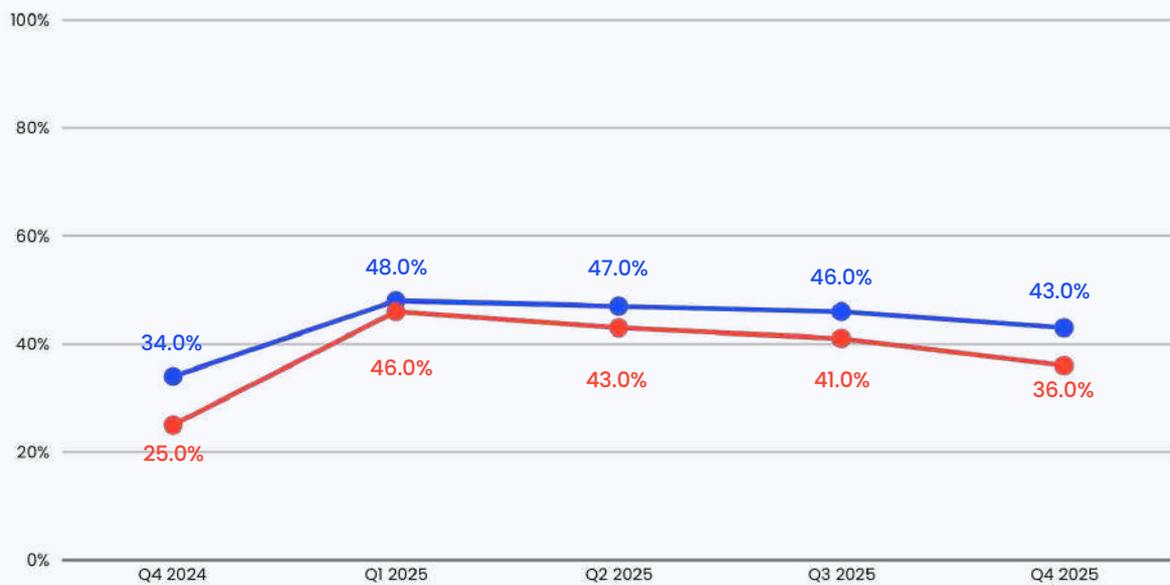
Perceptions of recognition have fluctuated throughout 2025 and have returned to similar levels as the same time last year with 71% of employees feeling recognised for their contributions and 61% feeling they're paid fairly.



- I am recognised for my contributions at work
- I am paid fairly for my work

Job Safety and Redundancies

Redundancy concerns have decreased this quarter, down to 36%, down five points from Q3 2025. This signals some job security relief, especially when compared to the start of 2025. At the same time, 43% say they need to work harder or put in longer hours to keep their job secure, down from 46% last quarter, suggesting that while employees don't feel secure about the macro economic and job conditions they are individually feeling more confident.



- I feel I need to work harder/ longer hours to keep my job safe
- I am concerned about my role being made redundant

Employee Priorities

Employee priorities when choosing a new employer remain stable, with the top three factors unchanged since 2024: remuneration and incentives, organisational stability, and culture of the organisation. The lowest-ranked considerations have also remained consistent since 2024, including wellbeing initiatives, workforce diversity, and employee reviews of leadership.

	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Remuneration and bonus payments/incentives	1st	1st	1st	1st	1st
Stability of an organisation	2nd	2nd	2nd	2nd	2nd
Culture of the organisation	3rd	3rd	3rd	4th	Tied 3rd
Flexible/remote working	Tied 4th	4th	4th	3rd	Tied 3rd
Career development opportunities	Tied 4th	5th	5th	Tied 5th	6th
Easy and/or short commute	6th	6th	6th	7th	5th
Wellbeing initiatives	Tied 7th	7th	7th	Tied 5th	9th
Professional learning opportunities	Tied 7th	8th	8th	8th	8th
The ethical standing/reputation of the organisation and leadership	9th	9th	9th	9th	7th
Diversity among employees/senior leadership team of the organisation	10th	10th	10th	10th	10th
Online or word-of-mouth employee reviews of the leadership	11th	11th	11th	11th	11th

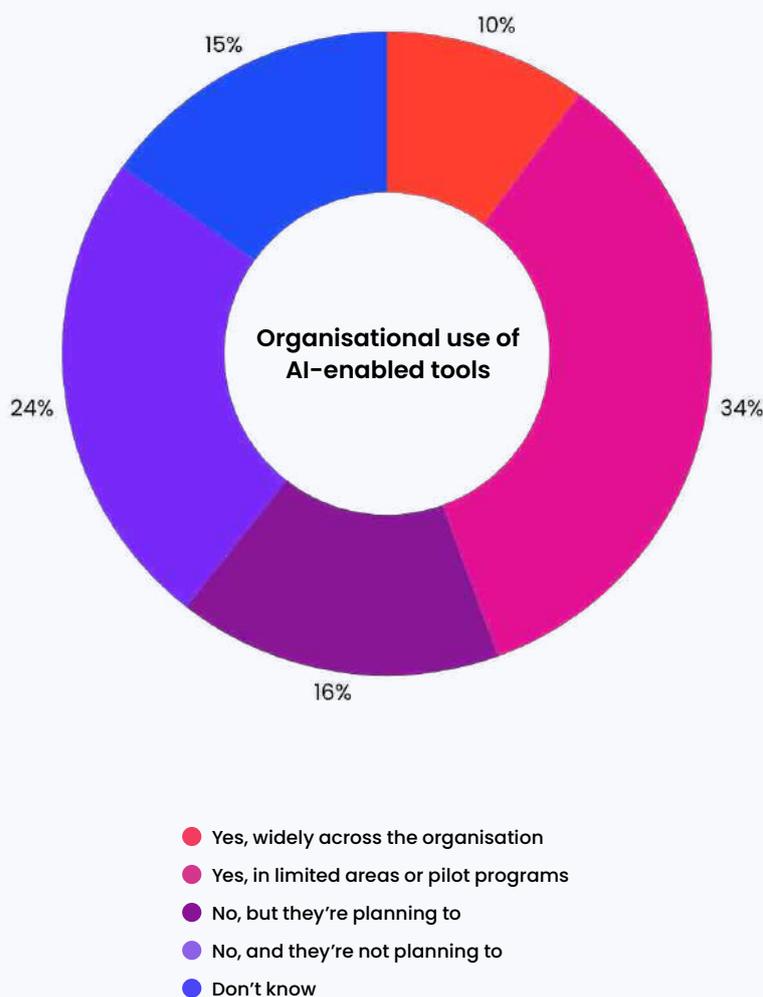
Topical Analysis

Use of AI-enabled tools



Organisation's use of AI-enabled tools

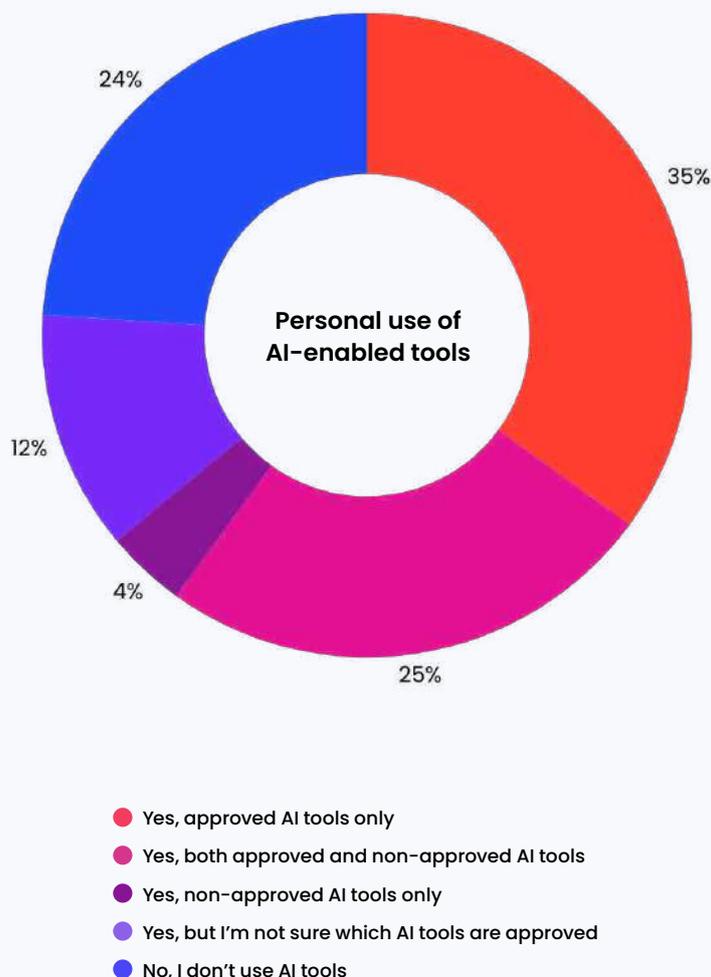
Less than half of employees report their organisation is already using AI-enabled tools (44%), with adoption remaining concentrated in pilot programs or selected areas (34%) rather than embedded across the business (10%). Two in five employees say their organisation isn't currently using AI, with 16% expecting to adopt it in the future and 24% reporting no plans to introduce AI tools. A further 15% are unsure about their organisation's use.



Personal use of AI-enabled tools

Personal use of AI tools is widespread in AI-enabled workplaces, with 76% of employees reporting they use AI in their day-to-day tasks. Most rely on approved tools (35%) or a mix of approved and non-approved tools (25%), while 4% use only non-approved tools. Notably, 12% say they are unsure which tools are approved within their organisation, and almost a quarter report not using AI personally despite organisational adoption.

This gap between organisational rollout and individual clarity is a common growing pain – and one that leadership can address with clearer communication about what’s available, what’s approved, and how to get started.

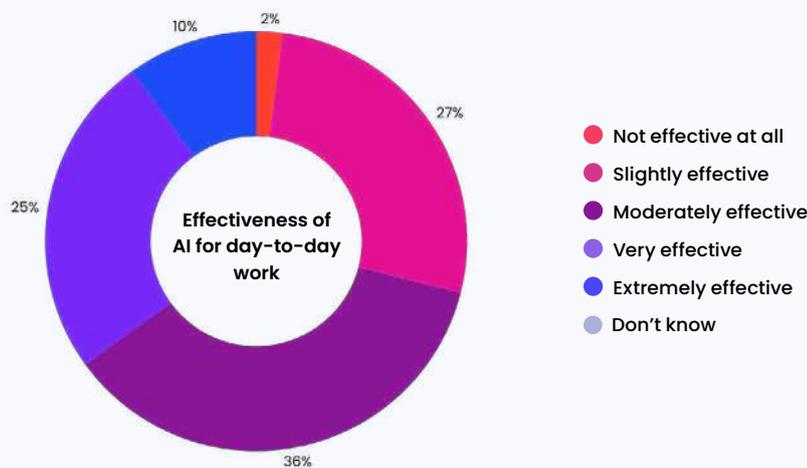


Personal AI effectiveness

Effectiveness of AI for day-to-day work

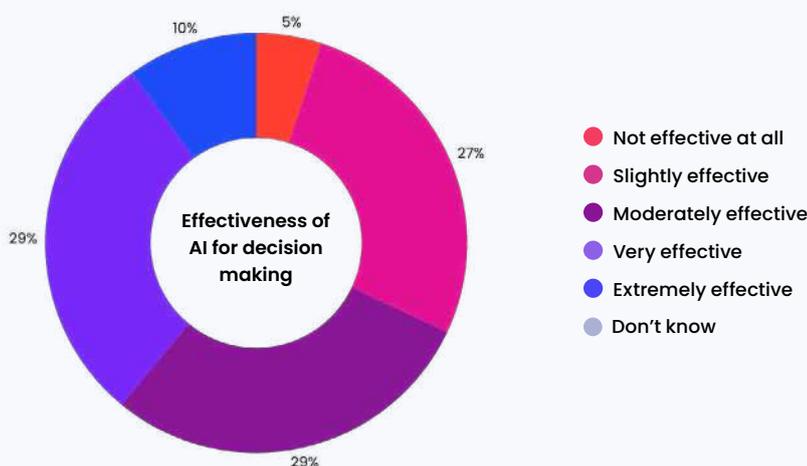
Among employees using approved AI tools, just over a third say they're effective for day-to-day tasks. This indicates that many feel AI tools are not yet delivering the level of performance or impact needed to support their daily tasks.

This isn't necessarily a failing of the tools – it may reflect the learning curve that comes with integrating AI into established workflows. As familiarity grows and use cases sharpen, effectiveness is likely to follow.



Effectiveness of AI for decision-making

For decision-making tasks, 39% say they're effective. This indicates that AI is supporting decisions but has not yet delivered a strong, consistent impact for most employees. This may point to a [difference between comfort using generative AI for simple productivity tasks and confidence applying AI to more complex analysis and decision-making](#), where understanding and integration are still maturing.

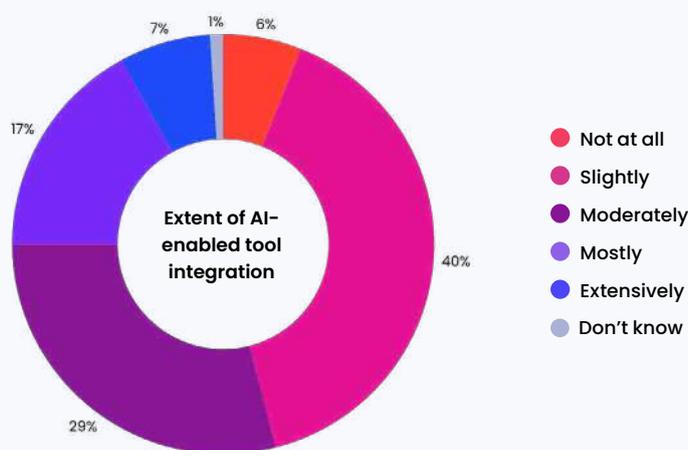


Organisational AI effectiveness

Extent of AI-enabled tool integration

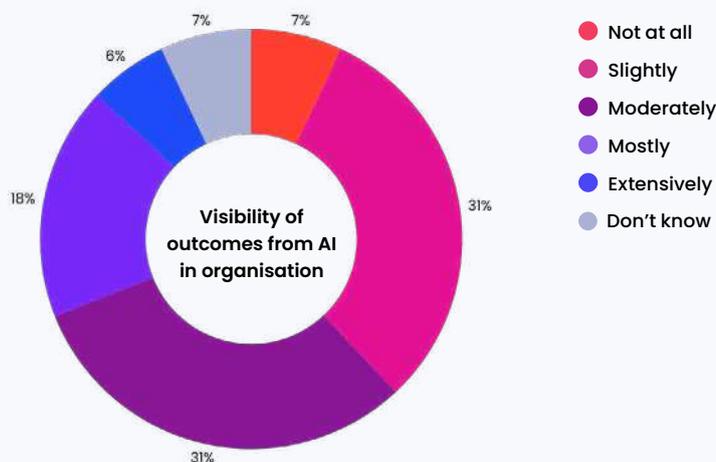
Even in organisations using AI-enabled tools, deep integration remains uncommon: 7% report extensive integration, and 76% say AI is not fully embedded in everyday work. This suggests most organisations are still transitioning from experimentation to meaningful, organisation-wide adoption.

For many organisations, AI is still in the “promise” phase – adopted but not yet embedded deeply enough to show consistent, visible results. The opportunity now is to move beyond experimentation and start connecting AI initiatives to measurable outcomes that employees can see and feel.



Visibility of outcomes from AI in organisations

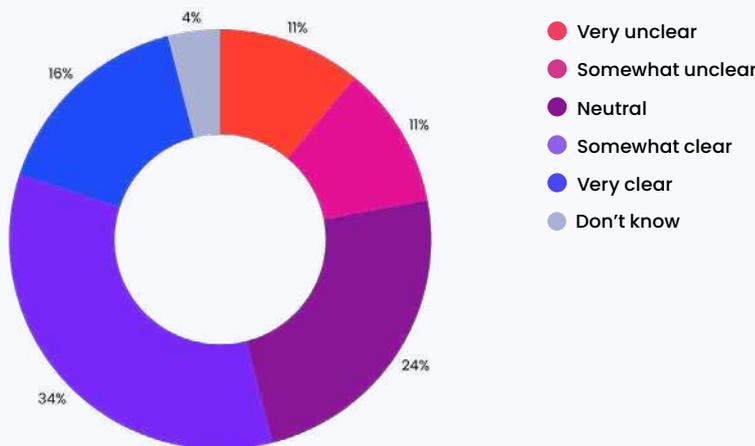
While organisations continue to adopt AI tools, clear visibility of outcomes remains limited, with just 6% of employees reporting that AI's impact is extensively visible. This suggests AI is still in the early stages of delivering measurable, organisation-wide value.



Leadership AI expectations

Clarity of leadership's expectations of AI use

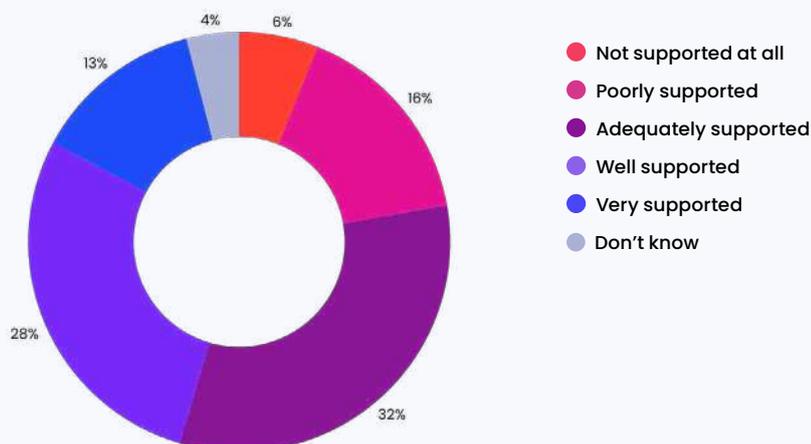
Even in organisations that have introduced AI tools, many employees still seek clearer direction from leadership. Only 16% of employees say expectations around AI use are very clear, while most feel guidance is either limited or inconsistent. This signals an **important next step for organisations – moving from AI adoption to clearer leadership direction**, helping employees use AI confidently, responsibly, and effectively.



Leadership support for responsible AI use

Leadership support for AI use remains an area for development. Just 13% of employees in AI-using organisations feel very well supported to use AI responsibly and effectively. In comparison, 82% report limited support, and 4% are unsure – highlighting an opportunity for organisations to strengthen their capabilities and guidance as AI use expands.

This is perhaps the most actionable finding of this quarter's topical analysis. AI adoption is well underway, but without clear expectations and meaningful support from leadership, employees are left to navigate it largely on their own – a gap that risks undermining both confidence and responsible use.



The Complete AI Workforce Platform™

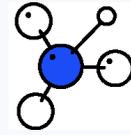
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HR Core



Payroll &
Remuneration



Performance
Management



Learning
Management

Founded in 2002, the ELMO Group comprises ELMO Software, Breathe HR and Rotageek. ELMO Group is a multinational provider of people management solutions, trusted by over 18,000 organisations across Australia, New Zealand and the United Kingdom.

ELMO is The Complete AI Workforce Platform™. It unifies HR and Payroll on one connected data foundation and layers native AI to turn workforce data into insight and action. ELMO's mission is to get Australia and New Zealand's workforce ready for what's next and supports the full employee lifecycle, from recruitment and onboarding to learning, performance, payroll and more.

Backed by ISO-certified security, Australian-based data hosting and local experts who guide change throughout the journey, ELMO helps mid-sized organisations build the foundation for AI-ready workforces of tomorrow.

Find out how ELMO can help your organisation.



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