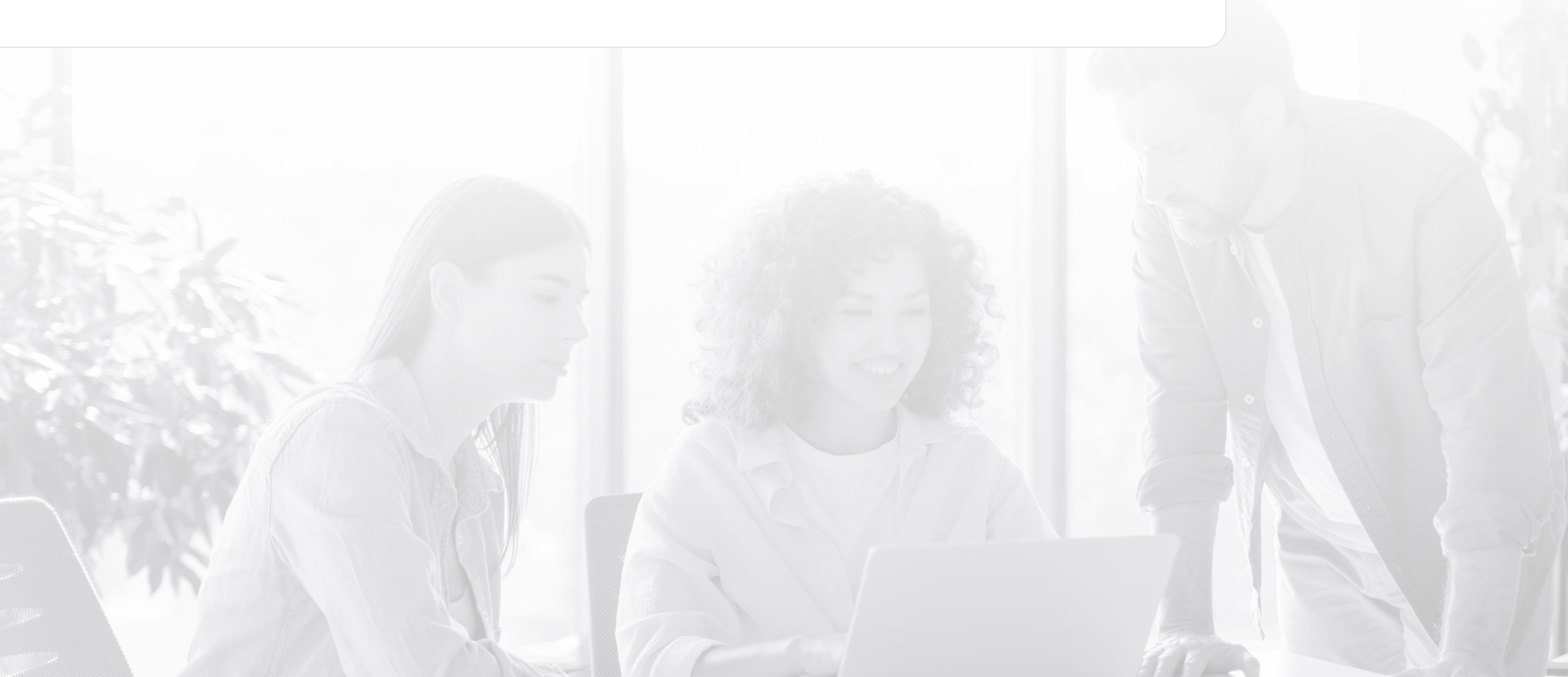
ELMO

AOTEAROA, NEW ZEALAND

Employee Sentiment Index

How employees feel about job security, wellbeing, the economy and AI

Contents



Overview

500+
respondents

Jan – Jun
2026

New Zealand
employees

The ELMO Employee Sentiment Index offers a regular pulse check on the actions, attitudes and behaviours of New Zealand's employees. It analyses prevailing workforce sentiment to track changes in perceptions of job security, wellbeing and the economy, as well as topical issues affecting employees. These insights help organisations better understand how employees are experiencing work and where opportunities exist to strengthen engagement, capability, and workplace culture.

WHO WE ASKED

We asked 528 New Zealand employees aged between 18 and 64 to reflect on the six-month period between January 2026 to June 2026 in an online survey. They were members of a permission-based panel, geographically dispersed throughout New Zealand including both capital city and non-capital city areas. This research was commissioned by ELMO Software and conducted by YouGov in accordance with ISO 20252:2019 standards.

WHAT'S DIFFERENT

For this wave, the Employee Sentiment Index has moved from quarterly to six-monthly tracking. To maintain comparability with historical data, previous quarterly waves have been collapsed into six-monthly periods, with results pooled across the relevant quarters. All trend comparisons in this report are presented on this six-monthly basis going forward.

Key Findings

TRACKING THE INDEX

New Zealand employees are only feeling slightly more positive from a year ago. On the Index, a 0 to 100 measure where 50 is neutral, sentiment sits at 66.1, rising steadily from 63.8 in H1 2025 to 64.8 in H2 2025. However, sentiment still remains below the highs in 2024, reflecting a continued softness in perceptions of economic and job security.

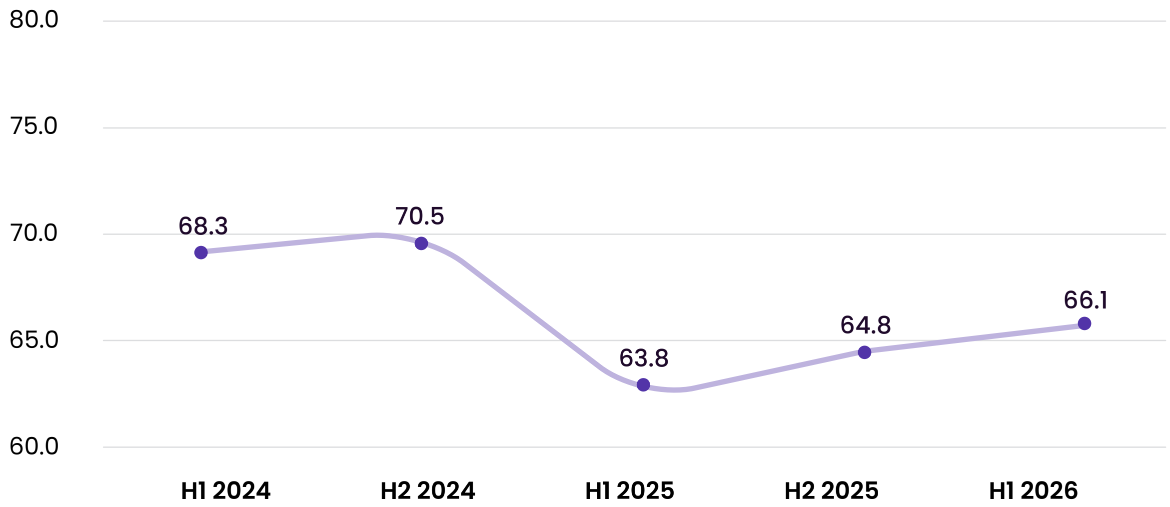
23.7 Economic & job security
(remains unchanged from H2 2025)

14.2 Wellbeing
(increase from 13.3 in H2 2025)

13.2 Compensation & recognition
(eased slightly from H2 2025)

15 Mobility
(slight increase from 14.5 in H2 2025)

For employers, the read is quiet progress with unfinished business. Employees have found their footing, driven by small but real gains in wellbeing and mobility. Closing the gap means showing up on the things that matter to them: honest communication about security, and recognition that matches the effort they are putting in.



	H1 2024	H2 2024	H1 2025	H2 2025	H1 2026
Economic and job security	26.7	27.1	22.7	23.5	23.7
Wellbeing	15.5	15.7	13.4	13.3	14.2
Compensation and recognition	12.5	13.1	13.2	13.5	13.2
Mobility	13.7	14.5	14.5	14.5	15.0

Key Trends

12% of New Zealand employees, around 312,000, would turn to AI before a manager or colleague if they needed help at work. It's one of the clearest signs that AI has quickly shifted from a novelty to a workplace default.

The half year findings reveal a workforce that has taken to AI, but there's a gap between expectation and support. Employees feel pressure to use it well but lack the confidence that their employers are actively equipping them. That gap is the defining theme of this wave.

2 in 3

of employees now use AI tools at work.

AI is a routine part of working life

Adoption is broad and increasingly routine. Two in three (65%) employees now use AI tools at work, with 34% using them regularly, as part of repeatable workflows or to automate aspects of work.

53%

believe employees who don't use AI effectively risk falling behind.

Employees see AI as both an opportunity and a source of pressure

The benefits are clear, but so is the pressure. More than three in five (62%) agree that if AI helps employees go faster, more is expected of them. Nearly three in five (58%) believe using AI effectively is now an expected workplace skill, while 53% believe those who don't use AI effectively risk falling behind.

39%

report feeling uncomfortable about how AI tools have been used at work.

Employees are embracing AI, but concerns remain

Two in five (39%) report feeling uncomfortable about how AI tools have been used at work.

17%

believe their organisation is doing very well at keeping their skills relevant for AI-driven change.

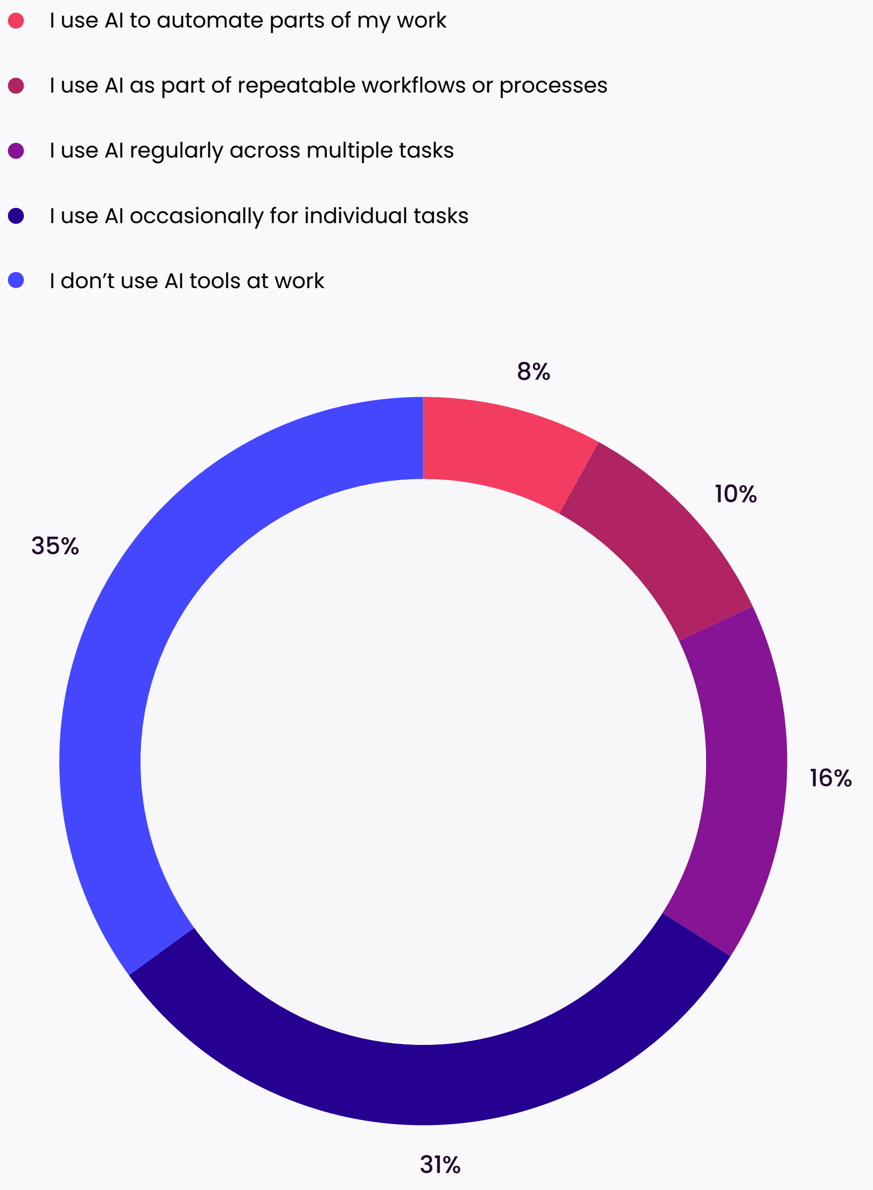
Employees are uncertain about future skills and unconvinced employers are prepared

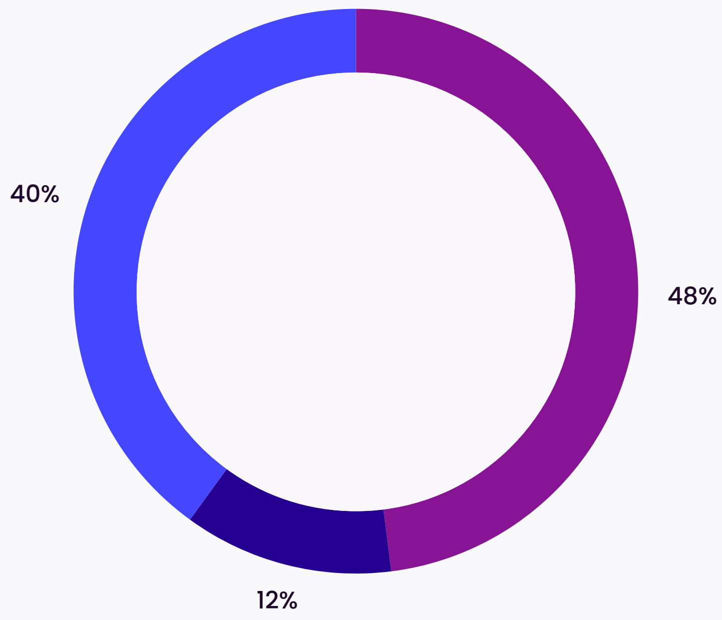
Just one in four (25%) employees are very confident they know which of their current skills will still matter in 2 years, and only 17% believe their employer is doing very well at keeping their skills relevant for AI-driven change.

AI adoption and usage

AI has become commonplace in the workplace, with 65% of employees reporting that they use it. However, employees appear divided in their use of AI at work. While 31% use AI occasionally for individual tasks, a further 34% use it more routinely, either regularly across multiple tasks (16%), as part of repeatable workflows (10%) or to automate parts of their work (8%). In contrast, a third (35%) of employees report not using AI tools at work.

Use of AI tools at work

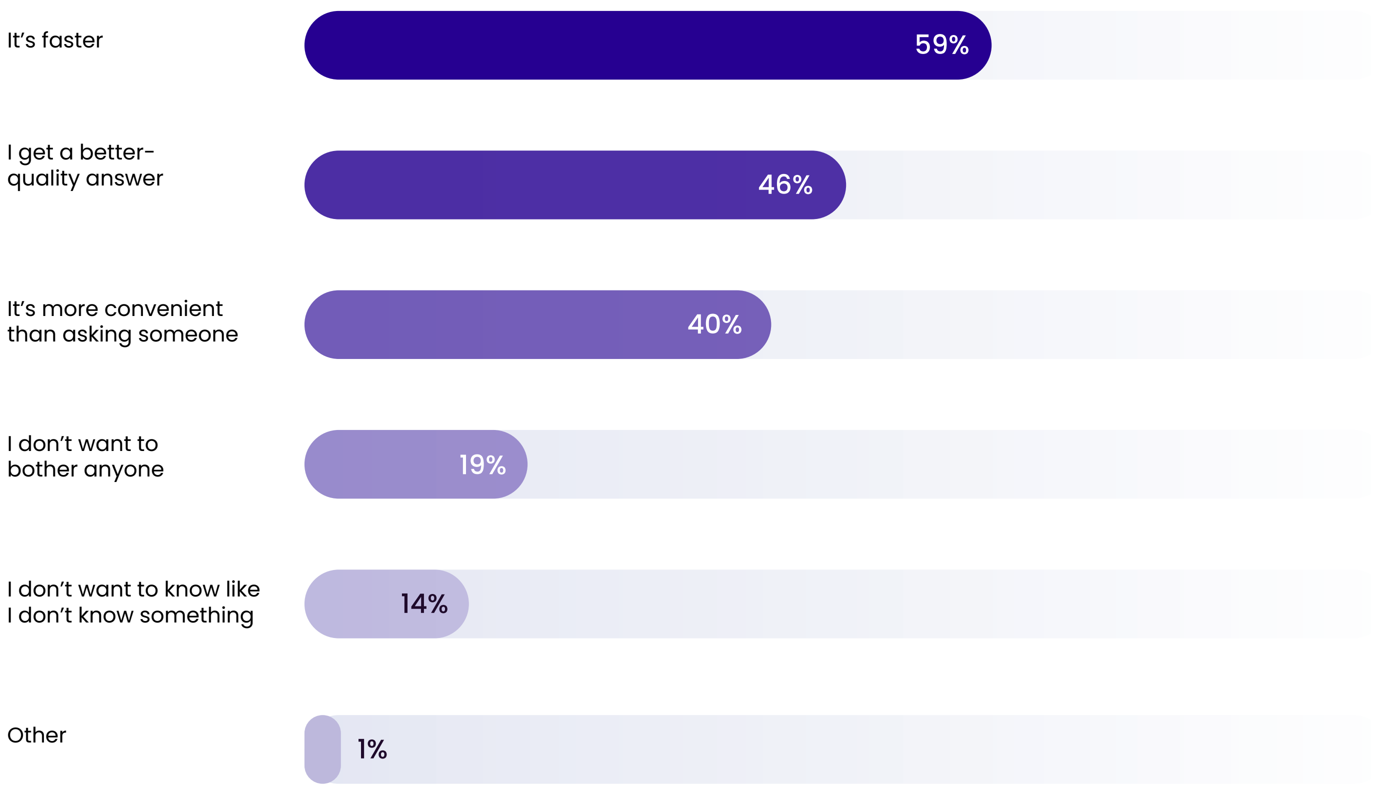




Manager or colleague vs. AI for help

While employees are four times more likely to seek help from a manager or colleague (48%) first rather than AI tools (12%, the equivalent of approximately 312,000), two in five (40%) say their preferred source depends on the task. The findings suggest AI is increasingly viewed as a workplace resource alongside traditional sources of guidance, rather than simply a technology used for specific tasks. For employers, that's a signal to think about what managers are for in an AI-enabled workplace. The value of a manager needs to sit in the things AI can't replicate like context, judgment, trust, and human connection.

Reasons for turning to AI tools first



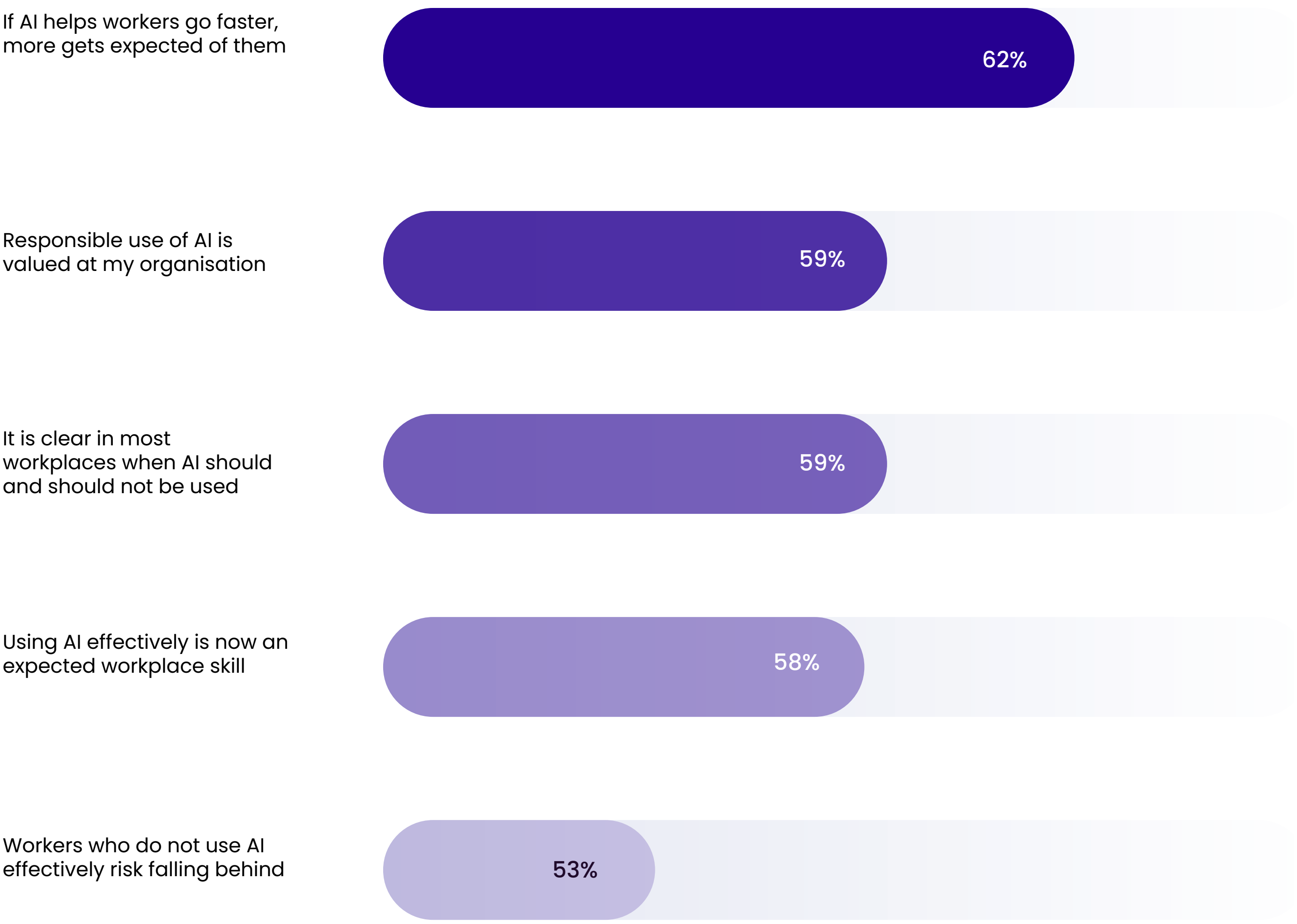
When employees pick AI over a person, it's about speed and quality, not shyness. Speed is the most commonly cited reason (59%), followed by receiving a better quality answer (46%) and convenience (40%). In contrast, far fewer say they prefer AI for social reasons like not wanting to bother others (19%) or not wanting to look uninformed (14%). People are reaching for AI because it works, not to avoid asking.

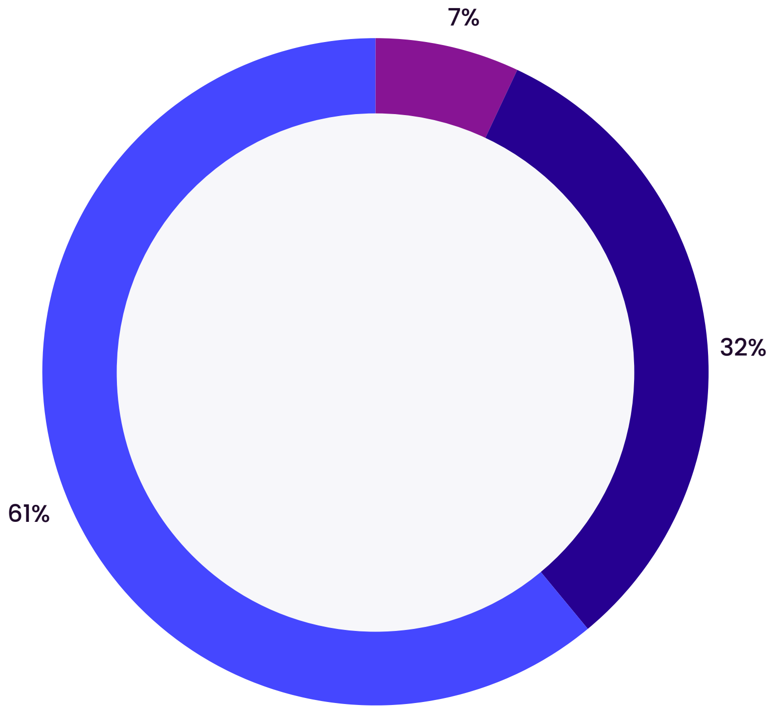
Workplace perceptions of AI

AI may help get more done, but many believe it comes with strings attached. More than three in five (62%) say that if AI helps them work faster, more gets expected of them. 58% now see using AI effectively as an expected workplace skill and 53% think those who do not will fall behind.

More than half feel their organisation has set some direction on AI. Three in five (59%) say responsible AI use is valued by their organisation and that it's clear when AI should and shouldn't be used.

Agreement with statements about AI in the workplace

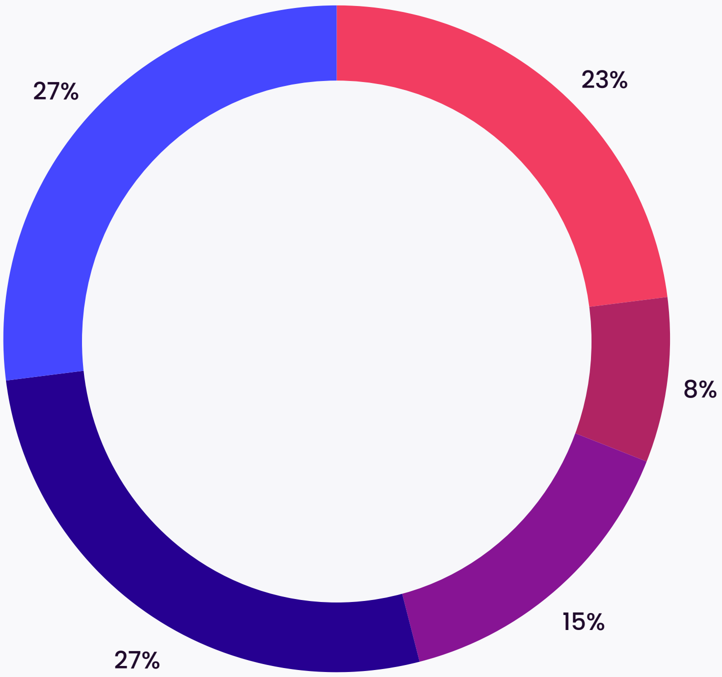




Discomfort with AI tool usage at work

- Yes, regularly
- Yes, occasionally
- No

That guidance gap is being felt. Two in five (39%) feel uncomfortable about workplace AI use, including 7% who feel it regularly. For many employees, questions about the right way to use AI are still unresolved, and they won't settle on their own.



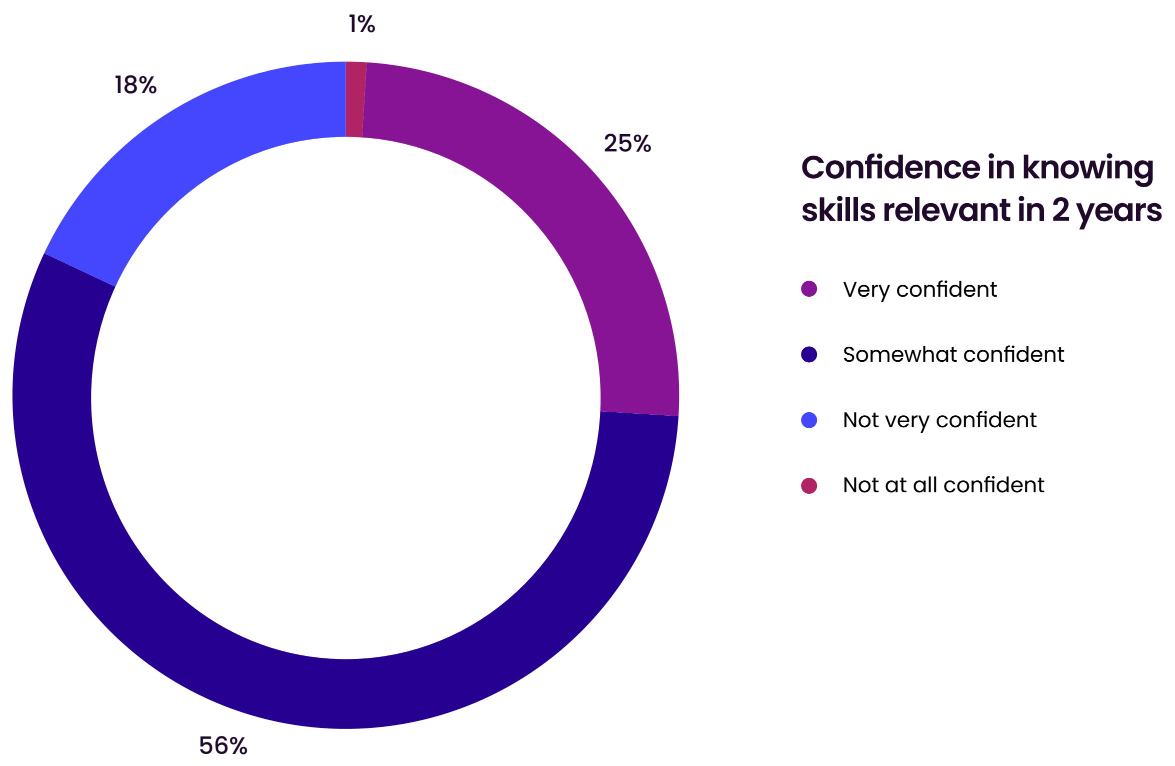
Employer's overall approach to AI

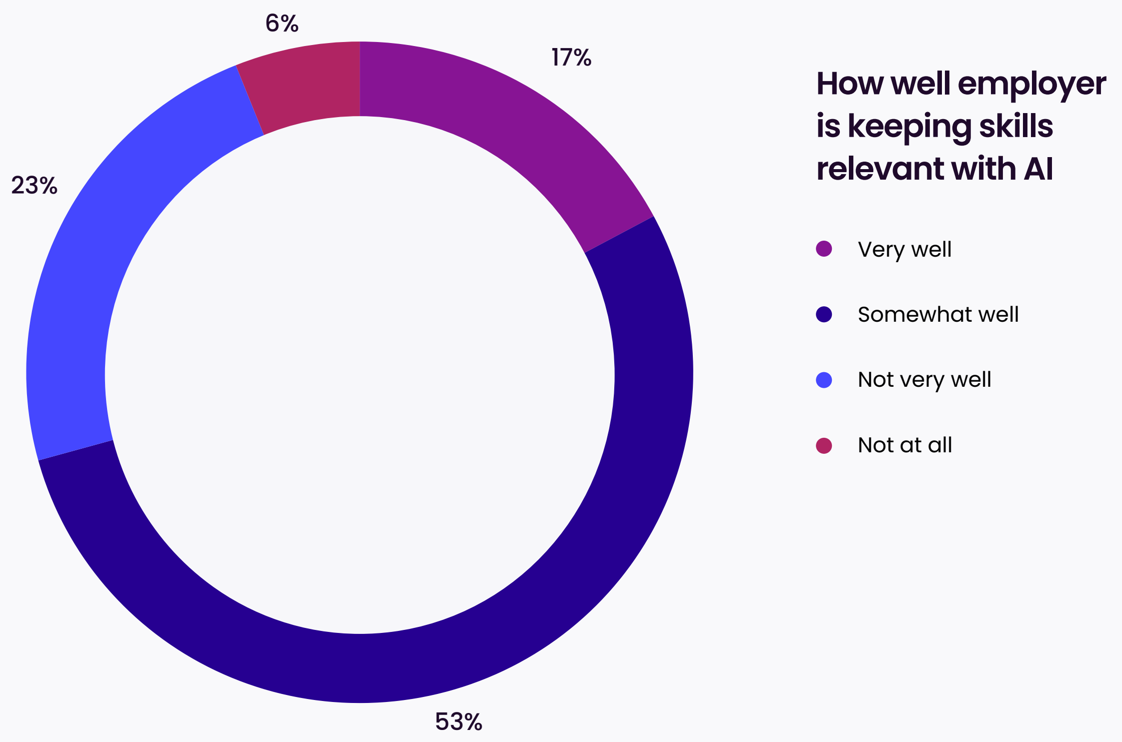
- AI won't meaningfully affect my organisation
- Mainly retraining and reskilling existing employees
- Mainly hiring new people who already have AI skills
- Mainly reducing headcount in some areas of the business
- A mix of these approaches, with no clear dominant strategy

Employees hold varied expectations about how employers will respond to AI-driven change. Around a quarter (23%) expect a focus on retraining and reskilling, while 15% anticipate workforce reductions and 8% expect a push to hire people who already possess AI skills. The largest group (27%) expect a mix of approaches, and a further 27% don't expect AI to meaningfully affect their organisation.

Future skills and workforce readiness

The bigger signal is readiness. Just one in four (25%) employees are very confident they know which of their current skills will still matter in two years, and only 17% think their employer is doing very well at keeping their skills relevant. With around a quarter (23%) expecting employers to respond mainly through retraining, there is a clear gap between how uncertain employees feel and how supported they think they are. Closing that gap will be critical for organisations navigating AI-driven change.





Benchmark Findings

H1 2026 shows a workforce that is steadying. Burnout and job security concerns have eased, but the financial strain and pressure remain. Half are only just keeping up, and fair pay sentiment is beginning to soften.

49%

say their income is insufficient.

Financial pressure is still real for employees

Half (51%) of employees say they earn enough to meet their financial needs, although most (41%) describe themselves as only just about managing. 49% feel they aren't earning enough, including 11% who say they are nowhere near earning enough.

42%

Burnout declined to 42%.

Burnout is down, but the strain remains

Burnout declined to 42% (47% in H2 2025), marking the most notable change across the wellbeing measures. Most other indicators remained broadly unchanged, including working while unwell (44%).

35%

Feel they need to work harder or longer to keep their job safe

Job fears are easing

The proportion of employees who feel they need to work harder or longer hours to keep their job safe fell to 39% (45% in H2 2025). Concern about redundancy also declined to 35% (39% in H2 2025).

7 in 10

employees feel recognised.

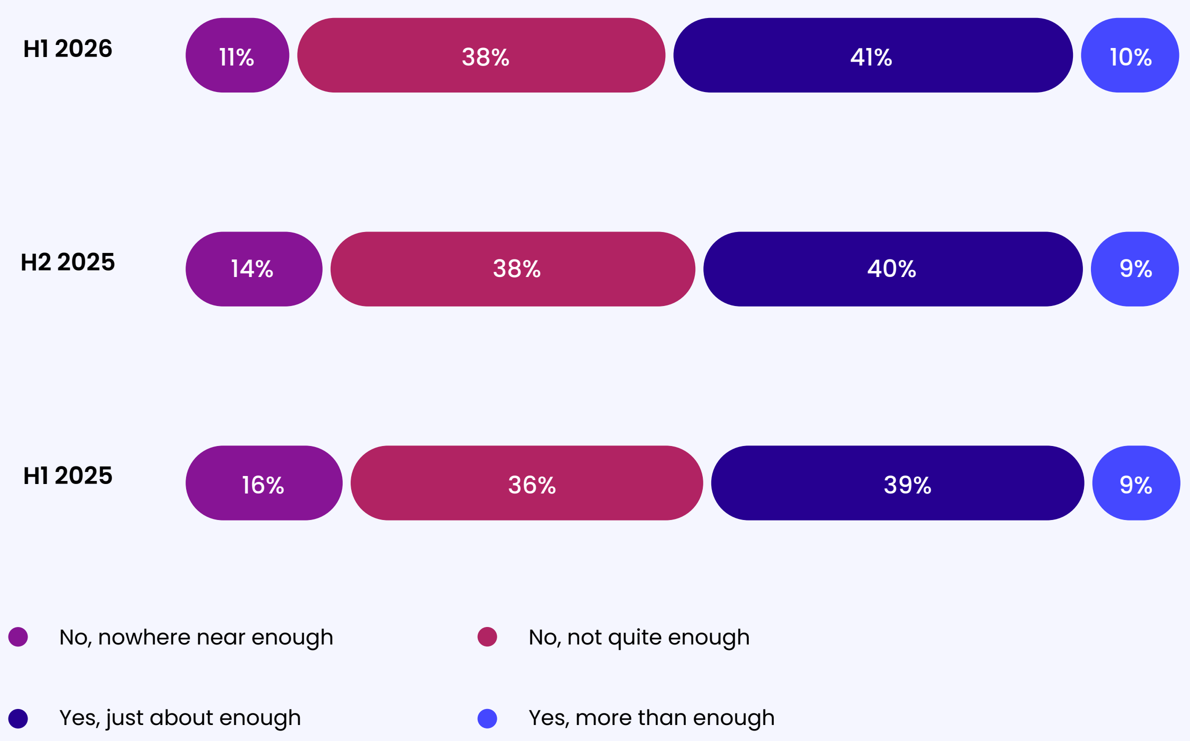
Recognition remains strong

Seven in ten (70%) employees feel recognised for their contributions at work, broadly in line with the previous period (72% in H2 2025). Around three in five (62%) believe they are paid fairly for their work (63% in H2 2025).

Are employees earning enough?

Employees are divided on whether their earnings are meeting their needs. Half (51%) say they earn enough, a slight uplift from 49% in H2 2025, but most of those (41%) are only just managing, with one in ten (10%) feeling they earn more than enough. Nearly half (49%) feel their income falls short, including 11% who say what they earn is nowhere near enough.

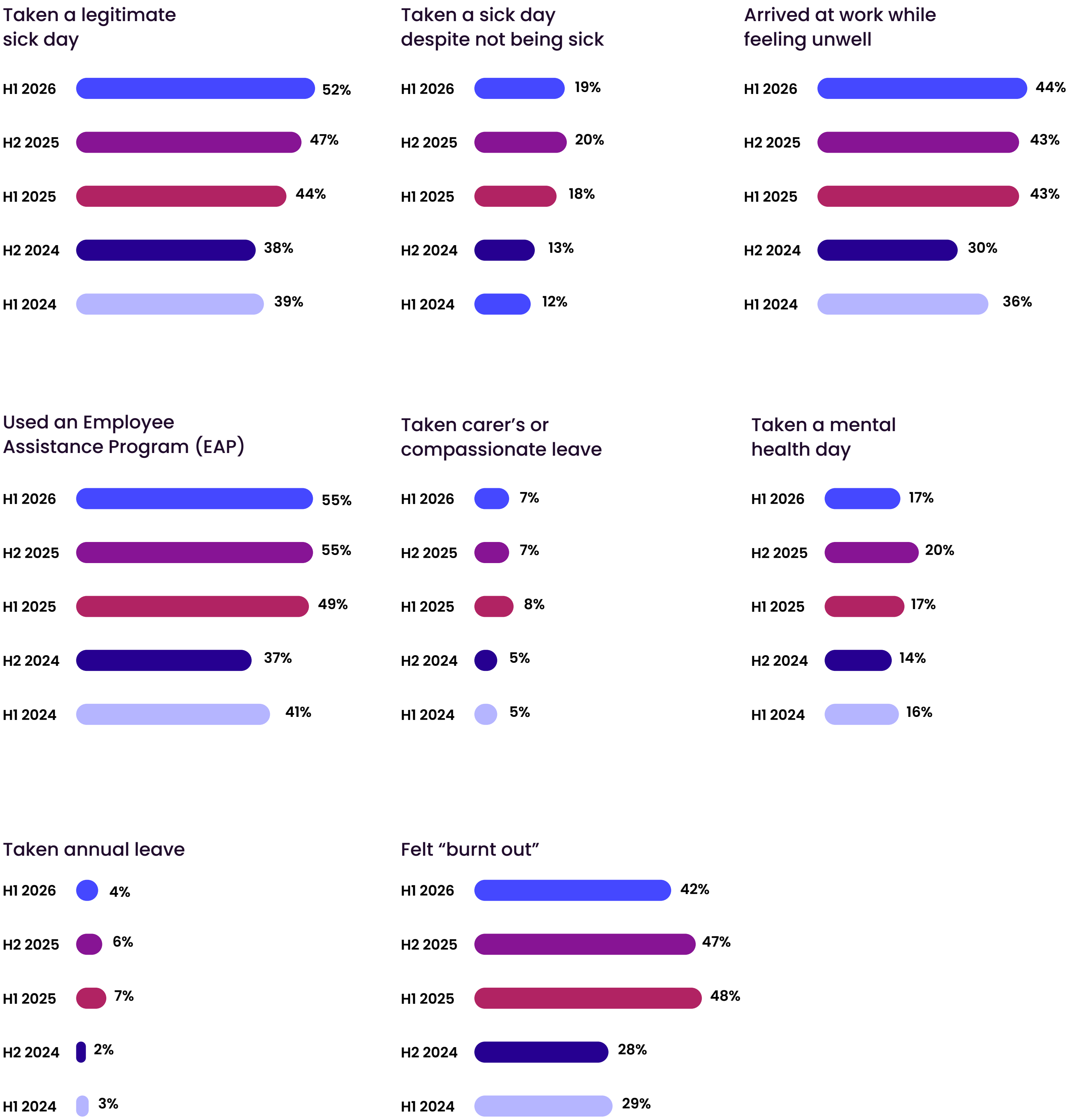
Household finances are stretched and the gap between just managing and not managing at all is thin. For employers, this signals that cost-of-living pressures haven't eased, and pay and financial support remain as relevant as ever.



Employee wellbeing

Burnout has eased, dropping to 42% from 47% in H2 2025, and more employees are taking legitimate sick days (52%, up from 47%), a sign that people are prioritising their health more. However, working while unwell remains a concern at 44%, and annual leave taking is flat, but nearly half are still showing up unwell. For employers, the progress is partial and more could be done as the conditions driving presenteeism haven't meaningfully changed.

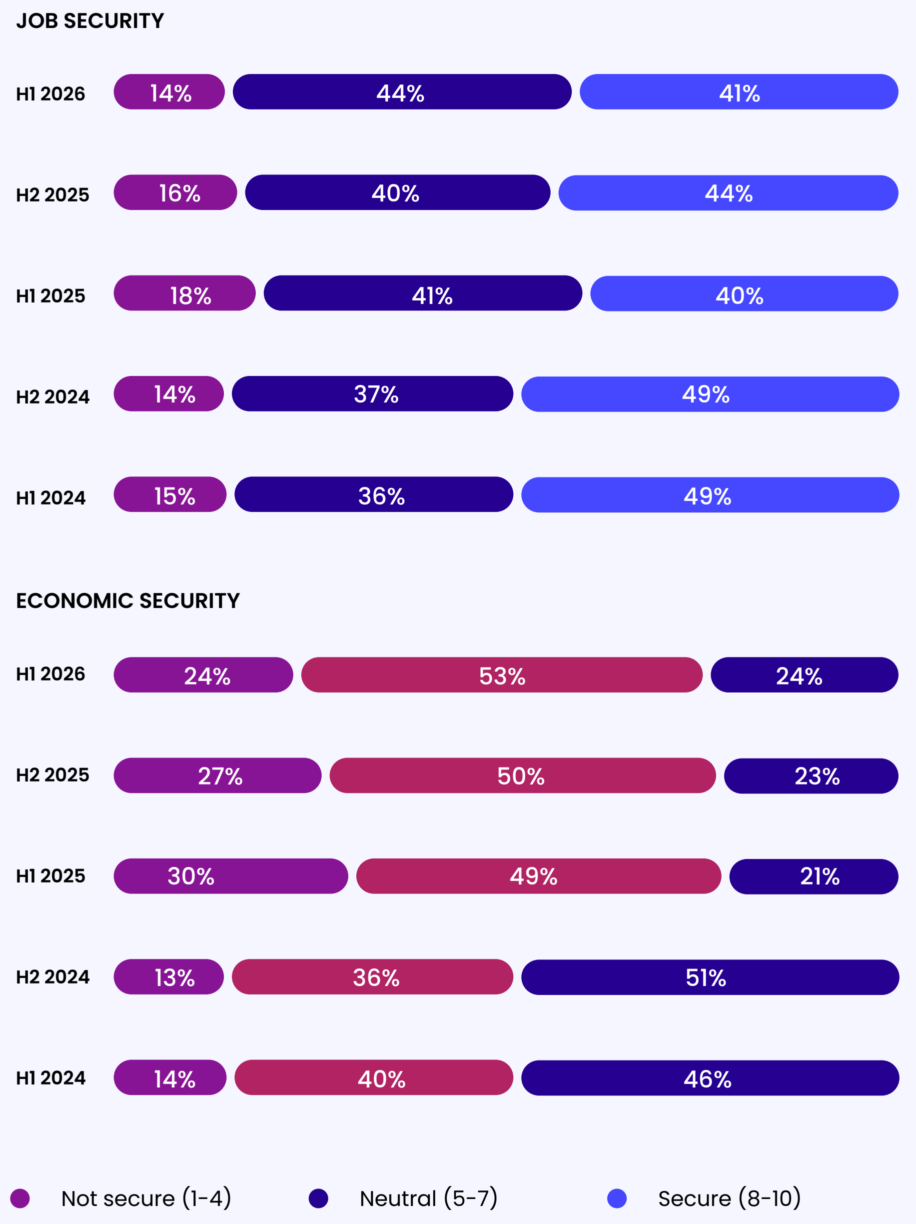
Leave taken from January to June 2026



Perceived security

Employees feel safe in their jobs but uneasy about their finances. Job security sentiment remains broadly stable, with four in ten employees feeling secure in their role, though slightly more are now sitting on the fence compared to six months ago. Economic security tells a different story: only around one in four feel confident about their financial position, and while insecurity is easing, more than half of employees (53%, up from 50% in H2 2025) are taking a cautious, middle-ground view.

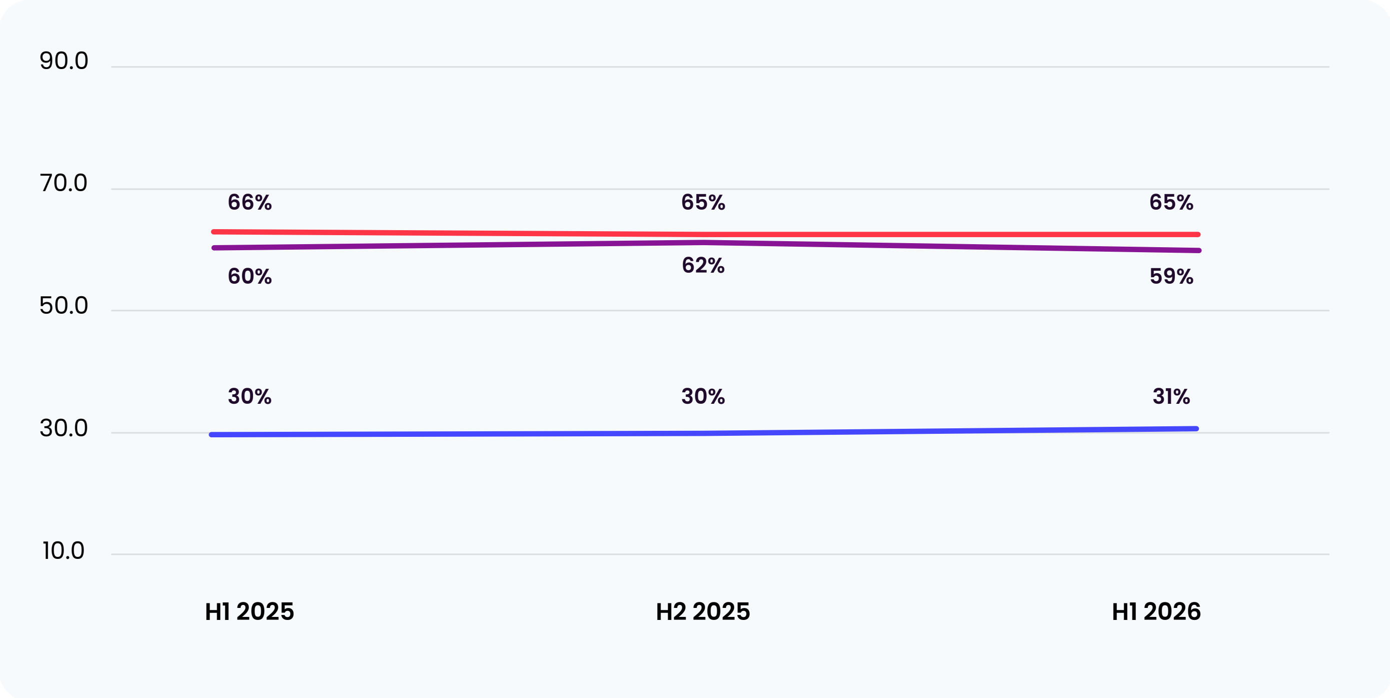
How employees feel about job security over the last 6 months



Employees and AI

Employees continue to view automation and AI positively, with two thirds (65%) agreeing that their skill set is specialised and unlikely to be replaced by automation or AI, while 59% (down from 62% in H2 2025) see automation and AI as tools that will help them in their role.

Concerns about job displacement remain stable, with around three in ten (31%, 30% in H2 2025) believing their role is at risk of being replaced by automation or AI within the next 5 years. Together, these findings suggest employees generally view AI more as a tool to support their work than a threat to their employment.

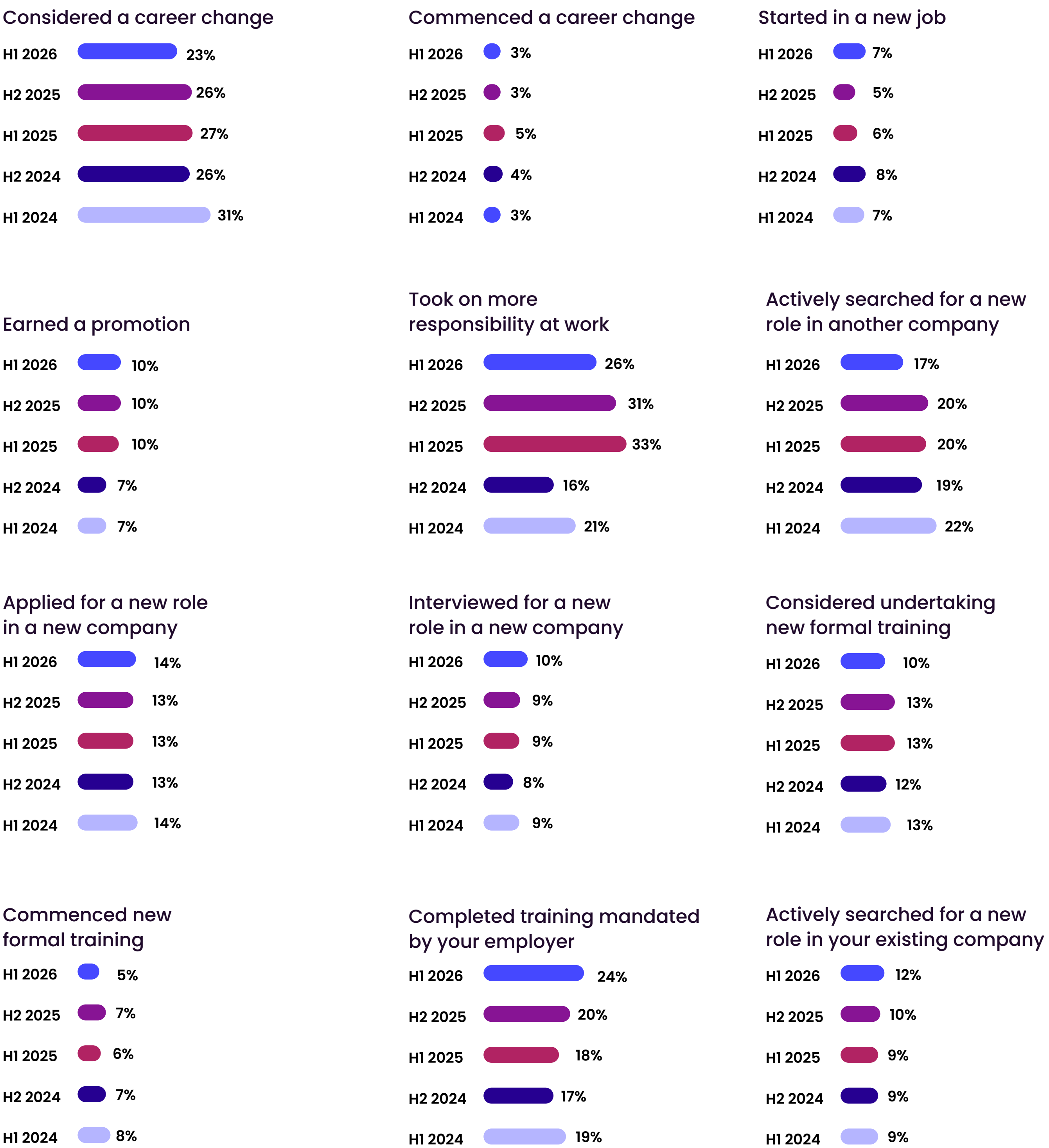


- My role is at risk of being replaced by automation or AI within the next five years
- I see automation or AI as tools that will help me in my role
- My skill set is specialised and unlikely to be replaced by automation or AI

Employee mobility

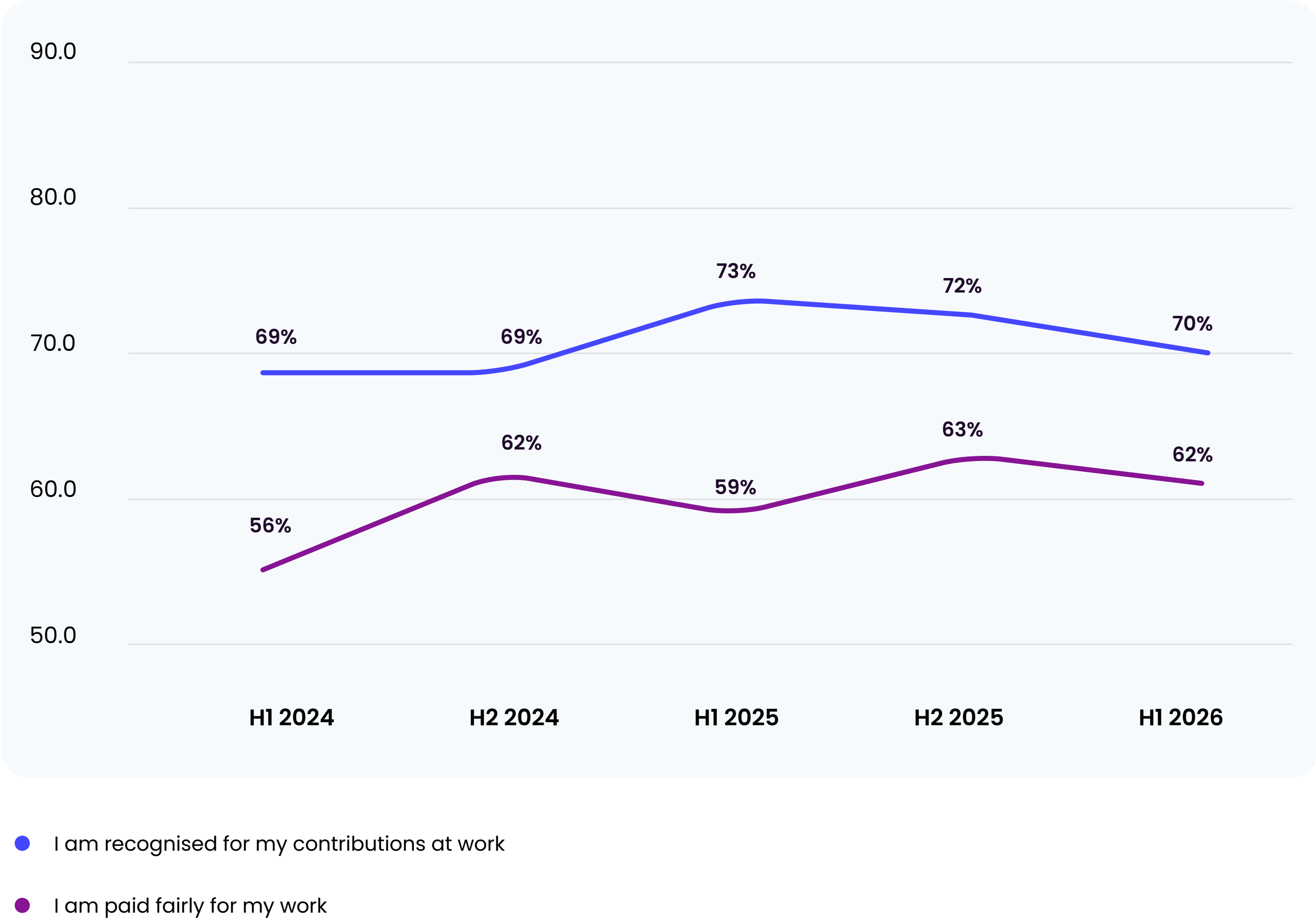
The proportion of employees taking on more responsibility at work eased slightly to 26% (from 31% in H2 2025), while completion of employer-mandated training ticked up to 24% (from 20%). Most other indicators held broadly unchanged. The dip in employees taking on more responsibility is worth watching. It may be an early sign that growth opportunities are thinning, before it shows up in disengagement or turnover.

Actions employees took in the past 6 months



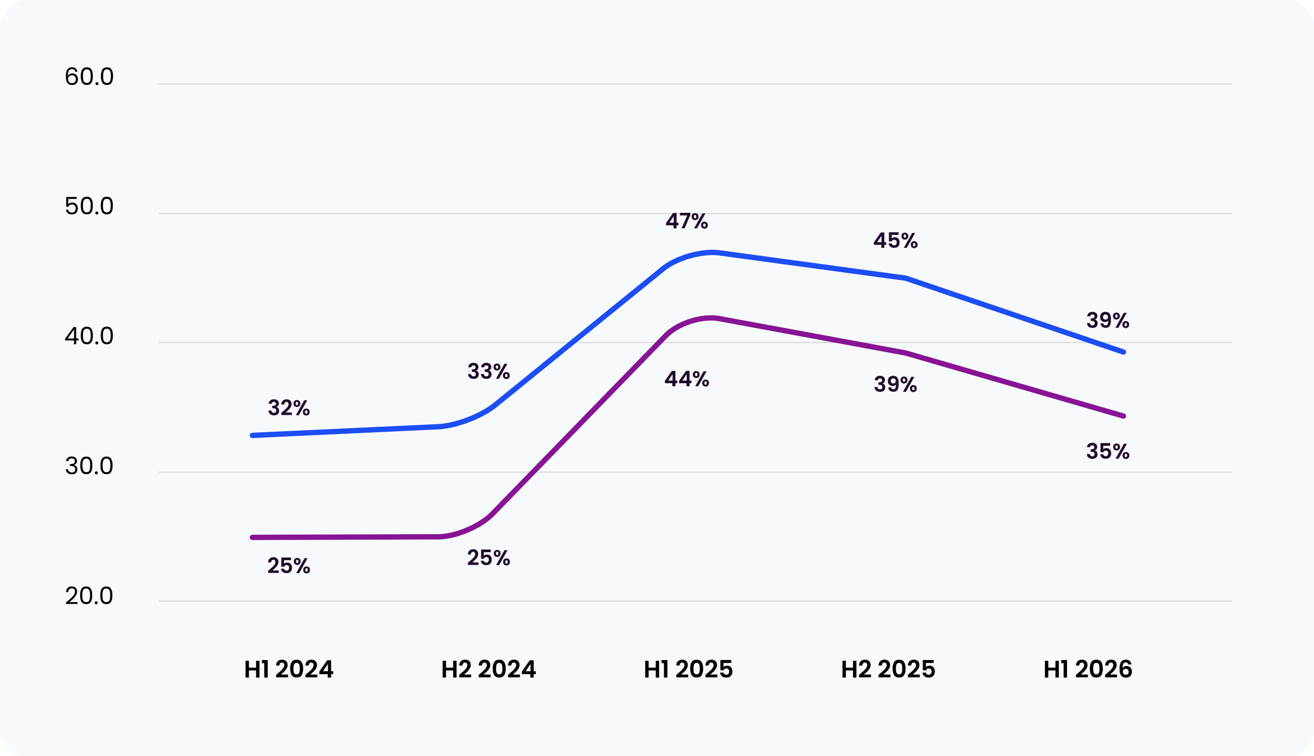
Recognition and remuneration

Sentiment towards recognition and remuneration remains relatively stable. 70% feel recognised for their contributions at work, broadly in line with H2 2025 (72%), while views on fair pay remain largely unchanged (62% in H1 2026, 63% in H2 2025). Despite the softening in recognition, both measures remain above levels recorded in 2024.



Job safety and redundancies

Job security concerns are easing, with employees feeling more secure in their roles than they were a year ago. The proportion of employees who feel they need to work harder or longer hours to keep their job safe has fallen to 39%, a sharp decline from 45% in H2 2025, while concern about redundancy has also declined to 35%, from 39% in H2 2025. Both have been trending down since they peaked in H1 2025.



- 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

What employees want from an employer remains largely unchanged in H1 2026. Remuneration and bonus payments continue to rank as the most important considerations since 2024. Ease of commute has risen into the top five considerations, alongside culture and flexible or remote working, with rising fuel costs likely sharpening employees' focus on how far and how much it costs to get to work. For employers, the retention levers are the same as the second half of last year: pay, stability and culture.

	H1 2026	H2 2025	H1 2025	H2 2024	H1 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	4th	3rd	4th
Flexible/remote working	4th	4th	3rd	5th	3rd
Career development opportunities	6th	5th	5th	6th	6th
Easy and/or short commute	5th	6th	6th	4th	5th
Wellbeing initiatives	7th	7th	7th	9th	8th
Professional learning opportunities	8th	8th	8th	8th	7th
The ethical standing/reputation of the organisation and leadership	9th	9th	9th	7th	9th
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

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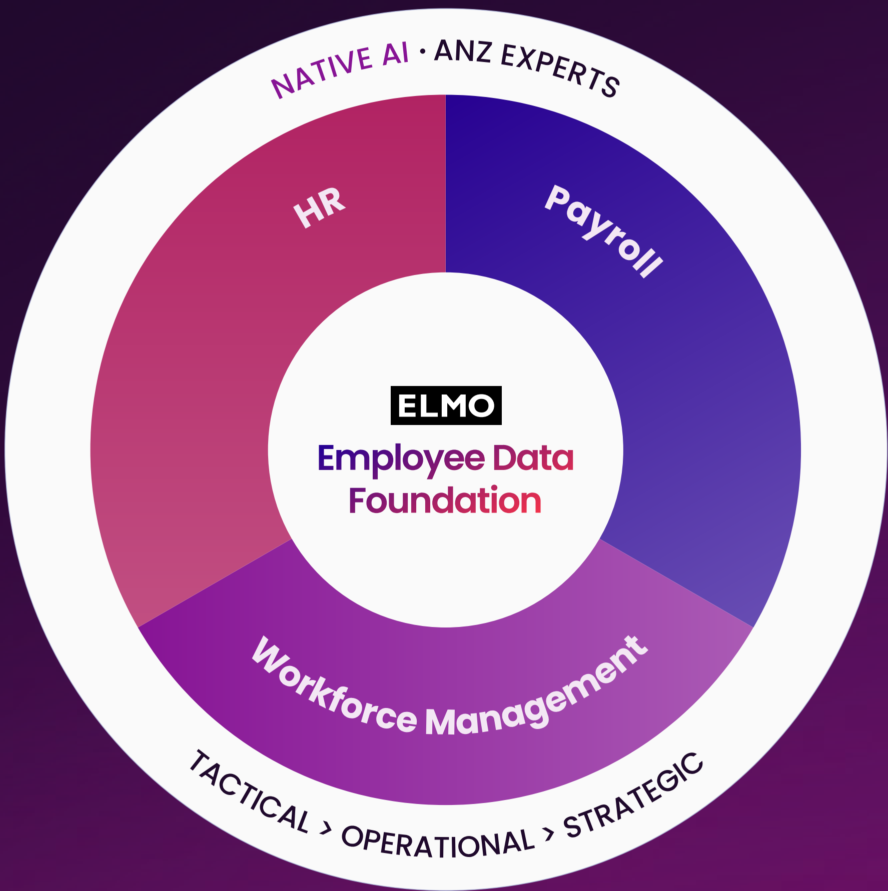

ELMO's mission is to get Australia and New Zealand's workforce ready for what's next. Founded in 2002, ELMO Software is the trusted provider of HR and payroll technology to 2,000+ organisations and over a million end users across Australia and New Zealand.

Layering native AI to surface workforce insights with ISO-certified security, Australian-based data hosting and local experts, ELMO helps mid-sized ANZ organisations move from tactical HR administration to strategic workforce readiness.

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