



ELMO Software Employee Sentiment Index

Australia | October - December 2025



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Overview

1000+
RESPONDENTS

**Oct-Dec
2025**



**Australian
Employees**

The ELMO Employee Sentiment Index provides a regular pulse check of the actions, attitudes, and behaviours of Australian 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 Australian 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 Australia, 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	RETIREMEN
13	37	DKK2.004	DKK180.463	DKK167	Starting monthly savings go
14	38	DKK2.064	DKK199.671	DKK172	Amount of savings in: 2057
15	39	DKK2.126	DKK220.766	DKK177	
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	
21	45	DKK2.538		DKK212	
22	46	DKK2.615		DKK218	
23	47	DKK2.693		DKK224	
24	48	DKK2.774		DKK231	
25	49	DKK2.857		DKK238	
26	50	DKK2.943		DKK245	
27	51	DKK3.031		DKK253	
28	52	DKK3.122		DKK260	
29	53	DKK3.216		DKK268	
30	54	DKK3.312		DKK276	
31	55	DKK3.411		DKK284	
32	56	DKK3.514		DKK293	
33		DKK3.619		DKK302	

Tracking the Index

The Index currently sits at 72.8 – a marginal increase from the previous quarter (71.4) and above the previous high recorded in Q4 2024 (71.8). This marks the second consecutive quarterly increase, pointing to strengthening employee sentiment and growing stability across the workforce.

Key movements this quarter include:

- Mobility: 16.5 (up from 15.7)
- Wellbeing: 15.0 (up from 14.3)
- Economic and job security: 25.8 (compared to 26.2)
- Compensation and recognition: 15.5 (up from 15.1)

The continued rise in the Index reflects steady improvements in wellbeing, recognition, and sentiment toward fair pay, alongside a noticeable decline in active job-seeking. Together, these shifts suggest that employees are feeling more confident and supported, even as overall sentiment on the economy and job security remains stable.



	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Economic and job security	25.8	26.2	24.5	25.2	27.5
Wellbeing	15.0	14.3	14.3	14.2	15.7
Compensation and recognition	15.5	15.1	14.4	14.8	13.7
Mobility	16.5	15.7	15.1	14.9	15.0

Fixed Questions

After a steady close to the year, employee sentiment shows signs of cautious improvement. Earnings sentiment has strengthened, with more employees reporting they can meet their financial needs, while perceptions of fairness and recognition continue to trend upward.

At the same time, employees remain mindful of economic uncertainty. Concerns around redundancy and the need to demonstrate job security have increased, though burnout has eased slightly (down from 40% to 37%) and fewer employees report attending work while unwell – an encouraging sign that workplace wellbeing may be starting to stabilise.

Overall, employees appear more supported financially and professionally, but continue to balance growing confidence with ongoing caution about the future of work.



Earnings sentiment improves, but financial pressure remains

Up five points from the previous quarter, **66%** of employees feel they are **earning enough to meet their financial needs** – though nearly half (49%) say this is “just about” enough. One in three employees still report not earning enough.



Redundancy keeps employees up at night

More employees are feeling pressure to prove their value, with **two in five concerned their role could be made redundant**, up from 36% last quarter. Half of employees say they need to work harder or longer hours to keep their job secure, while 31% believe their role could be replaced by automation or AI within the next five years, largely unchanged from the previous quarter.



Employees are feeling more valued

Encouragingly, **four in five** employees **feel recognised for their contributions at work**. At the same time, 75% believe they are paid fairly, up slightly from 73% in the previous quarter.

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 (87%), with many employees using approved tools exclusively (41%) or combining them with non-approved tools (29%). While **adoption is strong**, perceived impact is still evolving: only about **one in six** 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 66% 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 (44%), with **only 11% reporting extensive integration** and **12% seeing clearly visible outcomes** — highlighting how early many organisations still are in translating AI adoption into real impact.



Leaders in AI missing

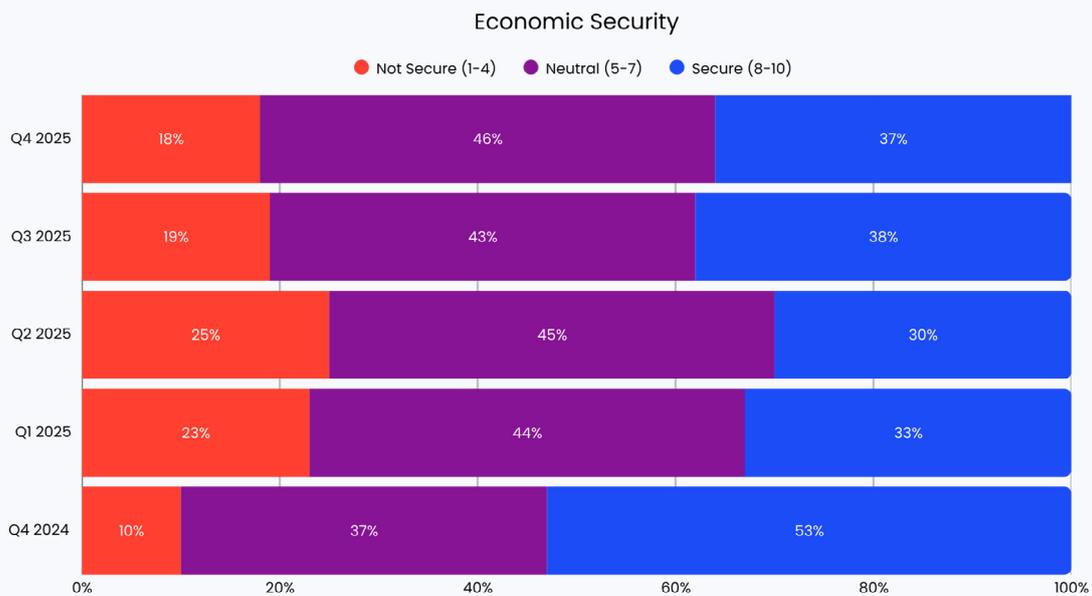
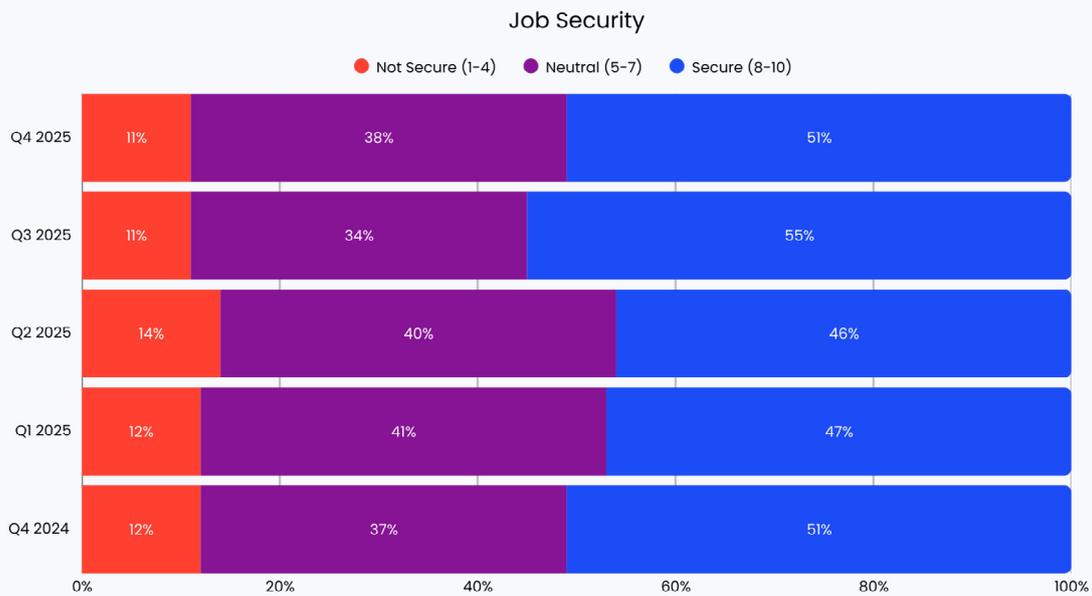
AI adoption is outpacing leadership guidance in many workplaces. **Only 19%** of employees say **expectations for AI use are very clear**, and just **14%** feel strongly **supported to use AI responsibly and effectively**, highlighting an opportunity for organisations to provide clearer direction as AI becomes more embedded in daily work.

Fixed Question Analysis



Perceived security

Job and economic security sentiment has softened this quarter, with 51% of employees feeling secure in their job (down from 55%) and 37% feeling financially secure (down from 38%). While both measures have eased only modestly, economic security at 37% remains well above the low of 30% recorded in Q2 2025, suggesting the broader recovery in financial confidence is holding despite a slight quarter-on-quarter dip.



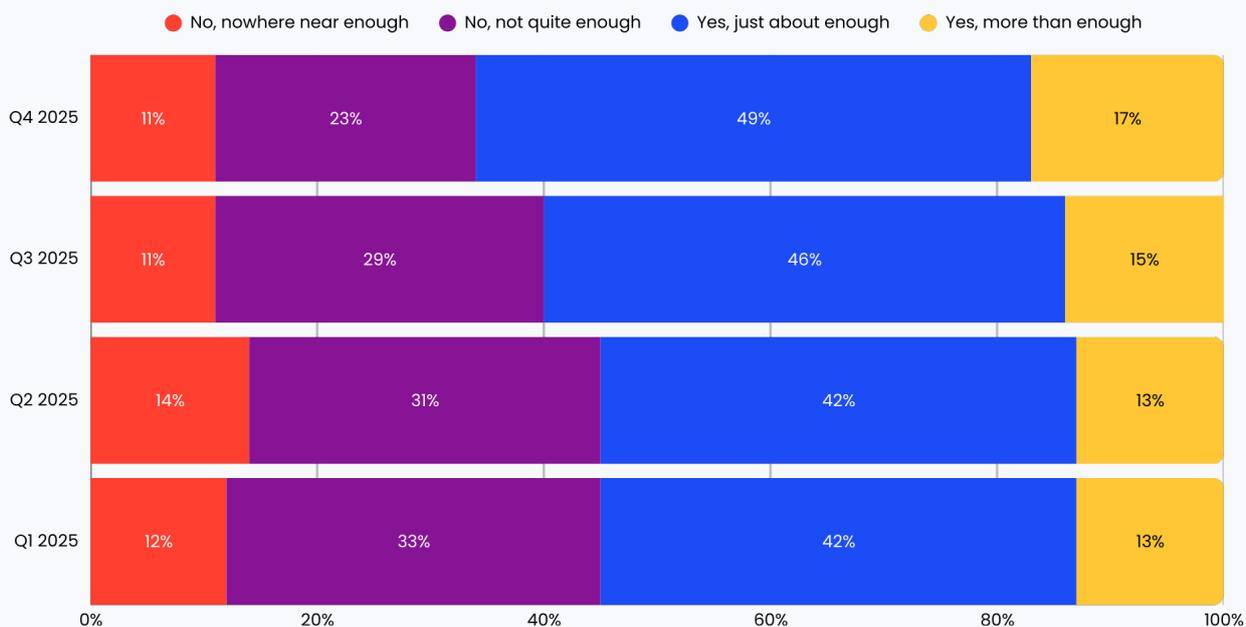
Perceived Earnings

Earnings sentiment has improved this quarter, with more employees reporting they can meet their financial needs, though financial pressure remains for many households.

Key earnings insights

- 66% of employees say they earn enough to meet their financial needs, up from 61% in the previous quarter.
- Half say they are “just about” managing financially.
- One in three employees feels their income is insufficient, including 11% who say they are nowhere near meeting their financial needs.

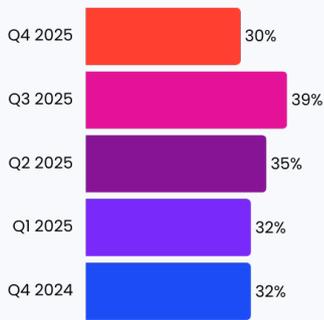
While confidence in earnings has strengthened, the high proportion of employees who are only just managing highlights the continued sensitivity of household finances to economic conditions.



Employee wellbeing

Burnout remains a key workplace wellbeing challenge, though at 37% it has eased slightly from 40% last quarter – a small but welcome shift after several quarters of persistent emotional fatigue. Encouragingly, fewer employees report attending work while unwell (32%, down from 40%), suggesting improved awareness of physical health and potentially more supportive workplace flexibility. Together, these shifts hint at early progress, but with more than one in three employees still feeling burnt out, there’s clearly more work to do.

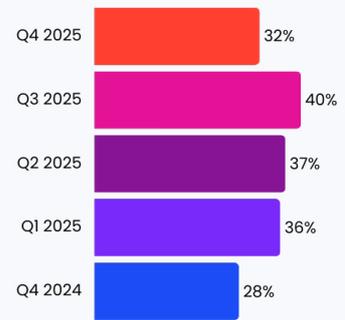
Taken a legitimate sick day



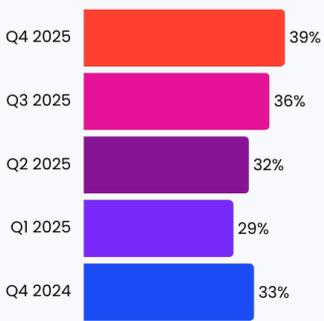
Taken a sick day despite not being sick



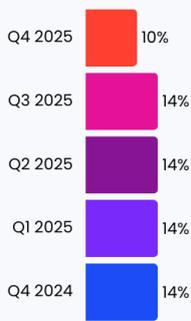
Arrived at work while feeling unwell



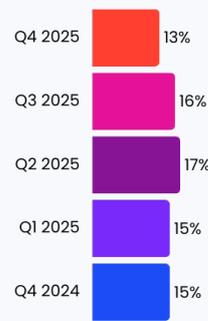
Taken annual leave



Taken carer's or compassionate leave



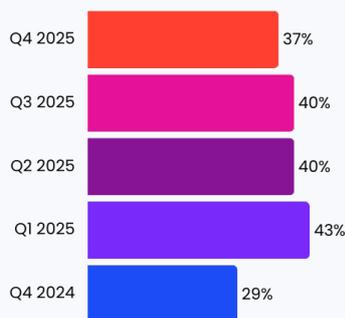
Taken a mental health day



Used an employee assistance program (EAP)



Felt "burnt out"



Employee mobility

Australian employees continue to show steady workplace mobility, with many focusing on growth within their organisation rather than actively seeking new roles

- 26% report taking on more responsibility, compared to 29% last quarter.
- 15% are actively searching for a new job externally, down from 18% in the previous quarter.
- 7% are exploring new opportunities internally, down from 10% last quarter.
- 10% have applied for a new role, down from 13%.

Together, these results paint a picture of a more settled workforce. With fewer employees actively looking to leave and job-search activity easing across the board, organisations have a window to focus on internal development and retention – turning stability into engagement before the next cycle of movement begins.

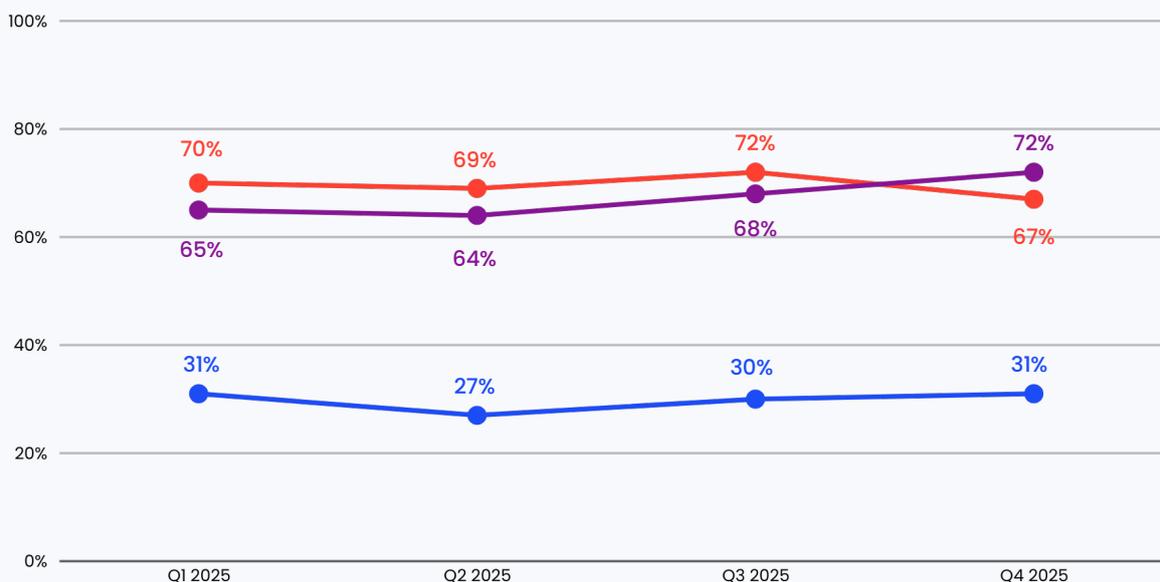


Future of Work

More employees are seeing the benefits of AI and are less focused on its potential threats.

- 72% of employees believe automation or AI will help them in their role, up from 68% in the previous quarter.
- 67% feel their skill set is specialised and unlikely to be replaced by automation or AI, slightly down from 72% last quarter.
- 31% believe their role is at risk of being replaced, broadly unchanged from last quarter.

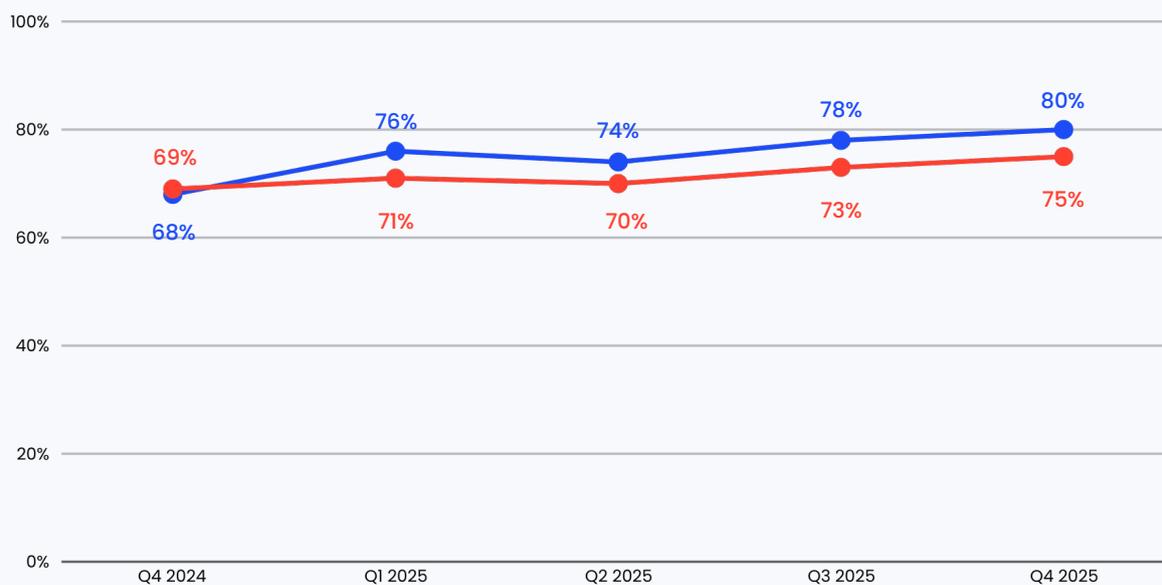
Together, these results suggest a steady but cautious outlook for the benefits of AI, alongside continued belief in the value of human skills in the workplace.



- 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

Employers are showing year-on-year improvement in sentiment, suggesting a culture increasingly focused on employee recognition and fair remuneration. Four in five employees say they feel recognised for their contributions, up slightly from 78% in the previous quarter, while three in four (75%) believe they are paid fairly for their work, continuing the upward trend from 73% last quarter.

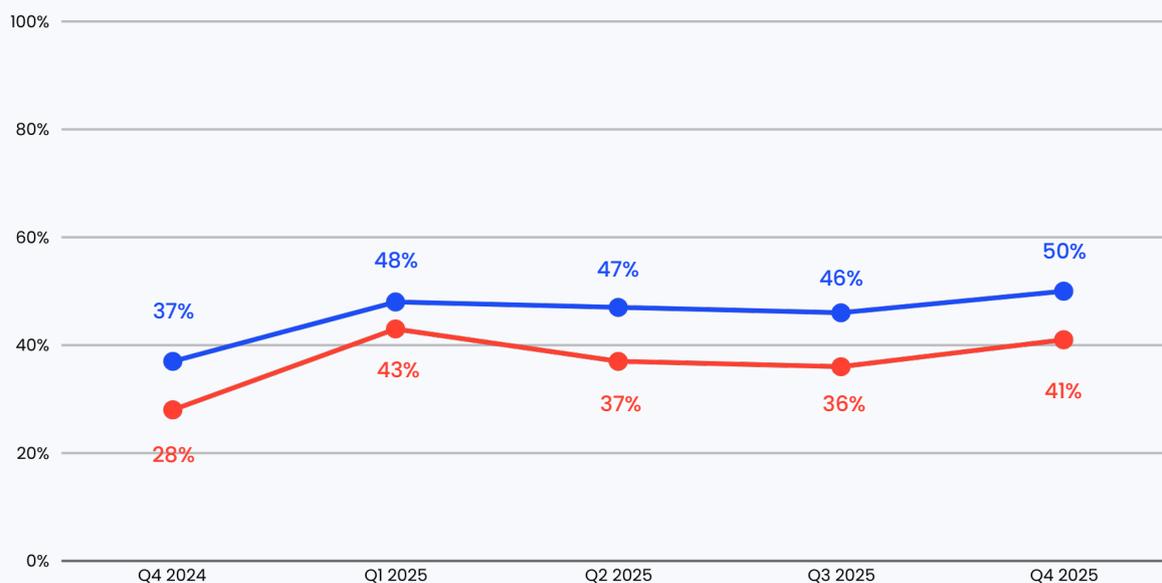


● I am recognised for my contributions at work

● I am paid fairly for my work

Job Safety and Redundancies

Redundancy concerns have increased this quarter, rising to 41%, up five points from Q3 2025. This signals a return to the job security pressures seen earlier in 2025. At the same time, 50% say they need to work harder or put in longer hours to keep their job secure, up from 46% last quarter, suggesting a continued undercurrent of uncertainty across workplaces, likely reflecting broader economic conditions.



- 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 flexible or remote working. 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
Flexible/remote working	3rd	3rd	3rd	3rd	3rd
Culture of the organisation	5th	4th	5th	6th	5th
Career development opportunities	4th	5th	6th	4th	6th
Easy and/or short commute	6th	6th	4th	5th	4th
The ethical standing/reputation of the organisation and leadership	7th	7th	8th	8th	8th
Professional learning opportunities	8th	8th	7th	7th	7th
Wellbeing initiatives	9th	9th	9th	9th	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

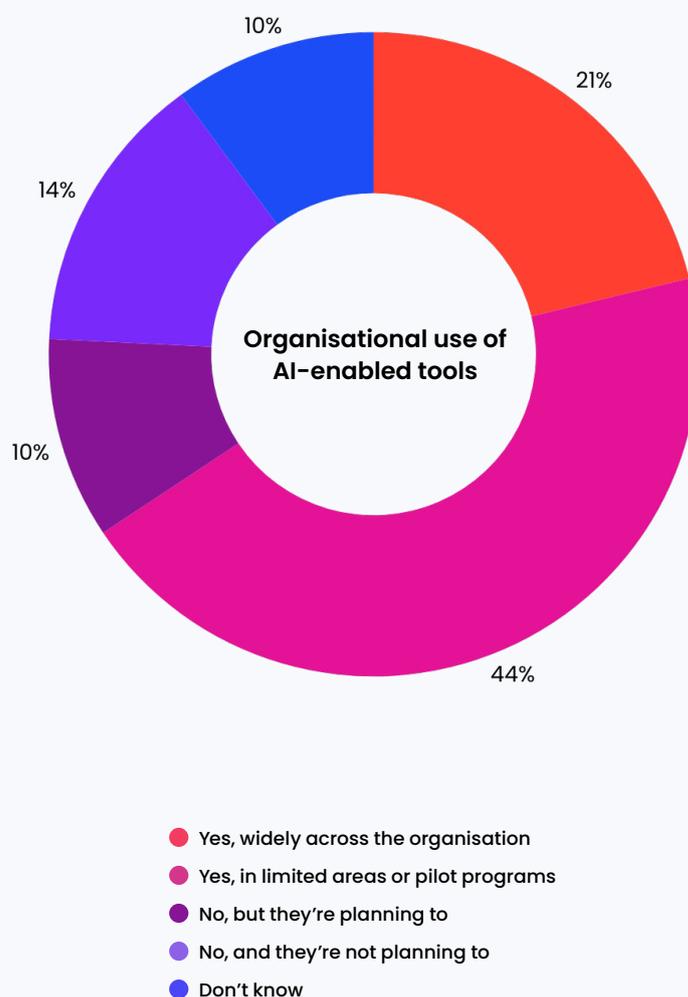
Topical Analysis

Use of AI-enabled tools



Organisation's use of AI-enabled tools

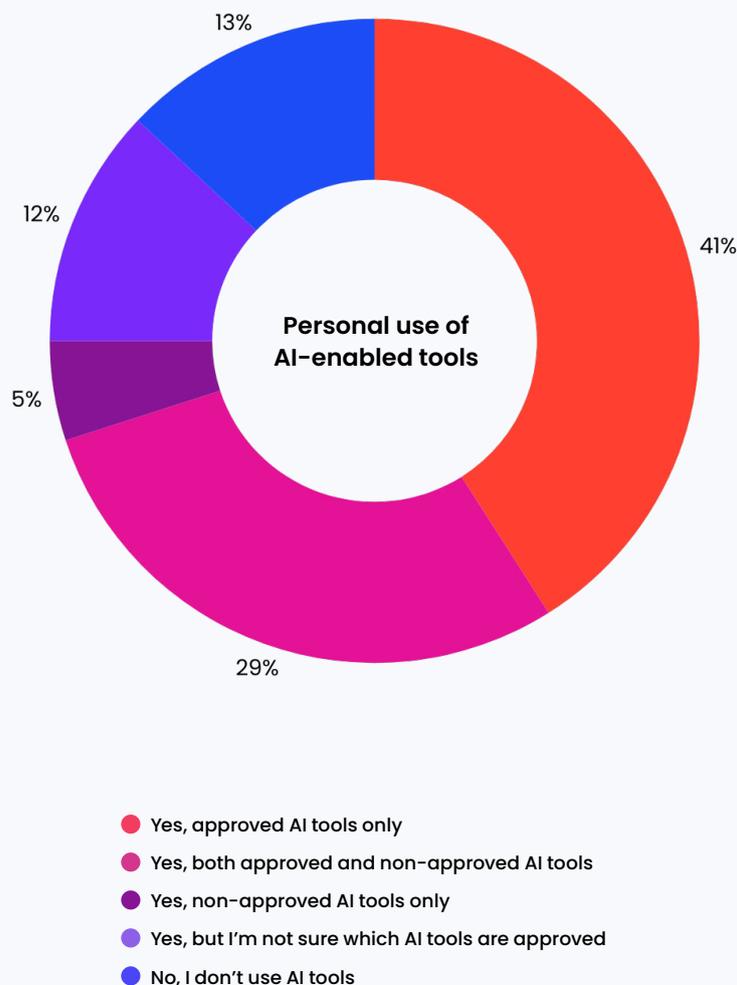
Most employees report their organisation is already using AI-enabled tools (66%), though adoption remains concentrated in pilot programs or selected areas (44%) rather than embedded across the business (21%). Around one in four employees say their organisation is not currently using AI, with 10% expecting to adopt it in the future and 14% reporting no plans to introduce AI tools. Together, this reinforces that while AI adoption is becoming more common, implementation maturity continues to vary widely across organisations.



Personal use of AI-enabled tools

Personal use of AI tools is widespread in AI-enabled workplaces, with 87% of employees reporting they use AI in their day-to-day tasks. Most rely on approved tools (41%) or a mix of approved and non-approved tools (29%), while 5% use only non-approved tools. Notably, 12% say they are unsure which tools are approved within their organisation, and 13% 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.

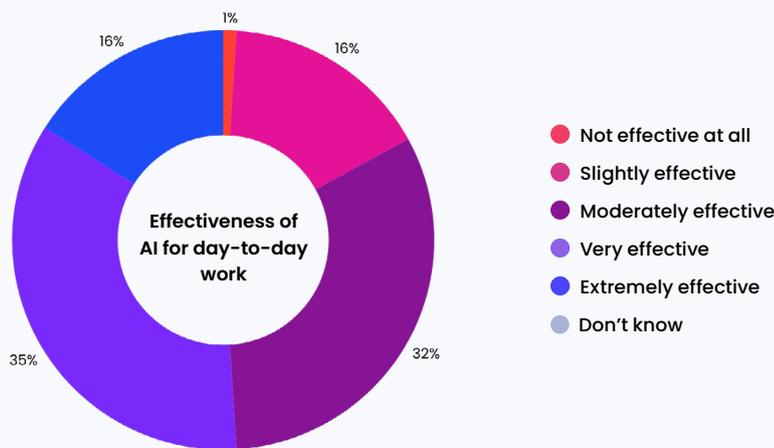


Personal AI effectiveness

Effectiveness of AI for day-to-day work

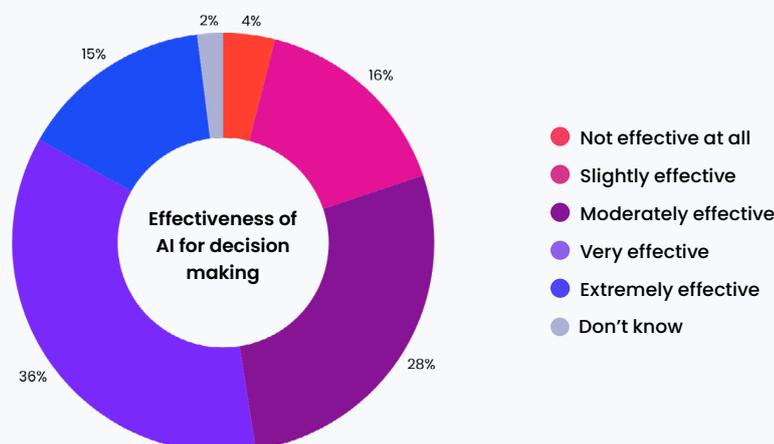
Among employees using approved AI tools, just over half (51%) say they are effective for day-to-day tasks indicating many organisations are still moving from experimentation to measurable value.

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, just over half (51%) say they are 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.

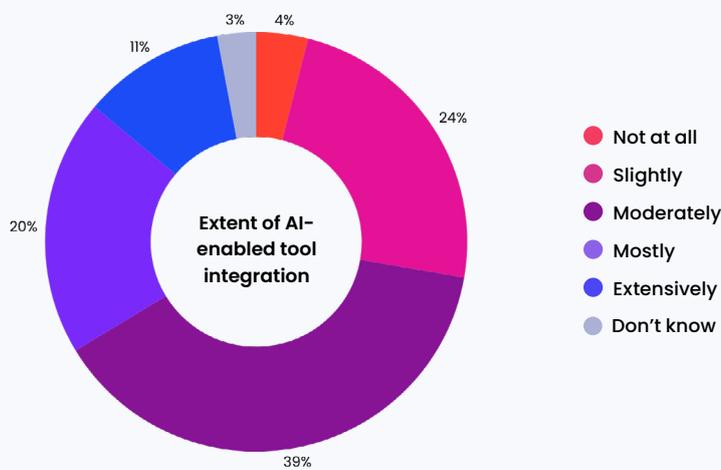


Organisational AI effectiveness

Extent of AI-enabled tool integration

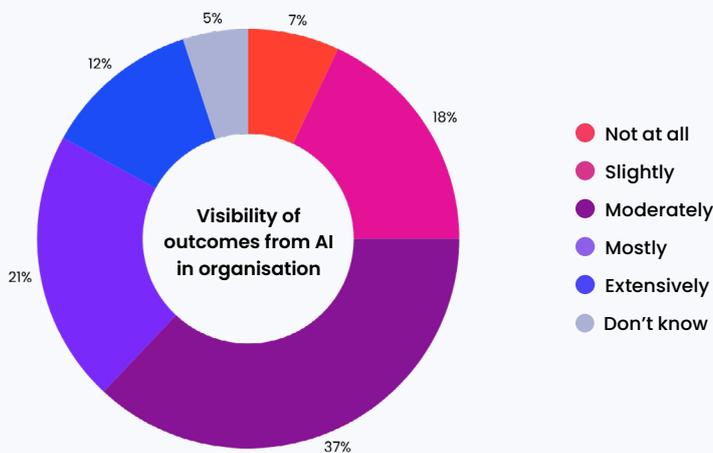
Even in organisations using AI-enabled tools, deep integration remains uncommon: 11% report extensive integration, and 86% say AI is not yet embedded in everyday work. This suggests most organisations are still transitioning from experimentation to meaningful, organisation-wide adoption.

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

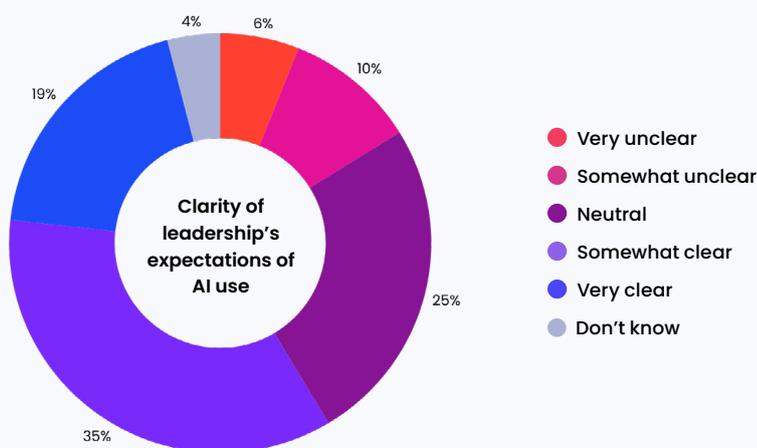
While organisations continue to adopt AI tools, clear visibility of outcomes remains limited, with just 12% of employees reporting that AI's impact is extensively visible. This suggests AI is still in the early stages of delivering measurable, organisation-wide value.



Leadership AI expectations

Clarity of leadership's expectations of AI use

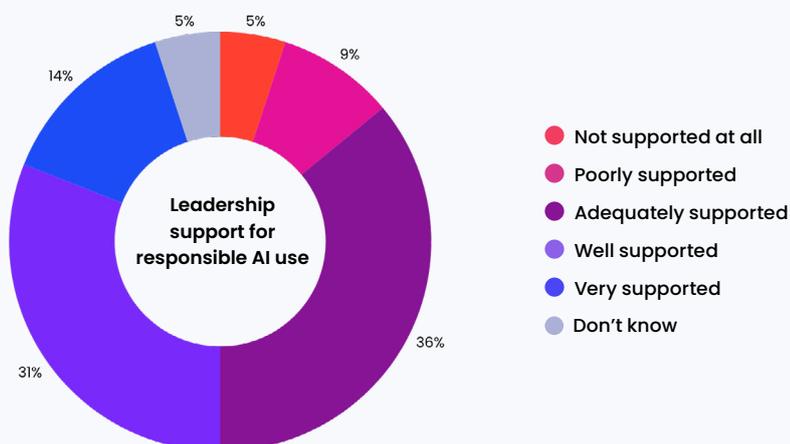
Even in organisations that have introduced AI tools, many employees still seek clearer direction from leadership. Only 19% of employees say expectations around AI use are very clear, while most feel guidance is either limited or inconsistent. This signals an **important next step for organisations – 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. While 14% of employees in AI-using organisations feel very well supported to use AI responsibly and effectively and a further 31% feel well supported, nearly half describe their support as adequate at best – suggesting that for many, guidance hasn't yet matched the pace of adoption.

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.



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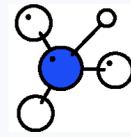
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Trusted by 1.2M users.



Onboarding



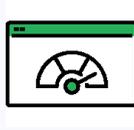
Recruitment



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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