ELMO

AUSTRALIA

Employee Sentiment Index

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

Contents

Overview

1,000+
respondents

Jan – Jun
2026

Australian employees

The ELMO Employee Sentiment Index is a pulse check on the actions, attitudes and behaviours of Australian employees. It analyses prevailing workforce sentiment to track changes in perceptions of job security, wellbeing and the economy, as well as topical issues affecting Australian 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 1,068 Australian 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, spread across Australia in 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 was 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

Australian employees are feeling a little less positive than six months ago, but no worse than a year ago. On the Index, a 0 to 100 measure where 50 is neutral, sentiment sits at 68.2. That is down from a 71.7 high in H2 2025 but level with H1 2025 (68.7), so the dip is a return to normal rather than a slide. All four factors softened:

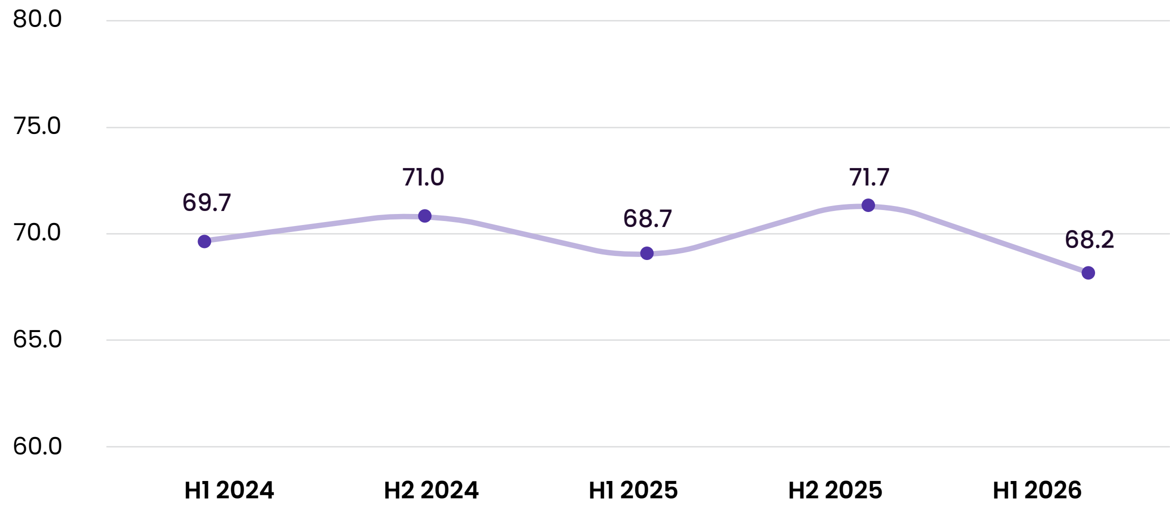
24.3 **Economic & job security** *(down from 26.1 in H2 2025)*

13.9 **Wellbeing** *(down from 14.7 in H2 2025)*

14.7 **Compensation & recognition** *(down from 15.3 in H2 2025)*

15.3 **Mobility** *(down from 15.7 in H2 2025)*

For employers, the read is resilience with a soft underbelly. Sentiment is holding overall, but the fall is concentrated in how secure people feel about the economy and their wellbeing. That is where the pressure sits going into the second half of the year.



	H1 2024	H2 2024	H1 2025	H2 2025	H1 2026
Economic and job security	27.1	27.4	24.8	26.1	24.3
Wellbeing	15.3	15.5	14.3	14.7	13.9
Compensation and recognition	13.3	13.6	14.6	15.3	14.7
Mobility	14.0	14.6	15.0	15.7	15.3

Key Trends

One in seven Australian employees, around 1.5 million people, would now turn to AI for help before asking a manager or colleague. It is one of the clearest signs that AI has quickly shifted from a novelty to a workplace default.

The half year findings reveal a workforce rapidly integrating AI into everyday work but grappling with what that means in practice. AI use is becoming mainstream, yet clarity, confidence and skills support are not keeping pace. That gap is the defining theme of this wave.

72%

of employees now use AI tools at work.

AI has become a mainstream workplace tool

Adoption is broad and increasingly routine. 72% of employees now use AI tools at work, and 41% use them regularly across multiple tasks, in repeatable workflows or to automate parts of their work.

58%

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. Over seven in ten (72%) employees agree that if AI helps them work faster, more is expected of them. Two in three (65%) believe using AI effectively is now an expected workplace skill, while 58% believe employees who don't use AI effectively risk falling behind.

1 in 2

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

Employees are embracing AI, but concerns remain

One in two (49%) employees report feeling uncomfortable about how AI tools have been used at work, highlighting that questions around the appropriate use of AI are common in many workplaces.

19%

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

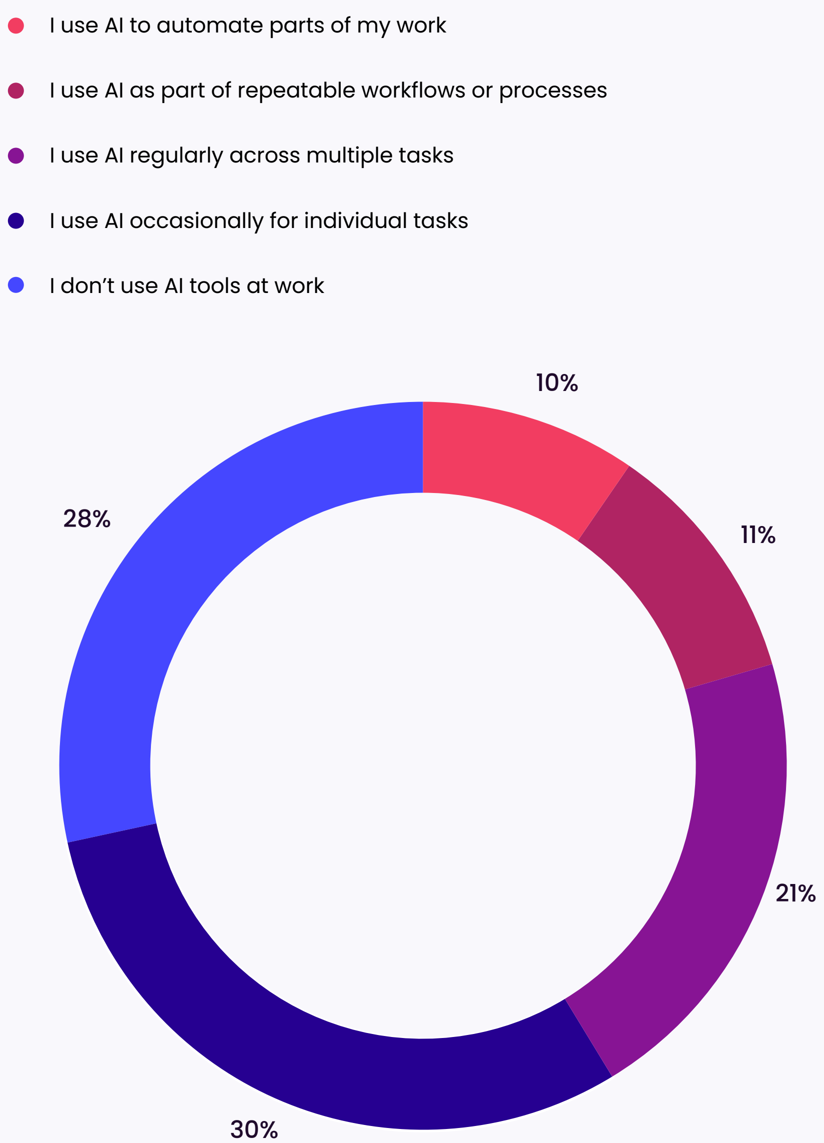
Employees are uncertain about future skills and unconvinced employers are prepared

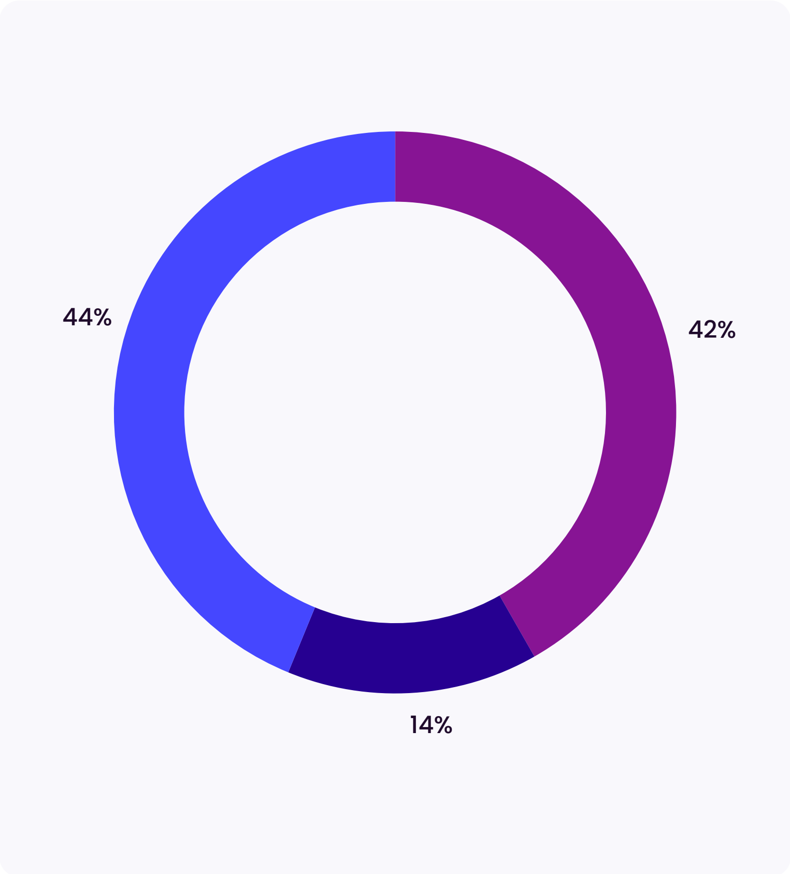
Only 19% of employees believe their organisation is doing very well at keeping their skills relevant for AI-driven change.

AI adoption and usage

AI use has become commonplace in the workplace, with over seven in ten (72%) employees reporting that they use AI tools at work. While 30% use AI occasionally for individual tasks, a further 41% use it more routinely, either regularly across multiple tasks (21%), as part of repeatable workflows or processes (11%) or to automate parts of their work (10%). In contrast, 28% of employees report not using AI tools at work.

Use of AI tools at work



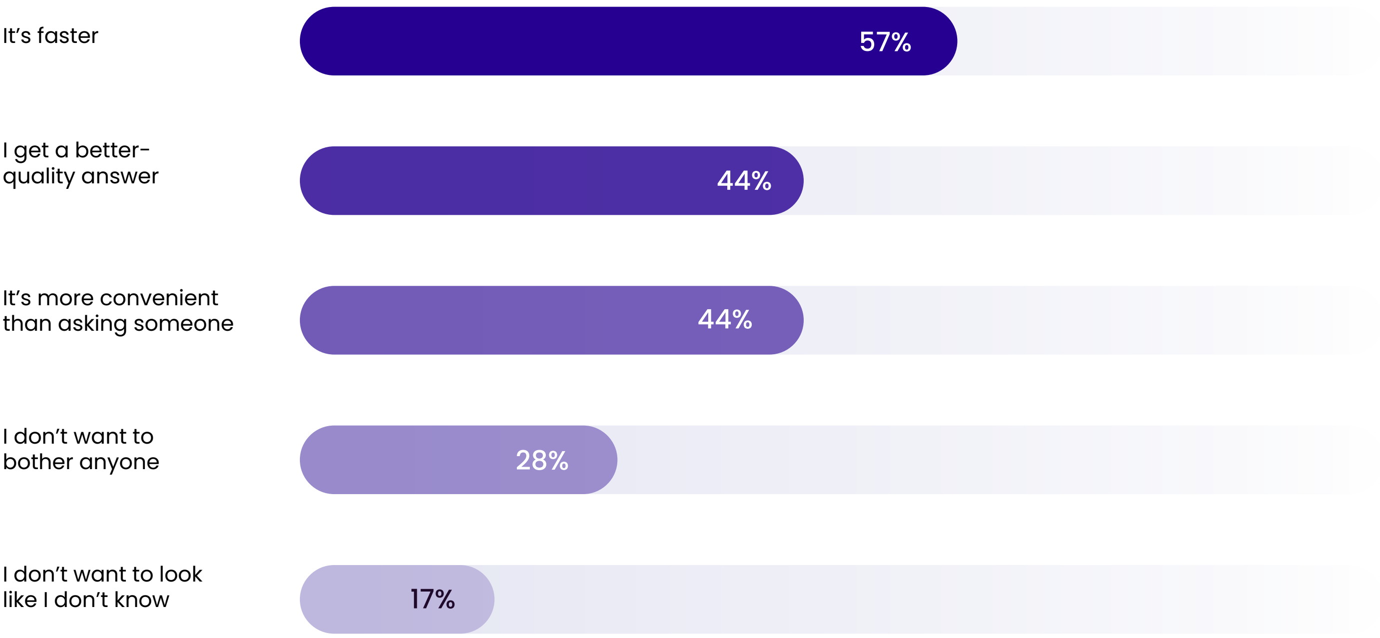


While employees are still more likely to seek help from a manager or colleague first (42%) than from AI tools (14%, the equivalent of approximately 1.5 million employees), over two in five (44%) say their preferred source of support depends on the task at hand. The findings suggest AI is increasingly viewed as a workplace resource alongside traditional sources of guidance, rather than simply a technology used for specific tasks.

Manager or colleague vs. AI for help

- A manager or colleage
- AI Tools
- It depends on what it is

Reasons for turning to AI tools first



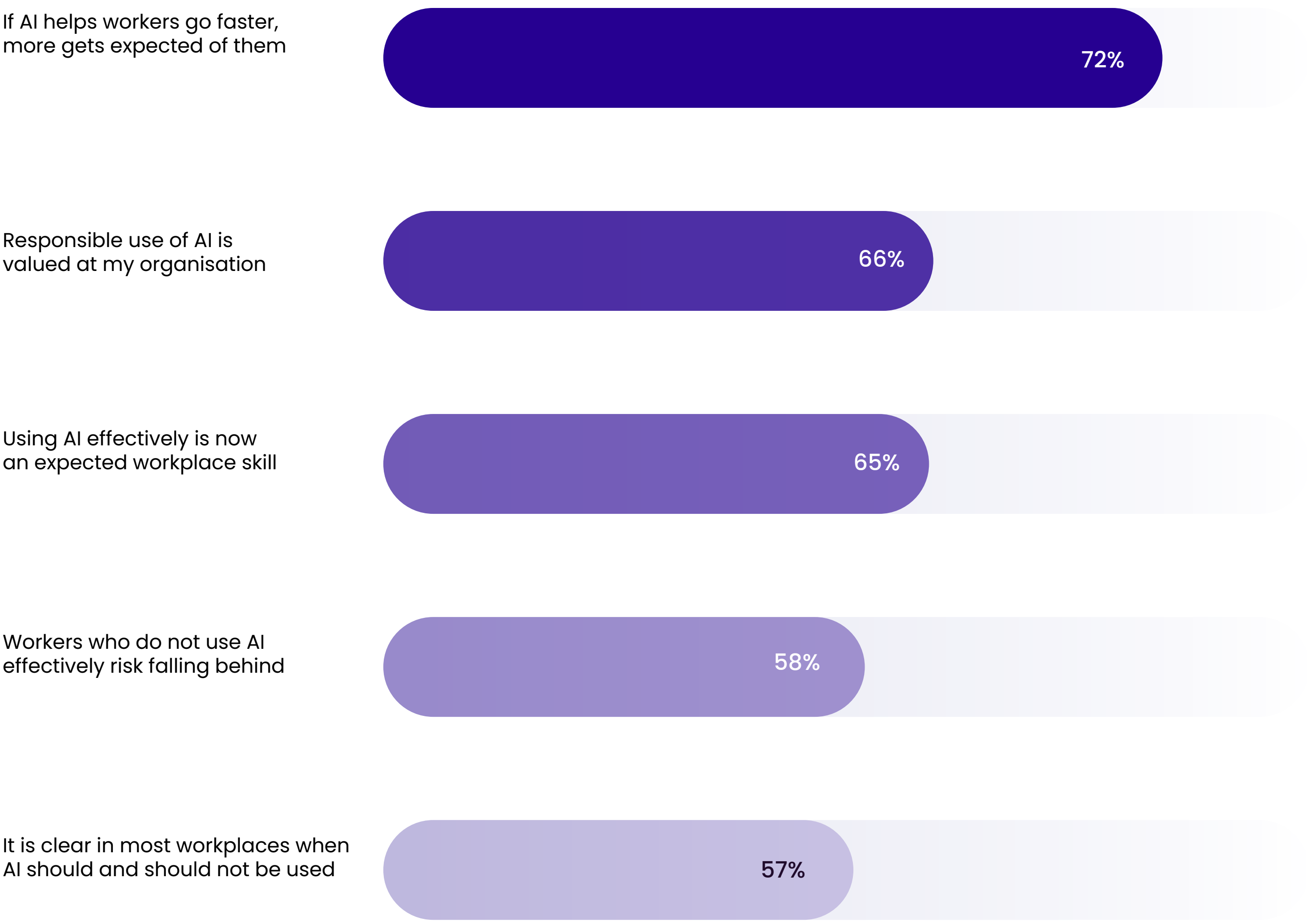
When employees pick AI over a person, it is about speed and quality, not shyness. Speed is the top draw (57%), followed by better quality answers (44%) and convenience (44%). Far fewer cite social reasons like not wanting to bother colleagues (28%) or not wanting to look uninformed (17%). People are reaching for AI because it works, not to avoid asking.

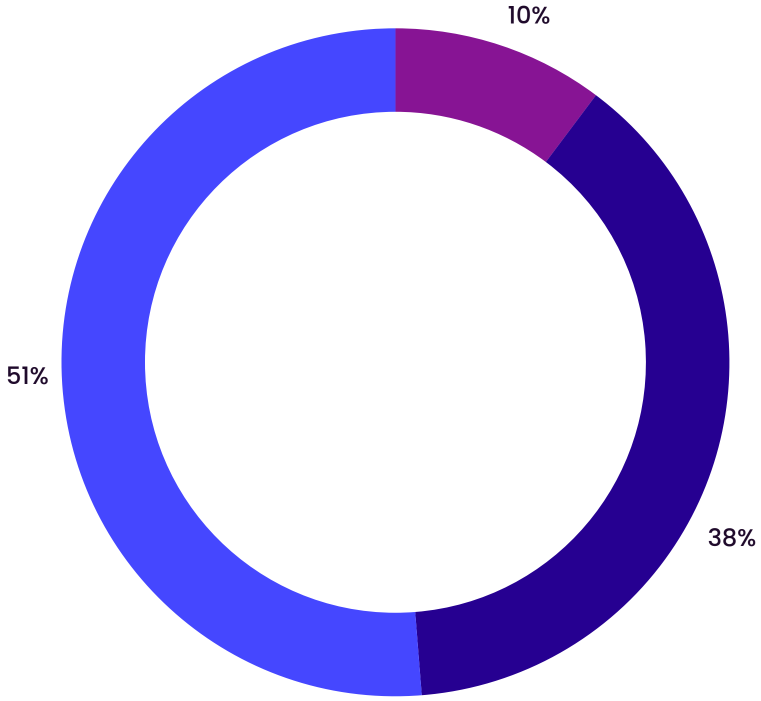
Workplace perceptions of AI

More than seven in ten workers (72%) say that when AI helps people work faster, employers expect more from them. Two thirds (65%) now see using AI effectively as an expected workplace skill, while 58% believe workers who don't use it effectively risk falling behind. In other words, AI's productivity benefits are raising the bar at work.

However, workplace expectations may be outpacing guidance. While two thirds (66%) say responsible AI use is valued by their organisation, only 57% say it is clear when AI should and shouldn't be used. Employers are asking people to use AI faster than they are telling them how.

Agreement with statements about AI in the workplace

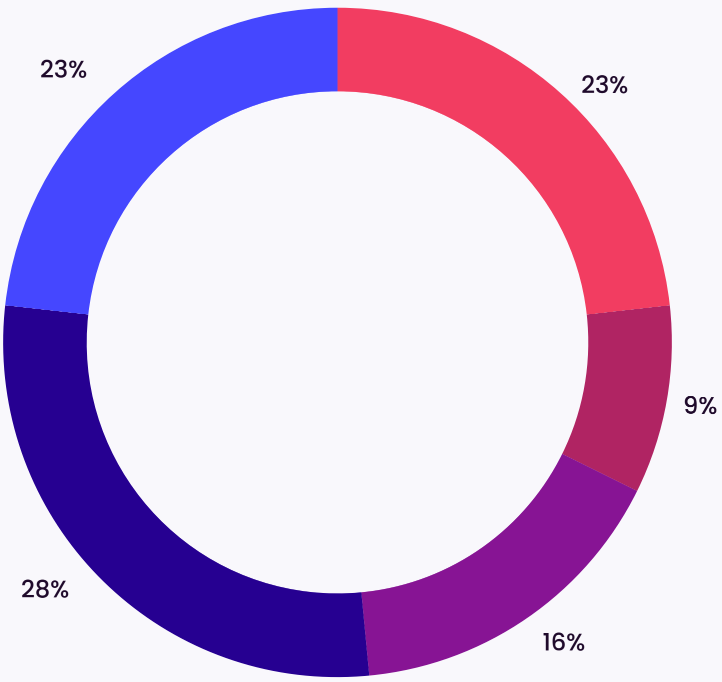




Discomfort with AI tool usage at work

- Yes, regularly
- Yes, occasionally
- No

That guidance gap is being felt. Half (49%) of employees have felt uncomfortable about how AI is used at work, including one in ten (10%) who feel it regularly. For close to half the workforce, questions about the right way to use AI are still unresolved, and they will not settle on their own.



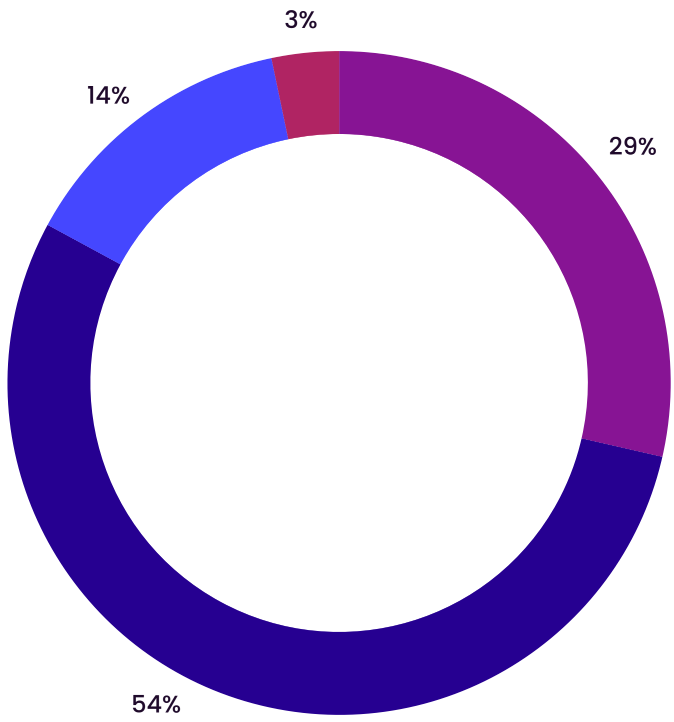
Employer's overall approach to AI

- 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 one quarter (23%) expect a focus on retraining and reskilling existing staff, while 16% anticipate workforce reductions and 9% expect a push to hire people who already have AI skills. Nearly three in ten (28%) expect a mix of approaches, and a further 23% do not expect AI to meaningfully affect their organisation.

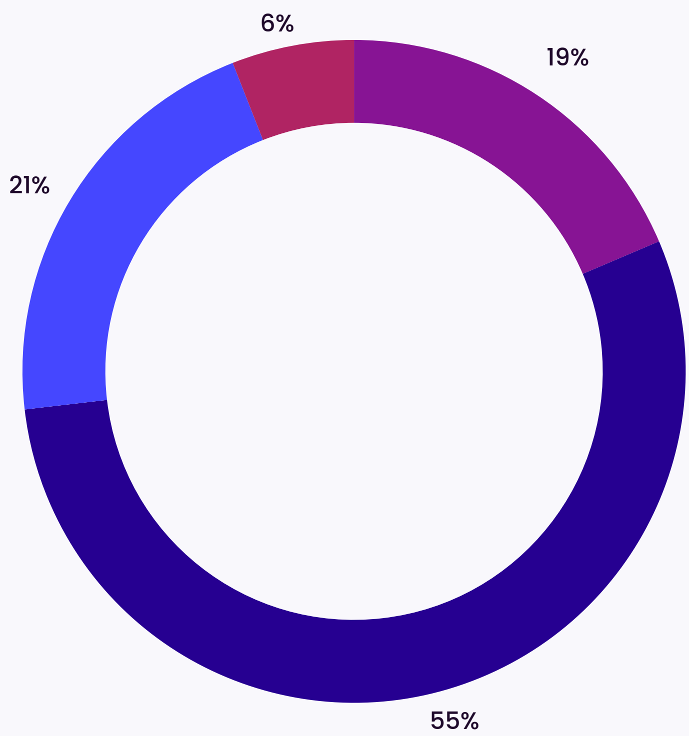
Future skills and workforce readiness

The bigger risk is readiness. Just three in ten (29%) employees are very confident they know which of their skills will still matter in two years, and only one in five (19%) think their employer is doing very well at keeping their skills relevant. With only a quarter (23%) expecting employers to respond mainly through retraining, there is a real gap between how uncertain employees feel and how supported they think they are. Closing it is the workforce challenge of the year.



Confidence in knowing skills relevant in 2 years

- Very confident
- Somewhat confident
- Not very confident
- Not at all confident



How well employer is keeping skills relevant with AI

- Very well
- Somewhat well
- Not very well
- Not at all

Benchmark Findings

H1 2026 shows a workforce feeling less secure about money and more stretched at work, even as some job fears have eased. Economic confidence and wellbeing have softened, creating a tension employers will need to watch closely.

2 in 5

Two in five (40%) say their income is insufficient.

Financial pressure is still close to the surface

Three in five (60%) say they earn enough to meet their financial needs, but half (50%) report they are only just managing, and only 10% say they earn more than enough. Two in five (40%) say their income is insufficient, including 12% who say they are nowhere near meeting their financial needs.

41%

say they've arrived at work while feeling unwell.

Wellbeing strain is still rising

Signs of strain have increased this period. Burnout has risen to 44%, from 39% in H2 2025, 41% say they've arrived at work while feeling unwell (up from 36%), and annual leave-taking has also risen to 42% (37% in H2 2025).

28%

Confidence in personal economic security has dropped to 28% from 37% in H2 2025.

Job fears are easing, but economic confidence has weakened

Concern about redundancy has fallen to 34%, down from 39% in H2 2025, while the proportion who feel they need to work harder or put in longer hours to keep their job safe has also decreased to 39% (from 48%). At the same time, confidence in personal economic security has weakened since the previous period, falling to 28% from 37%.

3 in 4

employees feel recognised.

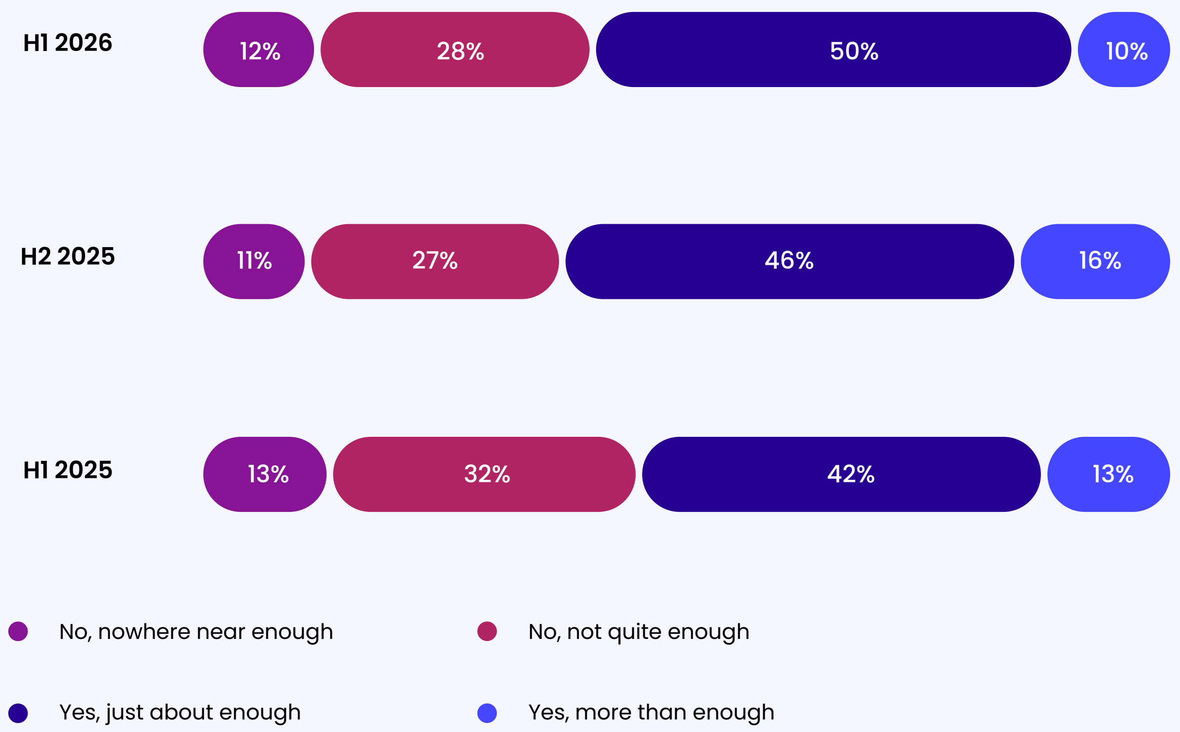
Recognition remains positive

Three in four (75%) employees feel recognised for their contributions at work, softening slightly since H2 2025 (79%), while just over seven in ten (72%) believe they are paid fairly for their work, broadly on par with H2 2025 (74%). Despite modest easing, both measures remain above levels recorded in 2024.

Are employees earning enough?

Most employees are getting by, but only just. Three in five (60%) say they earn enough, down from 63% in H2 2025, but half (50%) are only just about managing and just one in ten (10%) earn more than enough. Two in five (40%) feel their income falls short, including 12% who are nowhere near meeting their needs.

Household finances remain one shock away from strain, and that fragility is the real signal for employers weighing pay and cost-of-living support.



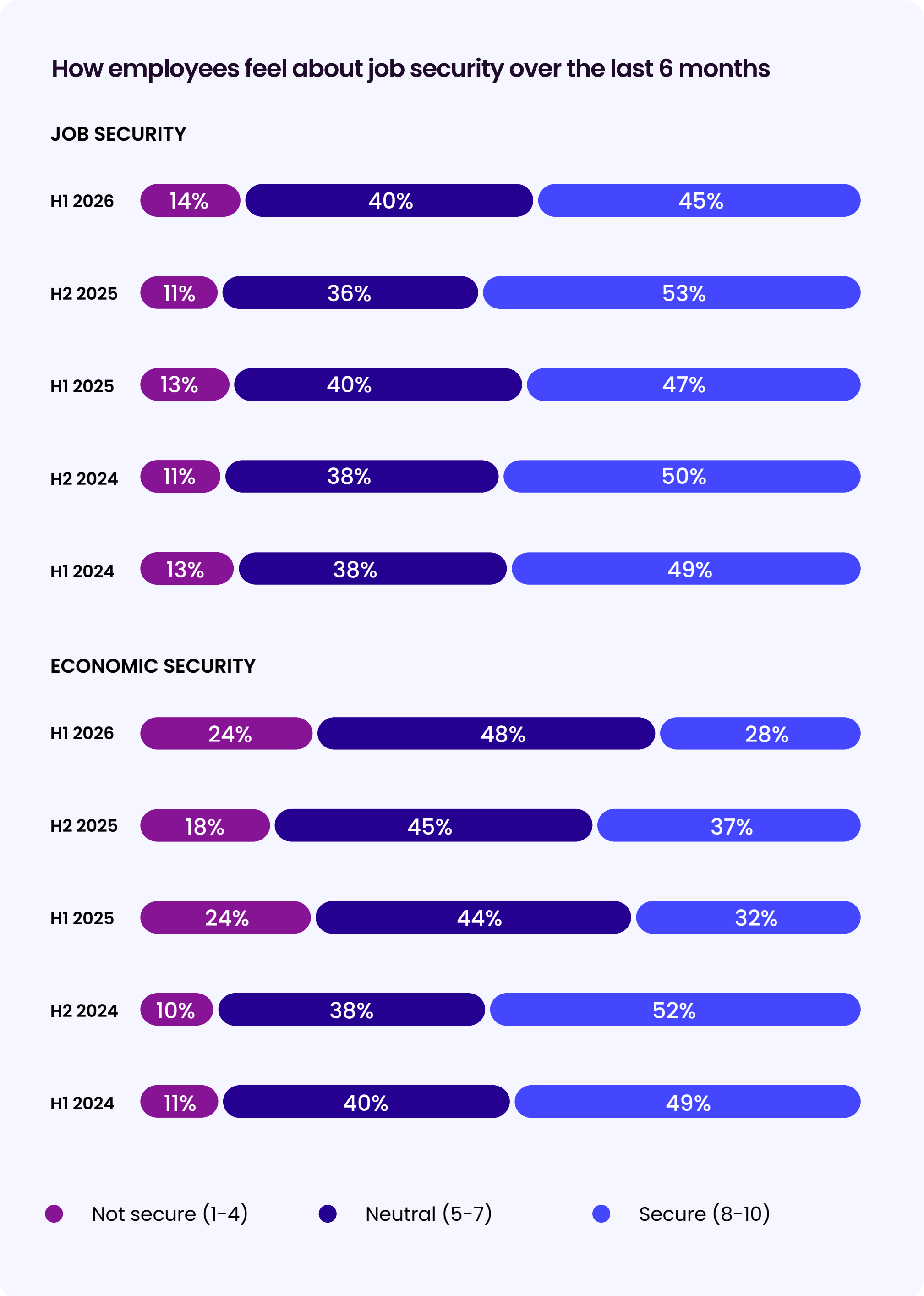
Employee wellbeing

Employees are working harder. Burnout has risen to 44% (from 39% in H2 2025) and more are turning up to work unwell (41%, from 36%). Leave-taking is up too (42%, from 37%), a sign people are starting to protect their own recovery. For employers the warning is clear: more of the workforce is stretched, and presenteeism at this level carries a real productivity and wellbeing cost.

Leave taken from January to June 2026

Perceived security

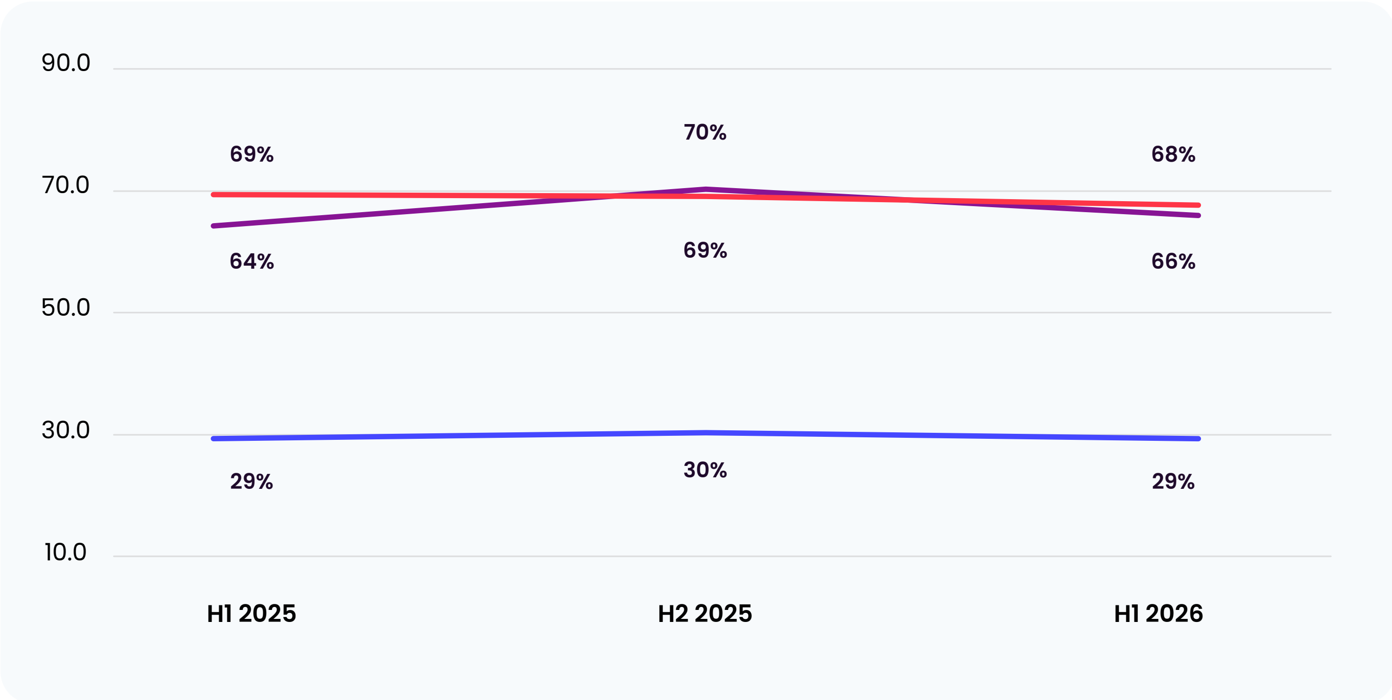
Employees feel safe in their jobs but not in their finances. Job security has softened to 45% (from 53%) compared to H2 2025 yet remains in line with a year ago, while confidence in personal economic security has dropped to 28% (from 37%) and sits well below 2024. The story is mostly about the household budget: people are more worried about making ends meet than about losing their role.



Employees and AI

Employees continue to view automation and AI positively, with 68% believing their skill set is specialised and unlikely to be replaced by automation or AI. Two-thirds (66%) agree these technologies will help them in their role. Both measures remain broadly unchanged from previous periods.

At the same time, concerns about job displacement remain stable, with 29% 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.

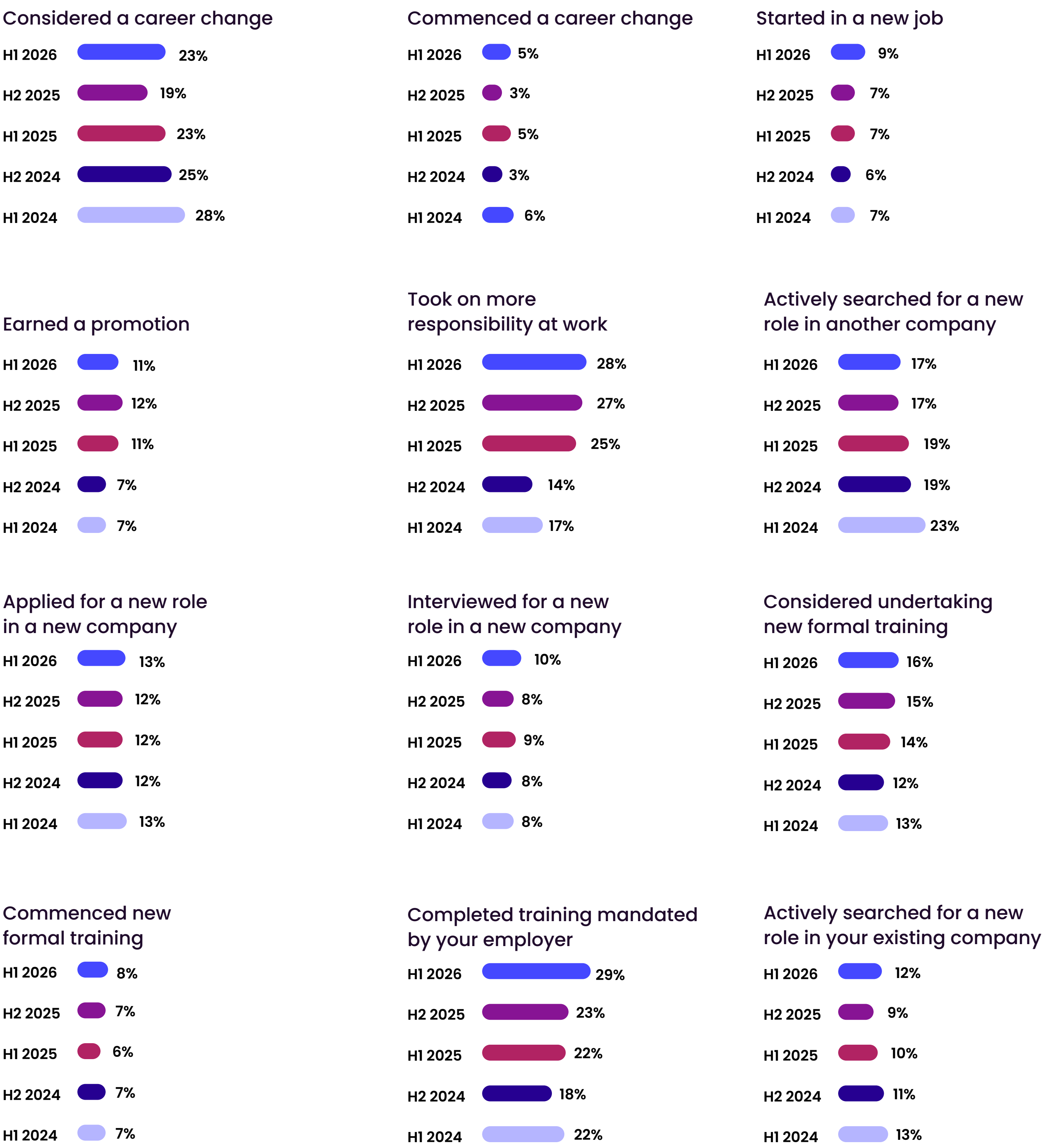


- My role is at risk of being replaced by automation or AI within the next five years
- I see automation or AI as tools that will help me in my role
- My skill set is specialised and unlikely to be replaced by automation or AI

Employee mobility

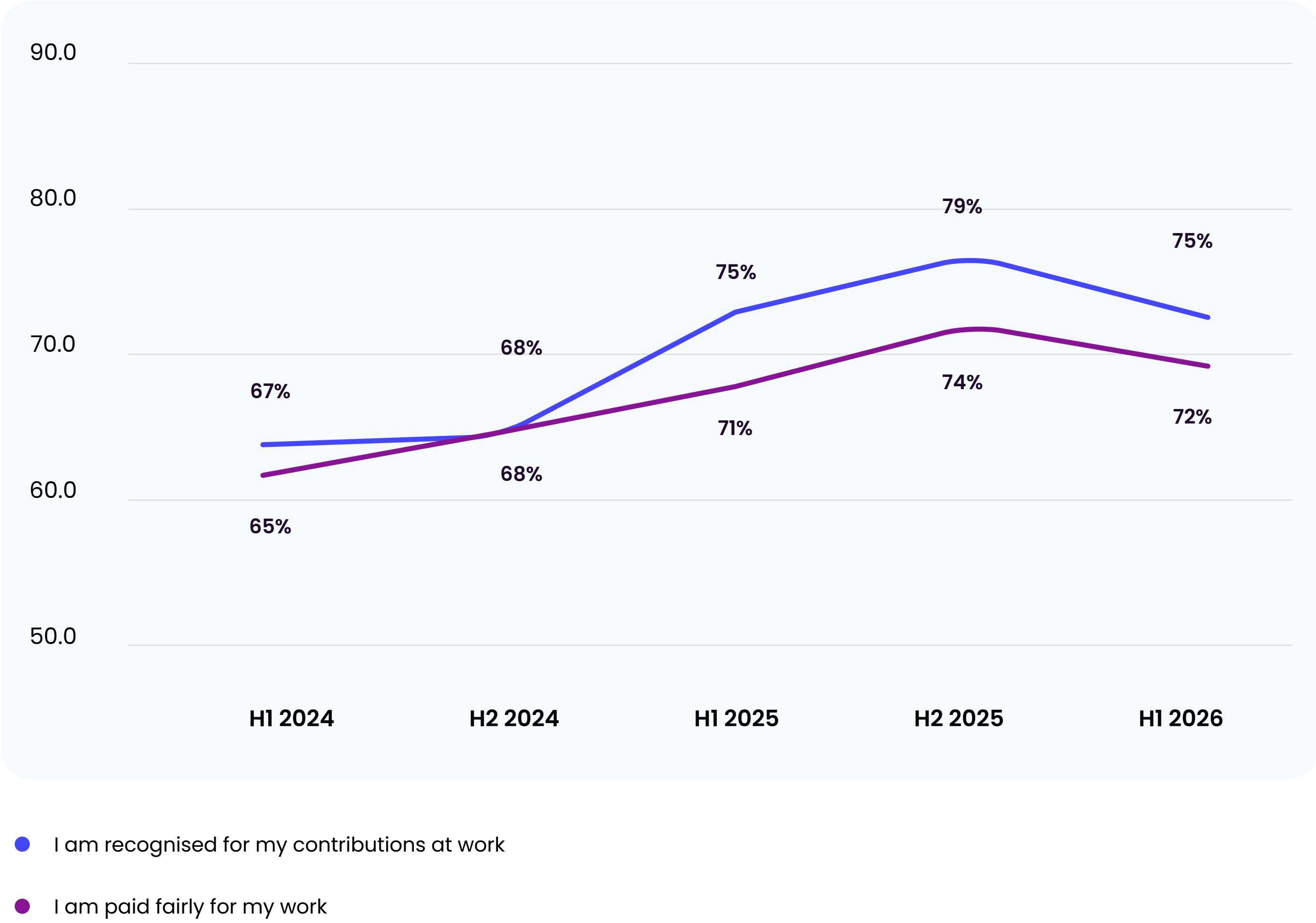
Career-change intent has settled back at 23%, returning to H1 2025 levels after a dip mid-year. Completion of employer-mandated training jumped to 29% (from 23%). Most other measures held. Rising career-change intent is an early attrition signal worth watching, well before it shows up in resignations.

Actions employees took in the past 6 months



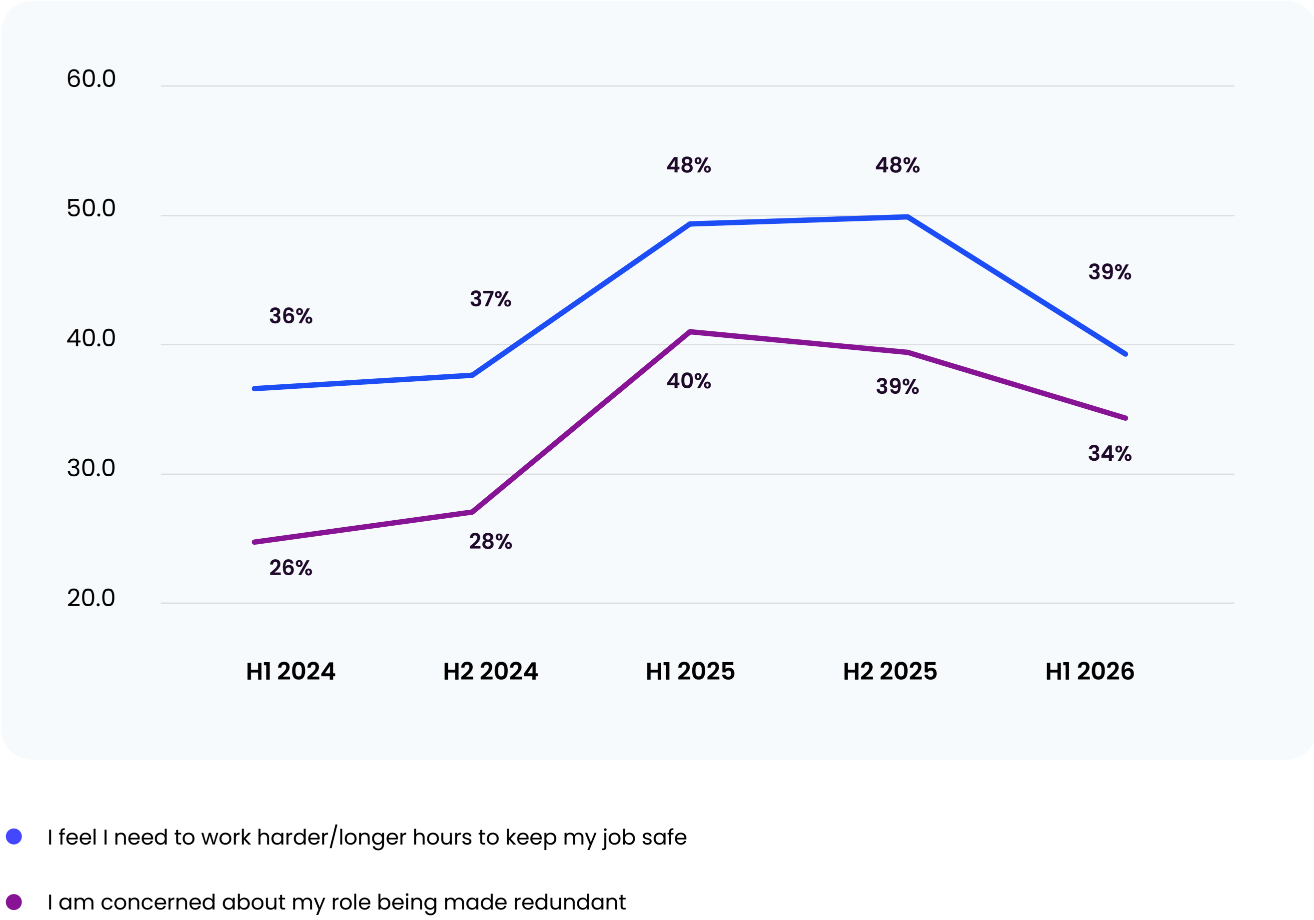
Recognition and remuneration

Sentiment towards recognition and remuneration remains relatively strong. 75% (down from 79% in H2 2025) feel recognised for their contributions at work, while 72% (down from 74% in H2 2025) believe they are paid fairly for their work. Despite the softening in recognition, both measures remain above levels recorded in 2024.



Job safety and redundancies

Job security concerns are easing. Two in five (39%) employees feel they need to work harder or longer hours to keep their job safe, down sharply 48% in H2 2025 and redundancy concern has fallen to 34% (from 39%), continuing the decline since H1 2025. The twist is that this sits alongside falling economic security: employees feel steadier about their role than about their finances.



Employee priorities

What employees want from an employer has not changed, and that is the point. Pay and bonuses, organisational stability and flexible or remote working remain the top three, unchanged since 2024. The only real movement is mid-table, where ease of commute has edged past culture and career development. For employers, the retention levers are the same as last year: pay, stability and flexibility.

	H1 2024	H2 2024	H1 2025	H2 2025	H1 2026
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	Tied 3rd	Tied 3rd
Culture of the organisation	5th	Tied 4th	6th	5th	5th
Career development opportunities	6th	Tied 4th	4th	6th	6th
Easy and/or short commute	4th	6th	5th	Tied 3rd	Tied 3rd
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

ELMO

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