



### **WORKFORCE TRENDS REPORT 2025**

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#### INTRODUCTION

## A tumultuous year

Employees are grappling with multiple shifts in the ever-changing landscape of work. Layoffs and high levels of executive turnover continue to disrupt multiple industries. Generative AI tools like ChatGPT are unlocking new opportunities as well as stoking fears around job security. And almost five years after the onset of the COVID-19 pandemic, employees are still navigating new norms around remote and hybrid work.

As employers chart their course through these dynamic trends, understanding employees' perspectives becomes crucial. In our inaugural DHR Workforce Trends Report, we surveyed 1,500 white-collar, desk-based knowledge workers across North America, Asia, and Europe about how these shifts affect their engagement and productivity.



## Mixed motivations, clear opportunities

Today's desk-based employees appear to be highly enthusiastic and invested in their jobs, with **88**% of respondents feeling very or extremely engaged. However, a closer look at the data reveals a more complicated picture.

#### Levels of engagement at work\*

***	are extremely engaged	47%
***	are very engaged	41%
<b>★★</b> ☆☆	are moderately engaged	9%
<b>★</b> ☆☆☆	are slightly engaged	3%
<u> </u>	are not at all engaged	1%

Our survey defined "being engaged" as "feeling enthusiastic about your work and/or emotionally invested in achieving the goals of your team or overall organization." However, when asked what drives their engagement, many employees cited factors that had more to do with external economic conditions than emotional investment. For example, over two-thirds of respondents (67%) say the tighter job market increases their engagement and 61% cite job insecurity as a motivator to stay engaged at work.

One way to shift employees from fear-based engagement to emotional investment in their work might be to offer more relevant professional development opportunities. More than **3 in 4** respondents (**80**%) said professional development opportunities increase their engagement. In addition, almost all respondents (**93**%) agree that they would feel more engaged at work if employers offered more relevant professional development opportunities.

## Which factors increase or decrease employee engagement?

Professional development opportunities (defined as education and training focused on developing new skills and knowledge)

Remote and hybrid work (i.e., employees being able to work from home at least part of the time)

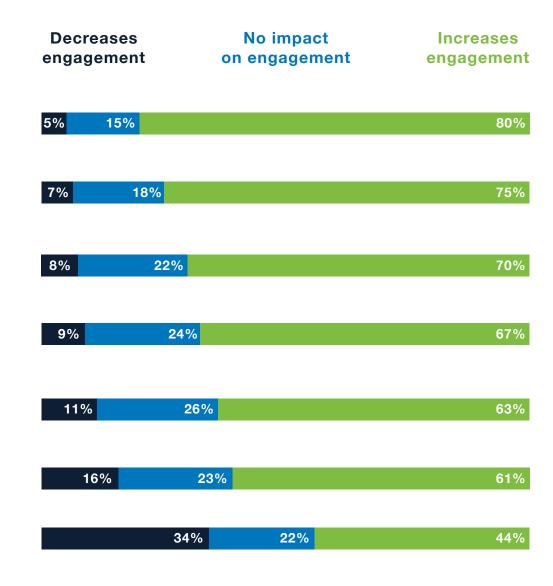
Generative AI tools like ChatGPT and Microsoft Copilot

A tighter job market (i.e., it's harder to find a new job)

Executive turnover / leadership churn (i.e., C-suite executives at your organization leaving)

Job insecurity / potential for layoffs

Burnout (defined as feeling stress and exhaustion at work)



## -Ò- KEY TAKEAWAY

Employee engagement is high — but not for the reasons employers might want. Some employees may feel compelled to stay engaged not out of enthusiasm or commitment, but because they are wary of the potential risks of leaving their jobs. Bolstering professional development offerings can help boost engagement in a deeper way, building employees' emotional investment in their work.

#### **REMOTE + HYBRID WORK SPOTLIGHT:**

## Does in-office work boost engagement?

Remote and hybrid workers are less engaged than their in-office counterparts. **59**% of respondents who work fully in person are <u>extremely</u> engaged — compared to **41**% of hybrid respondents and **33**% of remote respondents.

However, **9 in 10** hybrid respondents also cite remote and hybrid work as a key driver of engagement, showing the importance of continuing to offer work flexibility. Leaders shouldn't jump to return-to-office initiatives as a cure-all for engagement gaps, but instead focus on how to engage employees who aren't physically present in the office.



## Uneven impacts across demographics

Despite high rates of engagement, employees also reported high rates of burnout. Defined as feeling mentally, physically, and/or emotionally exhausted and stressed at work, burnout remains a pervasive workplace issue. One in three employees (34%) say burnout reduces their engagement, and over 8 in 10 employees (82%) say they feel burnt out to some degree.

Younger generations are more likely to say they feel burnt out. Baby boomers on the verge of retirement might not feel as much pressure at work as Gen Zers new to the workforce who are still proving themselves, or millennials who may be stepping into management or leadership roles for the first time.

#### Employees' levels of burnout at work

15% extremely burnt out	
17% III very burnt out	
27% moderately burnt out	C33
23% slightly burnt out	
18% IIII) not at all burnt out	

# Percentage of each generation who feel burnt out

2	Millennials (ages 28-43)	85%
3	Gen Xers (ages 44-59)	76%
4	Baby Boomers (ages 60-65)	<b>57</b> %

The drivers of burnout are similar across the board. Top contributors include working too many hours (58%), overwhelming workloads (35%), and difficulty balancing work obligations with personal/family life (34%). External factors can also exacerbate burnout. Sixty-one percent of employees agree that changes in their country's political environment make them less engaged and more distracted at work. This could put employees at more risk for burnout in times of political turmoil or in important election years.

### Top 5 drivers of employee burnout

٦	Working too many hours	58%
<u>~</u>	Overwhelming workload	35%
	Difficulty balancing work obligations with personal/family life	34%
Z	Fear of layoffs/job insecurity	24%
(B)	Personal conflicts with coworkers	21%



The top drivers of burnout — long hours, overwhelming workloads, and difficulty balancing work and personal life — reveal systemic issues within organizations. To better support all employees, organizations must implement strategies to help manage workloads, promote work-life balance, and give employees space to process difficult external events.



#### **Burnout hits APAC harder**

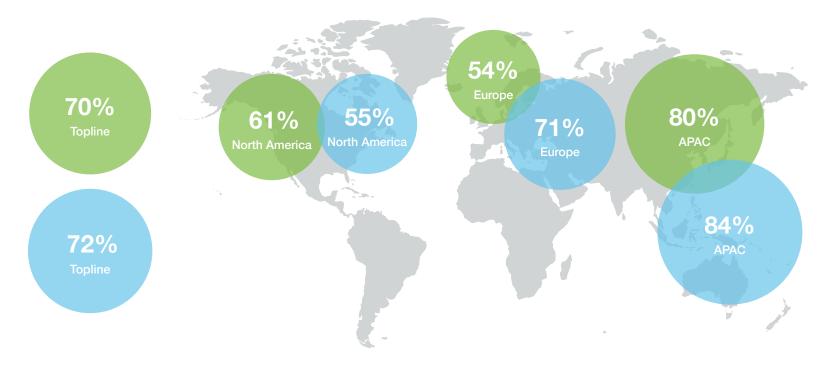
22% of APAC respondents feel extremely burnt out, compared to13% of European respondents and10% of North American respondents.

**69%** of APAC respondents say politics distracts them at work, compared to only **59%** of European and **54%** of North American respondents.

## From productivity gains to job security concerns

The rise of generative AI tools like ChatGPT and Microsoft Copilot is sparking greater engagement and productivity, with **70**% of respondents reporting these tools positively impact their engagement and **72**% reporting a positive impact on productivity.

- "Generative Al increases my engagement"
- "Generative Al increases my productivity"



However, employees' feelings about generative AI are more complicated. While most (52%) feel enthusiastic about using generative AI to improve their job productivity, a significant portion of respondents feel unsure (10%), neutral (21%), or skeptical (17%). In addition, more than half (51%) are concerned about the threat generative AI poses to job security.

### Degree to which respondents agree or disagree with the following statement:

"I feel afraid that generative AI tools will threaten my job security/make my job obsolete."

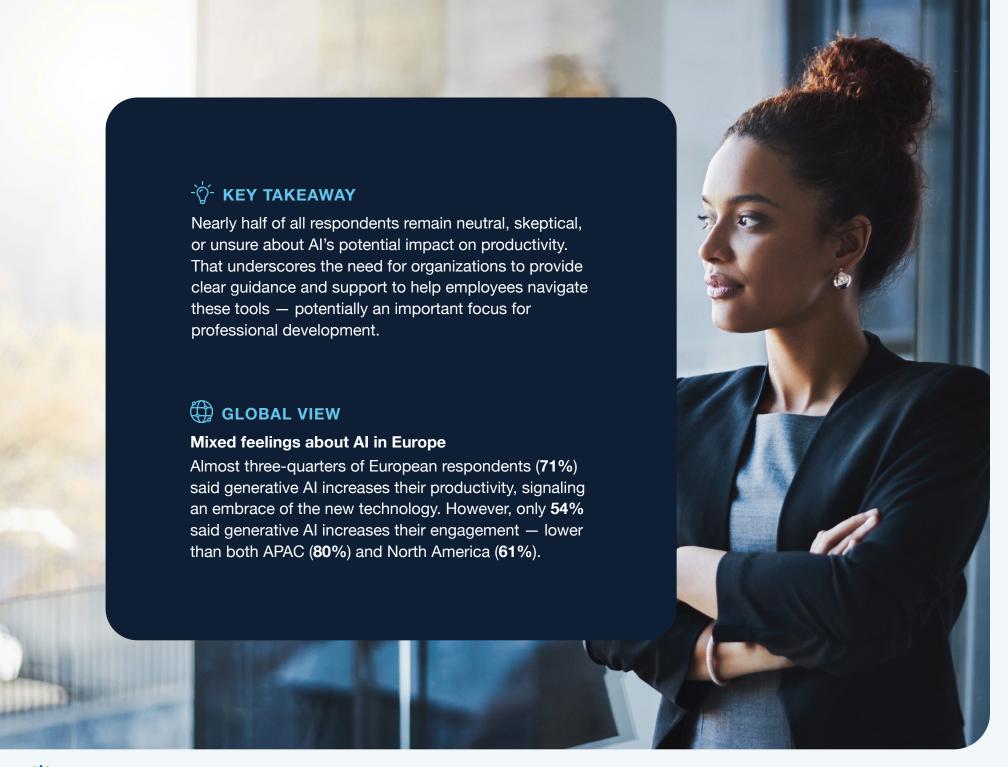


Agree



Disagree



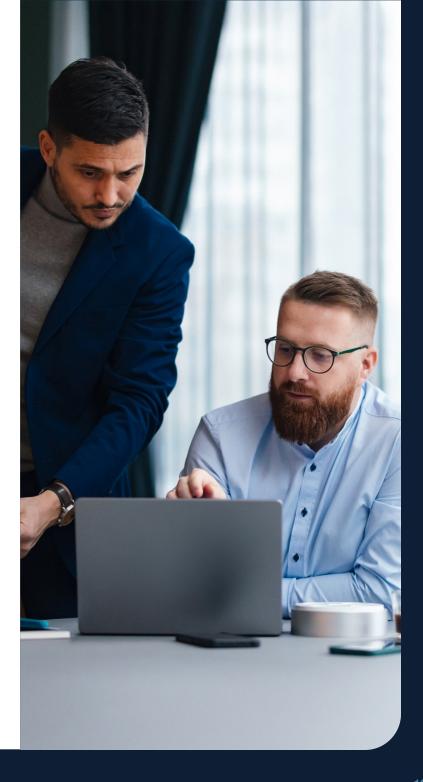


# The consequences of leadership changes in the workplace

In the past year, half of respondents experienced the departure of a C-suite executive at their organization. Given that **74**% of employees express trust in their senior leaders (43% deeply trust them and **31**% somewhat trust them), it's understandable that C-suite departures have an impact on **93**% of employees.

Over half of respondents (55%) said the departure of a C-suite executive has made them question whether their organization's mission is worth believing in or working for, and 52% said it created operational problems, like delays and confusion over ownership of projects.

However, new leadership can also be an opportunity to inspire employees with a refreshed vision or new direction for the company. Almost two-thirds of employees (63%) said executive turnover *increases* their engagement.



## Top impacts of C-suite executive departures



It made me question whether my organization's mission is worth believing in or working for



It puts more work on my plate



It made me feel confused about my organization's strategic direction



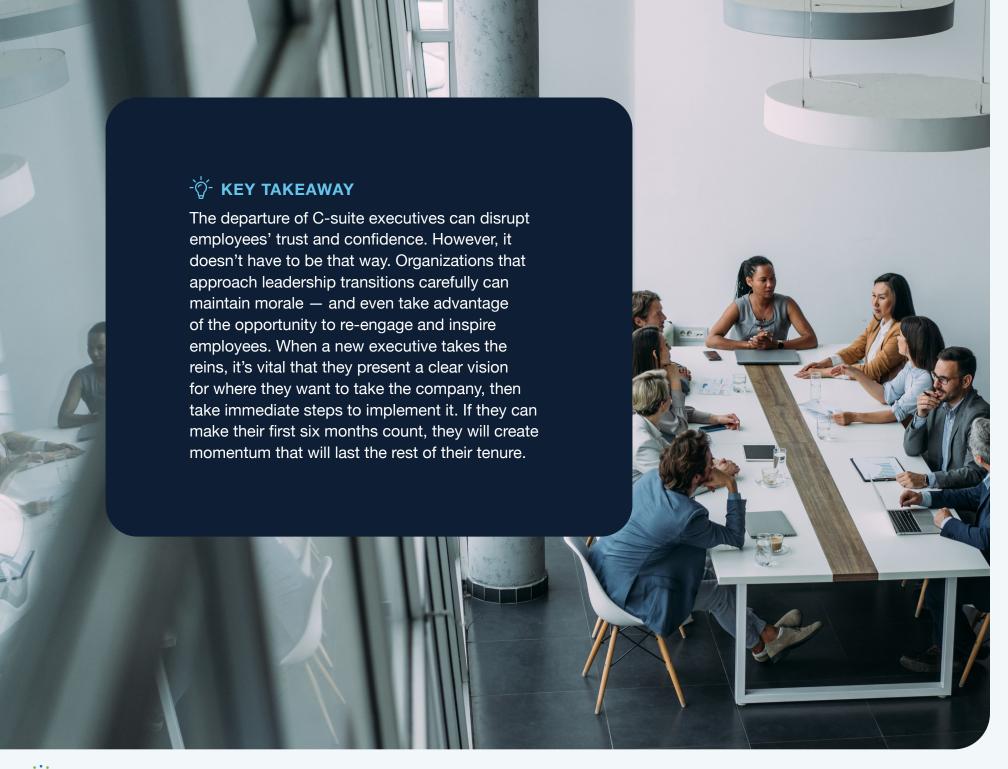
It created operational problems, such as delaying work or confusion over ownership of projects



It made me question the organization's stability



N/A - the departure of a C-suite executive has not impacted me or my work in any of these ways



#### CONCLUSION

## Looking ahead

The past few years have been tumultuous for employers, and 2025 is unlikely to be any different. In the U.S. specifically, employers will need to adjust to a new presidential administration and any accompanying regulatory shifts. Worldwide, economic uncertainty will continue to rattle financial markets. Long-term trends like generative AI and remote work will continue to evolve. Addressing these and other current trends today will lay the groundwork for your organization's future success.



## Methodology

DHR Global surveyed 1,500 white-collar, desk-based knowledge workers who are proficient in English and aged 21 or older. The respondents were evenly distributed across three geographic regions: 500 from North America (U.S. and Canada), 500 from Europe (Germany and the U.K.), and 500 from Asia (India, Hong Kong, and Singapore).

\*Percentages do not add up to 100% due to rounding.



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