

HR.com's State of Employee Productivity and Engagement 2026



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Executive Summary

This year's *HR.com's State of Employee Productivity and Engagement* research report shows a mixed picture: engagement is improving, but high engagement remains out of reach for most organizations. Only 29% of HR professionals rate the average employee as highly engaged, while 37% rate engagement at six or below.

At the same time, productivity is moving in a more positive direction, with 42% rating the average employee as highly productive, up from 34% in 2025. This improvement comes amid broader productivity growth. U.S. labor productivity increased 2.8% over the past year, according to the [U.S. Bureau of Labor Statistics](#).

AI is increasingly part of the productivity equation, with 62% of organizations using AI-powered work tools. But technology alone is not enough. Supportive leadership is the factor most often linked to productivity, while gaps in manager capability continue to constrain engagement. The differences between engagement leaders and laggards reinforce the importance of leadership, culture, measurement, and management practices. Leaders are nearly fourteen times more likely to report that more than 80% of their workforce is highly engaged, while they are also four times more likely to rate their average employee as highly productive.

The following major findings explore what is driving employee engagement and productivity, where organizations are making progress, and where important gaps remain.

About the Survey

"HR.com's State of Employee Productivity and Engagement 2026" survey ran between May and August 2026. We gathered responses from 193 HR professionals in virtually every industry vertical. Respondents are from all over the world, with the majority from North America, especially the United States.

The participants represent a broad cross-section of employers by number of employees, ranging from small businesses to enterprises with 20,000+ employees. Close to a third of the respondents represent large organizations.

To provide additional context on the impact of AI on productivity, the report also includes findings from an HR Research Institute pulse survey conducted among 294 HR.com webcast registrants during July and August 2026.

¹ Engagement leaders are organizations where the average employee is rated 8 to 10 on engagement, while engagement laggards are those where the average employee is rated 1 to 6.

Major Research Findings

Employee Engagement

Major Finding 1

Employee engagement remains stuck in the middle.

- Only 29% of HR professionals rate the average employee as highly engaged, with a score of eight or higher on a 10-point scale.
- The largest group, 35%, rate average engagement at seven, while 37% rate it at six or lower, suggesting that moderate or low engagement remains more common than high engagement.

Major Finding 2

More organizations are measuring engagement, but measurement remains mostly periodic.

- Three-quarters (75%) of HR professionals say their organizations measure employee engagement, up from 61% last year.
- The most common methods are:
 - ▶ employee surveys (65%)
 - ▶ exit and stay interviews (64%)
 - ▶ retention or turnover rates (60%)
- Engagement is most often measured annually (42%) or twice a year (21%), while only 9% collect engagement data continuously in real time. Despite more organizations measuring engagement, only 18% estimate that more than 80% of their workforce is highly engaged.

Major Finding 3

Compensation, work-life balance, and trust are closely linked to engagement.

- Compensation and benefits are the factor most often linked to employee engagement (59%), followed by work-life balance and trust in leaders (57% each).
- More than half also link career growth opportunities (56%), supervisor relationships (54%), recognition (53%), and flexibility (52%) to engagement.
- Engagement has its greatest reported impact on organizational culture (56%) and retention (51%), followed by productivity (44%).

Major Finding 4

Employees and managers play an active role in building engagement, but follow-through matters.

- Employees most often support their own engagement by setting personal and professional goals (68%) and suggesting improvements to workflows and processes (66%).
- Managers and leaders most often boost engagement by listening and responding to employee feedback (87%), building trust (80%), and fostering collaboration (79%).
- However, fewer managers provide coaching or resources, suggesting that listening to employees does not always translate into ongoing development and support.

Major Finding 5

Organizations value positive culture, but manager capability and leadership support remain weak points.

- Over three-fifths (62%) say their organizations nurture a positive organizational culture, making it the most common engagement-related practice.
- However, only 26% say leaders prioritize engagement, 23% say they invest enough resources in engagement, and just 18% say most managers are skilled at fostering engaged teams.
- Only 22% train managers on employee engagement to a high or very high degree.

Major Finding 6

Engagement leaders outperform laggards through systematic practices.

Compared to engagement laggards, engagement leaders are more likely to:

- continuously improve and maintain a positive work culture
- listen carefully to and act on employee feedback
- offer employees specific recognition for their performance
- invest in programs intended to boost engagement
- train managers on how to engage employees

Employee Productivity

Major Finding 7

Employee productivity ratings have improved, but most organizations still see room for improvement.

- Over two-fifths (42%) of HR professionals rate the average employee as highly productive, with a score of eight or higher on a 10-point scale. This is an increase from 34% in 2025.
- At the same time, 36% give the average employee a productivity rating of seven, while 22% rate productivity at six or below.

Major Finding 8

Technology adoption is widespread, but supportive leadership remains the strongest productivity factor.

- HR and workforce management software is used by 63% of organizations, while AI-powered work tools are now almost as common at 62%.
- Supportive leadership is the factor most often linked to improved productivity, cited by 50%, followed by open and effective communication (46%) and clear goals and expectations (39%).

Major Finding 9

AI is expected to improve efficiency, but hidden work can reduce its productivity gains.

- Over three-fifths expect AI to reduce administrative workloads over the next two years (64%) and to help employees work more efficiently (62%).
- Three-fifths expect AI to provide faster access to knowledge and expertise, and 58% expect it to automate and accelerate work activities.
- AI is also expected to automate routine HR administrative tasks (67%), improve job descriptions (57%), automate HR support and employee inquiries (54%), and generate workforce insights and people analytics (51%).
- However, 40% report that “botsitting,” or the time spent reviewing, monitoring, and correcting AI outputs, has at least a minor negative impact on AI productivity gains.

Please note that the findings and recommendations contained in this report are for informational purposes only. Nothing in this report should be construed as constituting legal opinions or advice. Please consult an attorney if you have questions about the legal requirements, rules, or regulations associated with any content discussed in this report.

Engagement Remains Stuck in the Middle

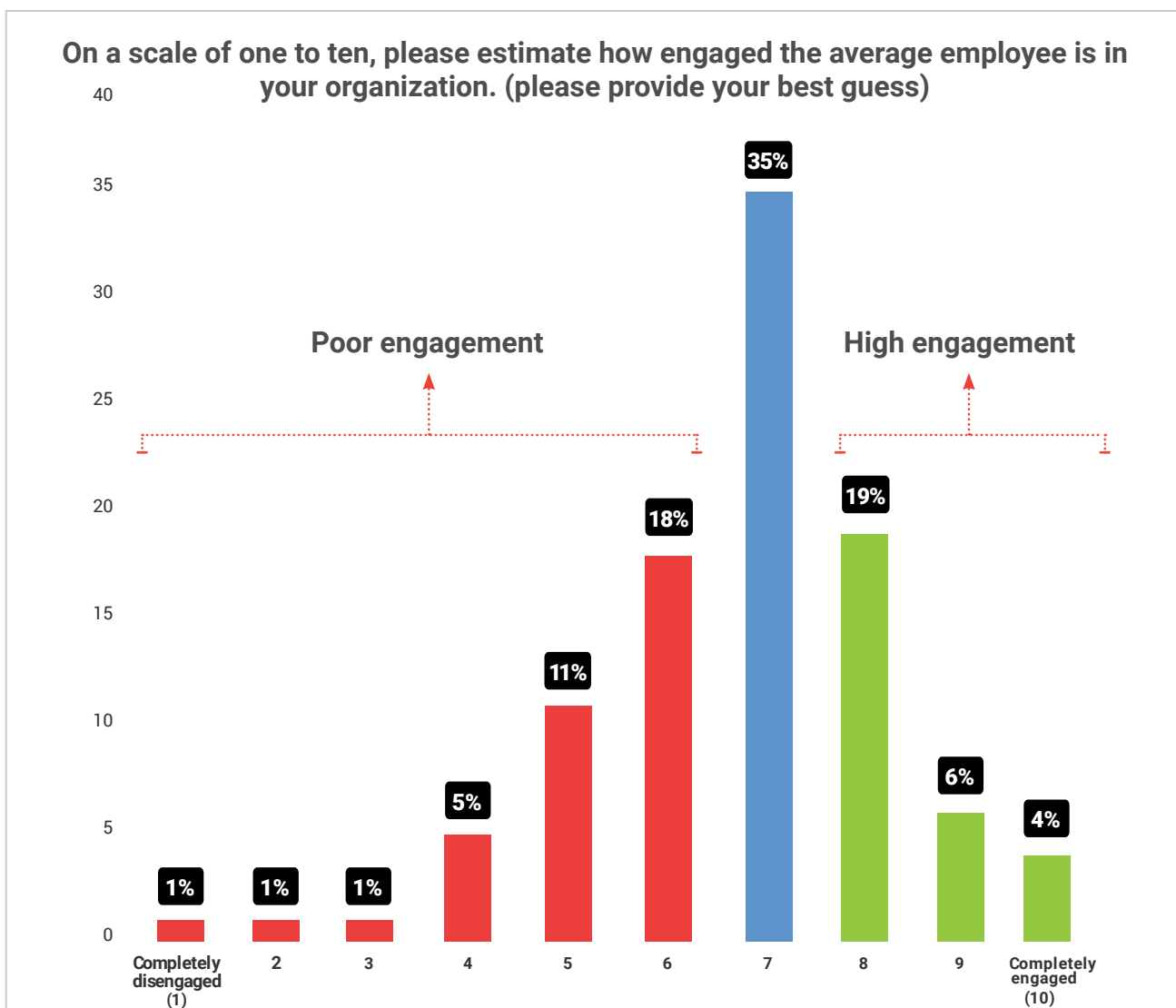
Defining Employee Engagement

Based on several years of prior HRRI research, we define **employee engagement** as employees' willingness to give their best at work, and employees' emotional commitment to the organization and its goals.



Finding: Just 29% of HR professionals rate the average employee in their organization as highly engaged

Just 29% of HR professionals rate the average employee's engagement a score of eight or higher on a ten-point scale. Meanwhile, 37% give ratings of six or below. These results show that engagement clusters in the middle of the scale. Few HR professionals describe employees as completely disengaged, but relatively few describe them as highly engaged.



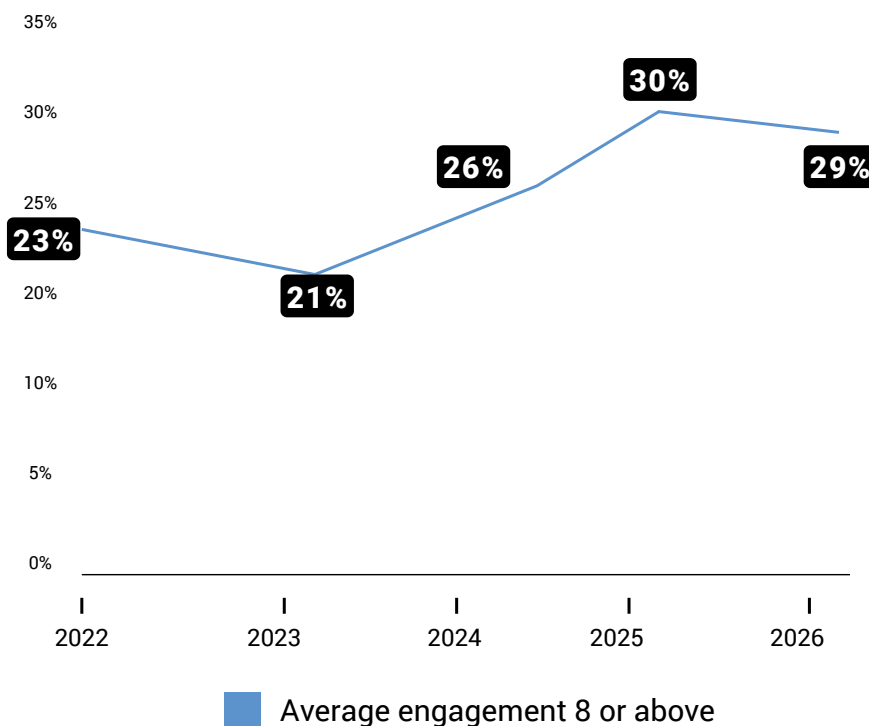
Almost two-fifths of respondents say the average employee has poor engagement (6 or less out of 10)

Finding: Employee engagement levels across the years (2022–2026)

Between 2022 and 2026, the percentage of HR professionals reporting average employee engagement scores of eight or above increased from 23% to 29%. Overall, the results suggest that organizations have made progress in rebuilding engagement since 2023.

[Gallup's](#) long-term tracking of U.S. workers shows that national engagement dropped from a peak of 36% in 2020 down to 31% in 2024 and 2025. The drop was sharpest among younger workers and managers, who reported feeling less clarity and support.

On a scale of one to ten, please estimate how engaged the average employee is in your organization. (please provide your best guess)



Defining engagement cohorts

For this report, we conducted analyses to gain insights into the differences between organizations with high engagement, and those which are lagging. Specifically, we analyzed responses and segmented the data into two groups:

- **Engagement leaders:** those organizations that responded between eight and ten to the question "On a scale of one to ten, please estimate how engaged the average employee is in your organization."
- **Engagement laggards:** those organizations that responded between one and six for the same question.

Correlation does not necessarily indicate causation, of course, but these relationships can provide clues about possible best practices related to engagement initiatives.



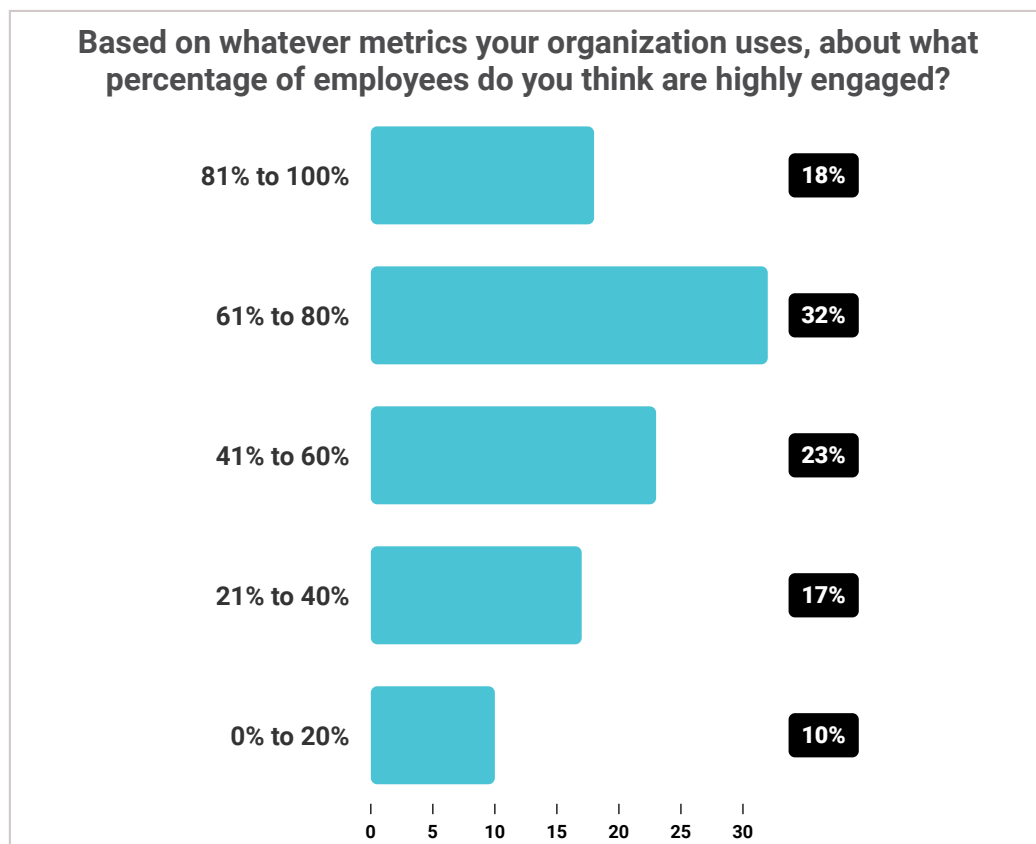
Finding: Only 18% of HR professionals estimate that more than 80% of their workforce is highly engaged

When we asked HR professionals whether their organization measures employee engagement, 75% responded “yes,” a jump from 61% last year.

Among HR professionals whose organizations measure employee engagement, 32% estimate that 61% to 80% of employees are highly engaged, while 27% estimate that no more than 40% of employees are highly engaged.

Only 18% report that 81% to 100% of their workforce is highly engaged, showing that even in organizations that track engagement, most HR professionals do not see high engagement extending across the full workforce.

There has been a modest increase in the proportion of respondents saying 81% to 100% of their workforce is highly engaged from 11% in 2022 to 18% in 2026. Despite this increase, the proportion of highly engaged workforce remains firmly below one-fifth of the total workforce.



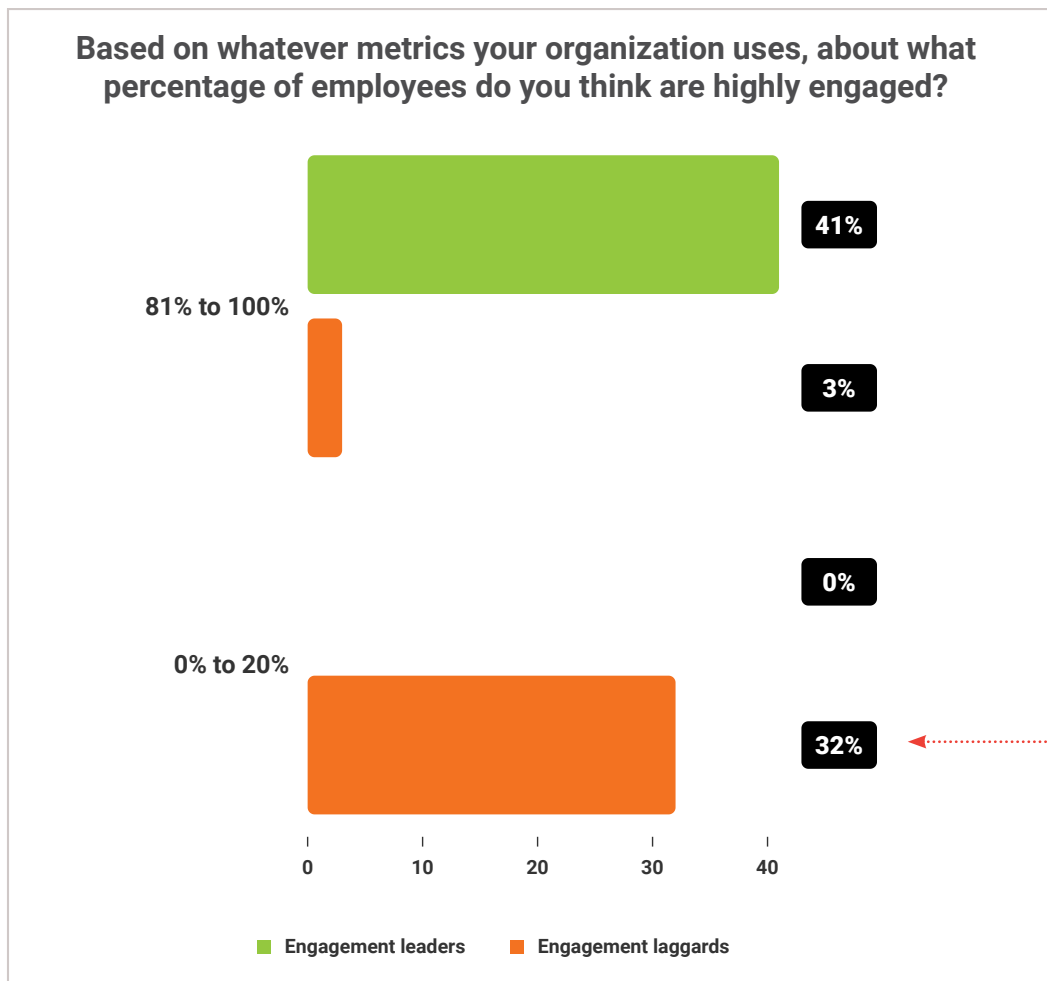
Throughout the report, we look at the findings based on organizational size. We deem organizations with 1 to 99 employees as small, those with 100-999 employees as midsize and those with 1,000 or more employees as large.

Results of Chi-square test

A chi-square test of independence shows that engagement leaders are significantly more likely than laggards to report a high percentage of highly engaged employees.

Finding: Engagement leaders are nearly fourteen times more likely to say employees are highly engaged

About two-fifths of engagement leaders say over 80% of their employees are highly engaged compared to just 3% of laggards who say the same. The difference becomes even more of an issue when looking at the bottom end of the scale; none of the leaders say fewer than 20% are highly engaged compared to nearly a third of laggards. This disparity is worth taking seriously, since disengagement is a leading driver of voluntary turnover and replacing employees is far more expensive than retaining them.



Nearly a third of laggards say fewer than 20% of their workforce is highly engaged

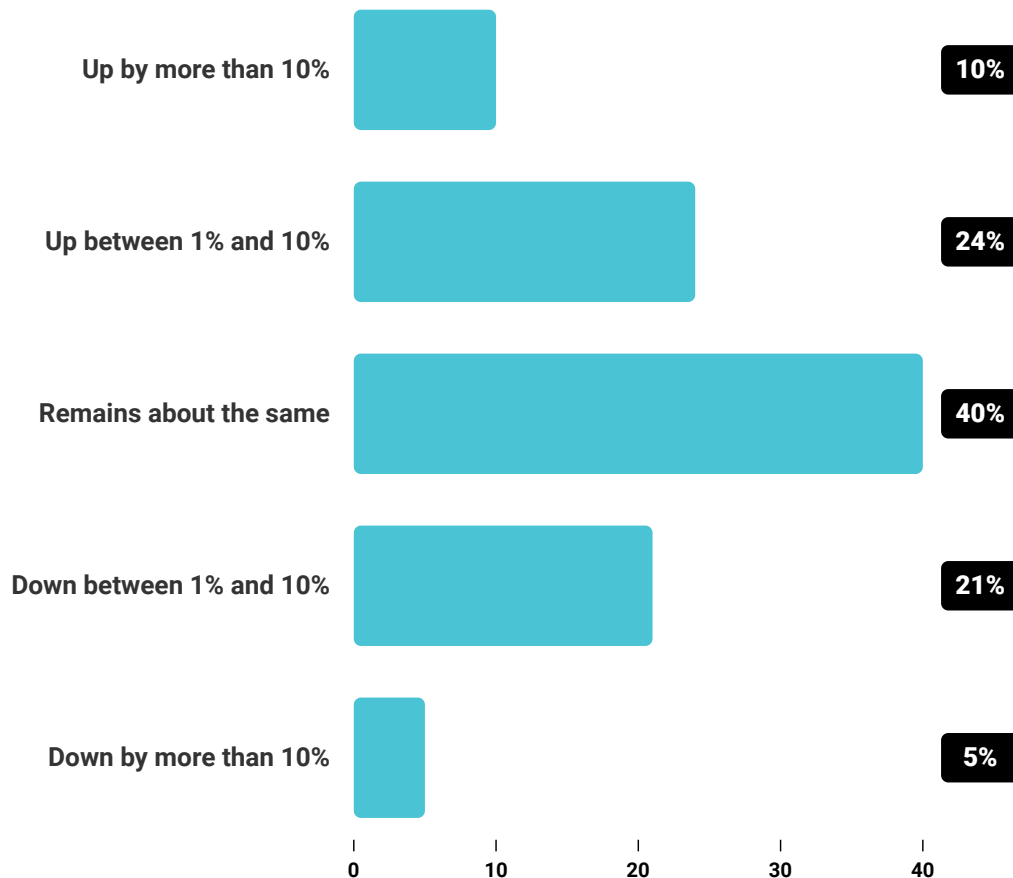


Finding: One-third of organizations report improved levels of engagement over the past year

Among organizations that track engagement, 34% report an increase in employee engagement over the past year.

At the same time, 26% report a decline in engagement. The results show that engagement remains stable or improves for most organizations, but more than one-quarter still experience a decline.

How has the level of employee engagement changed in your organization over the last year?



Editor's Note: Those who responded "don't know" were removed from the data and the numbers were recalculated accordingly. They accounted for 7% of the responses.



Over a quarter of respondents say engagement has decreased over the past year

Results of Chi-square test

A chi-square test of independence shows that engagement leaders are much more likely than engagement laggards to offer the listed initiatives to create a positive employee experience.

Finding: Engagement has the biggest impact on retention and culture

More than half of HR professionals say employee engagement most affects organizational culture (56%) and retention (51%). These have remained the top two over the last three years.

The results show that HR professionals see engagement primarily as an internal workforce issue that shapes the employee experience, an organization's ability to retain talent, and employees' capacity to perform. In fact, [Gallup's](#) meta-analysis found that teams in the top quartile of engagement had 23% higher profitability than those in the bottom quartile, along with higher productivity.

In your organization, which are the top three areas impacted by employee engagement? (select up to three)



Over two-fifths of respondents say engagement impacts productivity

HRRI Strategic Recommendations

Based on our research, consider the following suggestions:

- **Create targeted plans for moderately engaged employees.**
Identify employees or teams that consistently fall in the middle of engagement measures. Use follow-up conversations or short surveys to understand what would move them toward stronger engagement and develop targeted actions rather than using a one-size-fits-all approach.
- **Identify and replicate practices from highly-engaged teams.**
Compare teams with consistently high engagement against those with lower scores. Look specifically at differences in manager practices, employee involvement, communication and development opportunities, and incorporate effective practices into manager training and team practices.
- **Establish an engagement response process.**
Set a clear trigger for action when engagement falls significantly. Require managers to review the results, identify the likely issue, agree on specific corrective actions and check progress within an established timeframe.
- **Make engagement part of retention planning.**
Identify areas where low engagement and turnover are occurring together. Use stay interviews, turnover data and engagement results to identify retention risks and prioritize interventions for employees and roles that are most difficult to replace.

Engagement Measurement Remains Traditional

We asked a series of follow-up questions about methodologies and frequency of measurement to respondents who said their organizations measure employee engagement.



Finding: Organizations most often use surveys, interviews, and retention data to measure engagement

Employee surveys (aside from eNPS) remain the most common way to measure engagement (65%). Exit and stay interviews follow closely at 64%, while 60% use retention or turnover rates. These have remained the top choices for measuring engagement over the last four years.

Organizations also use a mix of formal measurement tools and employee-experience indicators. Forty-three percent consider participation in workplace events, 40% use one-on-one meetings with managers, and 35% use eNPS. Fewer use customer satisfaction rates at 26% or employee sentiment analysis at 25%, which suggests that most organizations continue to rely on established people metrics rather than real-time or externally focused measures. While high-level metrics and automated analytics offer top-line summaries, deep human evaluation remains essential for uncovering actionable context.



“High-level data can provide generic themes about what to improve, but I want to know the specific situations employees are reacting to so we can build targeted strategies. There is still immense value in going through a survey manually and finding intentional, impactful ways where human review outperforms AI.”

- Siri Svay, Program Manager, Culture and Engagement, IAT Insurance Group

How does your organization measure employee engagement? (select all that apply)



Three-fifths use retention/turnover rates as a measure of engagement



Finding: Most organizations measure engagement annually or twice a year

Forty-two percent of HR professionals say their organizations measure employee engagement annually, making it the most common approach. Another 21% measure engagement twice a year.

Less than one-third use more frequent measurement. Most organizations rely on periodic measurement rather than ongoing employee feedback. This reluctance to adopt continuous or proactive tracking often stems from an executive hesitancy to confront uncomfortable truths about workplace culture. As Cassandra Lowery says:



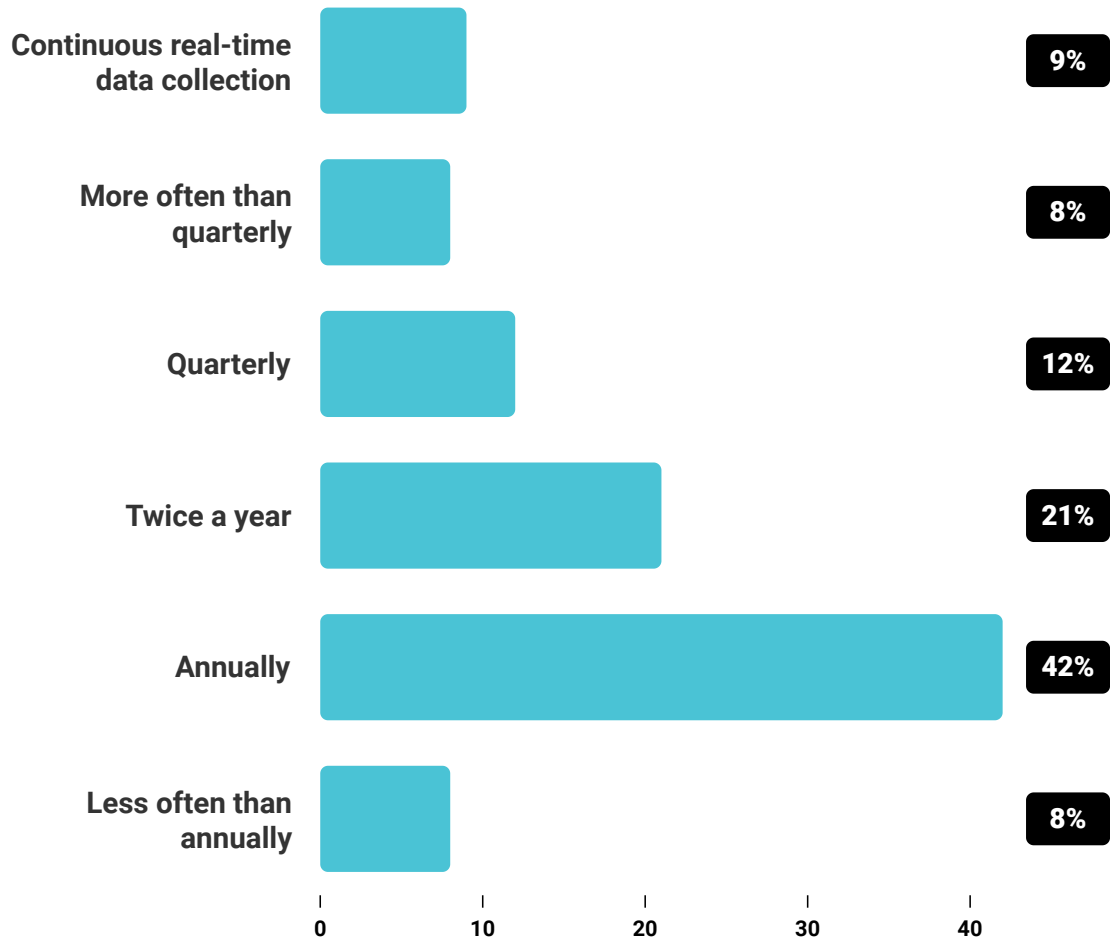
"...some HR leaders try hard to push for measurement, but executive leadership actively resists it because they know they will get bad results. It's a fear-based response: 'We know our culture and engagement are not great, and we don't want to measure it and have it right in our face.'"

- Cassandra Lowery, Global Human Resources Manager, Liminal

The proportion of respondents saying they conduct continuous measurement of engagement levels has increased marginally from 5% in 2022 to 9% in 2026.

More frequent or real-time data collection allows for timely interventions, helping to address issues before they impact retention or productivity.

How often does your organization measure employee engagement levels?
(select the one that best applies)



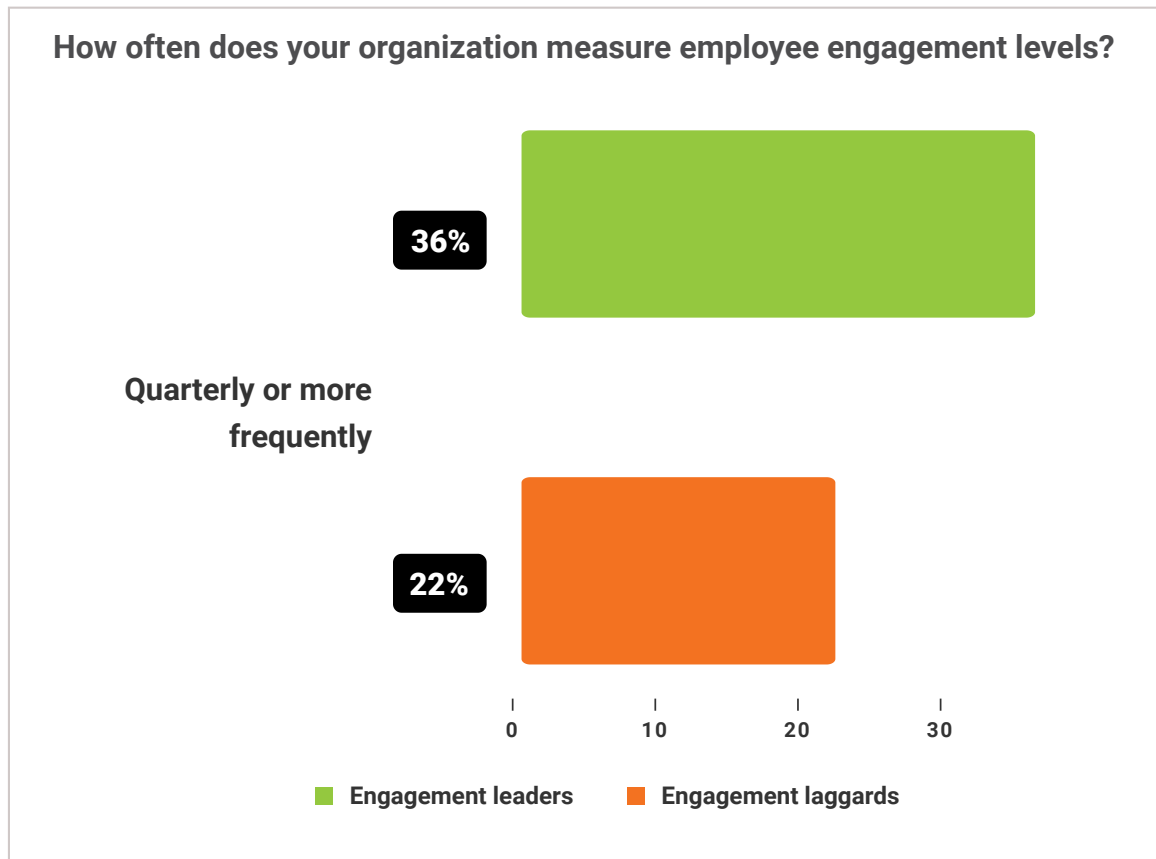
Only 8% of respondents measure engagement less often than annually

Results of Chi-square test

A chi-square test of independence shows that engagement leaders are significantly more likely than laggards to measure engagement quarterly or more often.

Finding: Engagement leaders are more likely than laggards to measure engagement more frequently

Over a third (36%) of engagement leaders track engagement at least quarterly, compared to just 22% of laggards. Regularly keeping track of engagement rates can save organizations by letting them fix issues before they snowball into bigger issues.



HRRI Strategic Recommendations

Based on our research, consider the following suggestions:

- **Combine engagement surveys with ongoing employee feedback.**
Use annual or semi-annual surveys to identify broad engagement trends, then use shorter pulse surveys, manager check-ins and employee discussions to explore emerging issues between surveys. This provides both a broad view and more timely insight.
- **Increase measurement frequency when engagement is changing.**
Consider quarterly measurement for organizations experiencing declining engagement, significant workforce changes or other periods of disruption. More frequent measurement can help identify problems early and allow organizations to respond before they affect retention or productivity.
- **Use different methods to understand the reasons behind engagement results.**
Do not rely on a single engagement score. Combine survey results with stay and exit interviews, turnover data, manager feedback and employee comments to understand what is driving the results and where targeted action is needed.
- **Add qualitative analysis to engagement measurement.**
Review employee comments and interview responses to identify specific situations behind the numbers. Use this information to distinguish between broad themes and issues affecting teams or employee groups.
- **Use engagement data to trigger action, not just reporting.**
Define in advance what will happen when engagement falls below an agreed threshold. Assign responsibility to HR and managers, identify corrective actions and set a date to reassess whether engagement has improved.

Engagement Drivers Outpace Manager Capability



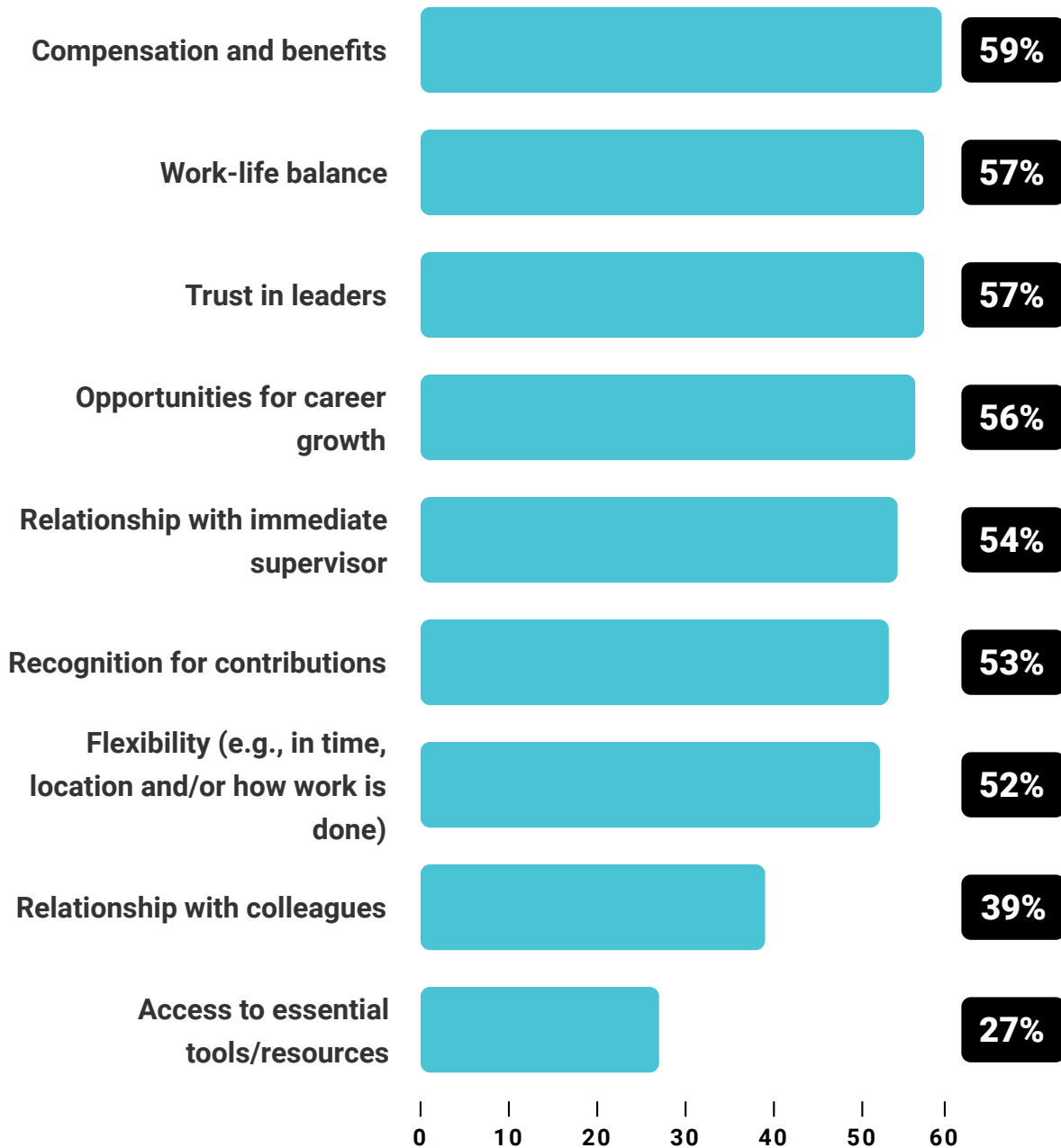
Finding: Compensation and benefits are the factor most often linked to employee engagement

HR professionals view engagement as shaped by both tangible rewards and the quality of employees' relationships, growth opportunities, and daily work experience.

Fifty-nine percent of HR professionals say compensation and benefits are highly linked to employee engagement. Work-life balance and trust in leaders follow at 57% each, while opportunities for career growth reach 56% and the relationship with an immediate supervisor reaches 54%.



Which five of the following factors are most highly linked to employee engagement in your organization? (select up to five)



Over half of respondents say flexibility is highly linked to employee engagement in their organization

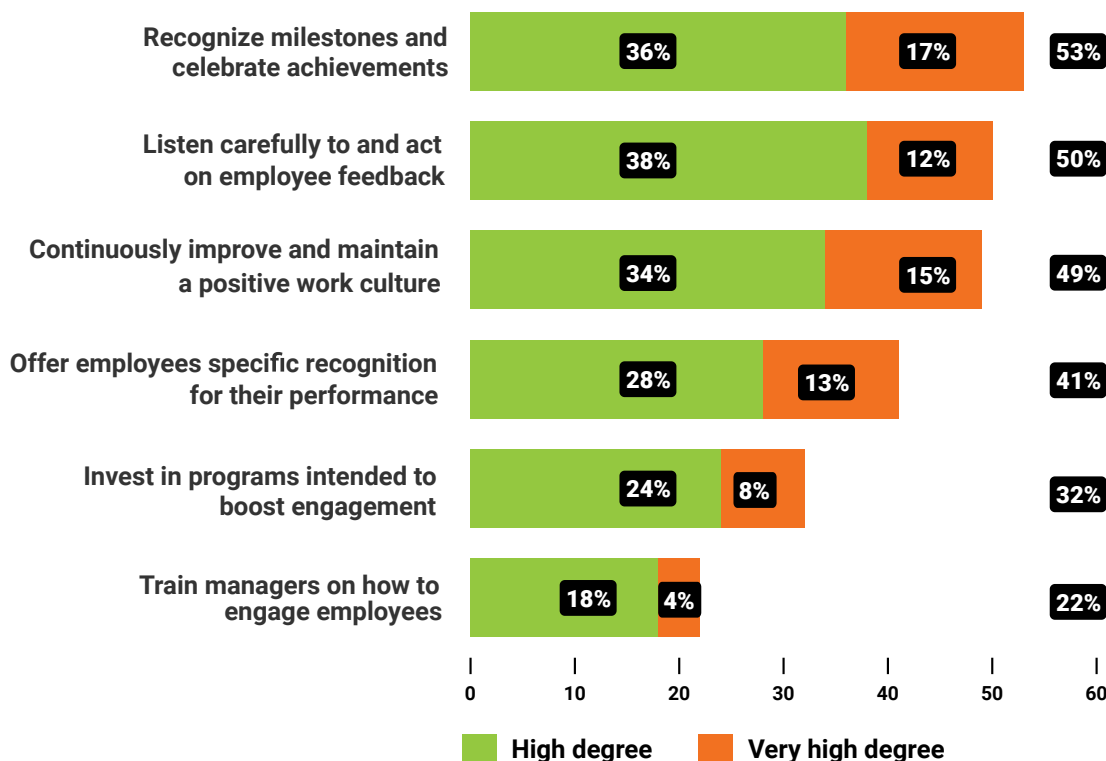


Finding: Only 22% of organizations train managers on employee engagement to a high or very high degree

More than half of HR professionals say their organization recognizes milestones and celebrates achievements to a high or very high degree at 53%. Half say their organizations listen carefully to and act on employee feedback to a high or very high degree, while 49% say they continuously improve and maintain a positive work culture.

Fewer organizations report strong investment in more structured engagement practices. Forty-one percent offer employees specific recognition for their performance to a high or very high degree, and 32% invest in programs intended to boost engagement. Only 22% train managers on how to engage employees to a high or very high degree, showing that manager development remains one of the least developed engagement practices.

To what degree does your organization do the following? (please provide your best estimate)



Results of Chi-square test

A chi-square test of independence shows that engagement leaders are significantly more likely than laggards to engage in all listed practices to improve employee engagement.

Finding: Engagement leaders outperform laggards across all engagement activities

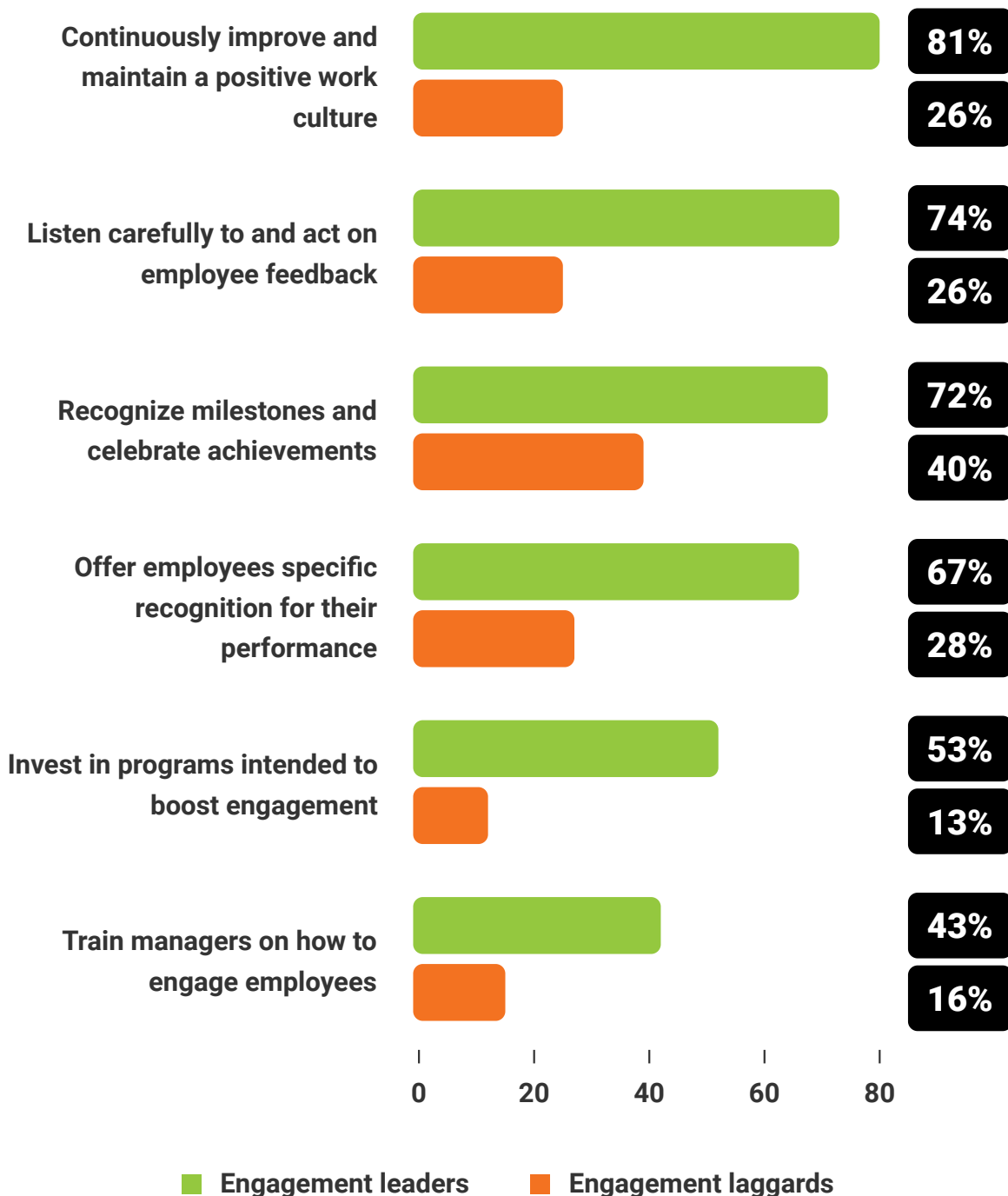
Engagement leaders are much more likely to engage in engagement practices to a high or very high degree. The largest difference is in continuously improving and maintaining a positive work culture, where 81% of leaders report doing this compared to just 26% of laggards, a whopping 55-point gap.

Engagement leaders are also more than four times more likely to invest in programs intended to boost engagement (53% vs. 13%) and nearly three times more likely to train managers on how to engage employees (43% vs. 16%).

This goes to show that improving engagement requires putting effort into several small practices that work together to create a strong employee engagement ecosystem.



To what degree does your organization do the following? (percent responding high or very high degree)



Engagement leaders are over twice as likely to say they offer employee-specific recognition



Finding: More than three-fifths of organizations say they nurture a positive organizational culture

Sixty-two percent of HR professionals say their organizations nurture a positive organizational culture. Flexible work arrangements follow at 52%, while 45% report low voluntary turnover rates and 41% provide employees with career growth advice and opportunities.

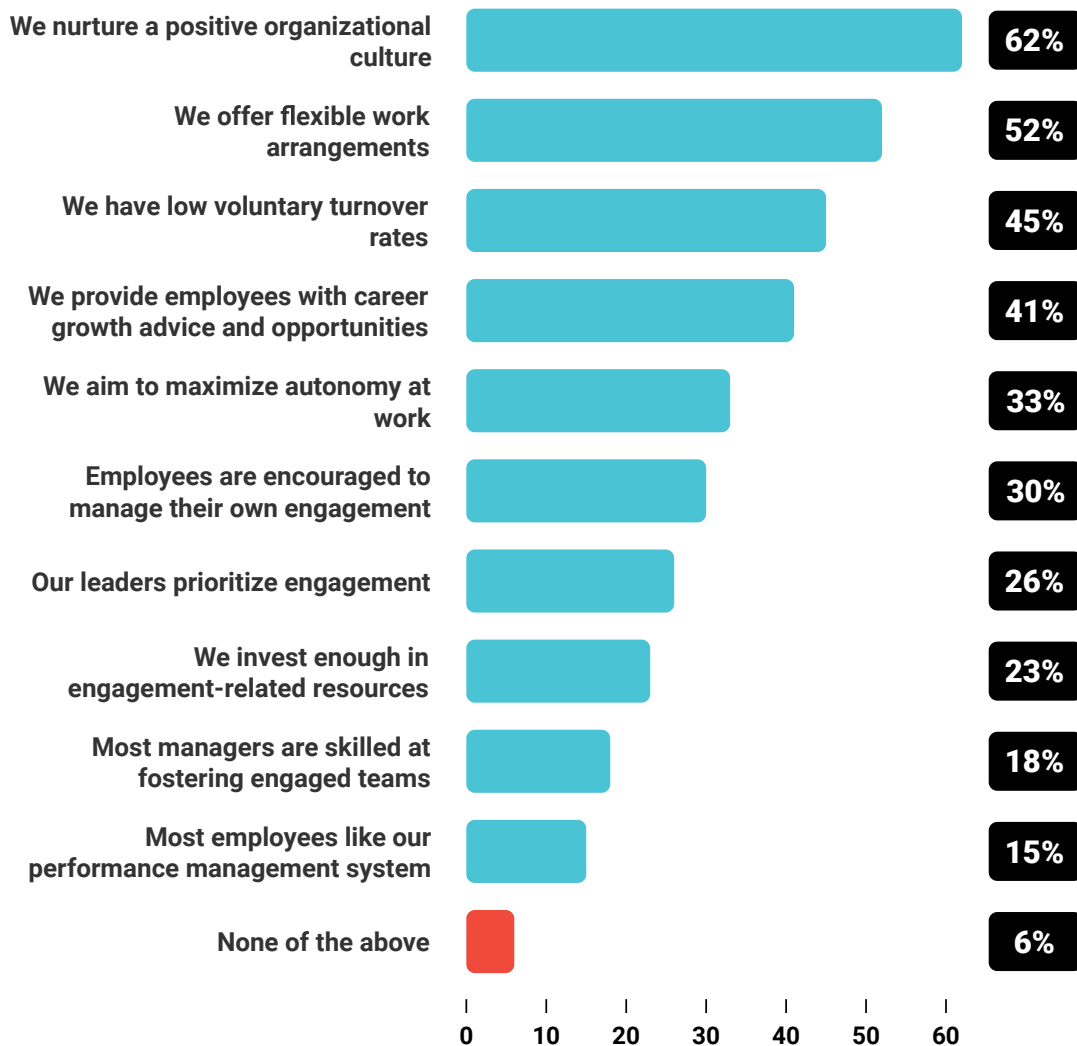
Fewer organizations report that the systems needed to sustain engagement are in place. Only 26% say their leaders prioritize engagement, 23% say they invest enough in engagement-related resources, and 18% say most managers are skilled at fostering engaged teams. The results suggest that many organizations value a positive culture, but fewer consistently support it through leadership commitment, resources, and manager capability. Nurturing an authentic workplace culture requires intentional boundaries around technology, ensuring that core human connections are not automated away.



“If you think a person doesn't know the difference between an AI response and a natural response, you're wrong—people can feel it... Where are the moments that should remain human? We need to stop as leaders and HR practitioners and protect those human moments.”

- **Madeline Des Jardins**, Global Sr. Director, Internal Communications & Employee Engagement, WalkMe

Which of the following engagement-related statements are true in your organization? (select all that apply)



Just 18% say managers are highly skilled at fostering engaged individuals and teams

Results of Chi-square test

A chi-square test of independence shows that engagement leaders are significantly more likely than laggards to say all listed engagement related statements are true in their organizations.

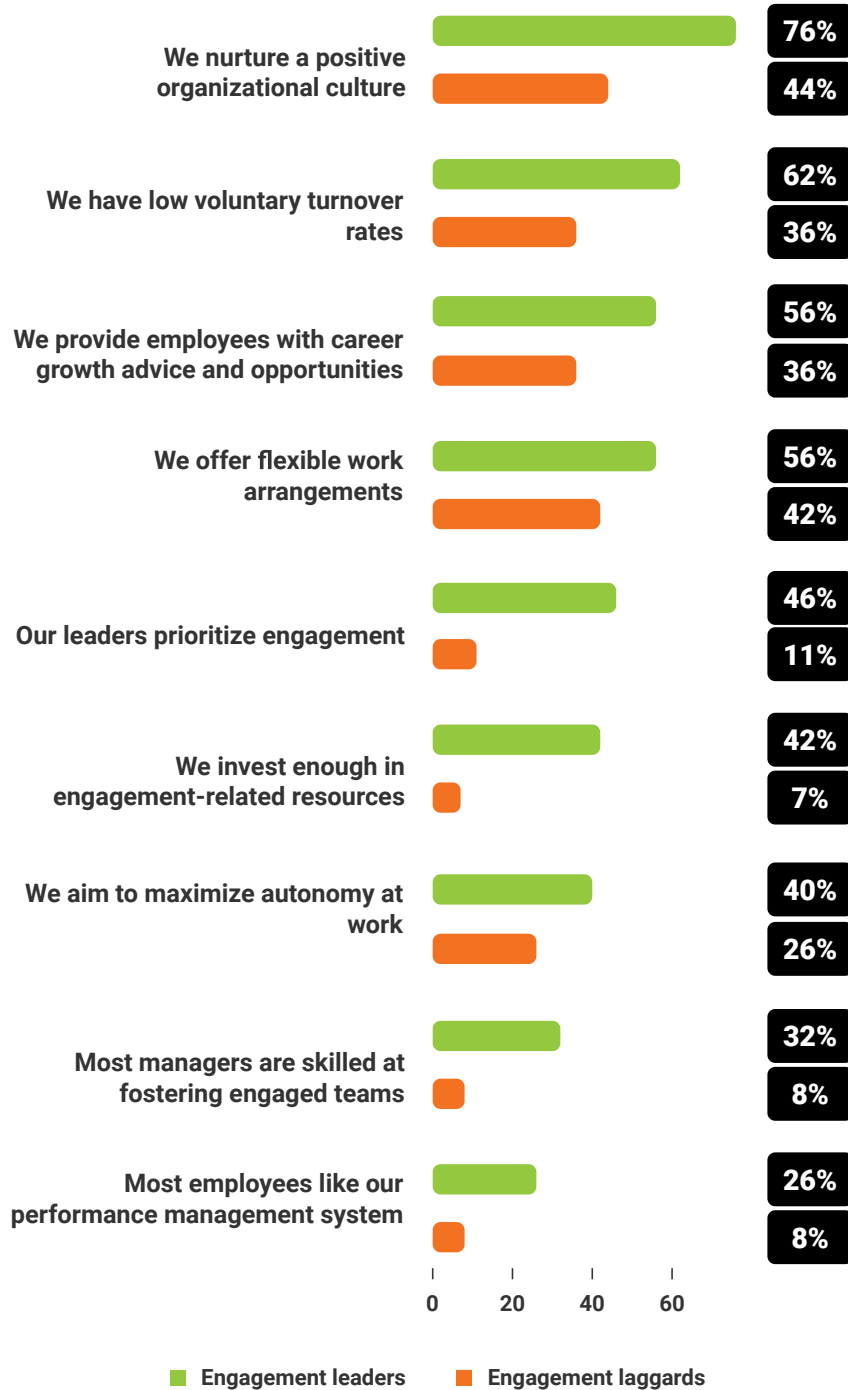
Finding: Engagement leaders are significantly more likely to nurture a positive work culture

Engagement leaders excel at nurturing a positive organizational culture (76% vs. 44%). They are also six times more likely to say they invest enough in engagement-related resources, about four times more likely to say senior leaders prioritize engagement (46% vs. 11%). And engagement leaders are much more likely to have low voluntary turnover rates (62% vs. 36%).

Organizations may be reluctant to spend on resources, but the data suggests engagement investment pays off in the long term.



Which of the following engagement-related statements are true in your organization?
(select all that apply)



Engagement leaders are four times more likely to say leaders prioritize engagement

HRRI Strategic Recommendations

- **Equip managers to take an active role in engagement.**
Make engagement a core part of manager development rather than assuming managers know how to build engaged teams. Provide practical training on giving feedback, recognizing contributions, holding meaningful one-on-one conversations, supporting career growth and responding to employee concerns. Embed these practices into regular management routines through team check-ins, feedback discussions, recognition, and career conversations.
- **Give managers access to engagement data and require follow-through.**
Provide managers with their team's engagement results and help them identify one or two priorities. Require them to develop specific actions, communicate those actions to employees and review progress over time.
- **Strengthen senior leadership ownership of engagement.**
Make engagement a leadership responsibility by including it in business and people reviews. Senior leaders should review engagement results, remove barriers identified by employees and ensure managers have the resources needed to act on engagement issues.
- **Invest in a broader set of engagement practices.**
The strongest engagement organizations use multiple practices rather than relying on a single initiative. Build a coordinated approach that combines employee feedback, recognition, manager development, career support, culture initiatives and appropriate engagement programs.

Collaboration and Feedback Drive Engagement

Respondents who chose “Employees are encouraged to manage their own engagement,” “Most of our managers are highly skilled at fostering engaged individuals and teams,” “Our leaders prioritize engagement,” and “We nurture a positive corporate culture” were asked follow-up questions to dive deeper into specific actions they follow to achieve these ends.



Finding: Employees most often manage engagement by setting goals and suggesting improvements on how work gets done

HR professionals most often say employees manage their own engagement by setting personal and professional goals (68%) and suggesting workflow or process improvements (66%). Sixty percent say employees give feedback to improve the workplace and use tools and technology to work more effectively, while 58% say employees learn new skills.

Nearly half say employees volunteer for meaningful projects at 48%, work on projects that align with personal interests at 46% or manage stress and avoid burnout at 46%. The results show that employees take an active role in their engagement through goal setting, learning, feedback, and efforts to improve their work.

Differences by organizational size

Respondents in larger organizations report far more employee self-directed development activity. Volunteering for meaningful projects rises from 25% in small organizations to 69% in large ones. And experimenting with new ways of working climbs from 0% in small organizations to 44% in large organizations.

In your organization, how do employees manage and improve their own engagement levels? (select all that apply)





Finding: Eighty-seven percent say managers listen and respond to employee feedback regularly to boost engagement

HR professionals most often say managers and leaders boost engagement by listening and responding to feedback regularly (87%). Most managers and leaders also focus on building trust (80%) and fostering employee collaboration (79%). Over two-thirds also provide regular feedback (72%), recognize superior contributions (67%) and help remove barriers to good performance (66%).

The results show that managers commonly focus on communication and trust, but fewer provide the coaching and resources that help employees act on feedback and develop over time. When organizations gather employee input without taking visible action, it creates a damaging gap between employee participation and leadership accountability.



“A lot of times, leaders simply do not want to know the metrics because then they have to be held accountable. Employees want to participate, but if nothing is ever done with their feedback, they feel like they do not have a voice and are not being heard.”

- Susana Kelly, Employee Experience & Engagement Analyst, Numeracle

[Gallup research](#) shows that manager communication is the biggest driver of team success. When managers actively give feedback and support change, employees are about twice as likely to adopt new tools and nearly nine times more likely to say they have opportunities to do their best work.



Almost eight in ten say leaders boost engagement by fostering collaboration



Finding: Eighty-three percent of organizations encourage collaboration and teamwork to maintain a positive work culture

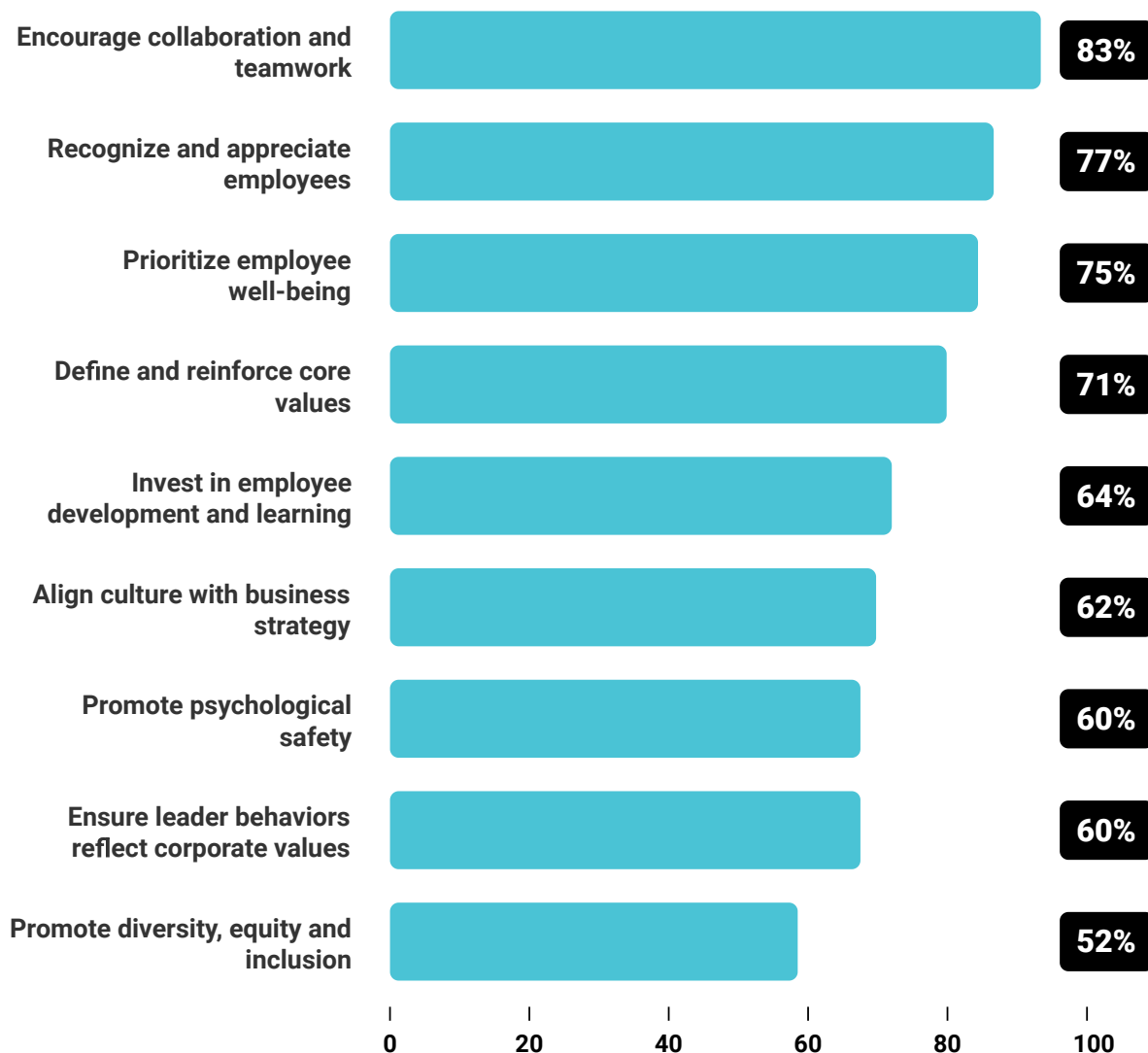
Organizations use a broad set of practices to support culture, with collaboration, recognition, well-being, and values receiving the greatest emphasis.

HR professionals most often say their organization maintains a positive work culture by encouraging collaboration and teamwork (83%). They also recognize and appreciate employees (77%), prioritize employee well-being (75%), and define and reinforce core values (71%).

Differences by organizational size

When looking at organizational size, 27% of those in small organizations say they maintain a positive work culture by promoting diversity, equity and inclusion compared to 64% of those in midsize and 59% in large ones. Interestingly, several culture measures peak in midsize organizations, suggesting a sweet spot where companies have outgrown informality but haven't yet hit large-organization bureaucracy.

**How does your organization maintain a positive work culture?
(select all that apply)**



HRRI Strategic Recommendations

- **Turn employee input into visible action.**

Give employees clear ways to set goals, suggest process improvements, and provide feedback on workplace issues. After collecting input, communicate what was heard, what will change, who is responsible, and when employees can expect an update. Track unresolved issues until they are addressed.

- **Make coaching a regular part of management.**

Managers should move beyond listening and providing feedback to helping employees develop. Schedule regular coaching conversations focused on strengths, development goals and opportunities to take on meaningful work.

- **Give employees opportunities to take ownership of their development.**

Create ways for employees to identify skills they want to develop, volunteer for projects, take on work aligned with their interests and experiment with better ways of working. Managers can support this by making opportunities visible and removing unnecessary barriers to participation.

- **Build collaboration into how work gets done.**

Use cross-functional projects, team problem-solving sessions and shared goals to encourage collaboration rather than treating teamwork as a separate engagement activity. Ensure employees have opportunities to contribute ideas and learn from colleagues.

- **Make culture visible through everyday management practices.**

Translate organizational values into specific behaviors expected from managers and employees. Recognize employees who demonstrate those behaviors, discuss them in team meetings and address behavior that conflicts with stated values.

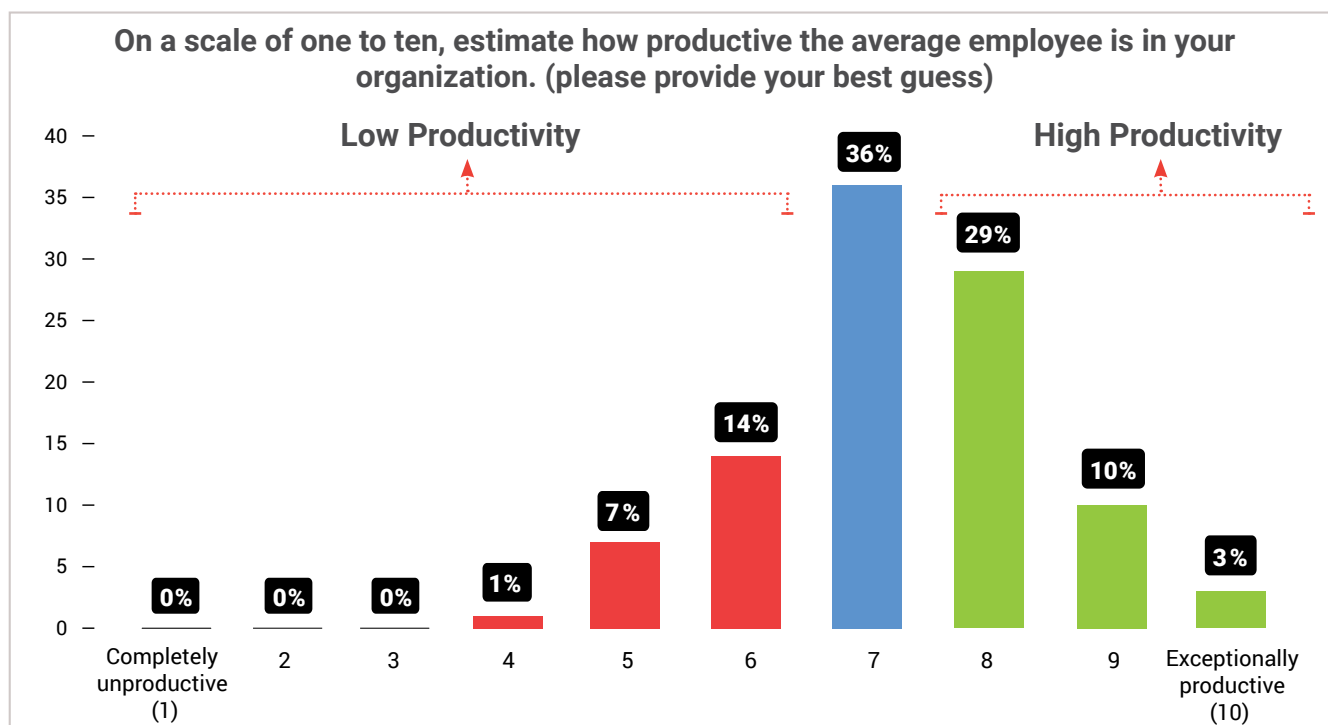
Productivity Ratings Rise, Measurement Lags



Finding: Forty-two percent of HR professionals rate the average employee as highly productive

When HR professionals rate the average employee's productivity, 42% give a score of eight or above and 22% rate average productivity at six or below.

From 2025 to 2026, the percentage of HR professionals who rate the average employee's productivity at eight or above increased from 34% to 42%. The increase coincides with the rapid adoption of AI-powered work tools. Later sections discuss how AI can improve productivity substantially in some work contexts but may vary by the nature of the task. This makes the relationship worth monitoring rather than assuming that greater AI adoption automatically translates into higher organizational productivity.



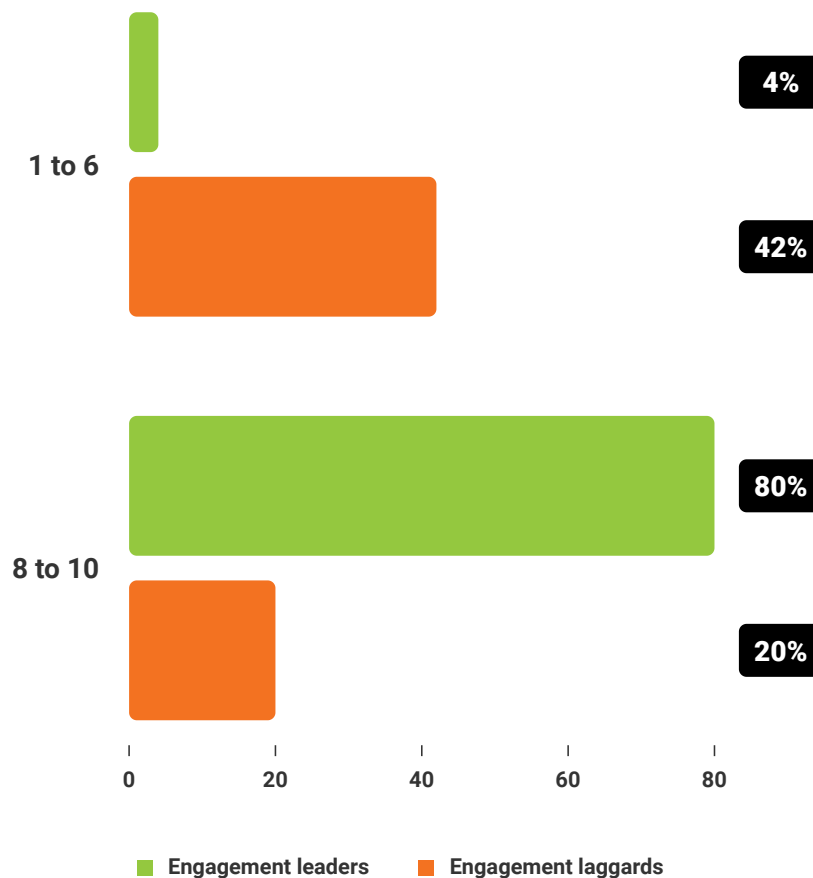
Results of Chi-square test

A chi-square test of independence shows that engagement leaders are significantly less likely than laggards to rate their average employee's productivity a six or below.

Finding: Engagement leaders are four times more likely to believe their average employee is highly productive

There's a correlation between how engaged the average employee is and how productive they are. Engagement leaders are four times more likely than laggards to say the average employee is highly productive, that is, an eight to ten on a ten-point scale (80% vs. 20%). Conversely, leaders are more than ten times less likely to rate their average employee's productivity as a six or below (4% vs. 42%). In fact, none of the engagement leaders rated their average employee's productivity below a six.

On a scale of one to ten, estimate how productive the average employee is in your organization. (please provide your best guess)



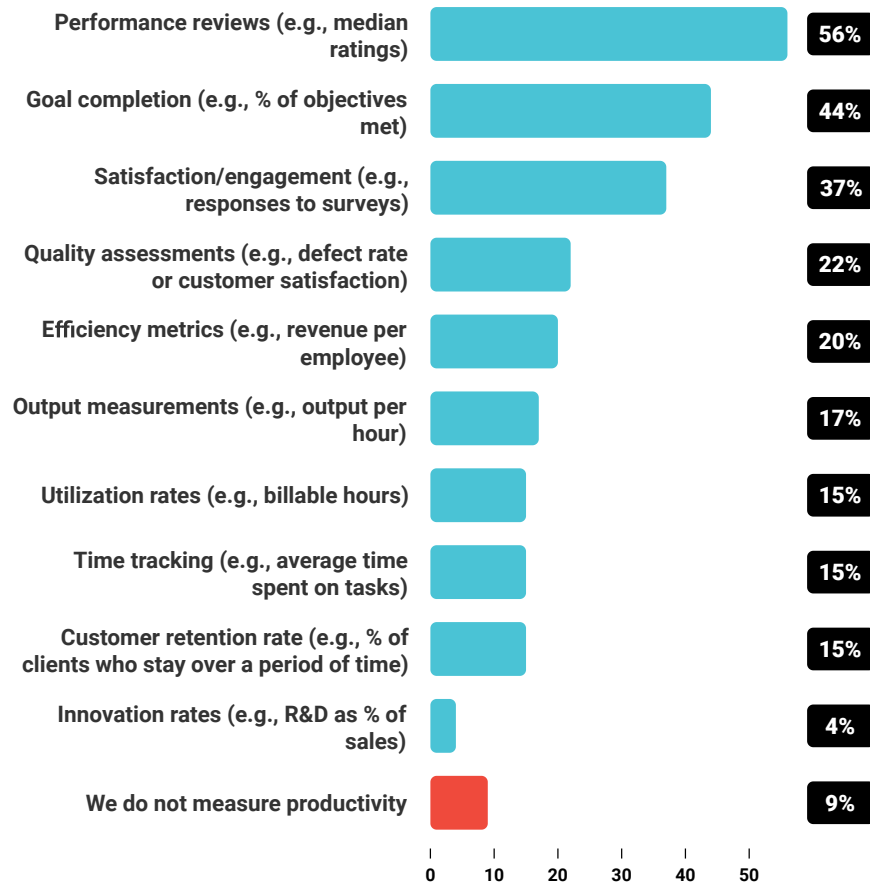


Finding: Performance reviews are the most common measure of employee productivity

Fifty-six percent of HR professionals say their organizations use performance reviews to measure employee productivity. Goal completion follows at 44%, while 37% use satisfaction or engagement survey responses.

Fewer organizations use direct operational measures. Twenty-two percent use quality assessments, 20% use efficiency metrics, and 17% use output measurements. The results show that most organizations rely on performance and goal-based measures rather than metrics that directly assess efficiency, output, or innovation.

What are the three most frequently used ways employee productivity is measured in your organization? (select up to three)



One in five organizations uses efficiency metrics to measure employee productivity



Finding: AI-powered tools are now almost as widely used as core HR systems

HR and workforce management software is the most commonly used productivity technology at 63%. AI-powered work tools follow closely at 62%, while 61% use document-management and storage solutions. Fifty-nine percent use collaboration and communication tools.

Half of organizations use learning and development tools, and 46% use analytics tools. Organizations have widely adopted the core technologies that support everyday work, with AI tools now nearly as common as HR systems. As technology adoption accelerates across HR, leaders emphasize framing AI not as a surrogate for workforce capabilities, but as an enhancing resource.



"I think of AI like an encyclopedia or a reference article—a resource that supplements my work, rather than does the work for me. We use AI as a tool to support and enhance the human work our team does, not as a replacement for the people behind it."

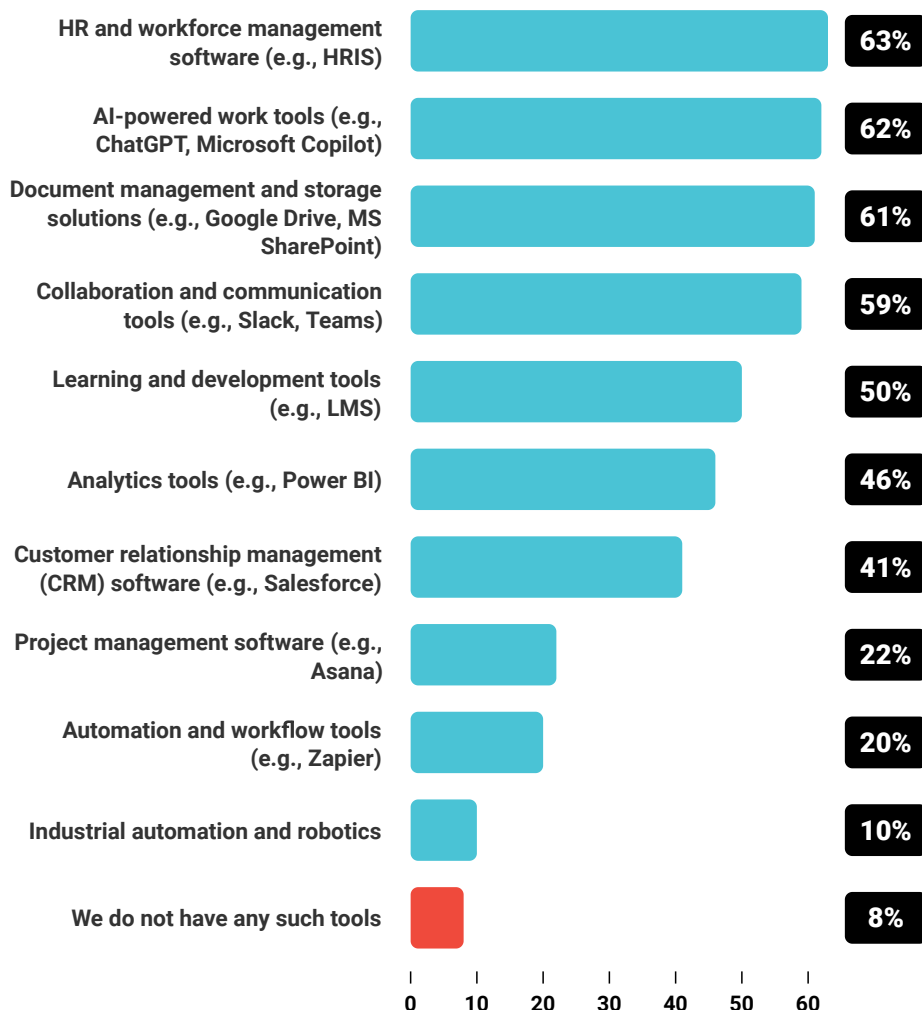
- **Bridgett Hart**, Vice President, Employee Experience, Ibex

However, global studies from the OECD show that while digital software and tools spread rapidly across companies, productivity numbers take time to move. Buying tools is quick, but real productivity gains only happen when companies redesign daily workflows around the technology.

Differences by organizational size

Only 18% of those in small organizations use analytics tools to support productivity compared to 43% of those in mid-sized organizations and 69% of large organizations. A full quarter of those in small organizations report having no supporting technology tools at all versus almost none of their larger peers. HR and workforce management software (HRIS) shows a similar pattern, from 34% in small organizations to 77% in mid-sized ones.

What types of technological tools does your organization use to enhance employee productivity? (select all that apply)



Over three-fifths use AI-powered tools like ChatGPT to enhance productivity



Finding: Supportive leadership is the factor most often linked to improved employee productivity

Half of HR professionals say supportive leadership is among the most effective factors for improving employee productivity. Open and effective communication follows at 46%, while 39% select clear goals and expectations. [Gallup's meta-analysis](#) of over 3.3 million employees identified "knowing what is expected of me at work" as the single most critical building block for individual productivity. Clear expectations drastically reduce wasted effort, eliminate redundant work, and increase overall worker confidence.

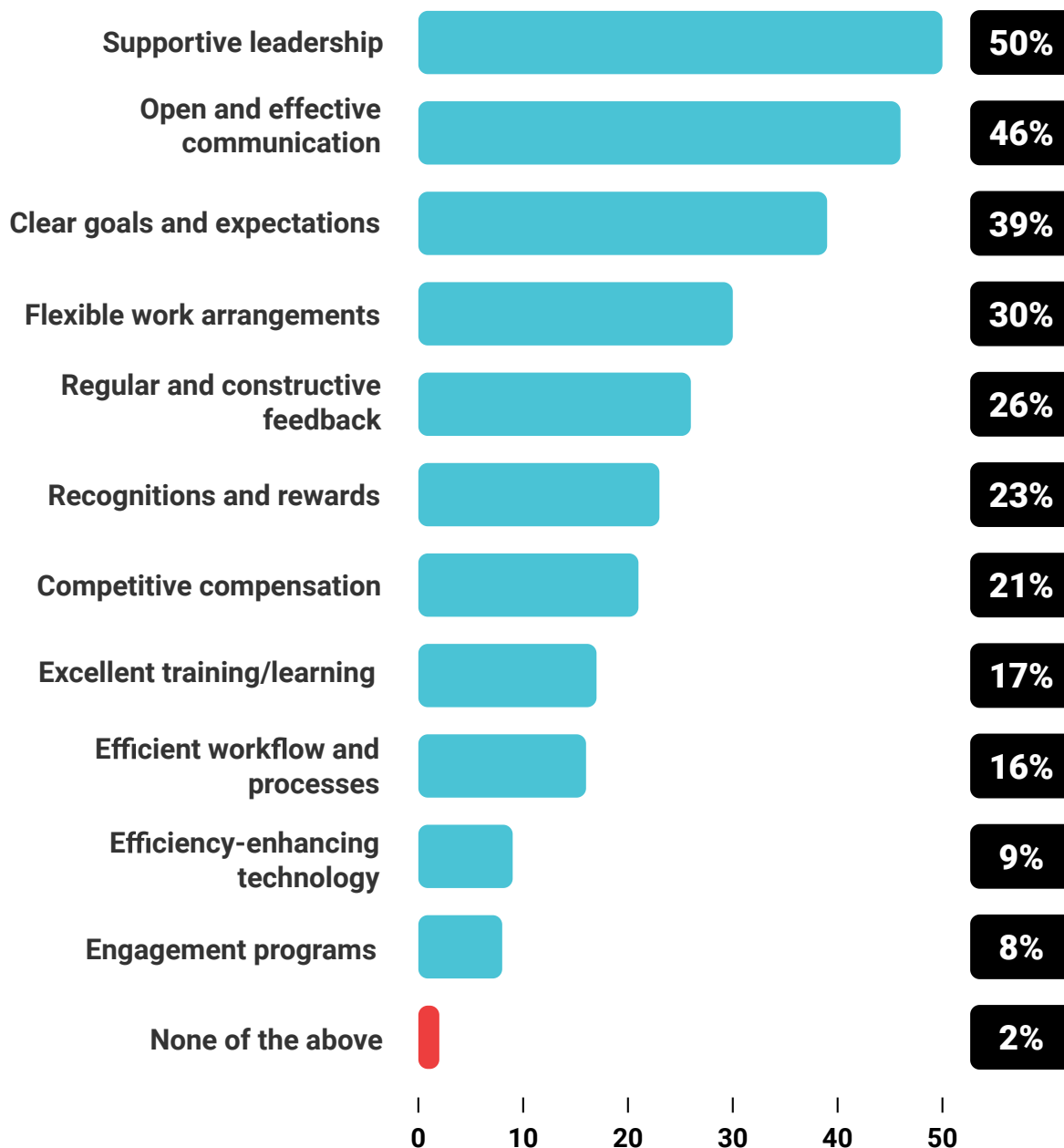
Thirty percent identify flexible work arrangements as effective, followed by regular and constructive feedback (26%), recognition and rewards (23%), and competitive compensation (21%). A field study by Harvard Business School and BCG showed that when knowledge workers are given proper tools and clear workflows for complex tasks, they complete 12% more tasks 25% faster. However, without training on tool limitations, workers were 19% less likely to produce correct solutions. The implication is that AI productivity depends on task fit, not simply adoption. Organizations therefore need employees who can recognize when AI is useful, when its output requires verification, and when the task should remain primarily human.



"We think AI will solve everything, but it's just another team member that needs correction, feedback, and evolution."

- Madeline Des Jardins, Global Sr. Director, Internal Communications & Employee Engagement, WalkMe

Which three factors are most effective in improving employee productivity in your organization? (select up to three)



HRRI Strategic Recommendations

Based on our research, consider the following suggestions:

- **Use a balanced set of measures to assess productivity.**
Do not rely on performance reviews or goal completion alone. Combine individual goals with measures such as quality, efficiency, output and customer outcomes where appropriate. This provides a more complete picture of whether employees are working effectively and producing the desired results.
- **Set clear goals and expectations for every role.**
Translate organizational priorities into specific team and individual goals, clarify what successful performance looks like, and review priorities regularly. This can help employees focus their effort on the work that matters most and reduce wasted or duplicated effort.
- **Give managers a more active role in improving productivity.**
Train managers to identify barriers to performance, provide timely feedback, clarify priorities and remove obstacles that prevent employees from doing their best work. Include productivity discussions in regular one-on-one and team meetings rather than addressing performance only during formal reviews.
- **Use analytics to identify productivity problems and opportunities.**
Use available workforce and operational data to identify differences in productivity, quality, workload and efficiency across teams or processes. Give managers dashboards or simple reports that help them identify where intervention is needed and evaluate whether changes are improving results.
- **Redesign workflows when introducing AI and other productivity tools.**
Do not assume that adopting a technology will automatically improve productivity. Identify specific tasks where AI can reduce routine work or improve performance, redesign workflows around the technology, and train employees to use AI effectively and evaluate its outputs. Establish clear guidelines for when human judgment is required and focus on use cases with a clear productivity objective.

AI Targets Efficiency, but Gains May Be Uneven



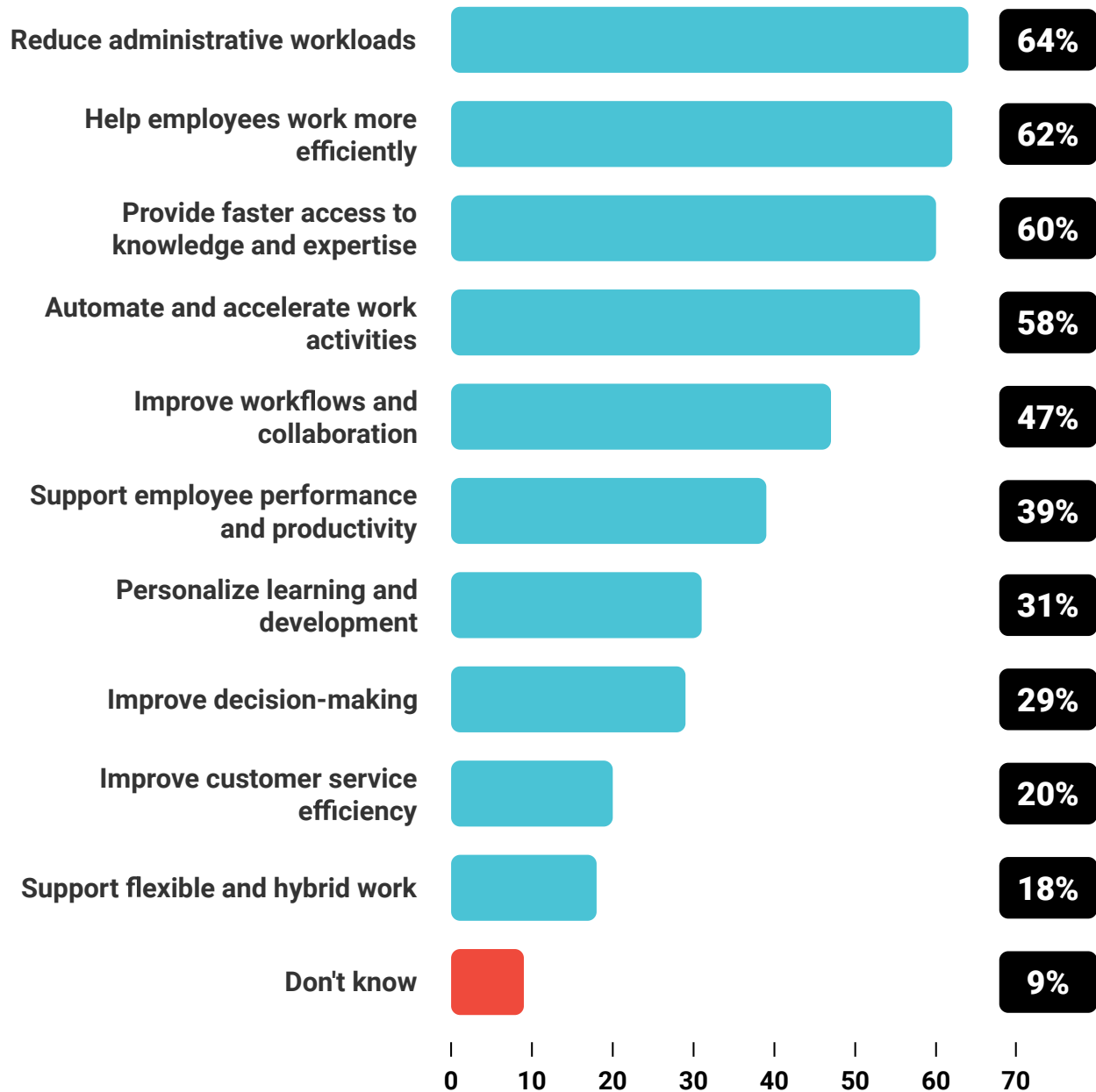
Finding: HR professionals expect AI to reduce administrative workloads and improve employee efficiency

Sixty-four percent of HR professionals say over the next two years AI will reduce administrative workloads. Sixty-two percent expect AI to help employees work more efficiently, while 60% expect it to provide faster access to knowledge and expertise. Another 58% expect AI to automate and accelerate work activities.

Nearly half expect AI to improve workflows and collaboration at 47%, while 39% say it will support employee performance and productivity. The results show that HR professionals most often view AI as a tool for reducing routine work and helping employees complete everyday tasks more efficiently.

An [NBER field study](#) of more than five thousand customer support employees found that AI tools handling routine administrative and knowledge-lookup tasks boosted overall output by 14% on average, and 34% for beginner workers. However, AI does not always lead to higher overall productivity, as we will see in later sections.

How do you think artificial intelligence (AI) will most enhance employee productivity in your organization over the next two years? (select all that apply)



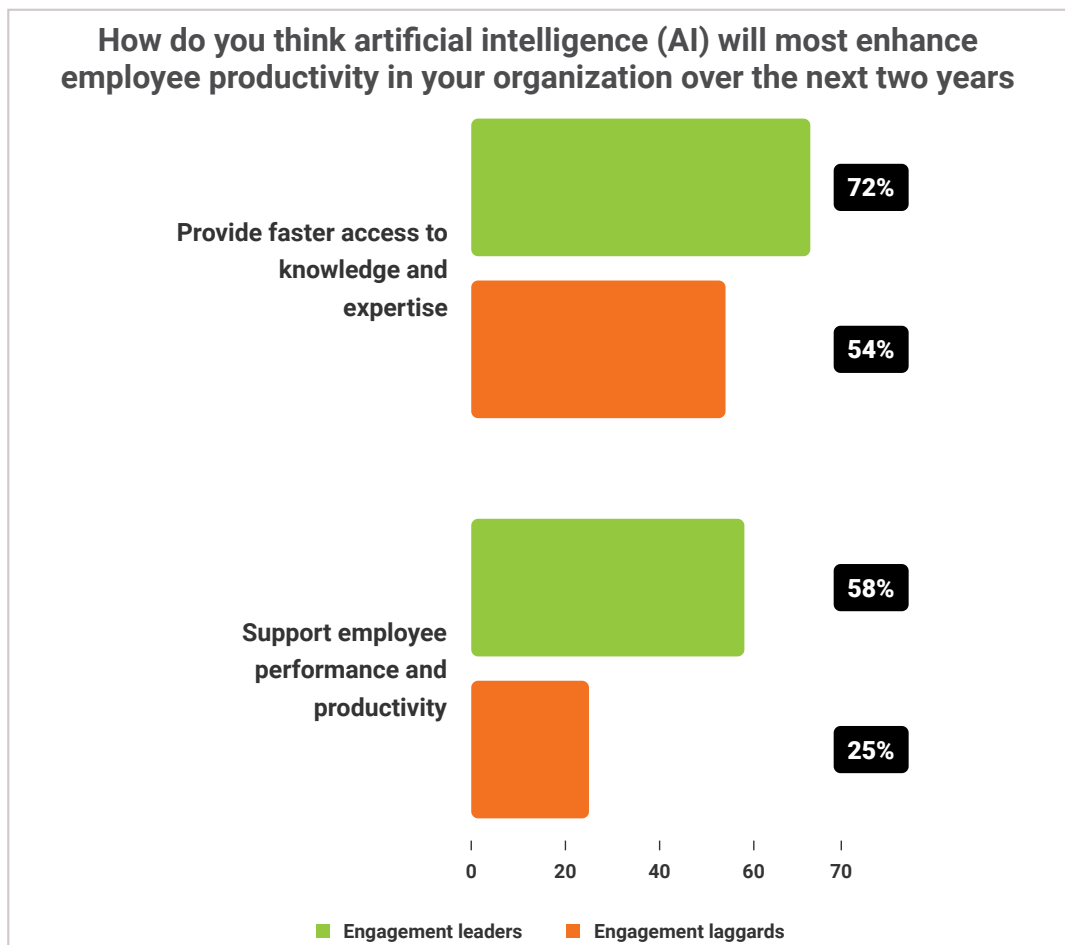
Results of Chi-square test

A chi-square test of independence shows that engagement leaders are significantly more likely than laggards to say they think AI will support employee performance and productivity over the next two years.

Finding: Engagement leaders are about twice as likely to say AI will support employee productivity over the next two years

When looking to the future, engagement leaders are about two times more likely than laggards to say AI will support employee performance and productivity (58% vs. 25%).

Engagement laggards are also more likely to say AI will provide employees with faster access to knowledge and expertise over the next two years (72% vs. 54%). That gap points to a distinction worth making, employees need to learn how to use their skills in tandem with AI, as opposed to treating AI as a substitute for the skills they haven't developed.



Editor's Note: Those who responded "don't know" were removed from the data and the numbers were recalculated accordingly. They represented 7% of the engagement leader cohort and 14% of the laggard cohort.



Finding: HR professionals expect AI to automate routine administrative work and improve core HR processes

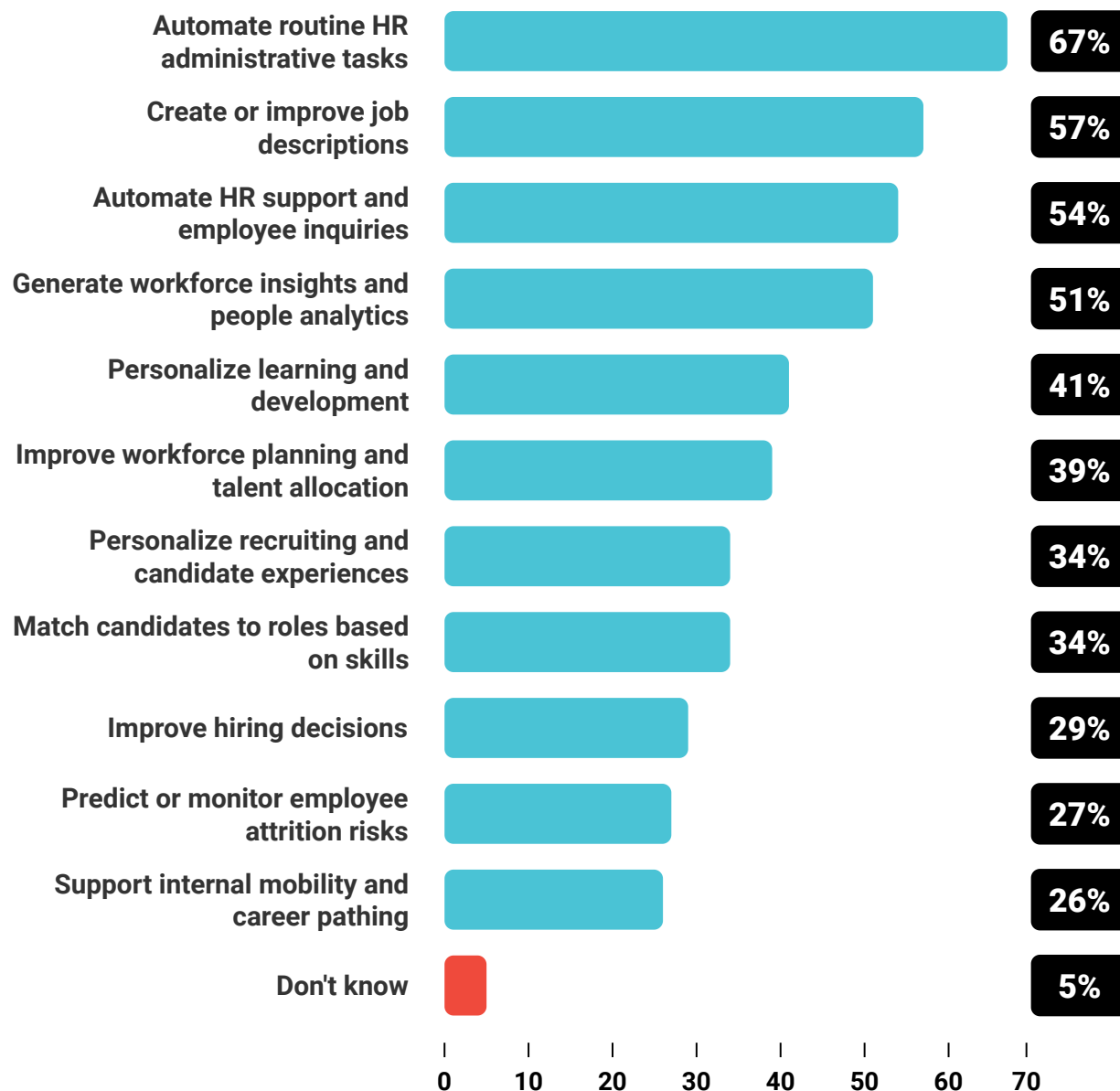
Sixty-seven percent of HR professionals say AI will automate routine HR administrative tasks over the next two years. Fifty-seven percent expect it to create or improve job descriptions, 54% expect it to automate HR support and employee inquiries, and 51% expect it to generate workforce insights and people analytics.

More than one-third expect AI to personalize learning and development (41%), improve workforce planning and talent allocation (39%), personalize recruiting and candidate experiences (34%), and match candidates to roles based on skills (34%). The results show that HR professionals primarily expect AI to improve administrative efficiency while also strengthening planning, recruiting, and talent-development activities.

Differences by organizational size

Those in large organizations (87%) are most likely to say AI will help enhance HR productivity in the next two years by automating routine HR administrative tasks, followed by 66% of those in midsize organizations and 44% of those in small organizations who say the same.

How do you think artificial intelligence (AI) will most enhance HR productivity in your organization over the next two years? (select all that apply)





Finding: Two-fifths report that botsitting reduces AI productivity gains

In a separate survey conducted among 294 HR.com webcast registrants, 40% reported that botsitting has at least a minor negative impact on the productivity benefits of AI. This includes 20% reporting a minor reduction and 17% a moderate reduction, while 3% said botsitting significantly reduces or completely outweighs AI productivity gains. Only 10% said botsitting is negligible and they realize the full productivity benefits of AI. Notably, 41% selected "Don't know," suggesting that many organizations may not yet be measuring the human effort involved in reviewing, monitoring, and correcting AI-generated outputs. These results highlight the importance of evaluating net productivity gains, rather than simply measuring the time saved by AI.

This is consistent with research from [Stripe Economics](#), which suggests that completing individual tasks faster does not always lead to higher overall productivity. Reviews, corrections and workflow issues can reduce the gains from AI. Organizations therefore need to make sure that time saved by AI is converted into higher-value work.

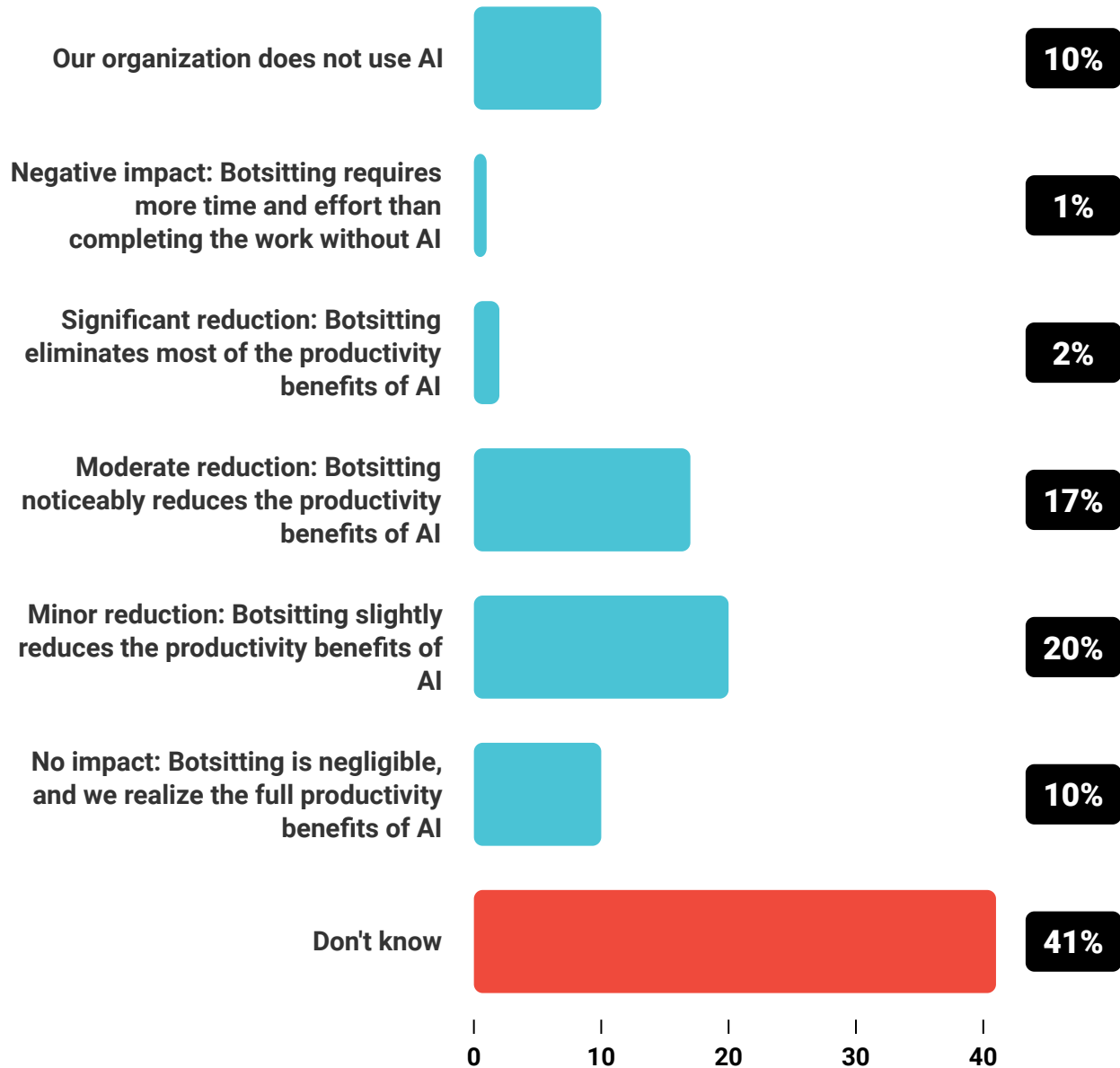
The hidden friction of supervising automated outputs raises a strategic question about where leadership coaching time is most effectively spent.



"AI can replace tasks, but ultimately you can't replace people... If you're going to be sitting and babysitting a bot, coaching it, and catching things, then why not have an individual that you're coaching, guiding, and developing instead?"

- Cassandra Lowery, Global Human Resources Manager, Liminal

How does botsitting impact your organization's productivity gains?
Note: "Botsitting" refers to the human effort required to review, monitor, and correct AI-generated outputs before they can be used.



HRRI Strategic Recommendations

Based on our research, consider the following suggestions:

- **Start with AI use cases that remove routine work.**
Prioritize repetitive, time-consuming HR activities such as administrative tasks, employee inquiries and job description creation. Identify where the most staff time is currently spent and test AI on those processes before expanding to more complex applications.
- **Measure net productivity gains, not just time saved.**
When introducing AI, track the time saved as well as the time employees spend reviewing, correcting and supervising AI-generated work. Compare the total effort before and after implementation to determine whether AI is improving productivity.
- **Redesign workflows around AI rather than simply adding AI to existing processes.**
Map the process before introducing a tool, identify which tasks AI should perform and which require human judgment, and redesign the workflow accordingly. Avoid adding AI to a process if employees will simply have to duplicate or heavily check the work it produces.
- **Build employee capability to work effectively with AI.**
Train employees not only to use AI tools but also to evaluate outputs, identify errors and determine when human expertise is required. Encourage employees to use AI to extend their existing skills rather than substitute for skills they have not developed.
- **Prioritize AI applications that support higher-value HR work.**
Once routine administrative work is automated, redirect the time saved toward activities that require human judgment, such as workforce planning, employee development, people analytics and strategic decision-making.

Key Takeaways

Key Takeaway 1

Employee engagement is improving, but high engagement remains out of reach for many organizations. Engagement has recovered from its 2023 low, but many employees remain moderately rather than highly engaged. HR should identify what is preventing moderately engaged employees from becoming highly engaged and target those areas rather than focusing only on the overall engagement score.

Key Takeaway 2

Measuring engagement is not enough. Most organizations now measure engagement, yet high engagement is still not widespread. Turn survey results into specific action plans, assign responsibility for those actions and review whether they actually improve engagement.

Key Takeaway 3

High-engagement organizations use a combination of practices. Engagement leaders are more likely to use multiple practices, including employee feedback, recognition, manager training and efforts to maintain a positive culture. Rather than relying on a single engagement initiative, organizations should build a coordinated approach that reinforces engagement through several management practices.

Key Takeaway 4

Manager capability remains a critical gap. Managers have an important role in creating engaged teams, yet manager training and capability remain less developed than many other engagement practices. Provide managers with practical training on listening, feedback, recognition, coaching and addressing engagement concerns, and make engagement part of their management responsibilities.

Key Takeaway 5

Employee feedback needs visible follow-through. Employees are frequently asked for feedback, but engagement can suffer when employees do not see action afterward. After collecting feedback, communicate what was heard, what will change, who is responsible and when employees can expect an update.

Key Takeaway 6

Give employees greater ownership of their engagement and development.

Employees already contribute through goal setting, suggesting improvements, giving feedback and learning new skills. Create more opportunities for employees to set development goals, participate in meaningful projects, suggest improvements and take ownership of their growth.

Key Takeaway 7

Measure engagement more frequently when conditions change.

Annual and semi-annual surveys remain the norm, while more frequent measurement is more common among engagement leaders. Use shorter pulse surveys or targeted feedback when engagement declines, organizational changes occur, or workforce risks emerge, rather than waiting for the next annual survey.

Key Takeaway 8

Measure productivity through outcomes, not just performance processes.

Performance reviews and goal completion remain the most common productivity measures, while direct measures of quality, efficiency and output are less common. Combine individual performance measures with appropriate operational measures such as quality, output, efficiency and customer outcomes to obtain a more complete picture of productivity.

Key Takeaway 9

Treat AI as a productivity tool, not a productivity strategy. AI-powered tools are now widely used, but adoption alone does not guarantee better productivity. Identify specific tasks where AI can add value, redesign workflows around those opportunities and train employees to verify AI outputs and apply human judgment where needed.



About ITA Group

ITA Group helps organizations create workplaces where employees feel valued, connected and motivated to perform at their best. ITA Group's exclusive A.R.T. approach, built on appreciation, recognition and trust, transforms employee engagement from a one-time initiative into consistent, everyday behaviors. By combining recognition strategy and technology, rewards, learning and development, employee and corporate events, and manager enablement, ITA Group helps brands strengthen culture, improve retention, increase performance and build meaningful connections.

Unlike technology-only providers, ITA Group focuses on the human behaviors that drive lasting engagement. The A.R.T. approach embeds appreciation, recognition and trust into the flow of work through intentional experiences, practical tools and ongoing reinforcement. The result is a more connected workforce, stronger leaders and a culture where recognition becomes a habit rather than a program.

Through events, incentives, recognition, loyalty, research and learning, ITA Group transforms how business feels for employees, channel partners and customers while helping brands create connections, motivate audiences and drive purposeful change.



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