

5 Culture Trends for 2025



In 2025, employees are re-evaluating the value of work and Total Rewards in their lives. What does this mean for workplace culture? Check out 5 culture trends for 2025 and how you can prepare.

Culture Trend #1: A Renewed Focus on Care in the Workplace

In today's workplace, employees evaluate their employer's actions by deciding how much their company cares about them and whether that care is worthy of their effort and loyalty in return. Focus groups found how people answer 2 questions about work shapes their relationship with the workplace: Am I surviving? And if so, am I thriving?

One-third of employees are merely surviving at work

- 2025 GLOBAL CULTURE REPORT

The biggest challenge for 2025 will be closing the gap between what organizations offer employees in terms of the compensation and benefits found in Total Rewards and what employees need to survive and thrive. Employers can start by <u>putting care</u> at the center of their strategies. When the exchange of employment feels less like a transaction, and more like a relationship filled with care, people can thrive at work.

Odds of Increased Impact Based on Employee Perception

BENEFIT	STRONG SENSE THE ORGANIZATION "CARES ABOUT ME"	WEAK SENSE THE ORGANIZATION "CARES ABOUT ME"
Sense of thriving at work	+378%	-80%

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There's also a business benefit to caring for people because employees who thrive at work are:

- 84% less likely to burn out
- 30% less likely to leave the organization
- 12x more likely to feel high engagement
- 7x more likely to do great work

What organizations can do:

Company benefits and offerings are more successful when they demonstrate and reinforce a genuine concern for people and their wellbeing. Emphasize that Total Rewards offerings or benefit packages are a direct reflection of employees' importance and that the organization wants to fulfill their immediate and future needs so employees can thrive. Clearly communicate this care and invest in resources and support when employees use these offerings. Practice empathy and give recognition regularly to show employees you see and value them.

"As work constructs are changing, the way organizations structure their pay and rewards programs is also changing. This will play a massive role in deciding whether your organization delivers on its promises."

-DR. SCOTT CAWOOD, CEO, WORLDATWORK

Culture Trend #2: Rethinking Total Rewards

For the past 20 years, many organizations have tried to demonstrate this sense of care through Total Rewards, a way to help employees see the full investment organizations make in them. In an effort to meet a diverse set of employee needs, many organizations have defaulted to an endless buffet of benefits.

However, the research finds most Total Rewards strategies fall short of their purpose and may even have a negative effect. In fact, less than 40% of workers know the meaning of the term "Total Rewards," only 14% of those people can explain it, and many employees think of certain "rewards" as a mandatory minimum condition of employment. The research also shows it doesn't matter how robust a benefits package is if employees don't believe their organization has their best interest at heart.

We asked employees to rate the elements of Total Rewards that influence their ability to survive or thrive at work. To help employees survive, competitive compensation and health benefits provide the financial stability to cover basic



needs. Likewise, to help employees thrive, offerings such as career development and skill building provide long-term growth and security.

With the rapid pace of change in the workplace, organizations need to reevaluate their Total Rewards strategies and see if they effectively meet the basic survival needs of employees, and then determine whether employees have opportunities to thrive. When Total Rewards satisfies the needs of both, and communicates a foundation of genuine care, it changes everything.

Odds of Outcomes When Employees Are Satisfied with Total Rewards

BENEFIT	CHANGE IN ODDS WHEN SATISFIED WITH TOTAL REWARDS
Reduction in probable diagnosis of depression	-42%
Reduction in probable diagnosis of anxiety	-43%
Sense of thriving	+759%
Higher sense of purpose	+422%
Higher sense of opportunity	+740%
Higher sense of success	+806%
Higher sense of appreciation	+414%
Higher sense of wellbeing	+100%
Higher sense of leadership	+497%
Great work	+285%

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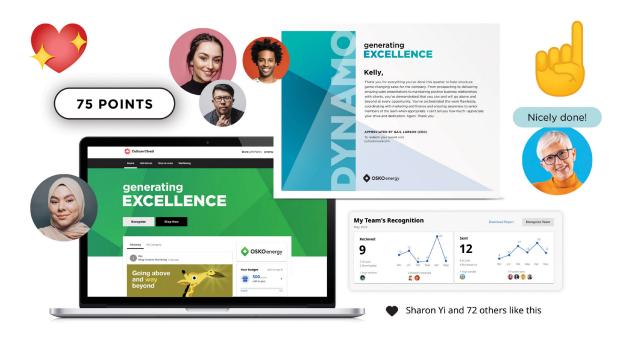
What organizations can do:

What's missing from Total Rewards is not more new benefits. It's helping employees feel cared for. Until employers meet that need, benefits and perks will miss their mark. Offer adequate compensation and provide health benefits, subsidized as much as possible, to meet employees' basic needs. Then, provide career development, skill building, and recognition to build long-term security. Recognition is a bridge that helps all employees feel seen and valued and should be included in your Total Rewards strategies.

Odds of Increased Specific Cultural Metrics

OUTCOME	RETENTION (PLAN TO STAY TWO OR MORE YEARS)	BELONGING	FULFILLMENT	ENGAGEMENT	THRIVING AT WORK
Integrated recognition	5x	8x	10x	11x	15x

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Culture Trend #3: Destigmatizing Mental Health Issues at Work

Mental health problems in the workplace are common, and often exacerbated by poor workplace cultures. The persistent stigma around mental health conditions has also contributed to employee suffering. It's time to build workplaces that talk about, support, and care for employees' mental health.

Creating a culture filled with purpose, opportunity, appreciation, and strong leadership lowers the odds of burnout and probable anxiety and depression.

Change in Odds of Mental Health Challenges

CULTURE ELEMENT	ODDS OF BURNOUT	ODDS OF PROBABLE ANXIETY	ODDS OF PROBABLE DEPRESSION
Purpose	-82%	-46%	-50%
Opportunity	-83%	-40%	-43%
Success	-85%	-44%	-45%
Appreciation	-87%	-54%	-58%
Wellbeing	-89%	-78%	-79%
Leadership	-80%	-34%	-38%
High sense of survival	-92%	-87%	-89%
High sense of thriving	-92%	-40%	-42%

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Actively supporting employees' mental health with a strong workplace culture is crucial. Recognition plays a powerful role. Just as clinical research shows gratitude journaling can significantly impact depression and anxiety, recognizing others at work helps the giver have a positive mindset and results in a short-term decrease in stress, anxiety, and depression. In fact, employees who gave recognition in the past 30 days report significant decreases in the odds of burnout (57%), anxiety (24%), and depression (28%).

Of course, recognition should never replace traditional mental healthcare, but it can complement existing wellbeing strategies. And it's as beneficial

for organizations as it is for individuals. Our research finds employers with strong recognition programs can save over \$8,000 per employee annually in absenteeism costs for those with probable depression (as shown in the following table, employees with mental health issues report more absenteeism than those without). Similar results exist for presenteeism, workplace accidents, and formal complaints.

Impact Due to Absenteeism

DAYS MISSED WITHOUT RECOGNITION PROGRAM	FULL-TIME ABESENTEEISM COST PER MONTH	DAYS MISSED WITH RECOGNITION PROGRAM	COST SAVINGS WITH RECOGNITION PROGRAM	COST SAVINGS AS A PERCENTAGE
3	\$1,052.85	2 	\$412.19	39%
4	\$1,242.30	1 1 1	\$538.40	43%
4	\$1,545.42	 3 	\$402.02	26%
6	\$2,214.08	4	\$674.21	30%
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What organizations can do:

Remove the stigma around mental health issues in the workplace by implementing policies that prioritize them and encouraging employees and leaders to discuss them openly. Have a process and resources available when employees come to leaders with mental health concerns, with support such as subsidized access to mental health care, dedicated mental health days, time off to attend therapy appointments, mental health training (with time for it

during the workday), and <u>flexible work schedules</u>. Also, <u>integrate recognition</u> into employees' daily experience with solutions and tools that enable frequent, timely, and meaningful recognition. And provide a <u>variety of ways and reasons</u> to show appreciation and gratitude and encourage employees to use them.

"Creating a mentally healthy workplace should no longer be considered a peripheral concern for leaders. It is something that needs to be at the core of successful, thriving organizations."

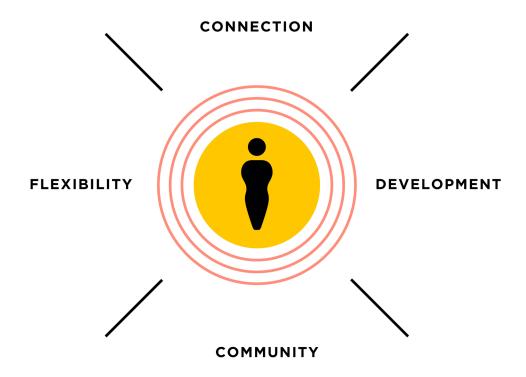
-PROFESSOR SAMUEL HARVEY, EXECUTIVE DIRECTOR AND CHIEF SCIENTIST, BLACK DOG INSTITUTE AUSTRALIA

Culture Trend #4: Expand Onboarding Beyond New Hires

With the average worker in the U.S. changing jobs between <u>9 and 12 times</u> in their career and 14% of the global workforce likely to have a different job <u>by 2030</u>, job transitions, even internal ones, provide an opportunity to create positive and transformative experiences for employees.

How employees transition from one job to the next—whether it's a promotion, a change in teams, a shift in responsibilities, or a position with another organization—can significantly impact their success. Onboarding isn't just for new hires, any employee starting a new job (even with their existing employer) experiences a period of getting to know a new team and leader, learning new expectations and processes, and adjusting to a new culture.

<u>Research shows</u> four critical elements can make a job transition not just successful, but transformative: connection, development, community, and flexibility.



JOB TRANSITION IMPACT - The four elements of a transformative job transition experience and the impact of each on increasing the odds of a transformative experience.

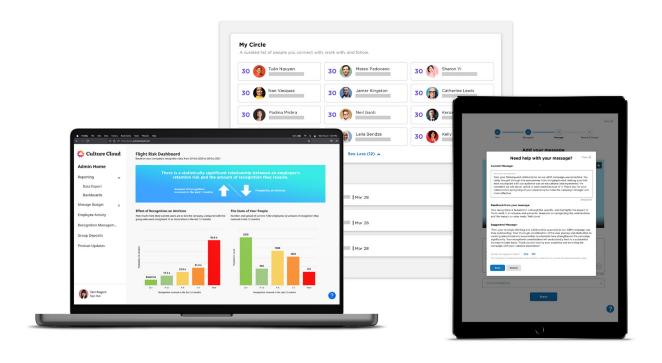
When employees feel connected to their new team and leader, have a <u>sense</u> of <u>community</u>, enjoy flexibility in their roles, and believe they are growing and developing, they're more likely to rate their transition experience as transformative and life-changing. Employees who have a transformative job transition experience are:

- 10x more likely to feel fulfilled
- 14x more likely to promote the organization as a great place to work
- 8x more likely to stay

What organizations can do:

Create an onboarding experience for every job transition, including internal ones. Develop a transition strategy that prioritizes connection, community, development, and flexibility. And <u>recognize employees</u> frequently to build connection and community. Employees who are recognized once during their first 30 days in a new job have 3x higher odds of satisfaction with their experience; those odds increase to 10x when recognition occurs weekly.

Culture Trend #5: Smarter Culture Insights with AI



Artificial intelligence has exploded in the last year and now influences how companies create and measure culture and employee experiences. There are growing uses for AI-enabled insight tools in culture-building apps that can provide guidance and efficiencies to make initiatives more effective. These include:

- The ability to identify which employees are at <u>risk of leaving</u> the organization based on the amount of recognition they've received, allowing leaders to recognize people before they feel underappreciated. Frequent recognition lowers the odds of employee attrition 29%.
- Tools like Recognition Coach™ that deliver in-the-moment micro-coaching to improve how employees communicate and recognize one another. These tools pick up on subtleties in recognition messages and deliver real-time improvement suggestions that elevate inclusion and reduce bias, but also increase the specificity, sincerity, and meaningfulness of employee recognition. In early studies, 81% of users incorporate the suggestions.
- Social connection tools that leverage machine learning to identify all the people an employee is informally connected to within the organization and recommend a list of people to follow and connect with. Such tools help identify meaningful community-building and recognition opportunities. The odds that employees will thrive increase 12x when they <u>feel connected</u>.
- Nudges and prompts that serve messages to the right individuals at the right times ensure optimal platform engagement and communicate best practices to continually improve employee experiences like recognition across the organization.
- Tracking employee job transitions gives valuable insight into a crucial moment within the employee experience, so you can make sure people with new roles, teams, or responsibilities are connected and recognized early and often. When employees receive weekly recognition during their job transition, there are 6x higher odds they will feel their transition experience is transformative.

What organizations can do:

Explore the possibilities of AI in your culture-building activities. Ask <u>current</u> <u>vendors and partners</u> what capabilities they have, and how they can make

connections in your data. Find out what employees' and users' needs for AI are. Define your company's AI restrictions and policies. What should you look for in good AI tools? Those whose algorithms pull from a large sample (millions of data points), are curated by data scientists, and informed by best practices.



*All research, unless otherwise noted, comes from the 2025 Global Culture Report.

Get more insights and the latest research into culture trends for 2025 in our Global Culture Report.



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