

Report: Employee Happiness Declining in 2024

Employee satisfaction has plummeted to its lowest point in four years, according to BambooHR's most recent [Employee Happiness Index](#). The survey recorded a score of 35 out of 100 in May 2024, consistently trending down from 44 in May 2020, signaling a "troubling trend" in workplace morale. More recently, employee happiness dropped 5% from June 2023 to June 2024.

The second-quarter (Q2) decline dampened the modest increase seen in the first quarter and marked a return to the steady downward trend of employee dissatisfaction since 2020, dubbed the "Great Gloom." This trend is characterized by rising disengagement, burnout and dissatisfaction at work. While employees are less inclined to quit their jobs than in previous years, employers are struggling to engage their workforce effectively.

"This persistent decline throughout Q2 2024, with scores consistently below 36, is alarming and signals a critical need for organizational introspection and action. As leaders, we must enhance our engagement efforts, support our teams in their workplace transitions and foster open lines of communication."

- Anita Grantham, head of HR, BambooHR

BambooHR's Employee Happiness Index is based on an analysis of over 57,000 unique employee responses from about 10 industries. The index measures key aspects of employee happiness, including job satisfaction, engagement and perceived workplace support.

Key Results

BambooHR's survey found that in Q2 of 2024, employee happiness was highest in smaller companies with fewer than 75 employees, consistent with Q1 data. Smaller companies reported a 47% higher happiness level on average than larger firms. Furthermore, employees with less than three years of tenure were slightly happier, with a 2% higher average happiness than their longer-tenured counterparts, likely due to less burnout.

As job satisfaction took a significant hit in Q2, scores fell across most industries. Notably, the survey found that:

- Construction had a small decrease but remained the happiest industry, partly due to minor enhancements in workplace conditions, policies and engagement initiatives.
- Nonprofits and construction were the only industries to experience only slight increases during Q2.
- Technology reached its four-year low in Q2, attributed to inflation and persistent layoffs in recent years.
- Restaurant, food and beverage workers continue to struggle with heat-related illnesses and fatigue during the summer months.
- Health care's score dropped 7% from Q1, with many workers citing compensation as their leading cause of dissatisfaction.

Employer Takeaways

Increased workloads, insufficient support from management and compensation that does not keep up with rising costs are significant factors contributing to the decline in employee happiness. Additionally, the lack of clear career paths and inadequate recognition for achievements are exacerbating feelings of dissatisfaction among workers.

Amid the decline in employee happiness, it's crucial for employers to stay attuned to talent trends and actively seek ways to meet their workers' evolving needs. Monitoring employee sentiment, providing opportunities for growth and offering meaningful recognition are essential to improving this trend. Organizations that prioritize their employees' well-being will likely foster a more engaged, productive and loyal workforce.

Contact us today for more resources.