

The Perkonomics Report: The Challenge of Employee Value



perkbox

Foreword

In 2025, the challenge of employee value has never been more urgent. Inflation remains stubborn, living costs continue to climb, and businesses face both economic uncertainty and shifting expectations from a workforce that's evolving across age and experience. Pay and financial security will always sit at the heart of how people feel valued – especially in times like these – but they're only part of the picture.

Employee value is broader than salary. It's about whether people feel recognised, supported, and able to thrive at work. It's about benefits that make a difference to daily life, growth opportunities that keep careers moving forward, and cultures that foster trust and belonging. In short, it's about the full relationship between employee and employer – and how that relationship shapes performance, wellbeing, and loyalty.

That's why we wanted to look more closely at what value really means to employees today, and how employers can respond. Our research captures not just the numbers, but the voices behind them: employees telling us what works, what doesn't, and what needs to change. Our findings show that value isn't just something that employees deserve to feel – it has a measurable impact on productivity, engagement, retention, and overall business outcomes.

From perception gaps between employees and employers, to the influence of AI on personal accomplishment, to the risk of a mass employment exodus in 2026, there's a lot of concerning ground to cover. But there's also a clear opportunity: employees are telling us exactly what they need to feel valued. If employers can act on that clarity, the potential upside – for people and for business – is huge.

About the report

This research was commissioned by Perkbox and conducted by OnePoll to understand how UK employees feel about being valued in the workplace.

A quantitative online survey was carried out between 12th and 20th August 2025, gathering responses from 4,000 employed adults and 1,000 employers across the UK.

Respondents were asked a mix of scaled, multiple choice, and open-ended questions related to:

- Perceptions of value and recognition at work
- Factors influencing retention, wellbeing, and productivity
- The role of benefits and AI in shaping employee sentiment

Demographic splits were captured across:

- Age
- Gender
- Region
- Organisation size
- Sector/industry
- Company type (public vs private)

The dataset has been analysed to surface trends by age group, region, and sector, offering a robust and representative view of employee sentiment across a wide cross-section of the UK workforce.

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The state of employee value in 2025





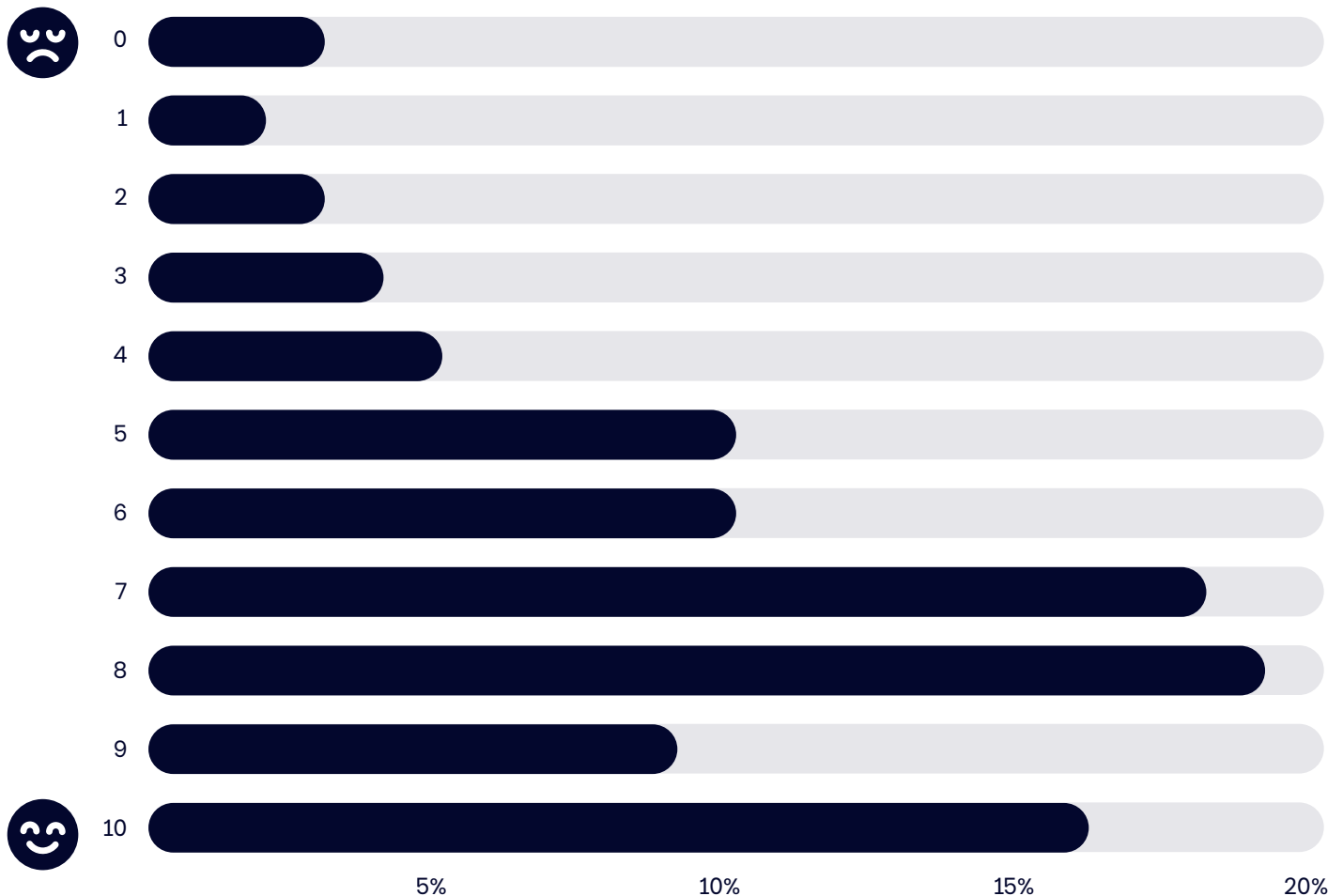
The first – and most important – question we asked our respondents was:

"How valued do you feel at work?"

While seemingly simple, the answers provide a crucial barometer for the value-health of the UK workforce. Our findings, drawn from a broad demographic to ensure diverse representation, reveal a nuanced and sometimes concerning picture.

Across the board, employees gave an average value rating of 6.75 out of 10. However, a deeper dive into the data reveals significant disparities.

Employee Value: Rating 0–10





The public/private value split

A clear and consistent difference emerges between public and private sector employees. Private sector workers rated their value at **6.92**, significantly higher than the **6.40** reported by their public sector counterparts. This gap persists across nearly every value-related question in our survey, indicating a systemic challenge for public sector organisations.

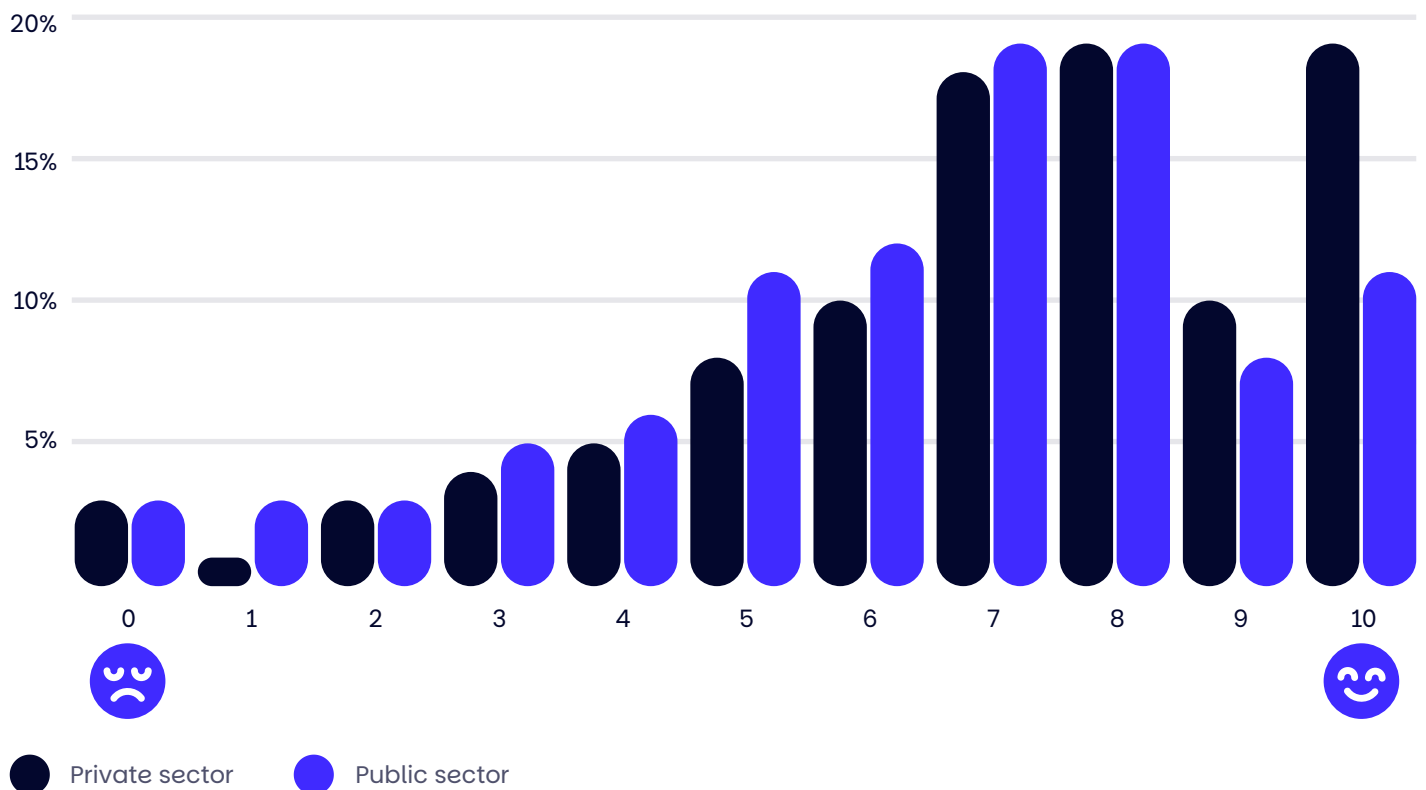
We asked Pippa Van Praagh, Vice President of Operations, why this might be:

“Public sector organisations are often under immense pressure. Budget constraints, resourcing challenges, and high levels of scrutiny all play a role. That environment can make it harder for leaders to prioritise recognition and employee experience in the same way the private sector might. It’s not that public sector employees are doing less meaningful work – often it’s the opposite – but the structures around them don’t always support a strong culture of value.”

Public sector organisations are often under immense pressure. Budget constraints, resourcing challenges, and high levels of scrutiny all play a role...

Pippa Van Praagh

Employee Value: public/private split



The perception gap: employers vs. employees

Intriguingly, there's a gap between what employers thought employees would rate their value, and what the actual value rating turned out to be. Employers were optimistic, believing that employees would measure out at **7.40**. The actual number, of course, is **6.75**. That's quite the gap – and clearly points to a perception gap between employers and employees.

It's a disconnect that raises critical questions about the state of the employer-employee relationship in 2025, and beyond. Employers seem to think they're doing enough (**81% of employers said that they were either fairly confident or very confident that they were doing enough to make employees feel valued**) but the response from employees points to a general sentiment that suggests the opposite.

So, what's the divide? Are employers naive, mistaking surface-level initiatives for meaningful value? Or are the traditional methods no longer sufficient for a workforce that increasingly prioritises wellbeing, recognition, and flexibility?

Whatever the root cause, the numbers suggest that employers risk overestimating the effectiveness of their current strategies.

7.40
out of ten



Glossary term:

*The Value Apex
refers to the point
at which employee
value peaks in
relation to a
specific metric.*





Company size – finding the current ‘Value Apex’

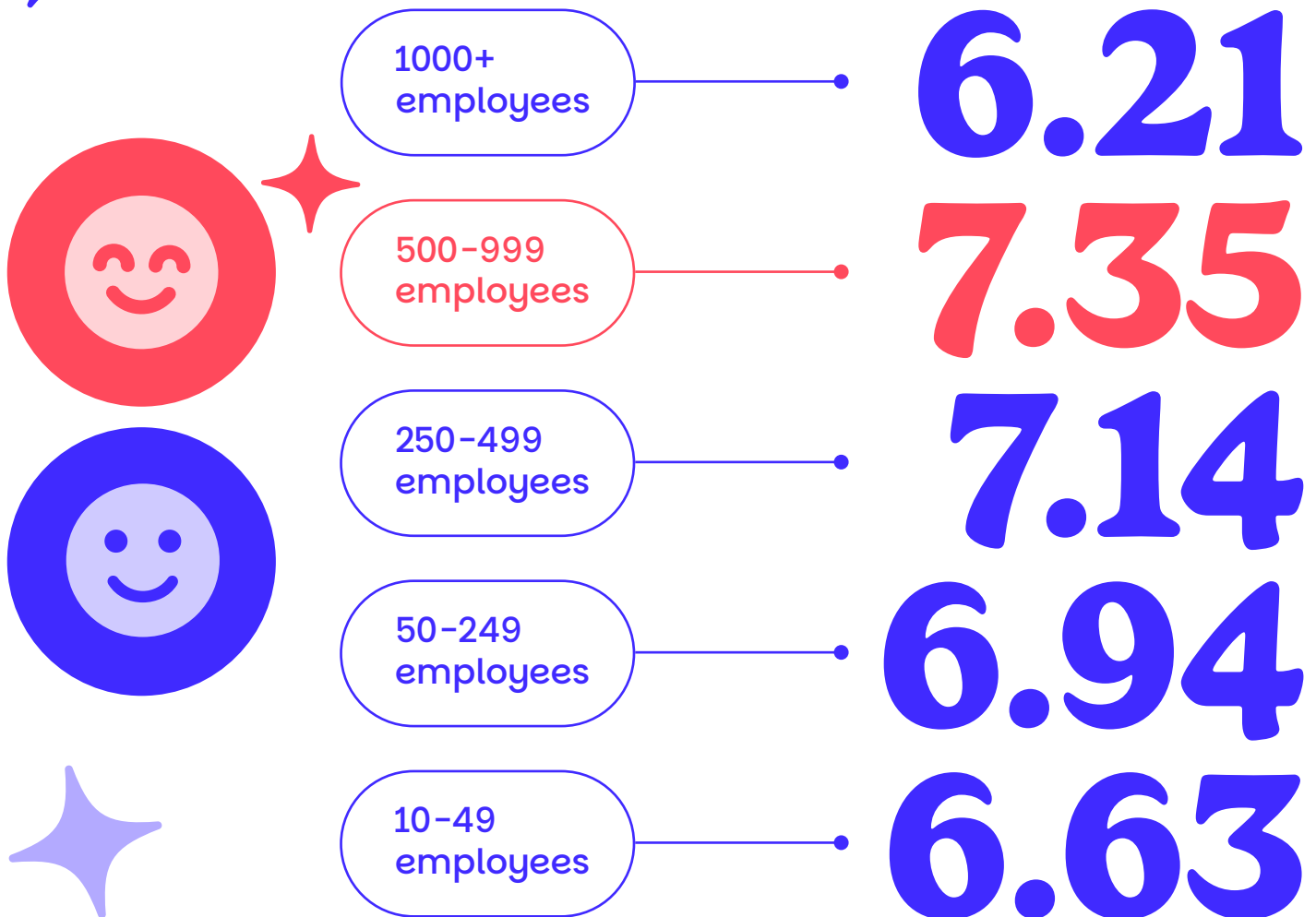
Company size also plays a key role in employee value. Smaller companies with 10-49 employees (**6.63**) fall below the national average, mid-sized organisations with 50-249 employees (**6.94**) and those with 500-999 employees (**7.35**) report a higher-than-average sense of value. Intriguingly, this trend reverses dramatically for companies with over 1,000 employees, where the value rating plummets to just **6.21**.

This suggests that the Value Apex for company size lies within the **500-999 employee range**. While drawing a direct conclusion is difficult, it's a drop-off that points to the unique challenges of maintaining a sense of value in very large organisations.

Pippa Van Praagh gave some insight as to why this might be the case:

“When organisations grow beyond 1,000 employees, you’re often looking at large brands or public sector bodies. In those environments, value and recognition can become diluted – it’s harder to translate consistently across such a vast workforce. The current Value Apex seems to be in mid-to-large companies where employees are still close enough to leadership, and recognition feels more tangible.

By contrast, very small businesses may simply lack the resources to invest in value-boosting initiatives, even if the intent is there. That’s why the data is so interesting – it’s not just about size or wealth, but about how effectively value and recognition are communicated at scale.”





Regional and demographic insights

When we break the data down further, the results paint a vivid picture:

Location:

London-based employees reported the highest value rating at **7.49**, while the South East and Yorkshire and Humber regions recorded the lowest at **6.25**.

Age:

Employee value shows a clear bell curve across age demographics. The 18–24 age group is slightly above average (**6.83**). This jumps considerably for the 25–34 demographic to **7.42** (the "value apex" for age). Value then consistently declines with age, falling to **6.07** for the 55–64 age group.

That late-stage value decline may be due to slower career growth, fewer opportunities, or reduced recognition, suggesting that organisations prioritise younger talent while overlooking how to maintain value for older employees.

Sector:

The Information Technology sector stands out as a clear leader, with a staggering average value rating of **8.41** – the highest of any industry. In contrast, sectors like Retail (**6.07**), Teaching and Education (**6.09**), and Healthcare (**6.32**) all scored well below the national average – with the latter two falling roughly where we'd expect for industries largely in the public sector.

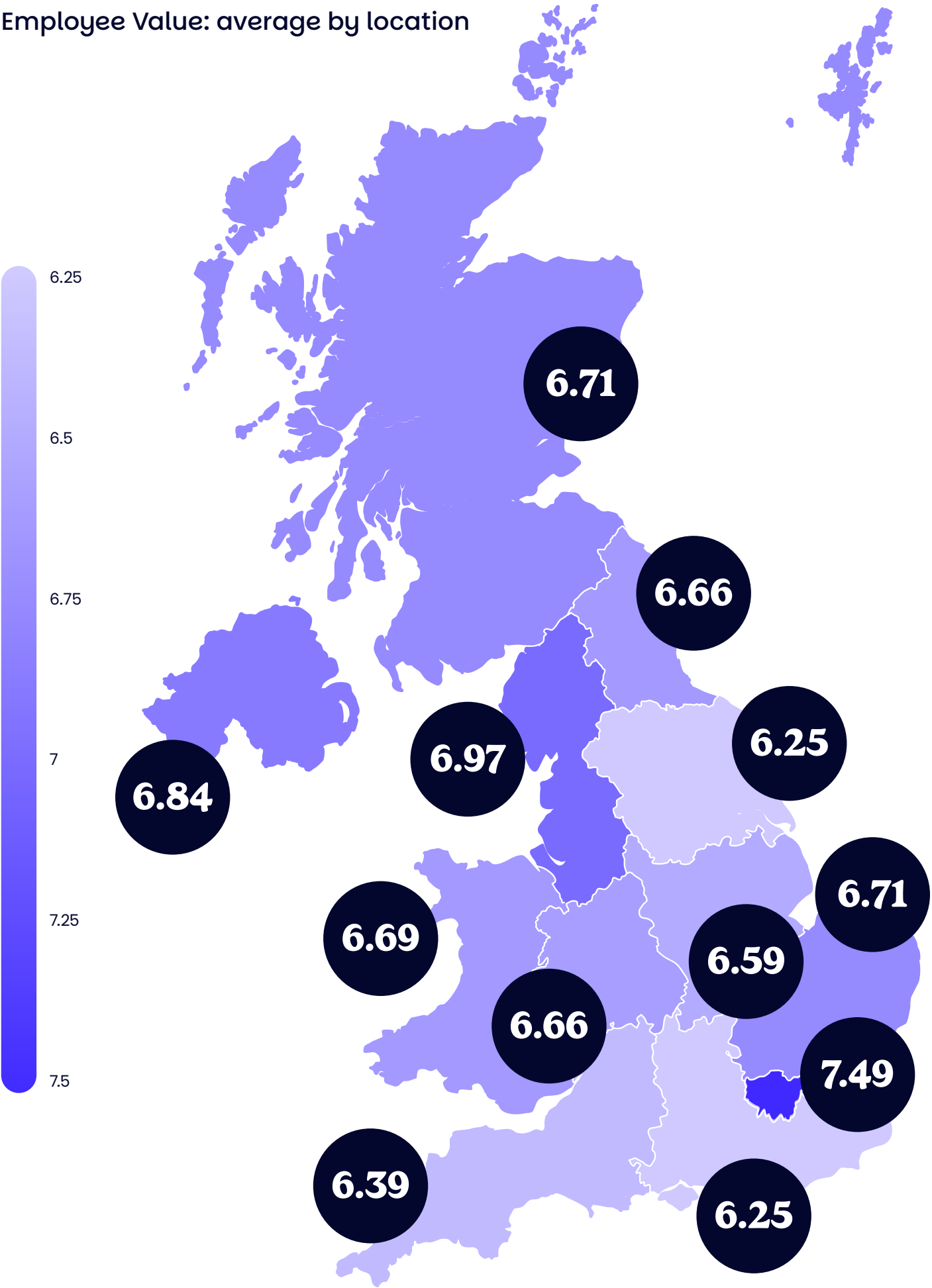
Gender:

A worrying discrepancy emerged when looking at gender demographics. Female respondents, on average, gave a value rating of **6.50**, while their male counterparts were above average at **7.08**.

While these figures provide a crucial snapshot of the current situation, they're only one part of the story. The following sections of this report will delve into the "how" and "why" behind these numbers, providing actionable insights to help employers bridge the perception gap and build a truly valued workforce.



Employee Value: average by location



02

*What drives value –
and what's impacted
without it*





To understand what truly makes employees feel valued, we asked them to select up to three factors that impact their sense of value the most. The results showed a broad consensus, with a clear winner: **recognition**, which was selected by **53%** of employees. This was followed by **purpose (36%)** and **personal well-being (33%)**. Employers aligned with this sentiment, with **60%** responding that **recognition is a key driver of employee value**.

A lack of value has a tangible impact on an employee's sense of security and loyalty. Nearly half of all respondents (**42%**) **reported feeling undervalued in their current role**. This feeling directly translates to turnover: **34%** of employees have considered quitting because they felt undervalued, and **25%** have actively left a job for this reason. A mere **15%** of respondents stated they have never felt undervalued in a job, underscoring the ubiquity of this issue.

When asked if they believed their employer was doing enough to make them feel valued, just under half of the workforce responded "no" or "not sure." This includes a significant disparity between the private sector (**57% said "yes"**) and the public sector (**47% said "yes"**), reinforcing a consistent pattern of comparative undervaluation between the private and public sectors.



53% said recognition made them feel valued



36% said purpose made them feel valued

33% said personal well-being made them feel valued





The link to wellbeing and performance

The impact of undervaluation extends far beyond retention; our data shows it directly affects employee health and business outcomes.

When employees feel undervalued, there is alignment with a decrease in positive actions at work:

- **Motivation: 57%** reported a negative impact.
- **Morale: 50%** reported a negative impact.
- **Enthusiasm: 47%** reported a negative impact.
- **Performance: 38%** reported a negative impact.

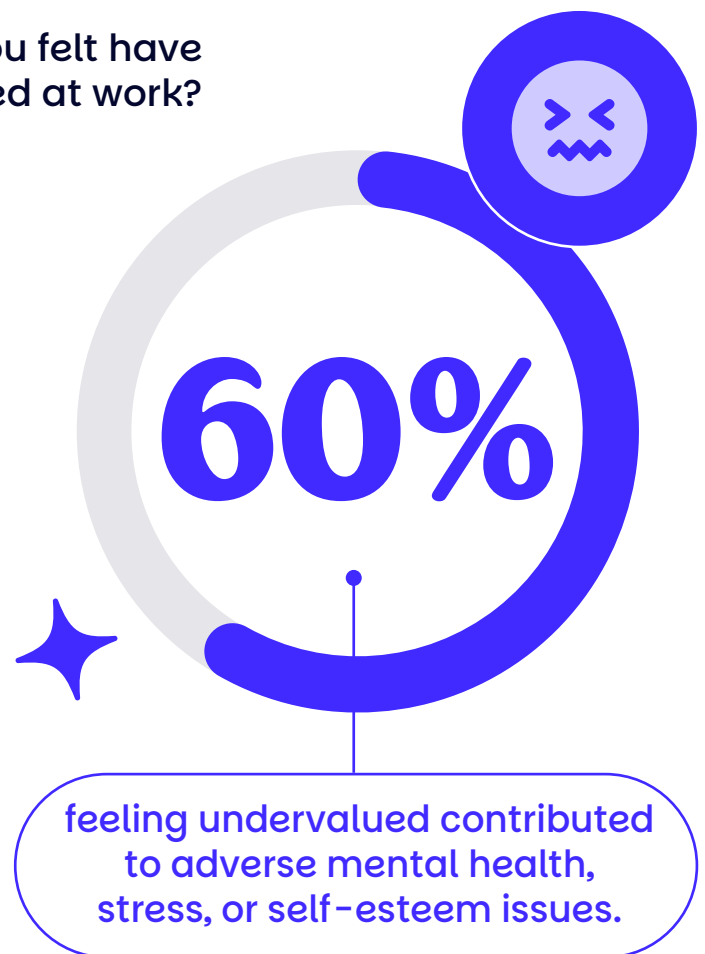
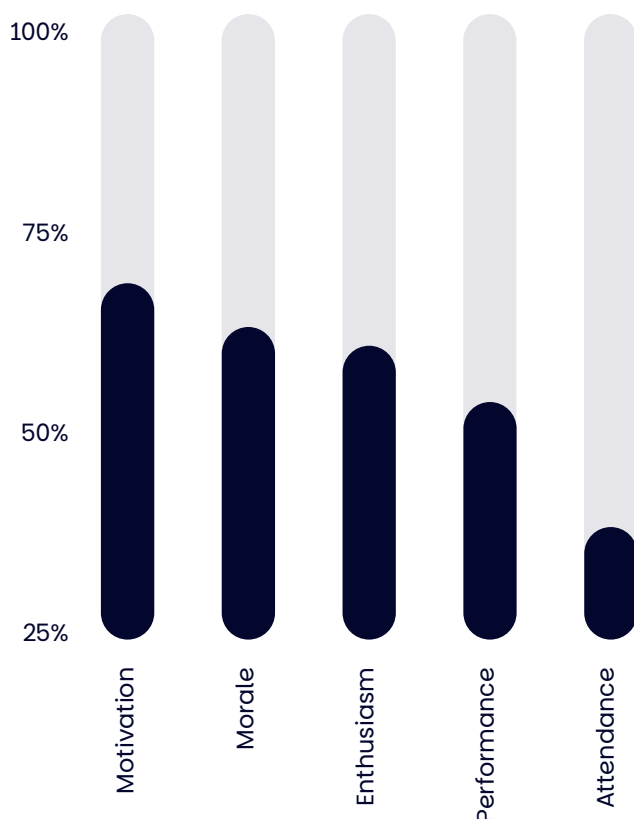
Interestingly, attendance was the lowest-ranked factor (**18.4%**). This suggests that while employees are physically present, they may be disengaged and unmotivated – a phenomenon widely known as quiet quitting.

The human cost is even more stark. An alarming **60%** of employees said that feeling undervalued had contributed to adverse mental health, stress, or self-esteem issues. This figure was highest among females (**65%**) compared to males (**53%**).

Employers, while not fully aligned with these numbers, do recognise the link. When asked about the connection between employee value and business outcomes, nearly two-thirds (**64%**) believed that productivity is affected, **53%** believed engagement is affected, and **49%** believed staff retention is affected.

The overarching takeaway is pretty clear: a lack of value has a sizeable and measurable impact on employee wellbeing, function, and performance. Without it, companies risk more than just a dip in morale – they risk a decline in productivity, a spike in mental health issues, and, quite pressingly... a mass exodus of talent.

Which, if any, of the following have you felt have been impacted by feeling undervalued at work?



Q: When did you feel most valued as an employee?

*[I have] never
really felt valued
by my company –
but I do feel valued
by our customers.*



03

The looming talent exodus





When polled, we found that **34%** of employees are likely to seek new employment in the next year. It may not be surprising to learn that undervalued employees are more likely to leave, but the numbers reveal an emerging – and worrying – trend.

Of the group that responded “yes” to having felt undervalued in their current role, a staggering **54%** are likely to seek new employment in 2026, with nearly a quarter (**23%**) reporting that they are “very likely” to do so.

The impact of this dissatisfaction can already be seen and felt. When asked if they had searched for a new job in the last three months, **11%** of employees reported that they had found and started a new job, while a larger group (**26%**) had searched but not yet found one. This latter group represents a large pool of employees who are actively looking to leave, and could do exactly that at any moment.

Employers aren’t oblivious to this risk. Over half (**53%**) believe it is likely that undervalued staff will leave within the next 12 months. **38%** of employers acknowledge that undervaluation has led to disengagement and turnover within their own organisations.

Together, these figures paint a sobering picture. The question is: what can be done? While there’s no single solution, some employers are already looking to AI as a potential part of the answer.

54%
**of undervalued
staff may leave**



04

Technology and AI – an emerging divide





As organisations rapidly adopt new technologies, the impact of AI on employee value is becoming a critical point of focus. Our data reveals a significant divergence in how employers and employees perceive its role.

While nearly half of employers (**47%**) believe AI has no direct effect on how valued employees feel, a much larger proportion (**69%**) are confident that it is improving the employee experience overall.

However, employees' views are more mixed. Only **38%** reported feeling more valued because of AI in their workplace, and **11%** feel less valued. Most strikingly, **38%** (the highest percentage of the options polled) of employees feel that using AI tools reduces their sense of personal accomplishment. This contrasts sharply with the employer's perception that technology is empowering.

Pippa Van Praagh said:

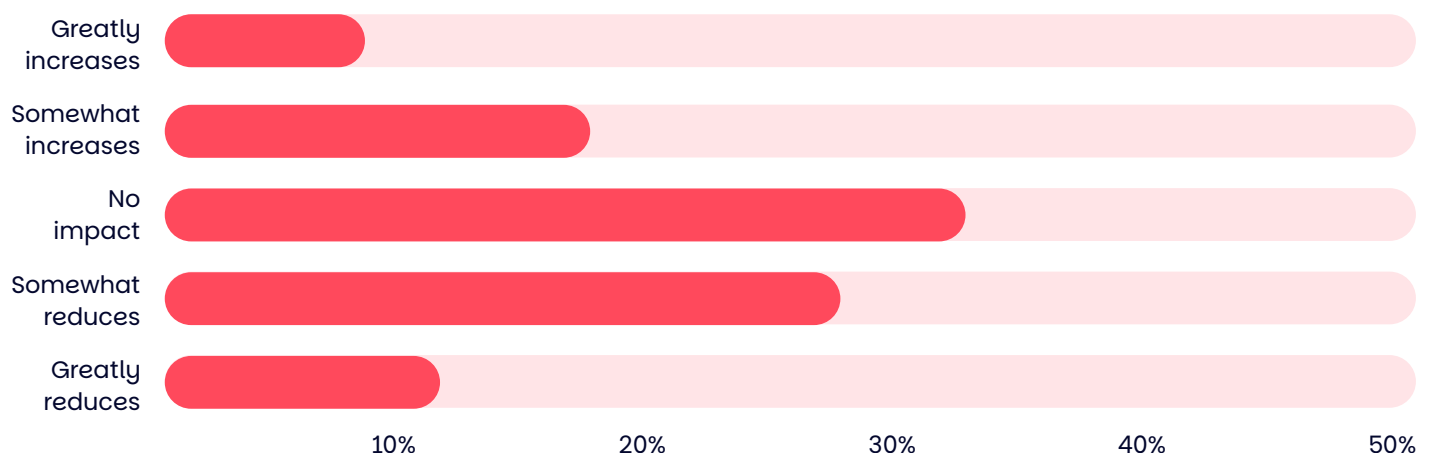
"While AI can be a great tool to automate routine tasks and free up time for more impactful contributions, without a deliberate effort to connect its use to employee recognition, it risks making the undervaluation issue even worse. For now, our data suggests that AI isn't quite the answer to solving the employee value issue.

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Pippa Van Praagh

If anything, the findings suggest this: technology alone won't fix how people feel. It's how employers implement it – with empathy, transparency, and a focus on recognition – that will determine whether AI becomes a tool for value, or a trigger for disengagement."

To what extent do you feel that using AI tools in your work increases or reduces the sense of personal accomplishment?



05

The power of 'Perkonomics': benefits as the practical lever





When it comes to benefits packages, there was broad agreement between employers and employees – both in terms of what benefits they would like to be offered, and their importance overall to productivity, retention, and value.

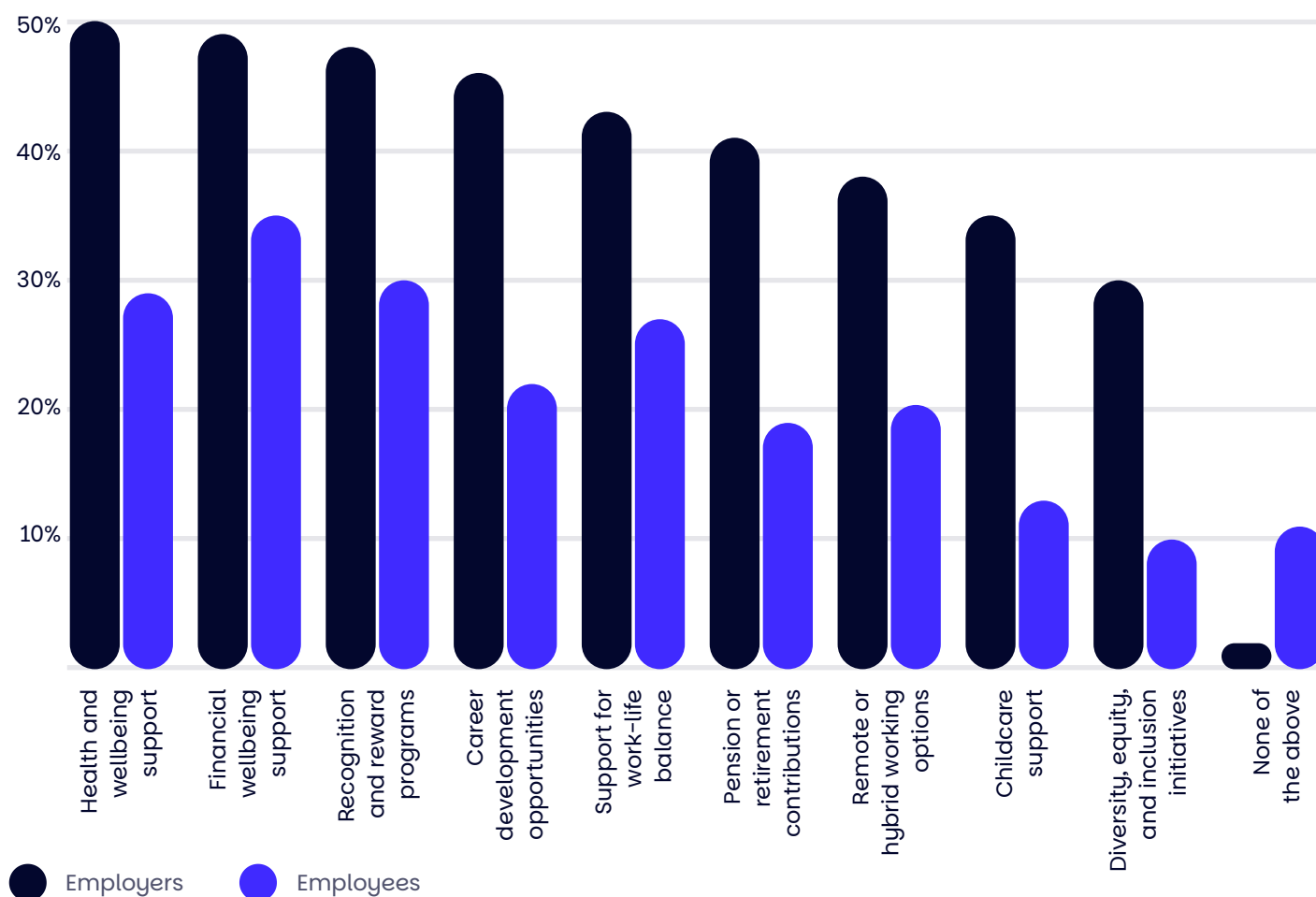
When employees were asked what benefits they wished their employer offered, financial wellbeing support (**35%**) topped the list, with recognition and reward programs (**30%**) and health and wellbeing support (**29%**) ranking slightly lower in terms of importance. Interestingly, employers on average assumed health and wellbeing to be of highest importance (**50%**), with financial wellbeing (**49%**) coming in second, and recognition and reward programs (**30%**) coming in third.

When asked which benefits would most influence a decision to quit or refuse a job if it were not offered, employees prioritised support for work-life balance (**31%**), followed by pension or retirement contributions (**30%**), and financial wellbeing support (**26%**).

Natalie Jutla, Head of Financial Wellbeing & Workplace Strategy, commented:

"Financial wellbeing support consistently ranks high because employees are feeling the pinch from rising living costs and inflation. When people know their finances are supported, it reduces stress, increases focus at work, and reinforces that the company truly values them – and understands that sometimes, real, material benefits are needed."

Benefits ranking: employers vs employees



Employers and employees: aligned on the power, and importance, of benefits

A remarkable alignment exists between what employees want from their benefits packages and what employers are willing to provide. This sets the stage for a deeper look into the practical impact of these offerings.

For starters, a fundamental question is whether an employee's current benefits package makes them feel valued. Just over half of employees (**54%**) responded that it did. A clear split emerged along sector lines, with private sector employees feeling more valued (**60%**) by their benefits than those in the public sector (**44%**).

It is clear that a benefits package, when deployed thoughtfully, can have a transformative effect on a workforce. When asked if they would feel more valued by an employer who offered a good benefits package that suited them, a resounding **79%** of employees said "yes."

This positive sentiment directly translates to performance. **68%** of respondents said they would be more productive with a suitable benefits package, with **30%** of that group stating they would be "much more" productive. A distinct theme emerges among the 25-34 age range, who are especially motivated by these offerings. For this demographic – a key demographic for future-oriented businesses – **87%** said they would feel more valued, with a whopping **52%** reporting they would feel "much more" valued. When it comes to productivity, **84%** of 25-34 year-olds said they'd be more productive – a significant jump from the **68%** average – with **50%** replying that they'd be "much more" productive.

Intriguingly, while there is a drop off in employees that work at companies with over 1000+ people – consistent with other trends around company size highlighted in this report – the number is still high, with nearly two-thirds (**60%**) responding that the right benefits package would make them more productive in their role. This suggests that benefits packages could be a valuable tool to fix some of the issues that start presenting in larger companies.



44%

public sector
employees feel valued



60%

**feel valued at firms
with 1000+ people**

84%

**25-34 year-olds
more productive**



79% **would feel more valued
with a good package**

30%

**much more
productive**

60%

**private sector
employees feel valued**

54% **feel valued due to
their benefits package**





Benefits packages: a key tool to combat a potential employment exodus?

While the reasons for an employee leaving are complex and multifaceted, our earlier findings revealed a direct link between feeling undervalued and a higher intent to leave. Benefits packages may not be able to fix a potential mass exodus, but they are a powerful tool to mitigate it.

Of the undervalued employees who stated they were likely to seek new employment in the next 12 months, we asked if they would be less likely to leave if offered a benefits package that suited them. **47%** replied that they'd be less likely, with **28%** responding that they'd be "much less likely." Only **15%** responded that a benefits package would have no effect on their decision.

Benefits packages aren't just for retention – they're a crucial lever for attraction. When asked how important a company's benefits package would be when considering a new role, the results were conclusive. A significant **83%** of respondents said it would be "important," with over two-thirds (**39%**) reporting it would be "very important."

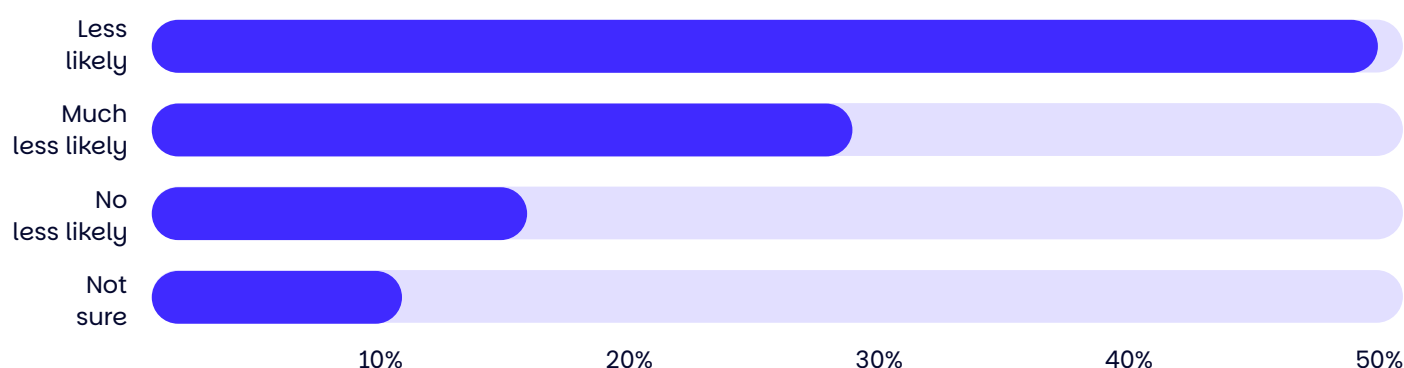
In a turbulent market defined by quiet quitting and a looming talent exodus, Doug Butler, Chief Executive Officer of Perkbox, asserts that benefits can be a powerful, practical solution.

Our research reveals that a robust benefits package offers more than just perks; it can be a tool for boosting employee value, fueling productivity, and helping solve the retention crisis.

Doug Butler

"Our research reveals that a robust benefits package offers more than just perks; it can be a tool for boosting employee value, fueling productivity, and helping solve the retention crisis. We describe this impact with the term 'Perkonomics' – the real world effect the right benefits package can have on key business outcomes."

If you were offered a good benefits package that suited you, would you be less likely to leave your current role?



Q: When did you feel most valued as an employee?

I feel most valued at work when my ideas or efforts are acknowledged publicly, such as during a team meeting or performance review.



06

The action gap – knowing isn't doing





Employers today are more aware than ever of what employees want. Our data shows a strong alignment between employees and employers on the importance of benefits, recognition, and wellbeing – the very pillars that underpin a sense of value at work.

Yet that alignment isn't translating into action.

Despite **81%** of employers believing they are doing enough to make employees feel valued, only **6.75 out of 10** is the average value score reported by employees. Nearly half of employees (**42%**) say they currently feel undervalued in their role – and a third (**34%**) are likely to seek new employment in the next 12 months.

What's more, employers understand the stakes:

- **53%** believe undervalued employees are likely to leave
- **38%** say undervaluation has already led to disengagement or turnover
- **64%** acknowledge that productivity is affected when employees don't feel valued

So if the problem is understood, and the priorities are agreed upon – why the lack of follow-through?

For many organisations, the issue isn't awareness, it's a stall between intent and implementation. Recognition schemes are under-utilised. Benefits packages haven't kept pace with employee needs. Strategic priorities like retention and engagement are talked about, but not funded or measured in a meaningful way.

To truly move the dial on employee value, businesses must move beyond intent and start implementing practical solutions at scale. That means embedding recognition into day-to-day management. Reassessing benefits packages through the lens of relevance and impact. And setting clear accountability for improving employee sentiment.

The insight is already there. The risk is clear. Now it's about action.



07

Belonging and the power of recognition





One of the most profound and unexpected findings of this report is a statistic that, at first glance, seems to clash with almost everything else we've found. Despite the widespread issues with undervaluation and the looming retention crisis, the majority of employees feel a strong sense of belonging in their current roles.

We asked respondents the following statement:

"I belong in my current role."

The results were conclusive:

- **71% agreed with this statement.**
- **A significant 30% strongly agreed.**
- **Only 9% disagreed.**

This paints a vivid picture: while employees may feel undervalued and are actively considering leaving, they also feel a sense of purpose and connection to their workplace. They feel that they're in the right place, even if their contributions are not being fully recognised. They want to be wanted, and that's a revelation that is heartwarming, but also somewhat tragic.

But in that tragedy is an opportunity to enact real change. The data suggests that the workforce is ready to be engaged and validated. By tapping into this underlying sense of belonging and strategically implementing the recognition employees have shown they desire, employers can transform a feeling of belonging into a feeling of value – and we've seen what sort of impact value, or a lack thereof, can have on both employee wellbeing and business outcomes.

71%

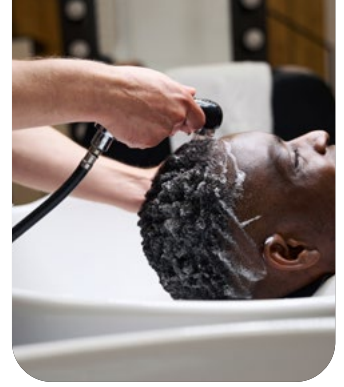
**feel they belong in
their current role**



08

Conclusion





The findings of this report paint a clear and urgent picture. While a slight perception gap exists between employers' optimism and the reality of employee value, the even more pressing issue is the action gap. Employers are largely aware of the risks of undervaluation – from a looming retention crisis to a decline in productivity and employee wellbeing – but this awareness has yet to translate into meaningful, widespread change.

However, the answer to the problem isn't a mystery. By strategically deploying the practical levers that employees have shown they desire – whether that's fair pay, increased recognition, better work-life balance, or comprehensive benefits packages – organisations can turn a feeling of belonging into a feeling of value. And, as we've covered, the effects of feeling valued are profound – on a personal level and from a business standpoint.

The path forward isn't about guessing what employees want, then – it's about acting on what we already know.

Employees want to stay and thrive. But without recognition and tailored benefits, they won't. Employers who close the value gap now will keep their people and future-proof their businesses.

Doug Butler





Wellbeing, Benefits, Engagement

See how Perkbox helps forward-thinking organisations build cultures that people want to be part of.

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