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Happiness in the Workplace: Why It Still Matters, Insights from Mitch Berger



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According to the 2025 World Happiness Report (Gallup/Oxford University), engaging with other people in a multitude of settings helps counteract stress, decrease depression, and increase flourishing. Those who have more friends and higher quality relationships whether in or out of work feel a lot happier and more satisfied (+16%) about their lives. Since it's estimated that the average person spends one-third of their life working, happiness in the workplace matters.

The Great Detachment, Rebooting Engagement

Covid brought about the "Great Resignation" in 2020-2021 when millions of workers quit their jobs after months of shutdown/work from home due to the pandemic. This was followed by the "Great Reshuffling" in 2022 when millions of workers either quit or threatened to quit in search of better pay (71%), job fulfillment (69%), and a greater sense of wellbeing (60%). (PwC 2022 Global Workforce Hopes and Fears Survey)

Since 2023, economic uncertainty, persistent inflation, and a tightening job market has led to the "Great Detachment," whereby workers feel "stuck" in their jobs even if they want to leave. Mitch Berger, CEO, Howard-Sloan Executive Search and Managing Partner, IMSA Search Global Partners USA states: "Corporate reorganization and layoffs due to budget cuts has resulted in increased responsibilities without pay increases. At a time when employee expectations for work-life balance are increasing, and over half of the world's workers are actively seeking another job, we advise our clients that employee engagement should be a top priority."

As Employee Wellbeing Declines, The Economy Takes the Hit

In Gallup's 2024 State of the Global Workplace Report, employee wellbeing appears to be under threat: "41% of employees report experiencing "a lot of stress"; "20% experience daily loneliness...highest for fully remote workers;" and "workers in companies with bad management practices (actively disengaged) are nearly 60% more likely to be stressed than those working in environments with good management practices (engaged)." Overall, employee engagement remains flat while employee wellbeing has decreased. Gallup projects this reversal could result in a net negative of US\$9 trillion or 9% of global GDP.

Happiness is Good for Productivity, Retention, Recruitment

Employee happiness delivers tangible benefits to companies. Research continues to correlate increased employee engagement with productivity gains of as much as +20%. According to Open Institute, happy employees take 10X fewer sick days than unhappy workers. And Gallup reports having close friendships at work boosts job satisfaction by 50%.

In one survey, 69% of workers say they will reject a new job if they know people at a company are unhappy. (Employee Satisfaction – OakEngage 2/2025) Online employer review platforms like Glass Door, Ambition Box, and Indeed, are consulted by candidates active in the job market on a regular basis; workers at potential employers rate their companies on these sites and across social media. Mitch Berger emphasizes: "Negative reviews dissuade job seekers; so ensuring workers are happy and their posts positive, helps attract the best candidates while boosting the corporate brand."

Promote a Culture of Caring, Provide Meaningful Feedback

Caring about and helping others increases happiness among both helpers and the recipients of kind acts. (Gallup World Happiness Report) Health and wellness programs establish a sense that a company cares for its employees, while volunteering in teams or through company-wide programs builds relationships, strengthens cohesion, and provides workers with "feeling good while doing good."

Managers matter in encouraging positive culture and engagement. Employees want to feel seen and heard. Those who receive weekly, meaningful feedback are 4X more likely to be engaged than those who do not. (Gallup) Meaningful discussions if done weekly can be efficient as well as effective – as short as 15 -30 minutes, with in-person conversations around goals and priorities, employee strengths, and appreciation of work performed/recognition of achievements.

Social Connection and Young Adults

Young adults aged 18-29 – Gen Zs – make up nearly one-third of the global workforce. (World Economic Forum) Unfortunately, lack of social connection among Gen Zs has increased, up nearly 40% for those who say they have no one to count on for social support. According to Exploding Topics, which uses online algorithms to track and identify social and behavioral trends as they are unfolding, the majority of Gen Zs (61%) report feeling "nervous, anxious, or on edge" while only 45% describe their mental health as "excellent/very good." Leaders and HR managers should continue to monitor and address the health and wellbeing of this growing segment of the labor pool. (Gallup World Happiness Report)

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