



Employee Engagement:

An Economic Value Study



Insights from Italy



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Introduction

Happy employees are worth more. This is a truth universally acknowledged: when employees feel invested in their organization's success, they're more motivated, productive, and contribute to a thriving workplace culture.

Those of us working in happy, engaged workplaces feel this instinctively. But proving it – actually measuring the worth of employee engagement – has always been an elusive goal for HR professionals.

It was to this end that Edenred commissioned the inaugural economic value study in 2024, a pioneering piece of research that proved the link between employee engagement and business outcomes for organizations operating across the English-speaking world.

Now, the economic value study returns, building upon the original study with fresh research conducted across France, Italy, and Belgium to understand how these insights apply across Europe.

This report focuses specifically on Italy, collecting insight from almost 170 Edenred Italy customers between July and September 2025.

The research reveals Italy as a market where the connection between engagement and performance is particularly pronounced, yet where organizations face unique challenges is bridging the gap between employee wellbeing programs and meaningful motivation. As Italian businesses navigate questions of purpose, communication, and values alignment, understanding how to build genuinely engaged workforces has never been more critical.

This report explores these questions in detail, examining the correlation between employee engagement and business performance in Italy, and identifying pathways forward for organizations seeking to build resilient, engaged workforces.

Key findings

Italy shows the strongest link between employee engagement and business performance of any market studied. Employee engagement and business performance correlation in Italy stands at 0.51, suggesting that an engaged workforce isn't just a contributing factor but a major driver of business performance.



Aside from employee development, Italian HR leaders prioritize compensation, engagement and – for smaller companies – employee relations. Italian legal obligations insist upon an emphasis on development, but beyond that there is a focus on staying competitive and ensuring goodwill between the company and the workforce.

However, communication breakdown is a critical issue facing Italian companies. Organizations in industries such as transport and manufacturing in particular struggle with this challenge. Other pressing concerns revolve around motivation and values alignment.



Italian HR leaders are searching for solutions. When asked how they are addressing workplace challenges, a remarkably high proportion indicate they 'don't know' how to solve them. Few believe benefits packages alone are the answer, except for retention and workload issues.



Physiological benefits are common – and valued – but fewer companies offer benefits to target employees' sense of belonging or engagement. Benefit packages typically revolve around food vouchers, cash bonuses, and insurance options. Fewer organizations focus on learning and development, communication initiatives, or recognition programs.

Yet a well-rounded benefits package directly addresses the challenges Italian companies face most frequently. Issues around motivation, wellbeing, and engagement are precisely targeted by recognition, learning and development programs, and communication initiatives.



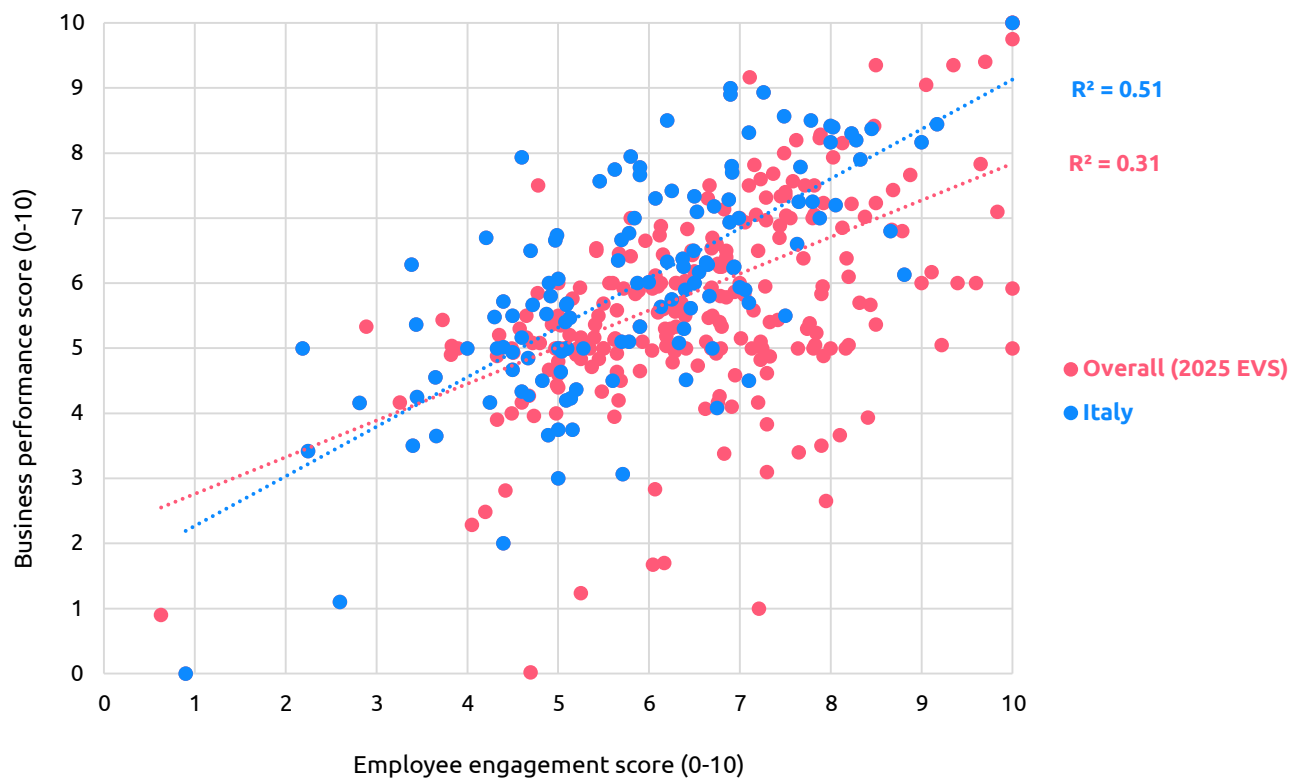
Leading organizations understand this and act accordingly. Those achieving both strong engagement and strong business performance are significantly more likely to track engagement regularly, implement recognition programs, and communicate transparently.

The bottom line: Engaging with your employees in a meaningful way leads to better business outcomes

The central finding of the 2024 economic value study holds true for European markets in 2025: companies with highly engaged workforces tend to be the ones reporting that business is booming.

We collected a series of metrics covering both sides of the equation: employee experience (eNPS, retention, productivity, skills development, values alignment, and wellbeing) and business outcomes (customer satisfaction, revenue growth, and profitability).

Correlation between employee engagement and business performance



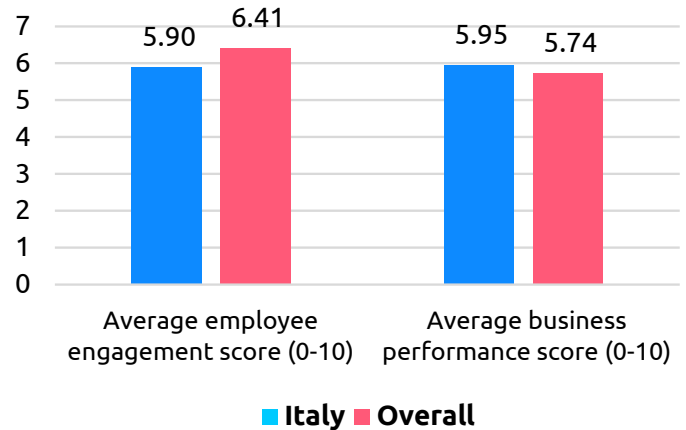
We found a clear correlation between business performance and employee engagement in European markets, just as we did for English-speaking markets in 2024.

The two factors correlated with an R^2 coefficient of 0.31, demonstrating that **despite the vast array of other factors that influence business performance** – market conditions, supply chains, competitors, and a whole host of political, economic, social, and technological forces – **employee engagement still remains a meaningful contributor to business success.**

In Italy, this correlation is even more pronounced at 0.51 – the strongest we have observed in any market to date. This suggests that in Italy, more than elsewhere, investing in employee engagement delivers measurable returns in business performance.

But while engagement is more important in Italy, **engagement scores are also significantly lower than other countries.** This should be a call to action for Italian companies: they have less happy employees, yet more to gain from keeping their employees happy.

Average employee engagement and business outcome scores by country



Italian HR priorities: Focusing on development

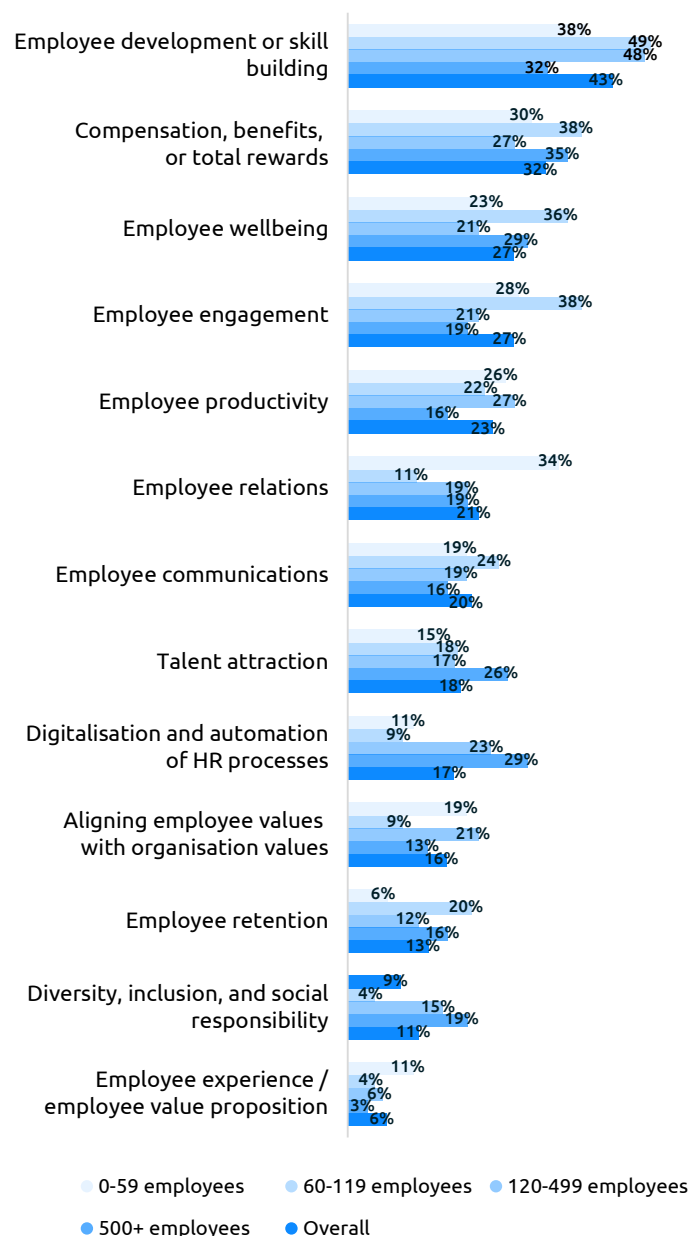
Italian organizations take a distinctive approach to HR priorities compared to their European neighbors.

Unlike in other countries, the top priority in Italy is **employee development or skill building**, reflecting the greater emphasis that Italian labor laws place on continuous professional development.

HR priorities also differ by company size:

- **Smaller organizations** (0-59 employees) place unique emphasis on **employee relations** (34%), suggesting these companies prioritize maintaining close workplace relationships and fostering commitment amongst their compact teams.
- **Mid-sized organizations** (60-119 and 120-499 employees) show the strongest focus on **employee development** (49% and 48% respectively), indicating that as companies grow beyond startup phase, capability building becomes paramount.
- **Larger organizations** (500+ employees) are the only segment for whom **compensation and benefits** (35%) is as or more important than **employee development or skill building** (32%). At this size, **digitization of HR processes** (29%) also becomes a top 3 priority.

Top HR priorities in Italy, by company size



Wellbeing, but not purpose

The issues faced by Italian businesses...

Communication initiatives are a middling priority for Italian HR leaders. But the issues they face suggest that this should be a greater focus area for them.

When asked what the biggest challenges they are facing when it comes to employee engagement, Italian businesses pointed to a profound communication breakdown as the largest challenge. This was especially true for industries such as manufacturing, transport, or retail, where employees are less likely to be desk-based and reachable.

This is a critical finding, organizations are right to invest in benefits and development, but they are failing to deal with more systemic issues. The lack of trust between employee and employer displayed in some of the comments from respondents suggest that these companies are fundamentally struggling to connect with their employees about what matters.

“Non esiste più il coinvolgimento dei dipendenti come intendiamo di prassi. Esiste una rivoluzione nel comportamento azienda-dipendente che va messa in discussione per trovare un equilibrio che oggi non esiste.”

Hotels and Tourism

“Comportamenti di omertà diffusi all’interno dell’azienda che non denunciano problematiche interne e preferiscono escludersi dal gruppo.”

Industrial and Manufacturing

Top issues faced by Italian HR leaders:

1

Communication issues

2

Lack of motivation

3

Company culture and values

“Uno dei problemi più importanti che stiamo affrontando è mantenere alta la motivazione il senso di appartenenza e l’entusiasmo dei dipendenti, specialmente in un contesto di lavoro sempre stressante e variabile. Stiamo cercando di migliorare la comunicazione interna e offrire opportunità di crescita per aumentare il loro coinvolgimento.”

Industrial and Manufacturing

...and what they are doing to solve them

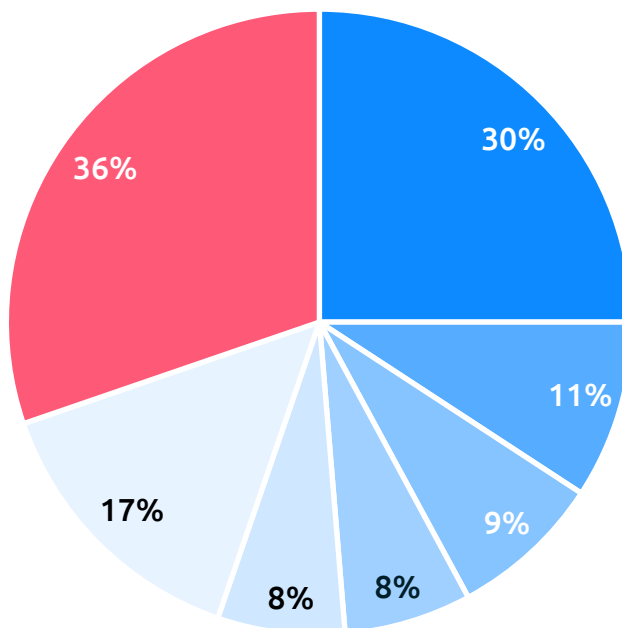
So how are Italian HR leaders responding to these challenges? The answer reveals a troubling pattern: **Italian HR leaders are particularly uncertain about solutions.**

For most issues, a remarkably high percentage of respondents report taking no action to solve them. This is especially pronounced for conversations around salary and work-life balance.

Elsewhere, however, companies are seeking to address their issues through communication and transparency initiatives.



What actions are Italian businesses taking to resolve their issues?



- Communication and transparency initiatives
- Listening to and assessing requests
- Team building and social events
- Enhancing training and development
- Addressing work environment and culture
- Other initiatives
- Not taking any action or unsure what to do

How benefits can bring together employers and employees

So, what benefits should organizations use to get the best out of their employees? And how can Italian companies address wellbeing whilst also ensuring employees are engaged and motivated?

By comparing scores for wellbeing, compensation, and engagement for respondents across Italy, France, and Belgium who do offer a benefit versus those who don't, we can identify the benefits that correlate with the highest impact on Italian HR priorities.



What benefits are most effective for targeting the priorities of Italian businesses?

Benefits listed by highest scores against key factors when offered:

To target employee development or skill building:

- 1 Company communication / transparency initiatives
- 2 Learning and development programs
- 3 Childcare assistance
- 4 Employee recognition programs
- 5 Individual learning budgets

To enhance employee compensation:

- 1 Pension / retirement savings (beyond statutory)
- 2 Learning and development programs
- 3 Remote work expenses
- 4 Cash bonuses

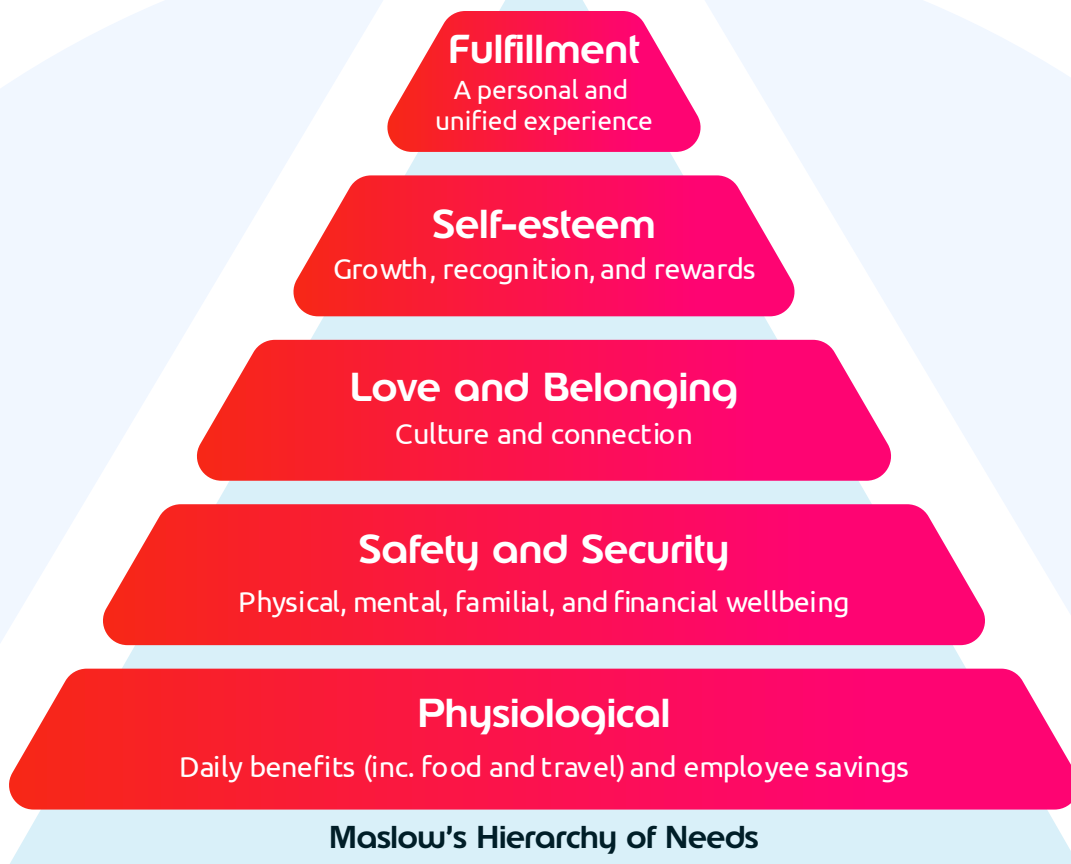
To address issues of motivation and boost engagement:

- 1 Company communication / transparency initiatives
- 2 Remote work expenses
- 3 Benefits in kind
- 4 Employee savings plans
- 5 Flexible working hours

That said, the research suggests that it is oftentimes less about the benefits in question, and more about the mix of needs these benefits address.

At its core, a good package strikes the balance between benefits and incentives – giving employees what they want and giving them the tools and encouragement to get the best out of them. Both aspects are important and neither can be downplayed.

To help articulate this, Edenred have put together a framework for understanding benefits based upon the way they interact with an employees' hierarchy of needs.



Current benefits focus

Driven by their concern for employee compensation and wellbeing, Italian organizations have tended to be more likely to offer benefits in categories towards the bottom of this pyramid than those at the top:

- **98% of Italian respondents offer some form of physiological benefit**, such as food vouchers or commuter benefits. These respondents, being Edenred clients, have already taken this first step in addressing their employees' basic physiological needs.
- **Physical, mental and financial wellbeing benefits** are also common, with 61% of Italian companies in the study offering some form of financial benefit (such as cash bonuses or an employee savings plan) and 50% offering some form of precautionary benefit (such as private medical insurance).
- **Only 26% of Italian companies have benefits and initiatives that tap into employees' love and belonging needs** – be it benefits that tie family life to working life, like childcare assistance, or those that enhance a sense of belonging internally. Crucially, **company communication / transparency initiatives** fall into this category, touching upon the key priority of communication for Italian businesses.
- **Only 28% of Italian companies have benefits and initiatives that target an employee's sense of self-esteem or fulfillment**, such as learning and development programs and employee recognition programs – despite the heavy focus on both these areas in Italy.

But focusing on the physiological alone may not be sufficient for companies hoping to win the hearts and minds of its workers; the benefits at each level on this pyramid achieve different outcomes, and a well-rounded approach is key to engaging with employees with lasting effect:



Level 1: Physiological benefits – the table stakes for any successful benefits package

Benefits such as food vouchers and commuter benefits form the basis of an effective benefits package. They are expected by staff, valued highly, and are noticed when absent.

Indeed, **food vouchers are the single benefit most valued by employees according to HR professionals** – even beating out remote working options and cash bonuses.

Taken in isolation these benefits don't correlate significantly with better employee engagement. **When they are not present, however, organizations tend to see lower employee NPS scores** – suggesting that these are a valued part of any proposition.

81%

of Italian HR leaders report that their employees value food vouchers as among their top 3 benefits – a higher proportion than remote working (77%) and cash bonuses (57%)





Level 2: Wellbeing benefits – effective engagement tools, but expensive for employers

As expected, benefits that target financial wellbeing perform well across a variety of metrics. Companies that offer cash bonuses score significantly higher for employee engagement, compensation, and wellbeing than those that don't.

Cash bonuses are a blunt tool, however: **other financial bonuses perform better**: overall, across the three countries, companies that offer enhanced pensions see retention scores that are **9% higher than the average**.

As well as targeting financial wellbeing, employers also seek to target their employees' mental and physical wellbeing through encouraging healthy

eating, wellness, and physical fitness. **These benefits correlate significantly with a host of business outcomes**, tending to be offered by high-growth, profitable companies. It may be that only the most high-achieving businesses consider benefits like this – after all only 25% of Italian respondents offer them – but they shouldn't be: these benefits can be talent magnets for any company. Overall, companies that offer:

- **subsidized gym membership** see 9% higher talent attraction scores
- **healthy office snacks** see 10% higher talent attraction scores

Level 3: Love and belonging benefits – key strategies for bridging the emotional gap between employee and employer

Tying employment to belonging – either through family benefits or enterprise social benefits – **can help businesses build an emotional connection between employee and employer.** With these benefits, employers seek to go beyond the basic needs of their workers and try to foster a sense of community and shared goals.

Family benefits, such as childcare assistance and enhanced parental leave, link an employee's job with their personal priorities. Employers who offer these benefits seek to demonstrate their commitment to their staff beyond the working week, and in doing so, hope that their commitment will be repaid in kind. But does it work? Our research shows that these benefits do shift the dial: overall, companies that offer **childcare assistance see 12% higher scores for employee retention and 10% higher scores for employee wellbeing.**

However, in this case, a direct route is the more effective one. **By far the most effective belonging benefits are communication and transparency initiatives.** Overall, companies that use these see a whole host of positive outcomes when compared to the average:

- 10% higher scores for employee communications
- 12% higher scores for aligning employee values with organization values
- 9% higher employee engagement
- 8% higher wellbeing scores
- 12% higher employee NPS among Gen Z, and 7% higher among Millennials

The values alignment and motivation that these programs can provide can also have **significant impacts on business outcomes:** communication initiatives also correlate **with 6% higher customer NPS and an 8% higher profit margin.**

Whether these communication initiatives inspire employees to work towards better outcomes, or whether they are a marker of already-successful companies, clearly **leaders in the field of employee engagement invest into robust communication schemes and see dividends as a result.**





Levels 4 and 5: Self-esteem and fulfillment benefits – getting the most out of workers by appealing to their sense of self

People are driven forward by a sense of purpose. Tapping into this by supporting a worker's self-esteem can be a powerful motivator. Overall, companies that offer benefits in this category, in particular learning and development programs and employee recognition programs, **saw better outcomes than any other group:**

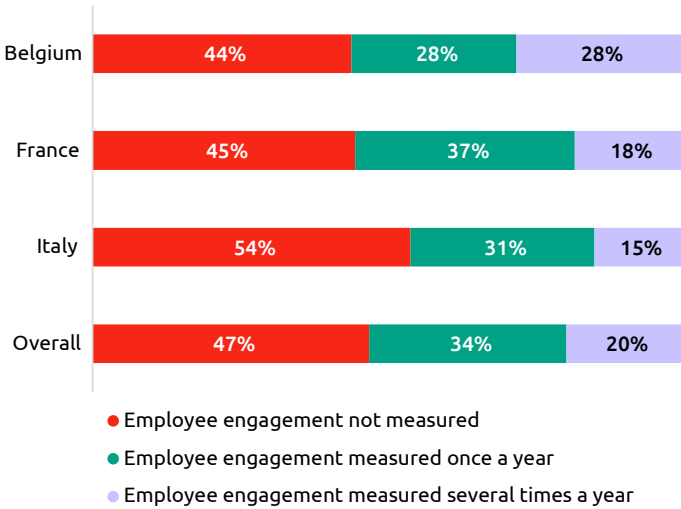
- **Learning and development programs** are effective at developing and retaining talent: companies that offered these saw 8% higher scores for development and skill building, and 10% higher scores for employee retention compared to the average
- Non-monetary **employee recognition programs** also develop and retain workers but also boost their sense of wellbeing and enhance the employee experience. Compared to the average, companies who offered these saw:
 - **8% higher** retention scores
 - **7% higher** development / skill building scores
 - **11% higher** wellbeing scores
 - **11% higher** employee experience scores

The power of measurement: A clear success factor

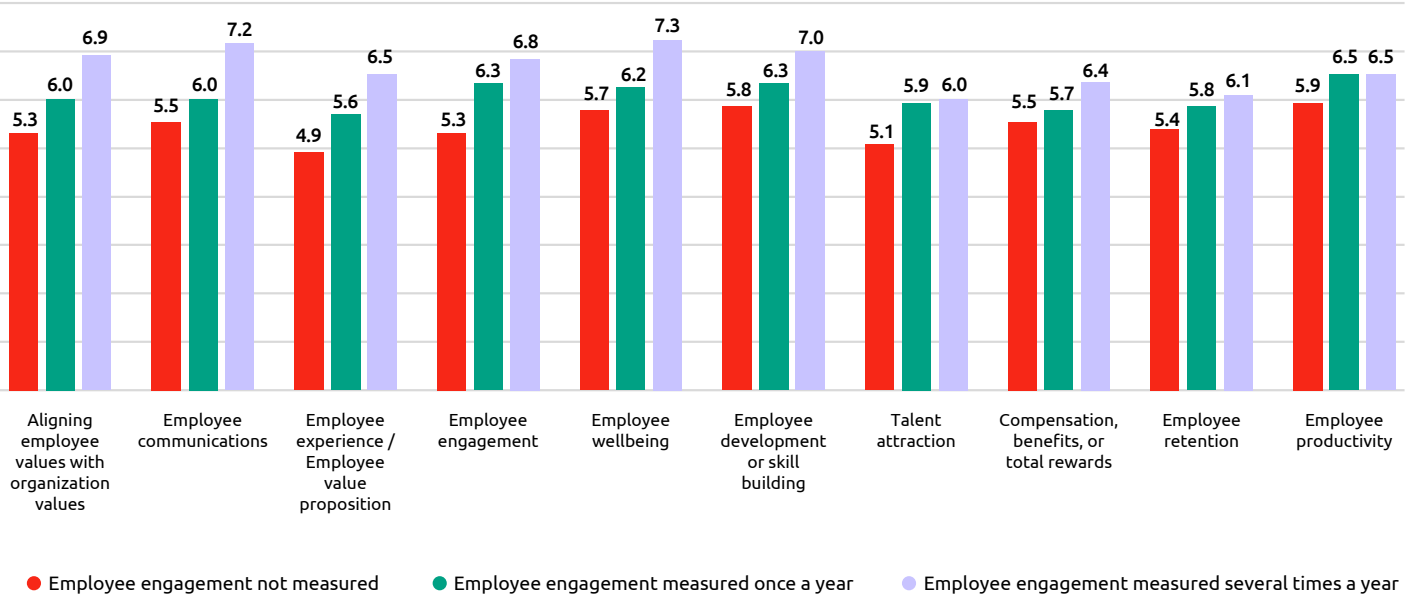
One of the clearest findings from our research is how even **the act of measuring employee engagement can have a significant impact on organizational outcomes**. Yet 54% of Italian companies fail to measure employee engagement at all – the highest proportion among the three countries studied.

Companies that measure engagement several times per year outperform those that measure once yearly or not at all across a range of key metrics – from **employee wellbeing, to communications, engagement, values alignment, and even retention**.

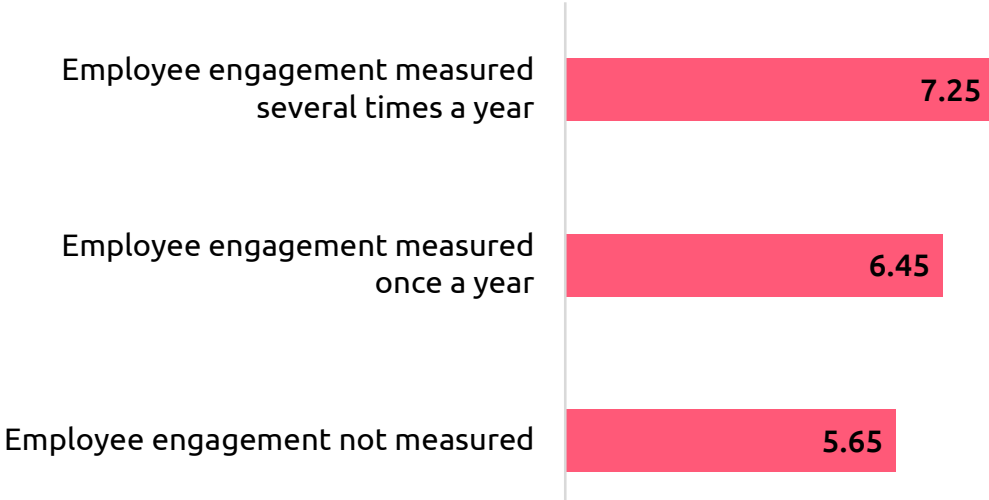
Do you regularly measure employee engagement?



Average scores out of 10 across various engagement factors, by frequency of measuring employee engagement in Italy



**Average employee NPS in Italy (normalised on a 0-10 scale),
by frequency of measuring employee engagement**



Even on hard and fast metrics, those who engage regularly with their employees perform better than those that don't. **The average employee NPS score for Italian companies who take steps to measure their engagement more than once a year is significantly higher than those that don't measure at all.**



Conclusion: From surviving to thriving

The 2024 economic value study demonstrated that investing in employee engagement is not just the right thing to do – it's a business imperative. This year, we have shown that this distinct link between engaged employees and stronger business performance is more pronounced in Italy than anywhere else we have studied, and that key benefits that drive employee wellbeing, engagement, and productivity have knock-on effects on profitability, growth, and customer satisfaction.

The Italian organizations we have studied were all Edenred clients, so they had already mastered part of the puzzle – offering a strong suite of physiological benefits that boost employee wellbeing. But they also faced particular challenges around motivation, trust, and communication.

The solution is simple: talk to your employees, and listen in return. Robust communication programs, when paired with a strong benefits offering, can ensure that employers not only keep their workers happy, but bring them with them on their journey.



Our recommendations for a thriving workforce

- 1 Maintain your foundation.** Physiological benefits such as food vouchers remain highly valued, especially among younger generations, and are key to keeping employees contented.
- 2 Open up lines of communication.** Establish transparent communication channels that explain decisions and invite dialogue. Communication initiatives deliver 12% higher values alignment, 9% higher engagement, and specifically address motivation challenges.
- 3 Listen as well as speak.** Regular measurement of employee engagement is key to understanding the success of your initiatives and can even help boost key engagement metrics.
- 4 Harness the power of recognition.** Formal non-monetary employee recognition programs can deliver a breadth of impact beyond what other benefits can achieve, improving retention, wellbeing, and employee experience.

About the economic value study

Methodology

The economic value study was developed by Edenred to demonstrate the link between employee engagement and business outcomes, and to uncover the types of employee benefits and initiatives that have the greatest positive impact on these metrics. The survey was first conducted in 2024 across over 300 organizations in the UK, Australia, and the US. Since then, the study has collected the views of over 1,000 respondents worldwide.

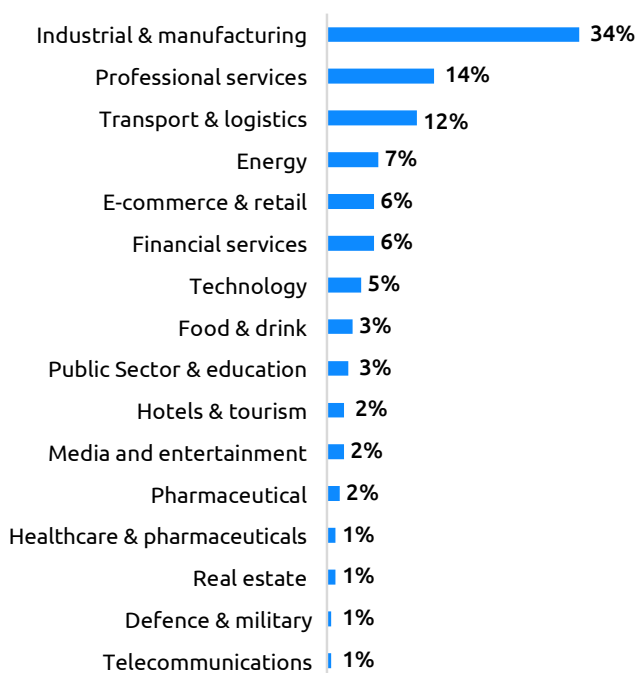
The data in this report references a sample of 567 responses collected from among Edenred's client

base in France, Belgium and Italy between July and September 2025. Of these, 170 responses were collected from Italian respondents. This research was carried out by independent research consultancy Meridian West, with the support of Edenred representatives.

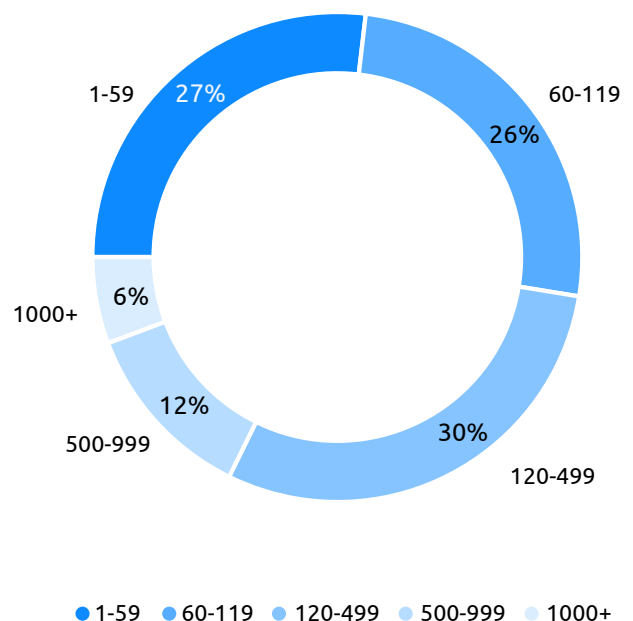
Because the research was conducted among Edenred's own client base, certain results are skewed; in particular, the vast majority of respondents to our survey offered food vouchers as a benefit.

Respondent demographics

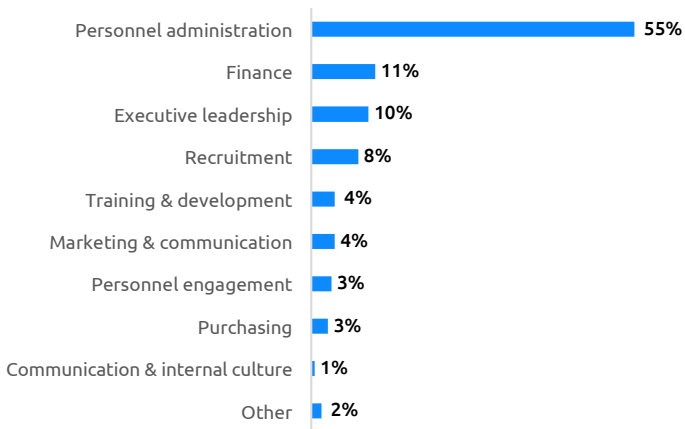
Italian organisation sample by industry sector



Italian organisation sample by number of employees



Italian respondent sample by role



Outcome metrics

We asked respondents a number of questions about themselves and their organization, as well as asking for more information around their HR strategies including their top priorities, main benefits offered, engagement tactics, and issues or challenges. We also collected a number of metrics on both employee engagement and business performance.

The most common metrics we use here are of 'employee engagement' and 'business performance' benchmarks, which are numeric measures, falling between 0 and 10. These were calculated by averaging the score given across a range of areas where the respondents were asked to self-rate how their organization compares to peers in their industry, with 0 being 'much worse than peers' and 10 being 'much better than peers'. The specific areas which make up these areas are noted opposite. These metrics gave us robust data to perform analysis on and made sure engagement and business scores considered a wide range of different outcomes.

Employee engagement benchmark

- Employee productivity
- Employee communications
- Employee alignment with values
- Employee wellbeing
- Talent attraction
- Employee retention
- Employee experience

Business performance benchmark

- Growth in profit margin
- Growth in headcount
- Growth in sales

We also asked respondents to provide more specific measures of both employee engagement and business performance, where these were available.

Employee engagement benchmark

- **Employee NPS** (overall, by age range, and by seniority) – normalized onto a 0-10 scale
- **Employee turnover rate** (number of employees who left during the calendar year as a % of the average number of employees in the same period)
- **Average time to hire** (average number of working days between a position being advertised and it being filled)

Business performance benchmark

- Customer NPS
- Average annual growth rate

Most notably, we asked respondents about their company's Employee Net Promoter score (eNPS). Organizations collect this metric in a variety of different manners, so we asked respondents to give us an accurate up-to-date measure normalized onto a 0-10 scale.



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