



THE
CHANGE
LAB 2025
WORKPLACE
REPORT

THRIVING THROUGH THE SUPERCYCLE OF CHANGE

THECHANGE**LAB**

FROM THE MICHELLEMCQUAID GROUP

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THE SUPERCYCLE OF CHANGE

We're living through an unprecedented supercycle of change where climate, economic, political, social, and technological disruptions are colliding and amplifying each other. Unlike previous eras where organizations could plan for predictable transitions, today's interconnected chaos creates constant "Oh FUD!" moments—overwhelming waves of Fear, Uncertainty, and Doubt that leave people feeling like they're quietly cracking beneath the surface.

The human cost is staggering. Our research reveals that 55% of Australian workers are quietly cracking—maintaining expected performance while experiencing significant internal distress. This hidden crisis creates a dangerous trajectory where those struggling are 6.2 times more likely to burn out. Meanwhile, traditional change management approaches designed for simpler times are failing spectacularly, with only 41.9% of workplace changes succeeding.

The challenge is compounded by new psychosocial safety legislation requiring Australian workplaces to assess, control, and monitor hazards that affect mental health. Yet despite policies and procedures, one in three workers still meets clinical burnout criteria—unchanged since 2023. Poor change management has emerged as the #1 most frequently experienced psychosocial hazard among burned out workers, while emerging challenges like AI transformation create additional wellbeing risks.

It's clear that project plans alone cannot navigate this complexity. We need more human-centered approaches that support people through uncertainty rather than forcing them to simply endure it. Traditional change management wasn't built for interconnected chaos—it was designed for predictable, linear transitions.

This report introduces the HEART framework—a evidence-based approach to leading change by **H**onoring feelings, **E**ngaging purposefully, **A**ppreciating strengths, **R**eaching out for help, and **T**aking tiny steps forward together. Our data shows organizations implementing HEART systems achieve 69% change success rates versus 47% for traditional approaches, while experiencing up to 24% less poor change management.

The solutions outlined in this report offer Australian workplaces a path forward that protects wellbeing while delivering positive outcomes during our era of constant change.

EXECUTIVE SUMMARY



THE QUIET CRACKING CRISIS

55% of Australian workers are quietly cracking - maintaining expected performance while experiencing significant internal distress. This hidden struggle, driven primarily by external cost of living pressures (41.7%), creates a dangerous trajectory: those cracking are 6.2 times more likely to burn out, with half already meeting clinical burnout criteria. The solution lies in strengthening protective factors: ensuring adequate resources versus demands (53% protection), fostering workplace civility (43% protection), and enabling meaningful strengths use and self-compassion practices (38% protection each) - elements that work together to prevent the slide from cracking to burn out.

How are you building the protective factors that prevent quiet cracking?



THE PSYCHOSOCIAL SAFETY IMPERATIVE

Psychosocial safety is now a legal requirement in Australian workplaces, yet one in three workers still meet clinical burnout criteria—unchanged since 2023. Poor change management affects 78% of those burning out, while emerging challenges like AI transformation create new wellbeing risks. Despite policies and procedures, most workers experiencing burnout lack the psychological safety to speak up. This gap between compliance and genuine protection reveals that meeting legal requirements isn't enough to keep workers safe.

How is your workplace creating the safety to speak openly and honestly about psychosocial hazards?



THE HUMAN-CENTRED CHANGE SOLUTION

58.1% of workplace changes are unsuccessful, yet organizations leading with HEART—Honoring feelings, Engaging purposefully, Appreciating strengths, Reaching out for help, and Taking tiny steps—achieve 69% success versus 47% for traditional approaches. Workers with high individual HEART capabilities show 17% better emotional regulation during transitions. This evidence-based framework transforms how we navigate uncertainty by supporting the human experience alongside project management.

Is your workplace leading change with project plans or with HEART?

ABOUT THIS STUDY

The Change Lab Workplace Survey was first conducted in December 2019 with 1,007 randomly selected Australian workers, based on research items developed by Dr. Peggy Kern (University of Melbourne) to understand the impact of navigating change on people’s wellbeing.

In 2020 and 2021, as the global pandemic raged, we expanded the survey questions with the assistance of Dr. Mandy O’Neill (George Mason University) and Dr. Lindsey Godwin (Champlain College) to understand the impact of leadership behaviors and systemic changes. Data from more than 3,750 workers in Australia and the United States was gathered to understand how leaders and teams might thrive, amid unprecedented workplace disruption and uncertainty.

In 2022 and 2023, we expanded the questions to include the frequency and impact of psychosocial hazards, responding to emerging workplace mental health legislation. Data from more than 2,000 Australian workers was collected to better understand burnout, quiet quitting, and the most effective controls workplaces were implementing to minimize psychosocial risks and support change.

Now in July 2025 we have added questions to explore how workers are navigating the supercycle of change they are experiencing and its impact. We worked with an independent research agency to gather data from 1,004 randomly selected, fulltime, Australian workers who included:

GENDER	
Men	588
Women	416
AGE	
18-24	84
25-34	213
35-44	264
45-54	234
55-64	165
65+	44
ETHNICITY	
White/Caucasian	706
Asian	176
Indigenous	38
Bi-Racial/Multi-Racial	12
People of Color	50
Prefer not to answer	22

WORKPLACE	
Sole Operator	89
Not For Profit	56
Government Funded	142
Privately Funded	441
Publicly Listed	136
Other	140
RESPONSIBILITIES	
Team Member	518
Leader	385
CEO/Owner	101

Industries were representative of Australian workplaces including Agriculture, Banking & Finance, Community & Social Services, Construction, Education, Government & Public Administration, Healthcare & Medical, Technology & Telecommunications, Manufacturing, Mining, Retail, Science, Tourism, and Transportation & Warehousing.

THE QUIET CRACKING CRISIS

Quiet Cracking occurs when people appear to function normally at work but are experiencing significant internal distress. One in every two workers report masking these struggles from others. This creates a hidden disconnect between their outward performance and inner reality, often serving as a precursor to burnout.

Are your workers quietly cracking?

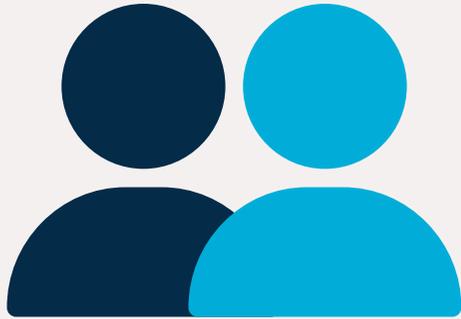


55%

OF WORKERS REPORT THEY
ARE 'QUIETLY CRACKING'

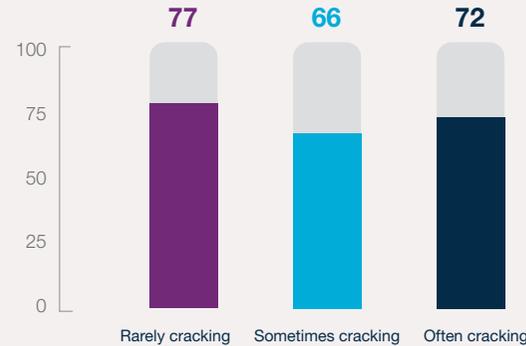
THE QUIET CRACKING CHALLENGE

RATES OF QUIET CRACKING



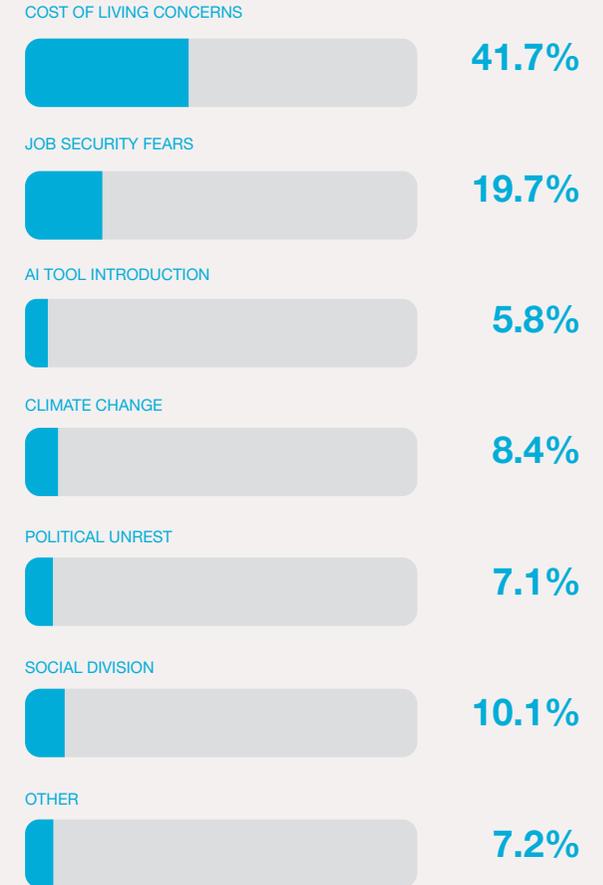
One out of every two workers (55%) report they are quietly cracking.

CRACKING & PERFORMANCE



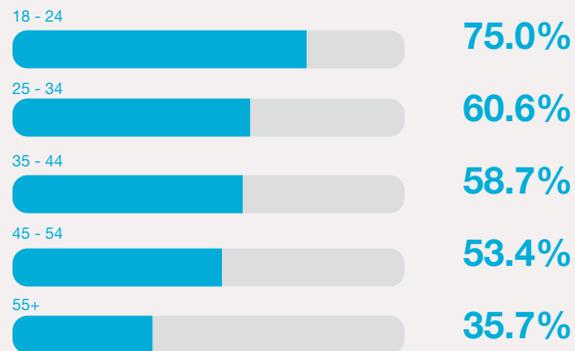
Performance is lowest when workers are sometimes cracking. Those cracking often push hard to keep up—but not quite to the level of those rarely cracking.

CRACKING CAUSES



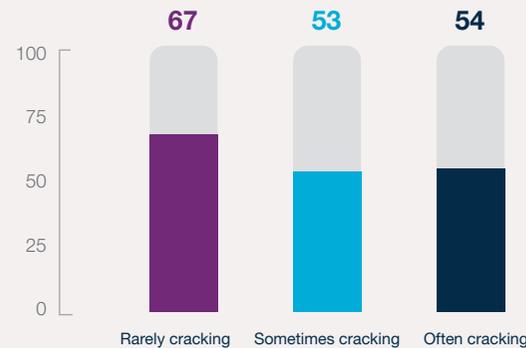
Two-thirds of cracking is driven by world events. People feel worn down by pressures they can't control but still have to carry.

CRACKING BY AGE



3 out of 4 workers under 25 are quietly cracking. The crisis decreases with age but remains substantial.

CRACKING & THRIVING



Thriving drops steeply once people begin cracking—and stays low. Whether cracking sometimes or often, the emotional toll is nearly the same.

RESEARCH INSIGHTS

- **QUIET CRACKING DEFINITION:** Over half of Australian workers (55.2%) are experiencing “quiet cracking” - a state where people do their best to maintain expected work performance while internally struggling with significant emotional distress.
- **GENERATIONAL DIVIDE:** Younger workers bear the heaviest burden, with 75.0% of those aged 18-24 quietly cracking compared to just 35.7% of workers over 55. This 39.3% gap shows a clear age gradient, with each successive generation reporting progressively lower rates, suggesting younger workers face unique pressures in maintaining the facade of coping.
- **THE PERFORMANCE PARADOX:** Workers who are often cracking maintain 93% of baseline performance (72 vs 77) through unsustainable compensatory behaviors, creating a U-shaped performance curve and outperforming those who are sometimes cracking (72 vs 65), masking their distress from leaders focused on output metrics.
- **THE EMOTIONAL TOLL:** While maintaining performance, workers who are often cracking show dramatically reduced thriving scores (54 vs 67 for rarely cracking), creating a 13-point gap between their performance and wellbeing - the largest disconnect among all groups, revealing the hidden personal cost of “pushing through.”
- **EXTERNAL PRESSURES DOMINATE:** World-related factors account for 67.2% of quiet cracking causes, led by cost of living (41.7%), while work-related factors comprise only 32.8%, suggesting workers are maintaining performance despite crushing external pressures they feel unable to discuss at work or that employers cannot address.

RECOMMENDATIONS

While quiet cracking affects 55.2% of workers, its primary driver - cost of living pressures (41.7%) - creates a challenging paradox for workplaces. Studies suggest this financial strain will persist for at least the next three years, yet workers fear discussing money struggles might appear unprofessional, while leaders want to avoid unaffordable pay rise requests.

This silence perpetuates the quiet cracking cycle, where workers try to maintain performance while privately struggling. The scale and duration of this crisis demands more comprehensive workplace responses.

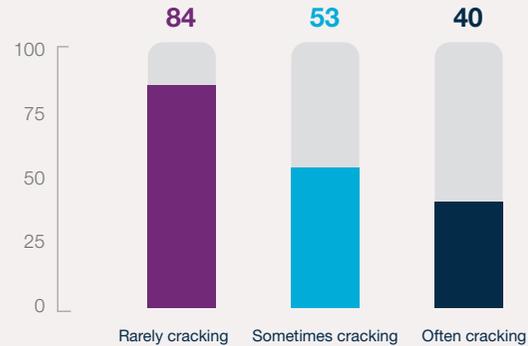
We recommend workplaces consider:

- **TEACH NERVOUS SYSTEM AWARENESS** - Help workers recognize when external pressures are pushing them into survival mode. Understanding these biological responses normalizes their struggles and provides practical tools for managing the emotional toll of sustained stress.
- **OFFER FINANCIAL WELLNESS PROGRAMS** - Offer opt-in workshops on budgeting, financial planning, and navigating economic uncertainty that may help ease immediate pressures.
- **NORMALIZE EAP USAGE** - Remind workers that Employee Assistance Programs offer confidential support for financial stress, not just traditional workplace issues.

What is your organization doing to address the hidden crisis of quiet cracking?

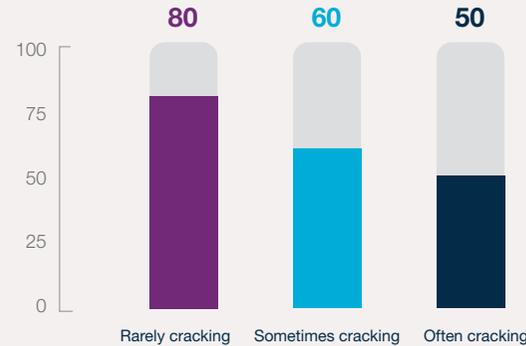
THE QUIET CRACKING SOLUTIONS

CRACKING & RESOURCES



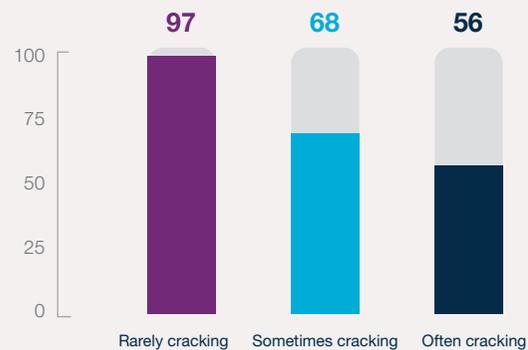
Workers who aren't overloaded show 44% less severe cracking. Reasonable job demands are the strongest protection.

CRACKING & STRENGTHS



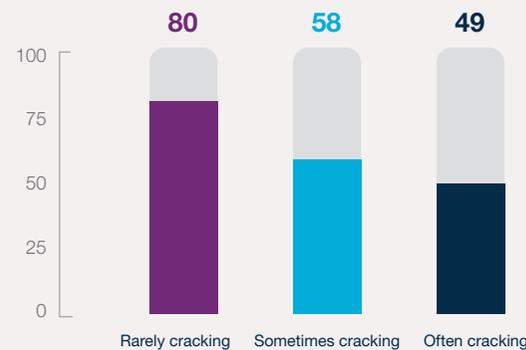
Workers who use their strengths meaningfully show 30% less severe cracking. Doing what they're good at builds confidence.

CRACKING & CIVILITY



Those spoken to respectfully show 41% less severe cracking. Workplace civility helps prevent the spiral.

CRACKING & SELF-COMPASSION



Those practicing self-compassion show 31% less severe cracking. Being kind to oneself helps weather the storm.

CRACKING & PSYCHOSOCIAL RISKS



On average, workers who are quietly cracking report more frequent exposure to these hazards. Minimizing these hazards reduces the risk of cracking.

RESEARCH INSIGHTS

- **RESOURCES VS DEMANDS:** Workers who report their workplace doesn't demand too much are 44% less likely to report they are often cracking (84 vs 40). This represents the strongest protective factor identified.
- **WORKPLACE CIVILITY:** Workers who are often cracking experience 41% lower workplace civility compared to those rarely cracking (56 vs 97). Civility serves as a critical buffer and was the second strongest protective factor identified.
- **MEANINGFUL STRENGTHS USE:** People who use their strengths to contribute meaningfully are 30% less likely to report they are often cracking (80 vs 50). This protective indicates that when workers apply what they're good at, they build confidence preventing quiet cracking.
- **SELF-COMPASSION PRACTICES:** Workers who show themselves self-compassion while navigating challenges are 31% less likely to report they are often cracking (80 vs 49). The data suggests those who treat themselves with kindness during struggles are better equipped to maintain wellbeing without unsustainable coping.
- **MINIMIZING PSYCHOSOCIAL RISKS:** While severe risks like bullying, harassment, and violence are present, the more common drivers of cracking are subtler: unclear roles, unsupportive relationships, and constant change. These lower-intensity but persistent exposures - affecting the majority of those who crack - are both harder to see and easier to address if proactively monitored.

RECOMMENDATIONS

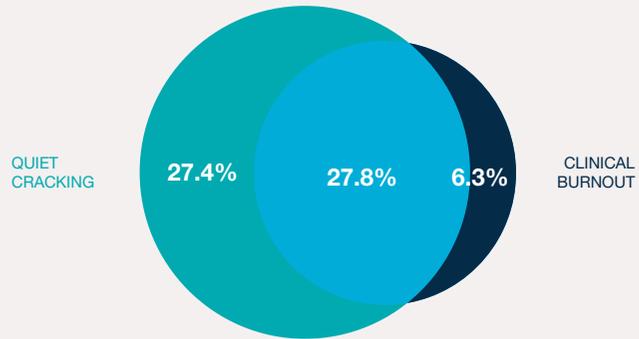
While external pressures like cost of living remain beyond workplace control, these findings point to what organizations CAN influence through a systems approach. Preventing quiet cracking requires coordinated action at the "Us" level (organization-wide), "We" level (leaders and teams), and "Me" level (individuals. For example:

- **PROACTIVELY MONITOR PSYCHOSOCIAL HAZARDS (US)** - Conduct regular safety conversations to identify early warning signs like role confusion, relationship tensions, or change fatigue. Since these subtler hazards affect the majority who crack but are harder to spot than severe risks, systematic monitoring helps organizations intervene before workers begin struggling.
- **BALANCE DEMANDS WHILE FOSTERING RESPECT (WE)** – Coach leaders to role model both vulnerability about capacity and consistent civility. This means leaders admitting when they're overwhelmed, asking for help redistributing priorities, and maintaining respectful interactions especially during high-pressure periods.
- **ACTIVATE DAILY PROTECTIVE PRACTICES (ME)** - Normalize strengths check-ins during team meetings ("How will you use your strengths this week?") and self-compassion pauses when facing setbacks. These micro-practices build the psychological resources that help workers navigate inevitable workplace pressures without cracking.

How is your organization taking a systems approach to prevent quiet cracking?

QUIET CRACKING & BURNOUT

CRACKING & BURNOUT



The data reveals an urgent warning—cracking is deepening into burnout for one in two workers.

LIKLIHOOD OF BURNOUT

6.2x

Workers who are quietly cracking are 6.2 times more likely to experience clinical burnout than those who aren't—a stark escalation of risk.

CRACKING VERSUS CLINICAL BURNOUT

RISK FACTORS *(Increase Likelihood of Burnout)*



Poorly managed change



Low levels of psychological safety



Workplace toxicity (bullying, harassment, violence)

PROTECTIVE FACTORS *(Reduce likelihood of Burnout)*



Supportive supervisors and peers



High levels of self-compassion



Organizational justice and fairness

Workplace culture determines the trajectory. Cracking workers who feel unsafe, unsupported, and unfairly treated rapidly progress to burnout.

RESEARCH INSIGHTS

- **CRACKING AS BURNOUT PRECURSOR:** Among workers experiencing quiet cracking, 27.8% also meet clinical burnout criteria, revealing a dangerous overlap. Wellbeing scores progressively decline from 69 (not cracking) to 61 (cracking only) to 46 (both cracking and burnout), confirming that quiet cracking represents an early warning stage where intervention can prevent full exhaustion.
- **SIXFOLD INCREASE IN HIDDEN RISK:** Workers who are quietly cracking are 6.2 times more likely to experience clinical burnout than those who aren't. This statistically significant relationship ($p < 0.001$) is particularly concerning because those cracking maintain 93% of baseline performance, making their escalating risk invisible to leaders who rely on performance metrics alone.
- **PERFORMANCE MASKING AMPLIFIES RISK FACTORS:** The shift from cracking to burnout accelerates when workplace dysfunction meets hidden struggle. Workers maintaining their performance facade while experiencing poor change management, low psychological safety, or toxicity are less likely to seek help or have their distress recognized, allowing these risk factors to compound unchecked.
- **BREAKING THROUGH THE FACADE:** Protective factors work only when workers feel safe to drop the mask. While supervisor and peer support, fairness, and self-compassion can prevent burnout, their effectiveness depends on whether workers trust that honesty about struggling won't be punished.

RECOMMENDATIONS

Half of your quietly cracking workers are heading toward burnout. They have the EAP number. They've attended the wellbeing workshops. They've seen the psychosocial safety policies. And still, they are maintaining the performance mask until they collapse.

Burnout prevention requires more than programs—it needs integration. When OH&S, HR, and wellbeing teams merge their efforts and budgets, scattered supports become unified protection. Supportive supervisors who check in beyond tasks build trust. Self-compassion practices normalize human limits. Fair treatment proves the organization values people, not just performance. Together, these help to build the psychological safety that lets workers finally drop their masks.



Are your OH&S, HR, and wellbeing teams creating psychological safety together or pursuing separate agendas.

THE PSYCHOSOCIAL SAFETY IMPERATIVE

Despite new psychosocial safety laws, burnout rates remain unchanged since 2023. Our findings reveal persistent workplace hazards—poor change management, inadequate psychological safety, and emerging AI-related risks—that contribute to exhaustion, cynicism, and diminished effectiveness among Australian workers.

What psychosocial hazards are driving sustained burn out levels?

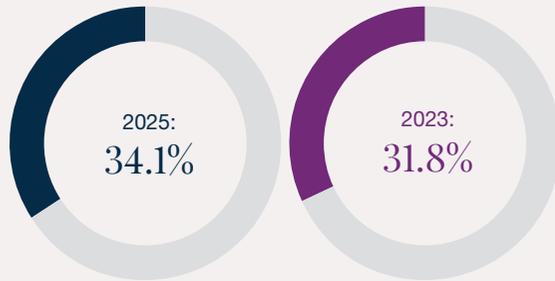


34%

OF WORKERS
ARE BURNT OUT

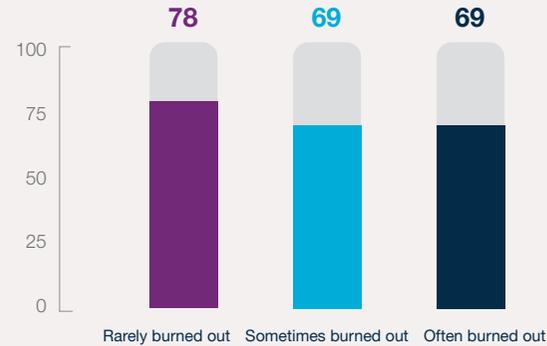
THE BURNOUT CHALLENGE

RATES OF BURNOUT



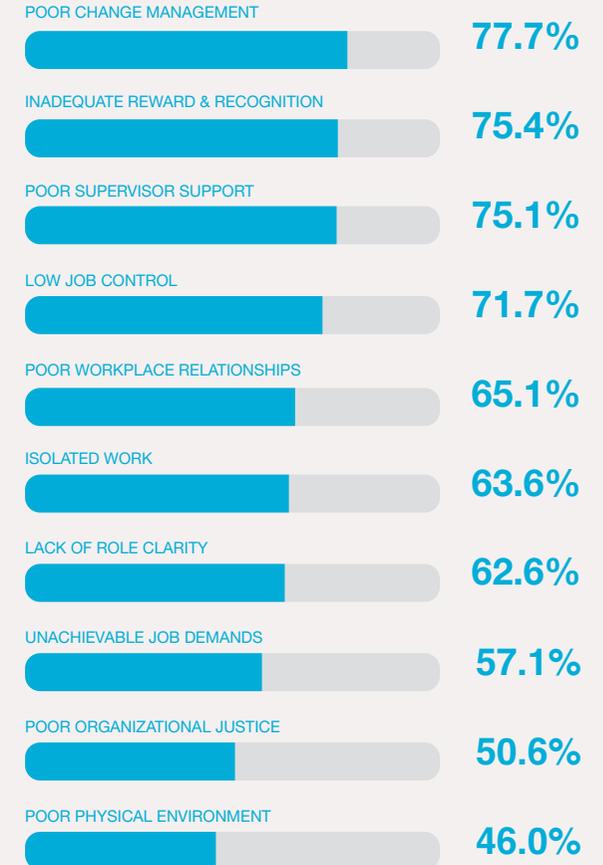
Clinical burnout rates have plateaued at concerning levels. The minimal change from 2023 to 2025 suggests current interventions aren't moving the needle.

BURNOUT & PERFORMANCE



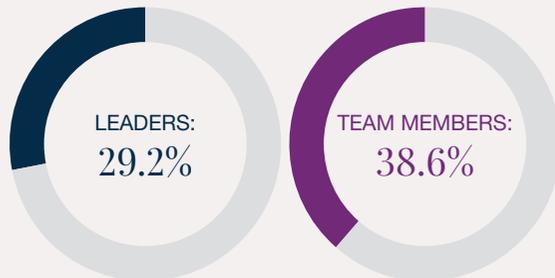
The data reveals burnout's productivity cost—workers with burnout report significantly lower individual performance than those without.

BURNOUT CAUSES



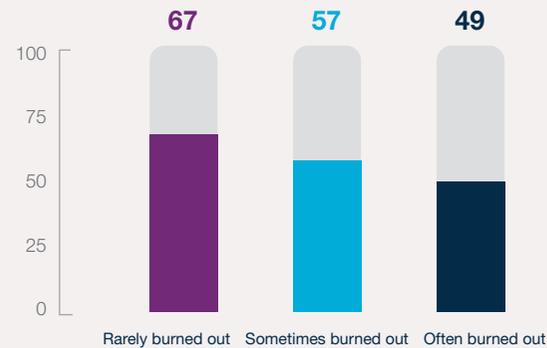
Poor change management emerges as the most frequently experienced hazard for nearly 4 in 5 workers experiencing burnout—highlighting systemic organizational issues.

BURNOUT BY RESPONSIBILITIES



Leaders experience 25% less clinical burnout than team members—highlighting how organizational hierarchy may shield some while exposing others to greater risk.

BURNOUT & EMOTIONAL TOLL



Burnout cuts deepest into how we feel, not just how we function. Thriving scores plunge by 18-points—from 67 to 49—as burnout takes hold.

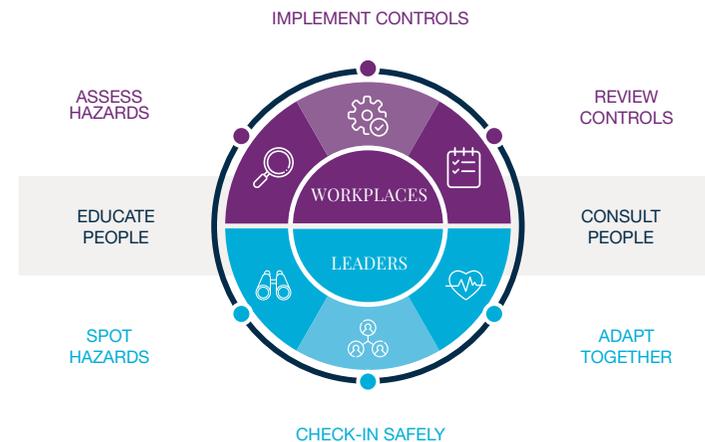
RESEARCH INSIGHTS

- **BURNOUT RATES REMAIN STATIC:** Burnout rates plateaued from 31.8% (2023) to 34.1% (2025). This persistence suggests burnout remains an ongoing workplace challenge despite recent legislation changes that require workplaces to assess, control, and monitor psychosocial hazards.
- **TEAM MEMBERS BEAR HIGHER BURDEN:** The 9.4 percentage point gap between team members (38.6%) and leaders (29.2%) reveals how organizational power shields some while exposing others. Decision-making authority and resource control act as protective factors, leaving frontline workers to bear consequences of decisions they can't influence.
- **PERFORMANCE PLATEAUS HIDE SEVERITY:** Once burnout begins, performance plateaus at 69 whether workers suffer sometimes or often. This threshold effect means performance metrics can't distinguish moderate from severe burnout, potentially missing workers in crisis.
- **WELLBEING DROPS FASTER THAN PERFORMANCE:** Burnout's 18% wellbeing decline (67 to 49) far exceeds its 9% performance drop, revealing traditional business metrics vastly underestimate human cost. Workers experience emotional suffering extending beyond workplace boundaries.
- **SYSTEMIC FACTORS DRIVE BURNOUT PATTERNS:** Poor change management tops all hazards at 78%, with the broader pattern showing work design issues (66.7% average) and workplace conditions (58.3% average) far exceed interpersonal risks like social support (50.5%) and workplace experiences (45.2%).

RECOMMENDATIONS

More than one in three Australian workers meet clinical burnout criteria, yet rates haven't improved despite new psychosocial safety legislation. Leaders often see burnout symptoms—exhaustion, cynicism, reduced performance—and assume workers need more resilience. But burnout is a workplace issue caused by mismatched demands and inadequate support. This data shows exactly where workplaces need to focus their efforts.

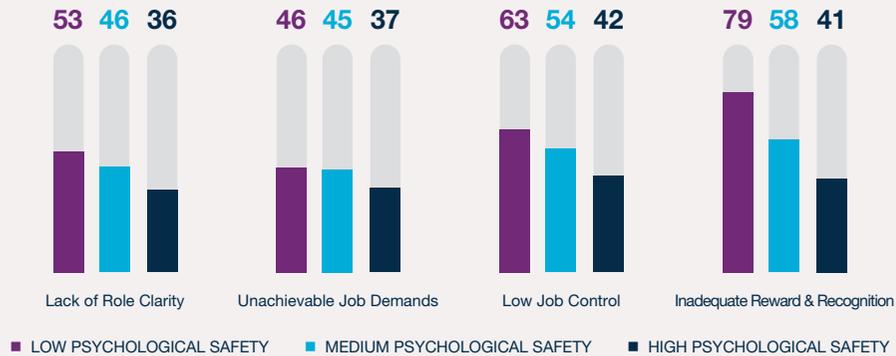
The findings reveal clear priorities: poor change management, inadequate reward & recognition, and poor supervisor support create the highest risks. Australian workplaces must assess, control, and monitor these hazards—it's a legal requirement, not optional. The cycle below shows how to systematically address the workplace conditions that drive burnout, rather than expecting workers to simply toughen up.



How are you assessing, controlling, and monitoring psychosocial risks?

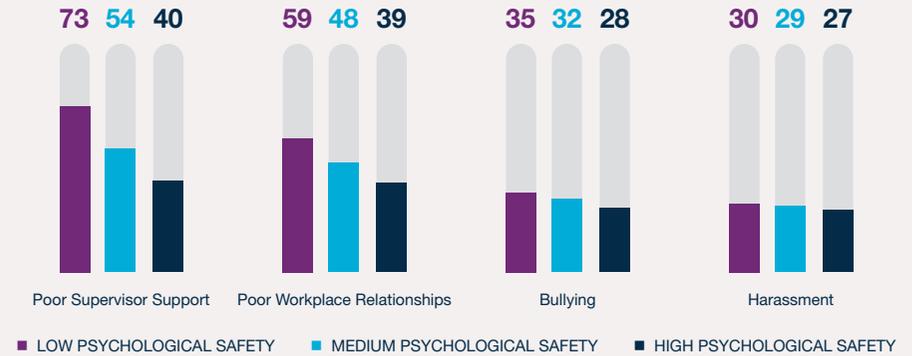
THE PSYCHOLOGICAL SAFETY CONTROL

FREQUENCY OF WORK DESIGN HAZARDS



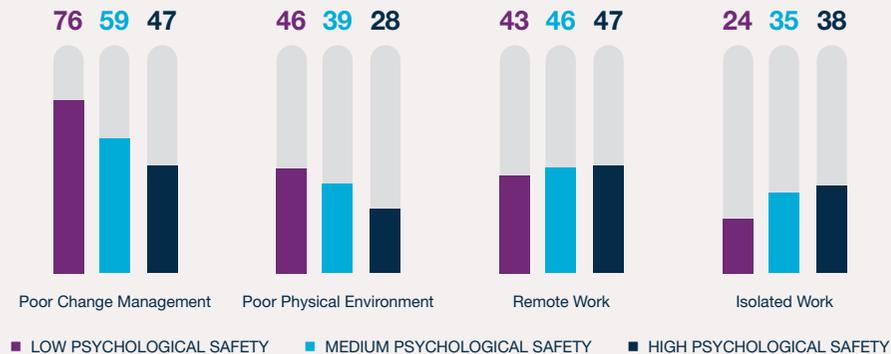
Work design hazards consistently decrease as psychological safety increases. All four hazards show lower averages at high safety levels compared to low safety levels.

FREQUENCY OF SOCIAL SUPPORT HAZARDS



Social support hazards decline with higher psychological safety. Poor supervisor support shows the largest drop, from 73 at low safety to 40 at high safety levels.

FREQUENCY OF WORK CONDITION HAZARDS



Workplace conditions show mixed patterns. Change management and physical environment decrease with higher safety, while isolated and remote work increase.

FREQUENCY OF WORK EXPERIENCE HAZARDS



Workplace experience hazards show minimal variation across psychological safety levels. All three hazards remain relatively stable regardless of safety level.

RESEARCH INSIGHTS

- **MOST BURNED OUT WORKERS LACK SAFETY PROTECTION:** Only 29.8% of burned out workers report high psychological safety—the belief that talking openly and honestly is valued. With 70% experiencing medium or low levels, most lack the protection that comes from feeling safe to speak up.
- **WORK DESIGN HAZARDS HALVE WITH SAFETY:** Psychological safety provides the strongest protection against work design hazards. Workers with high psychological safety report much lower levels of inadequate reward & recognition at 41 compared to those with low psychological safety at 79.
- **SOCIAL SUPPORT SHOWS SECOND-LARGEST GAINS:** Poor supervisor support drops from 73 to 40 as psychological safety increases—the largest protective effect observed. This indicates psychological safety fundamentally alters workplace relationships.
- **WORKPLACE CONDITIONS REVEAL MIXED EFFECTS:** Poor change management improves from 76 to 47 with higher psychological safety. However, isolated work and remote work increase, likely reflecting that workers with less face-to-face contact experience lower psychological safety.
- **WORKPLACE EXPERIENCES REMAIN UNCHANGED:** Psychological safety provides minimal protection against remote work, isolated work, violence & aggression, and exposure to traumatic events & materials. Unlike organizational hazards, these severe experiences require direct intervention.

RECOMMENDATIONS

When psychological safety is low, people avoid talking openly and honestly about workplace hazards. The Safety Check Chat can be used formally or informally to create the conditions where people feel safe enough to speak up. The questions are designed to calm our nervous systems while strengthening relationships.

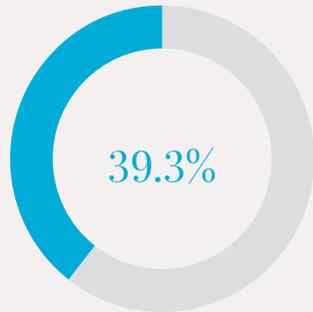
The Safety Check Chat uses four key questions:

- **WHAT'S WORKING WELL?** – This question builds understanding, confidence, and appreciation for how a team is already working to minimize psychosocial risks and surfaces the strengths they can build upon.
- **WHERE ARE WE STRUGGLING?** – This question makes it safer to speak up and candidly discuss the psychosocial risks people may be experiencing. It helps normalize that every job involves some psychosocial hazards that we struggle with at different times.
- **WHAT ARE WE LEARNING?** – This question reminds a team they are never “won-and-done” when it comes to building a culture of safety and care. It is a team’s ability to continue learning and caring for safety together that ultimately minimizes risks.
- **WHAT DO WE WANT TO TRY NEXT?** – This question helps clarify the next steps a workplace, leader, and team will take accountability for owning to minimize any psychosocial risks that were identified and how these efforts will be monitored.

How is your workplace fostering psychological safety?

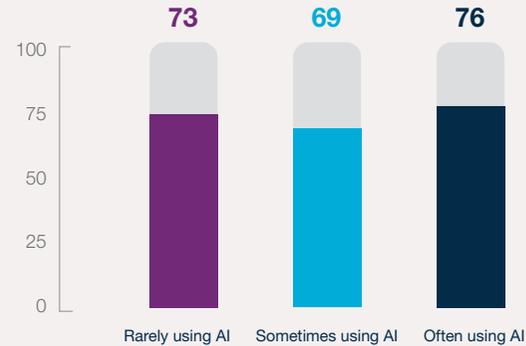
THE AI TOOL IMPACT

USING AI IN MY ROLE



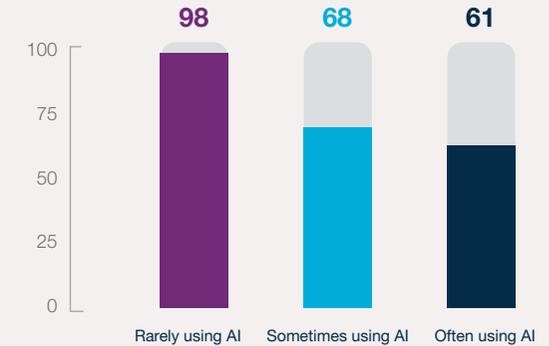
Nearly 40% of workers now use AI technologies in their roles. This rapid adoption signals a major workplace transformation already underway.

AI USAGE & PERFORMANCE



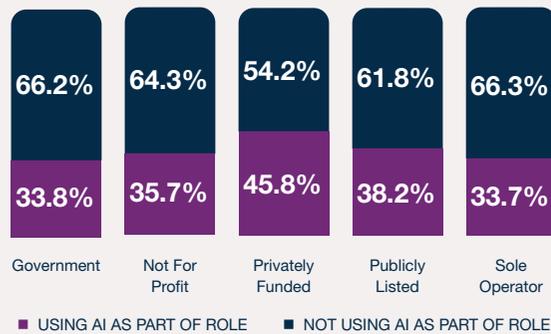
Performance follows a U-shape with AI adoption. The struggle phase (69) eventually rebounds (76), slightly surpassing non-users (73).

AI USAGE & WELLBEING



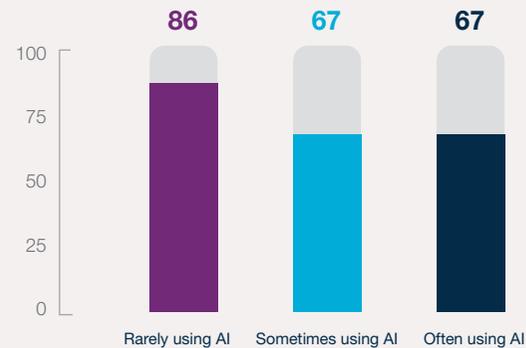
Workers often using AI report 37% lower wellbeing scores than those rarely using AI, indicating a concerning pattern that warrants further investigation.

WORKPLACES USING AI



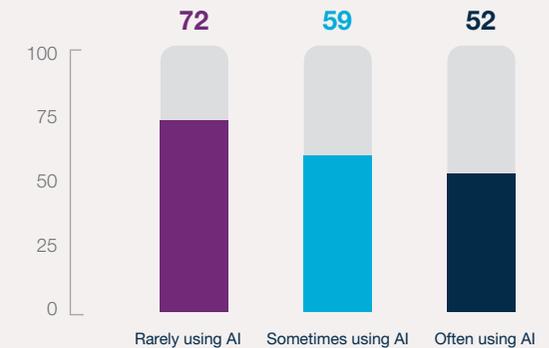
Private sector leads AI adoption at 46%, while government lags at 34%. Same technology, same timeline—but completely different speeds.

AI USAGE & CIVILITY



Civility scores are 19% lower among workers often using AI (67) versus those rarely using AI (86), suggesting more negative interactions.

AI USAGE & SELF-COMPASSION



AI users become their own worst critics. Workers often using AI show 20% less self-compassion as they struggle with new demands.

RESEARCH INSIGHTS

- **AI ADOPTION ACCELERATES ACROSS WORKPLACES:** Nearly 40% of workers now use AI technologies in their roles, with private sector (45.8%) outpacing government (33.8%) by 12 percentage points. This differential adoption creates increasingly divergent day-to-day work experiences across sectors.
- **PERFORMANCE FOLLOWS LEARNING CURVE PATTERN:** Workers show a U-shaped performance pattern with AI adoption—dropping from 73 (rarely using) to 69 (sometimes using) before recovering to 76 (often using). This 4% initial decline followed by 7% recovery suggests a difficult adaptation period.
- **WELLBEING DECLINES PERSIST DESPITE PERFORMANCE RECOVERY:** While performance rebounds with AI proficiency, wellbeing deteriorates from 98 (rarely using) to 61 (often using). This 37% decline represents the largest negative association measured, indicating performance gains come at significant personal cost.
- **CIVILITY ERODES WITH AI INTEGRATION:** Workers often using AI report 19% lower civility scores (67) versus those rarely using AI (86). This may reflect how AI interactions—where courtesy isn't required—reshape workplace communication norms, with habits potentially influencing human-to-human exchanges.
- **SELF-COMPASSION DROPS WITH AI USE:** Workers often using AI show 20% less self-compassion (52) than rarely using (72). This suggests workers internalize technological pressure, becoming increasingly self-critical as they navigate new AI demands and adaptation challenges.

RECOMMENDATIONS

The AI-wellbeing paradox demands immediate attention. While organizations celebrate performance recovery after the initial AI learning curve, they're missing the persistent human costs hidden beneath productivity metrics. This isn't about whether to adopt AI—that ship has sailed. It's about preventing a wellbeing crisis that's already affecting 2 in 5 workers.

Forward-thinking organizations should act now:

- **MANDATE WELLBEING CHECKPOINTS IN AI ROLLOUTS** - Require 30-day, 60-day, and 90-day wellbeing assessments alongside performance metrics. Our data shows performance rebounds but wellbeing continues declining—traditional KPIs won't catch this.
- **CREATE “AI HUMAN IMPACT ASSESSMENTS”** - Before deploying new AI tools, assess not just technical requirements but psychosocial impacts: How will this change daily interactions? What human skills might atrophy? Where might courtesy and connection be lost?
- **ESTABLISH AI PEER SUPPORT NETWORKS** - Connect workers at different stages of AI adoption. Those who've navigated the struggle phase can normalize the experience for newcomers, reducing the self-criticism that drives the 20% drop in self-compassion.

With 40% of workers already using AI and experiencing significant wellbeing impacts, how will your workplace address the human costs of this technological shift?

THE HUMAN-CENTRED CHANGE SOLUTION

In a supercycle of change, we need to support the human experience, not just rely on project plans. We need to lead with HEART—**H**onoring each other's feelings, **E**ngaging purposefully in conversations, **A**ppreciating strengths, **R**eaching out for help, and **T**aking tiny steps forward together.

What if change could strengthen rather than exhaust your people?

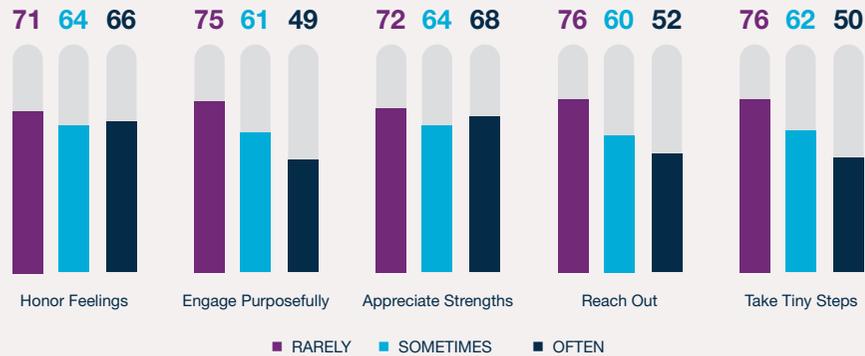


58%

OF WORKPLACES CHANGES
ARE UNSUCCESSFUL.

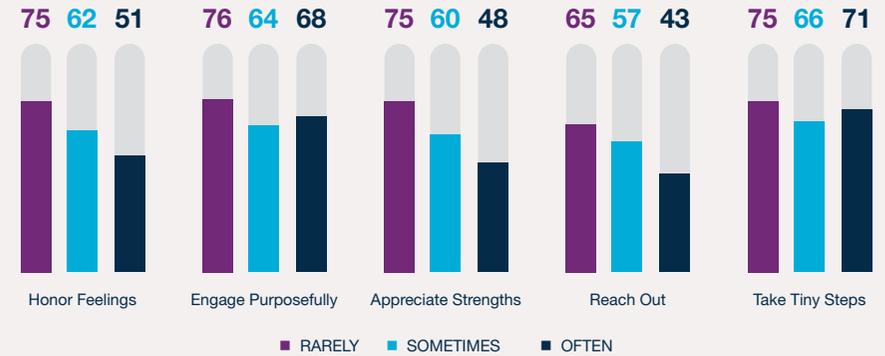
THE POOR CHANGE MANAGEMENT CHALLENGE

POOR CHANGE MANAGEMENT AT THE 'ME' LEVEL



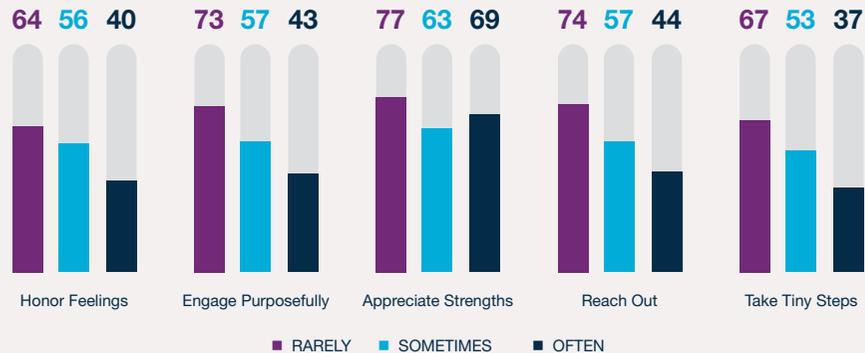
Individual HEART factors show significant protective effects against poor change management. Take Tiny Steps and Engage Purposefully demonstrate strongest associations.

POOR CHANGE MANAGEMENT AT THE 'WE' LEVEL



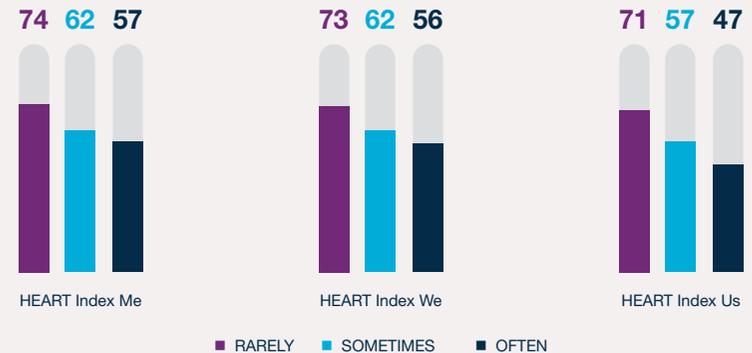
Team HEART capacity correlates with reduced Poor Change Management exposure. Appreciating Strengths and Honor Feelings show largest effect sizes.

POOR CHANGE MANAGEMENT AT THE 'US' LEVEL



Organizational HEART factors demonstrate strongest protective associations. Engage Purposefully and Take Tiny Steps show up to 30-point mean differences.

POOR CHANGE MANAGEMENT & HEART INDEX



Higher HEART scores link to lower frequency of experiencing Poor Change Management. Organizational HEART shows the largest difference (24-points).

RESEARCH INSIGHTS

- **INDIVIDUAL HEART SKILLS BUFFER CHANGE DISRUPTION:** Take Tiny Steps and Engage Purposefully show the largest protective effects, with 31-point differences respectively. Workers with high capacity in these areas experience Poor Change Management 17% less frequently than those with low capacity, demonstrating personal agency as critical protection during organizational transitions.
- **TEAM STRENGTH RECOGNITION BUILDS PROTECTION:** Appreciate Strengths shows the largest protective effect (27-point difference), followed by Honor Feelings (24-points). Teams with high capacity in these areas experience Poor Change Management 17% less frequently, creating collective resilience that buffers against uncertainty.
- **ORGANIZATIONAL SYSTEMS PREVENT CHANGE CHAOS:** Coordinated action (taking steps) and systematic engagement demonstrate the largest protective effects, with 30-point differences. Organizations with strong HEART systems experience poor change management up to 24% less frequently, revealing infrastructure as the most critical intervention point.
- **AN INTEGRATED HEART APPROACH PAYS OFF:** The organizational HEART index shows 24% reduction in Poor Change Management frequency compared to 17% for individual and team systems. Organizational culture, policies, processes, and tools provide the highest leverage point for protecting workers from change management failures, though all levels contribute to comprehensive protection.

RECOMMENDATIONS

Poor Change Management is the #1 most frequently experienced psychosocial hazard among burned out workers. Fortunately, our data reveals a powerful solution: organizations implementing HEART systems - strategy, culture, leadership, policies, processes, and tools - at the “Us” level experience up to 24% less Poor Change Management. Consider these HEART nudges



HONOR FEELINGS - DESIGN EMOTION-AWARE

COMMUNICATION: Before change updates, ask: “What might people be feeling right now?” Structure communications to address both practical and emotional experiences of change.



ENGAGE PURPOSEFULLY - RUN DESIGN CHALLENGES:

Host hackathons and design labs where people can collaborate to solve change challenges and shape implementation approaches.



APPRECIATE STRENGTHS - INVEST IN TALENT: Redesign recruitment, onboarding, development, recognition, reward, and retention policies to identify and build on employee strengths.



REACH OUT - MAKE ASKING ROUTINE: Make seeking input a required step in work processes - project reviews, problem-solving sessions, and decision checkpoints. Embed peer consultation into standard operating procedures.

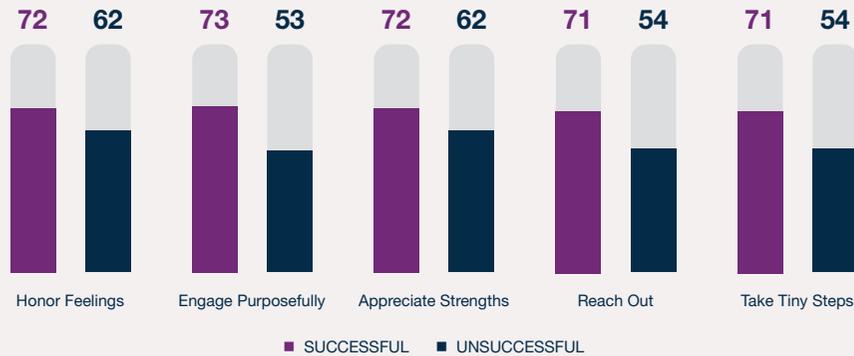


TAKE TINY STEPS - REDEFINE SUCCESS: Building capability to handle complexity creates value beyond any single achievement. Set goals for learning, adaptation, and progress through uncertainty alongside traditional outcomes.

How is your organization building HEART systems to support change success?

THE SUCCESSFUL CHANGE SOLUTION

CHANGE SUCCESS AT THE 'ME' LEVEL



Workers show higher individual HEART across all components for success. Engage Purposefully is the strongest differentiator

CHANGE SUCCESS AT THE 'WE' LEVEL



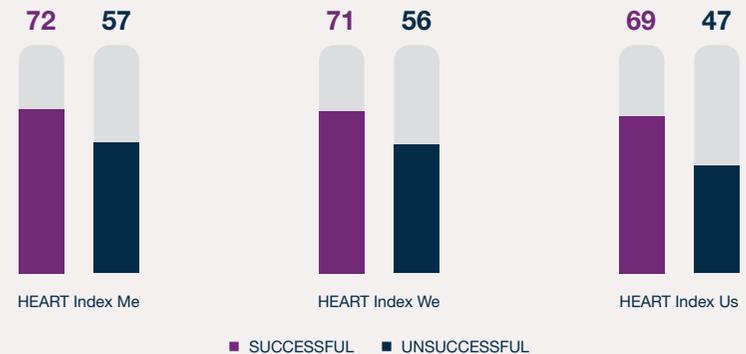
Teams with higher collective HEART capabilities experience significantly more successful change outcomes. Appreciate Strengths and Reach Out are the most critical differentiators.

CHANGE SUCCESS AT THE 'US' LEVEL



Organizational HEART factors show strongest predictive power. Reach Out and Engage Purposefully reveal largest differences between successful outcomes.

CHANGE SUCCESS & HEART INDEX



While individual and team HEART capabilities matter, organizational HEART factors show 22% stronger predictive power for successful change outcomes.

RESEARCH INSIGHTS

- **INDIVIDUAL HEART CAPABILITIES DRIVE PERSONAL SUCCESS:** Engage Purposefully shows the largest difference (20-points), followed by Reach Out and Take Tiny Steps (17-points each). Workers with high individual HEART capabilities achieve 72% change success compared to 57% for low capability workers, revealing meaning-making and social connection as critical protective factors.
- **TEAM COLLECTIVE STRENGTH PREDICTS OUTCOMES:** Appreciate Strengths demonstrates the largest difference (20-points), followed by Reach Out and Honor Feelings (16-points each). Teams with high collective HEART capabilities achieve 71% success rates versus 56% for low HEART teams, demonstrating collaborative strength amplifies individual efforts during uncertainty.
- **ORGANIZATIONAL INFRASTRUCTURE DETERMINES SUCCESS:** Reach Out shows the largest difference (27-points), followed by Engage Purposefully (26-points) and Take Tiny Steps (24-points). Organizations with high HEART systems achieve 69% success rates compared to 47% for low capability organizations, demonstrating organizational systems amplify or limit individual and team effectiveness.
- **MULTI-LEVEL HEART INVESTMENT MAXIMIZES RESULTS:** Organizational HEART demonstrates the strongest predictive impact (22-point difference) versus individual and team (15-points) approaches. High organizational HEART achieves the highest success rate (69%) across all levels, maintaining advantages when individual and team capabilities are strong.

RECOMMENDATIONS

While organizational systems show strongest predictive impact for change success (69% vs 47%), teams serve as the crucial bridge. Teams with high collective HEART capabilities achieve 71% success rates versus 56% for low HEART teams, demonstrating how collaborative strength amplifies individual efforts during uncertainty. Try these HEART nudges:



HONOR FEELINGS - GET CURIOUS: When team interactions become difficult, pause and ask: “What else might be happening for this person?” instead of assuming resistance or incompetence.



ENGAGE PURPOSEFULLY - ASK EXTRAORDINARY QUESTIONS: Transform ordinary questions like “Where did we go wrong?” into extraordinary ones: “What have we learned so far? What do we care enough about to prioritize as a next step?”



APPRECIATE STRENGTHS - HAVE A STRENGTHS CHECK: During weekly check-ins, ask: “What did you enjoy working on? What are you looking forward to? What support do you need to develop your strengths?”



REACH OUT - HOLD HELP HUDDLES: Run 10 minute stand-up meetings where team members share what they’re working on and one task they’d like help with.

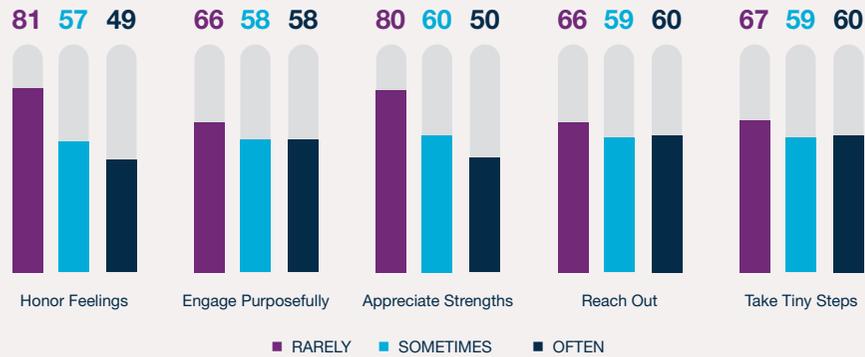


TAKE TINY STEPS - CELEBRATE SMALL WINS: Acknowledge daily progress and small victories. Call out when someone takes a step forward, learns something new, or pushes through a challenge.

How is your team creating the conversations that sustain connection amidst chaos?

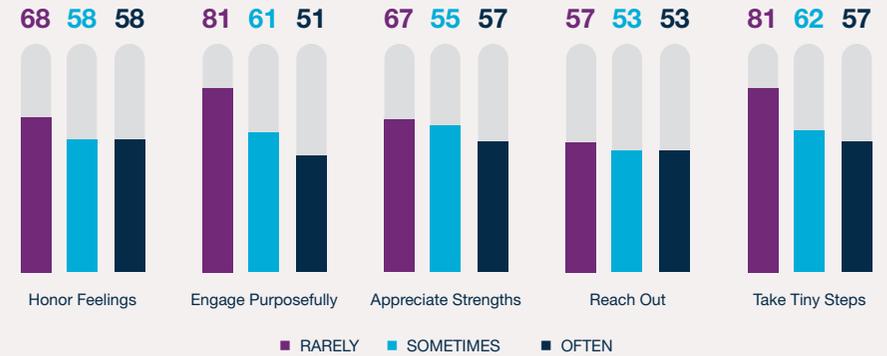
THE QUIET CRACKING TOOLBOX

QUIET CRACKING AT THE 'ME' LEVEL



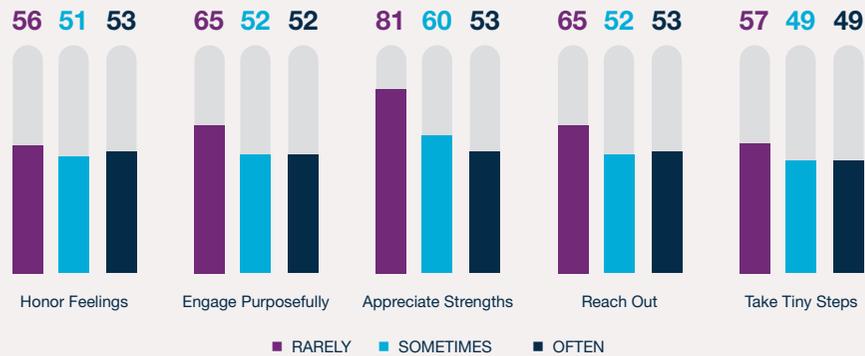
Individual HEART capabilities provide strongest protection against quiet cracking. Honor Feelings and Appreciate Strengths show largest effects.

QUIET CRACKING AT THE 'WE' LEVEL



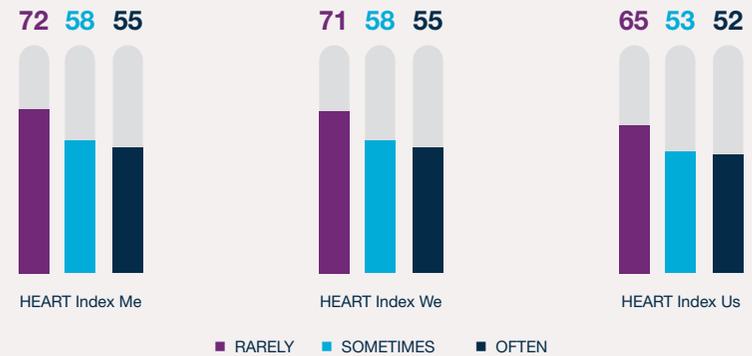
Team HEART capabilities buffer individual wellbeing risks during change. Engage Purposefully and Take Tiny Steps show strongest protection.

QUIET CRACKING AT THE 'US' LEVEL



Organizational HEART provides foundational protection against quiet cracking. Appreciate Strengths and Engage Purposefully should be prioritized.

QUIET CRACKING & HEART INDEX



Workplaces should invest in developing all three HEART levels, with individual capabilities receiving priority given their stronger protective effects.

RESEARCH INSIGHTS

- **INDIVIDUAL EMOTIONAL REGULATION PREVENTS QUIET CRACKING:** Honor Feelings shows the largest protective effect (32-point difference), followed by Appreciate Strengths (30-points). Workers who rarely experience quiet cracking score 32% higher on emotional regulation and 30% higher on strength recognition, demonstrating personal capabilities as the strongest defense against workplace wellbeing deterioration.
- **TEAM PURPOSE AND ACTION SHIELD INDIVIDUAL WELLBEING:** Engage Purposefully demonstrates the largest protective effect (30-point difference), followed by Take Tiny Steps (24-points). Teams with high collective HEART capacity experience 30% higher purposeful engagement and 24% better incremental progress, creating protective environments that buffer individual quiet cracking risk.
- **ORGANIZATIONAL STRENGTH RECOGNITION CREATES FOUNDATION:** Appreciate Strengths shows the largest protective effect (30-point difference), followed by Engage Purposefully (20-points). Organizations with strong capability recognition systems experience 30% higher strength appreciation, providing foundational support that enables individual and team HEART development during change.
- **MULTI-LEVEL HEART INVESTMENT MAXIMIZES PROTECTION:** Individual HEART Index shows 17% improvement over often-cracking workers, compared to 16% for teams and 13% for organizations. While individual capabilities provide strongest immediate protection, the integrated approach across all three levels creates comprehensive defense against quiet cracking.

RECOMMENDATIONS

With 55% of workers quietly cracking - maintaining performance while experiencing internal distress - we need practical tools for navigating inevitable "Oh FUD!" – fear, uncertainty, and doubt many of us are feeling. Try these personal HEART nudges:

- **H HONOR FEELINGS - SEND A SAFETY SIGNAL:** Soften your gaze, take a slow breath and release it as a gentle sigh. As your shoulders drop, whisper: "It's okay to feel unsettled. It's just your brain keeping you safe."
- **E ENGAGE PURPOSEFULLY - EXPLORE WHY IT MATTERS:** Seek personal relevance: "Why might this change matter to me, my team, and our organization? What opportunities might this create that I haven't considered yet?"
- **A APPRECIATE STRENGTHS - CREATE A TAH-DAH:** Each day, intentionally apply a strength to a task you don't enjoy. Celebrate with "tah-dah" when done and notice how using your strength helped.
- **R REACH OUT - ASC FOR HELP:** When asking for help, **A**cknowledge what you need help with, **S**hare why it matters to you, and **C**larify the specific support you need. Make your requests clean and clear.
- **T TAKE TINY STEPS - START WHERE YOU ARE:** When change feels overwhelming, take a breath and ask: "What's one small thing I can actually handle right now?" Begin with what's manageable instead of the ideal.

Which HEART skill will you strengthen first to navigate your next "Oh FUD!" moment?

ABOUT THE RESEARCHERS



DR. MICHELLE MCQUAID

Michelle is a best-selling author, workplace wellbeing teacher and playful change activator. An honorary fellow at the University of Melbourne's Graduate School of Education, in addition to hosting the highly acclaimed weekly podcast, Making Positive Psychology Work, which features leading researchers and practitioners from around the world, Michelle blogs for Psychology Today, The Huffington Post and Thrive, and her work has been featured in Forbes, The Harvard Business Review, The Wall Street Journal, Boss Magazine, The Age and more. You can find more of Michelle's work at [The Change Lab](#).



MICHELLE ETHEVE

Michelle is a facilitator, coach, and educator who helps people and organisations take more human-centred approaches to change. One of Australia's leading Appreciative Inquiry practitioners, she has designed and facilitated large-scale change summits for workplaces and communities across the globe. With a Master of Science in Coaching Psychology from The University of Sydney, Michelle specialises in creating cultures of curiosity, learning, and adaptability—equipping people to craft better questions and have the purposeful, powerful conversations that make change possible. You can find more of Michelle's work at [The Change Lab](#).



MAUREEN (MO) MCKENNA

Mo is a workplace change practitioner who helps leaders and teams shift mindsets and create more human-centred workplaces. Drawing on over 25 years of partnering with multi-sector organizations, she brings a practitioner's insight to translating research—like the HEART framework—into practical steps that begin with a pause and foster connection, adaptability, and thriving through change. You can find more of Mo's work at www.returnonenergy.ca.



KATIE BERESFORD

Katie is a charismatic speaker and award-winning entertainer who blends playful creativity with evidence-based solutions to help organizations care for wellbeing and thrive through change. Drawing on her background in corporate leadership, education, and the music industry, she has delivered transformative experiences for thousands of clients globally, including the Australian Army, Department of Employment and Workplace Relations, and Rugby Union Players Association. With a Masters in Applied Positive Psychology and currently pursuing a Doctor of Education at the University of Melbourne, Katie's Creative Flourishing model offers fresh insights into helping people thrive.

WANT MORE?



JOIN THE HEART OF CHANGE MASTERCLASS

When everything seems to be changing at once, your teams need more than project plans and status updates. The supercycle of change - where multiple shifts collide and amplify each other - is overwhelming people's capacity to cope, leading to quiet cracking and burnout.

Our HEART of Change masterclass, built on research from 1,000+ workplaces, gives you the systems informed tools you need to support people's nervous systems through uncertainty. It teaches you to help teams: **H**onor each other's feelings, **E**ngage purposefully in conversations, **A**ppreciate their strengths, **R**each out for help, and **T**ake tiny steps forward together. These evidence-based practices help people to feel psychologically safe enough to stay engaged when change feels overwhelming.

Over three workshops, you'll come away with:

- **Evidence-based change nudges** at the 'Me' (individual), 'We' (team), and 'Us' (organizational) levels that help people feel emotionally and socially safer
- **Assessment tools with immediate reports** that reveal exactly where teams are struggling with change and what specific support would make the biggest difference right now
- **Ready-to-use conversation templates** that transform resistance into commitment by addressing what people are experiencing, not just what needs to get done
- **Implementation guides** that show you how to prevent quiet cracking by embedding these practices into existing workflows

Perfect for HR leaders addressing psychosocial safety risks, change champions wanting frameworks to coach teams through unpredictability, wellbeing champions building psychological safety, and practitioners seeking co-brandable resources.

LEARN MORE