



Employee Sentiment Index

Australia | ELMO Software | April – June 2023



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Key findings

April – June 2023

A toxic mix of economic insecurity, burnout and illness is exacerbating the work winter blues – especially among women and the younger generations.

ECONOMIC SECURITY CONCERNS

Concern about the economy has increased for the third quarter in a row, **with an all-time high of 44%** of Aussie workers who now believe the **economy is not secure.**



BURNOUT

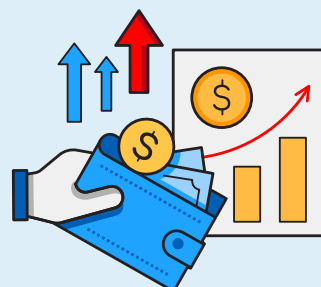
The number of workers **feeling burnt out 46%** has peaked this quarter and the increase is being driven by the younger generations.



PAY RISES

But as the end of financial year approached, pay rises were top of mind for workers.

59% of employees said they anticipate **a pay rise within the next year**, the highest figure since the ESI began.



Key findings

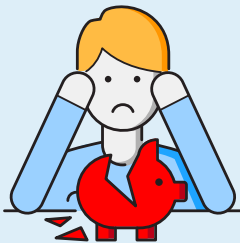
The gender pay gap

From early next year, Australian organisations with 100 or more employees will have their gender pay gaps published online. This historic law change gives a significant portion of employees the power to answer a long-silenced question.

What is the gender pay gap at my company?

AFTER LEARNING ABOUT A SIGNIFICANT GENDER PAY GAP WITHIN THEIR ORGANISATION

Almost **70%**
of women would feel
disappointed.



Compared to
46% of men.



Women were roughly
twice as likely
than men to feel



x4

and **four times as likely**
to feel underappreciated.

Only 3%
of Baby Boomers
said they would
try less at work.



Compared to
23% of Gen Z.



Compared to Baby Boomers,
Gen Z are **more than twice as**
likely to look for another job.



Analysis

April – June 2023



Perceived security

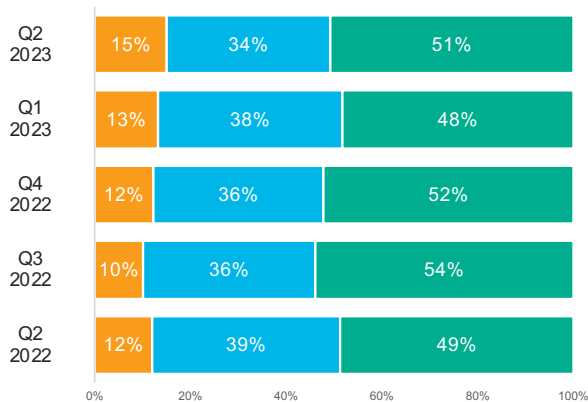
The second quarter of 2023 saw less indecision among workers with an all-time high of perceived insecurity across all four categories. From the macro (the economy) to the micro (their jobs), employees are feeling more insecure than ever.

Baby Boomers are the most likely to feel their organisation and industry are secure:

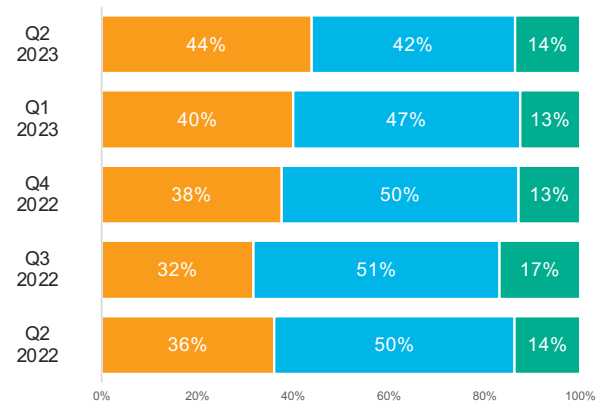
- Organisation: 59%; cf. Gen Z 44%, Millennials 49%, Gen X 54%)
- Industry: 57%; cf. Gen Z 35%, Millennials 51%, Gen X 54%.

But reversing this age trend, Gen Z have the highest sense of economic security (16%; cf. Millennials 15%, Gen X 13%, Baby Boomers 9%). While among the genders, half of women (50%) feel the economy is not secure compared to 38% of men.

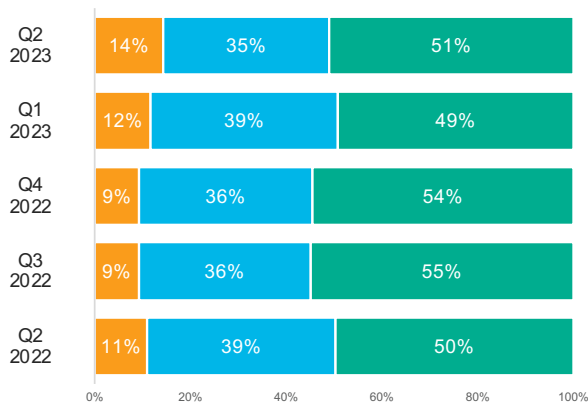
Job security



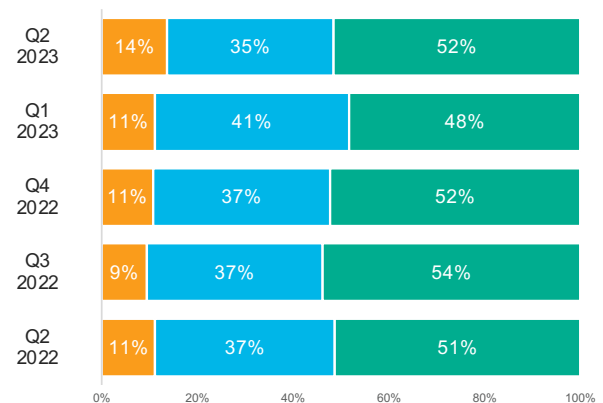
Economic security



Industry security



Organisational security



Not Secure (1-4) Neutral (5-7) Secure (8-10)

Q4. On a scale of 1 - 10, where 1 is not at all secure and 10 is extremely secure, how would you rate your feelings of security with each of the following?
 Australian Workers Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000) // Q2 2022 (n= 1,037)
 *Indicative only due to small sample size

Hours worked

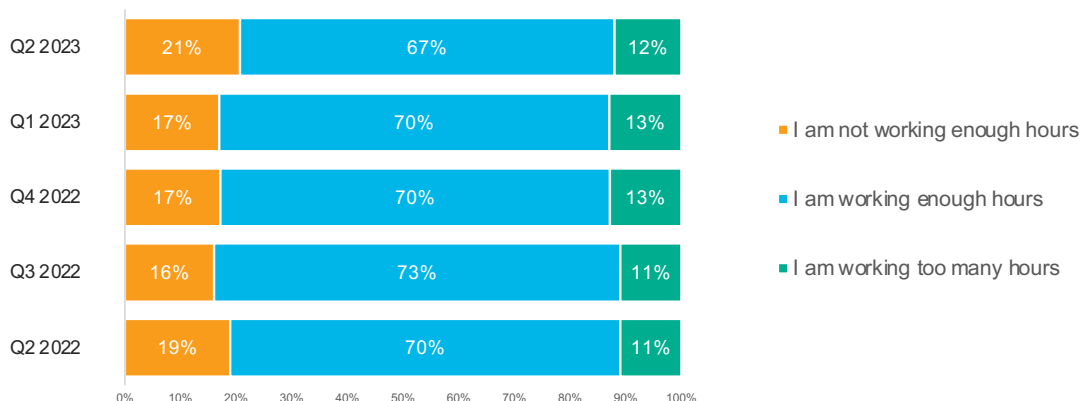
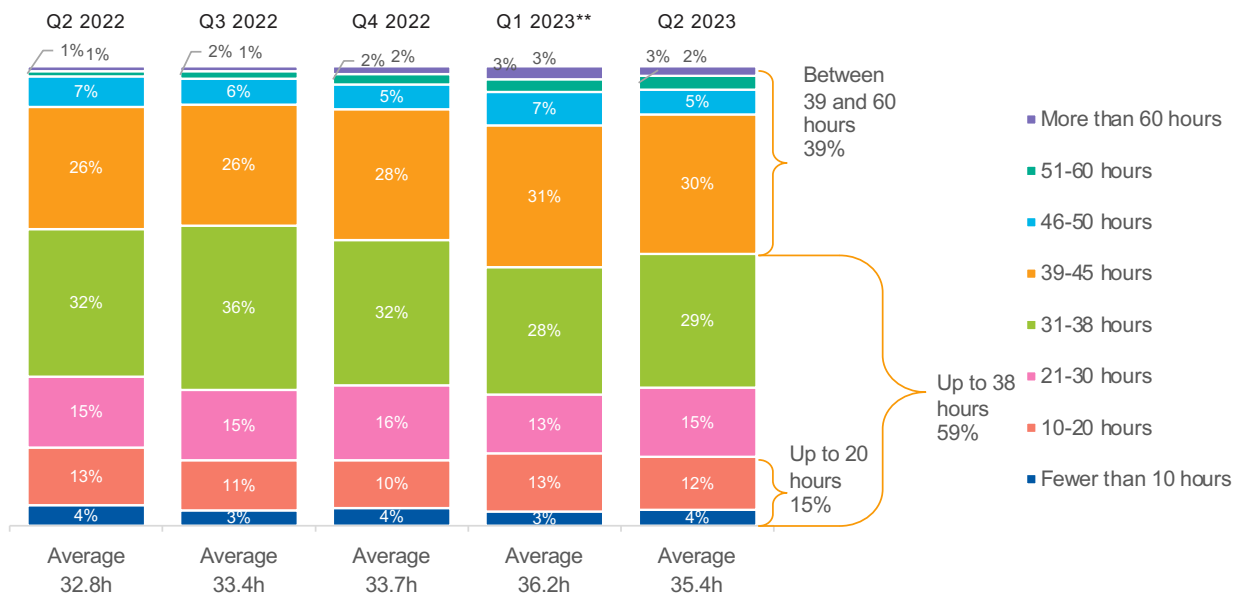
On average Australian workers worked 35.4h a week over the past quarter, a slight decrease on Q1 (36.2h).

Those who are self-employed worked nearly four hours less than the average worker (31.5h; cf. average 35.4h).

The number of workers who believe they are not working enough hours has increased in Q2, reaching an all-time high of one in five employees.

Women and Gen Z are the most likely to believe they aren't working enough hours:

- Female 26%; cf. Male 16%.
- Gen Z 33%; cf. Millennials 19%, Gen X 19%, Baby Boomers 18%.



Q1. Over the last three months, on average how many hours do you work per week? Australian Workers Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n=1,014) // Q3 2022 (n=1,000) // Q2 2022 (n=1,037).

**Note: Question format and wording change in Q1 2023 from "Ordinarily, how many hours do you work per week?"

Q2. Over the past three months (April to June 2023), which of the following statements best applies to you regarding the hours you worked? Consider your cost of living and your ability to meet those needs based on the number of hours you work. Australian Workers Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n=1,014) // Q3 2022 (n=1,000) // Q2 2022 (n=1,037)

*indicative only due to small sample size

Worker wellbeing

All aspects of worker wellbeing are on par or higher than in Q1 except for feeling bored at work, which saw a slight decrease.

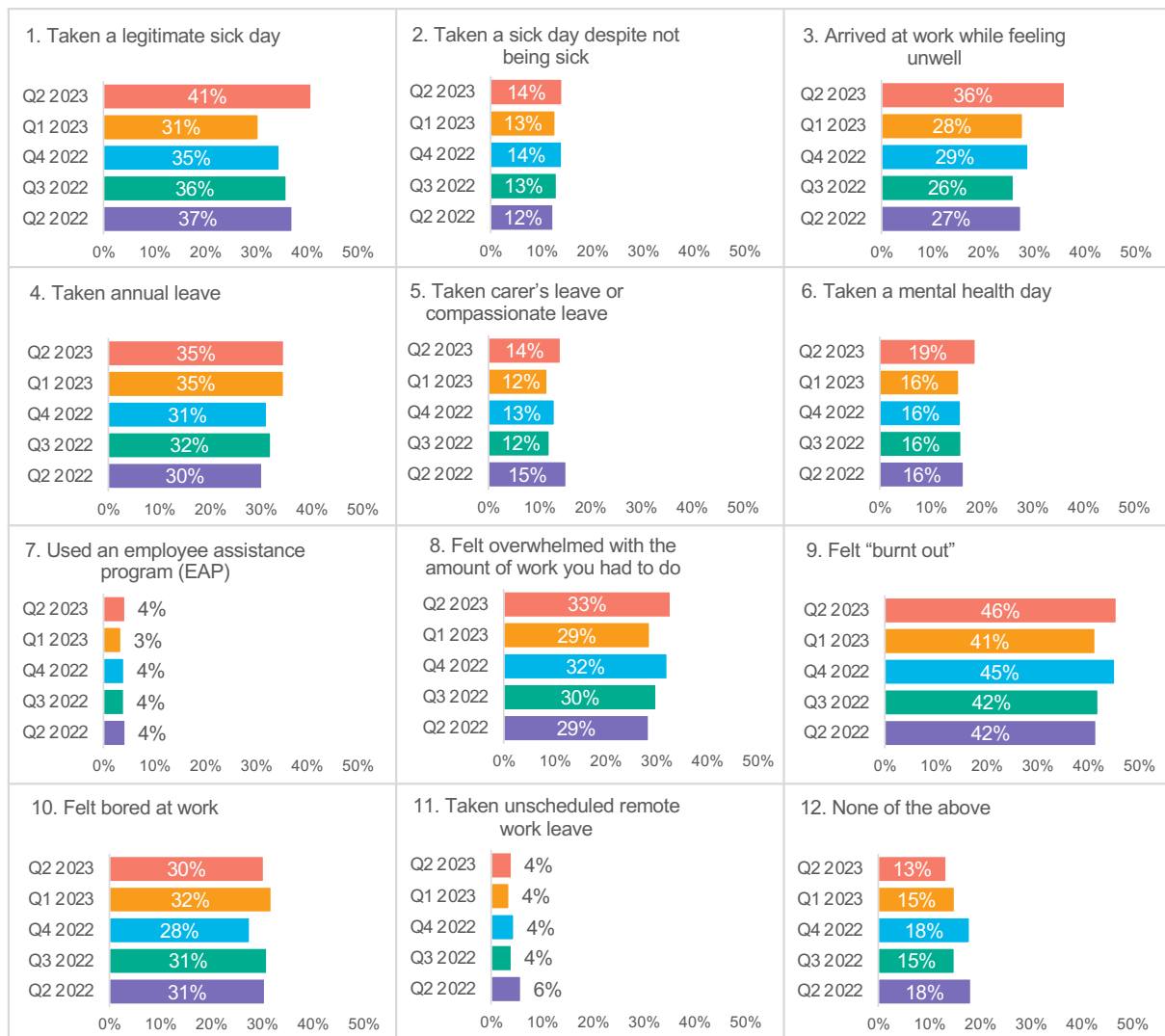
The number of workers taking a legitimate sick day or arriving at work feeling unwell has increased greatly since last quarter and since this time last year, suggesting the difference may not just be seasonal.

Women and the younger generations are the most likely to have taken a legitimate sick day:

- Gen Z 48%, Millennials 48%; cf. Gen X 37%, Baby Boomers 23%.
- Women 46%; cf. Men 37%.

The number of workers feeling 'burnt out' has also peaked, with higher numbers among the younger generations (Gen Z 60%, Millennials 52%; cf. Gen X 41%, Baby Boomers 21%).

While women were more likely than men to feel overwhelmed by the amount of work they had to do (Women 38%; cf. Men 28%)



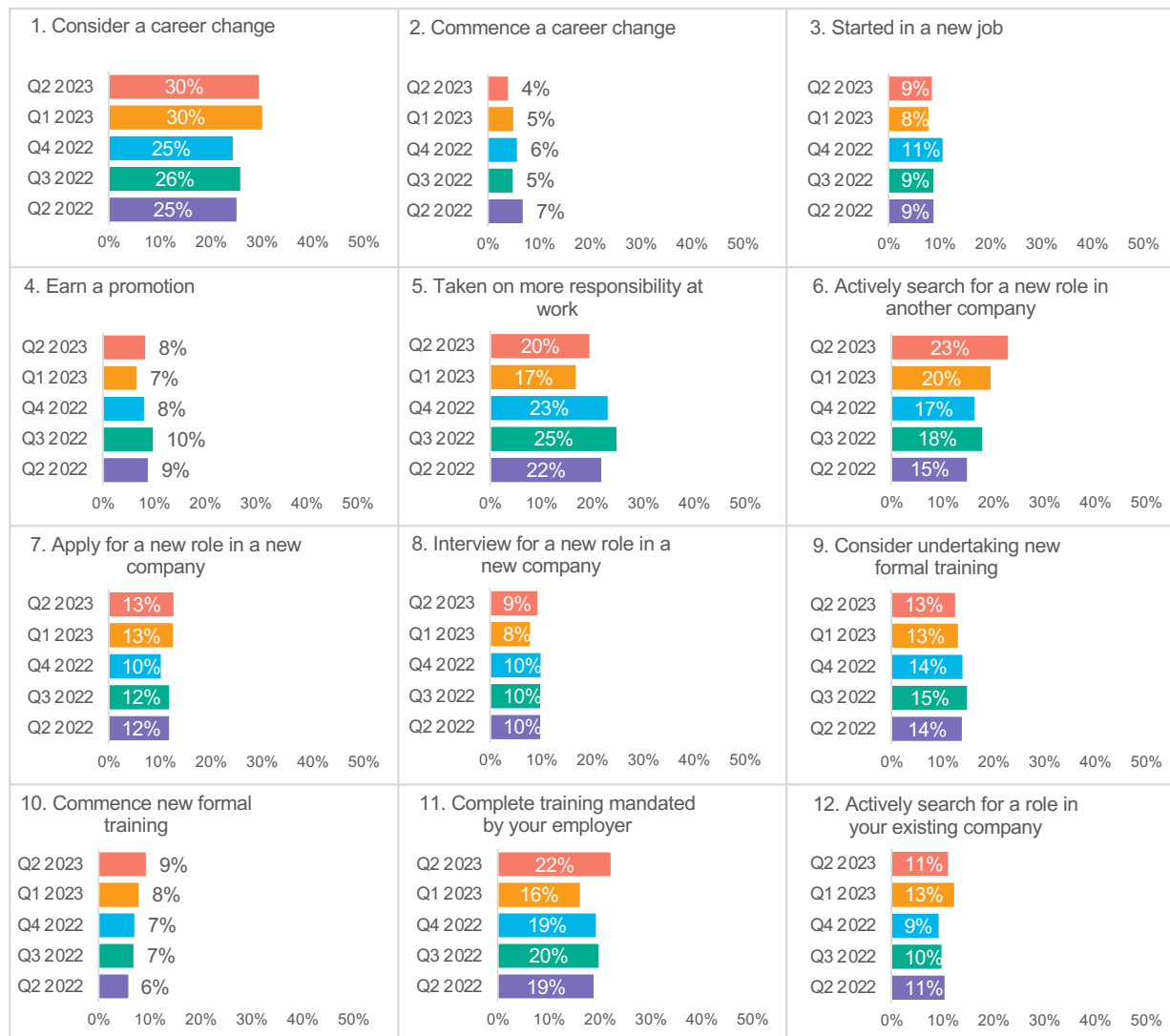
Q3. Over the past three months have you...? Australian Workers Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000) // Q2 2022 (n= 1,037)

Worker mobility

Consideration of a career change and actively searching for a new role in another company are notably higher than this time last year.

Both are driven by the younger generations, with Millennials more likely to be considering a change (37%, Gen Z 32%; cf. Gen X 25%, Baby Boomers 16%) and Gen Z more likely to be actively searching (31%, Millennials 29%; cf. Gen X 20%, Baby Boomers 6%).

More than a fifth of workers have completed training mandated by their employer, this increases to a quarter among the younger generations (Gen Z 26%, Millennials 25%; cf. Gen X 20%, Baby Boomers 17%).



None of the above:
 Q2 2023 32%, Q1 2023 33%, Q4 2022 31%, Q3 2022 28%, Q2 2022 31%

Q6. In the past three months, did you...? Australian Workers Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000) // Q2 2022 (n= 1,037)

Note: Formatting change in Q1 2023

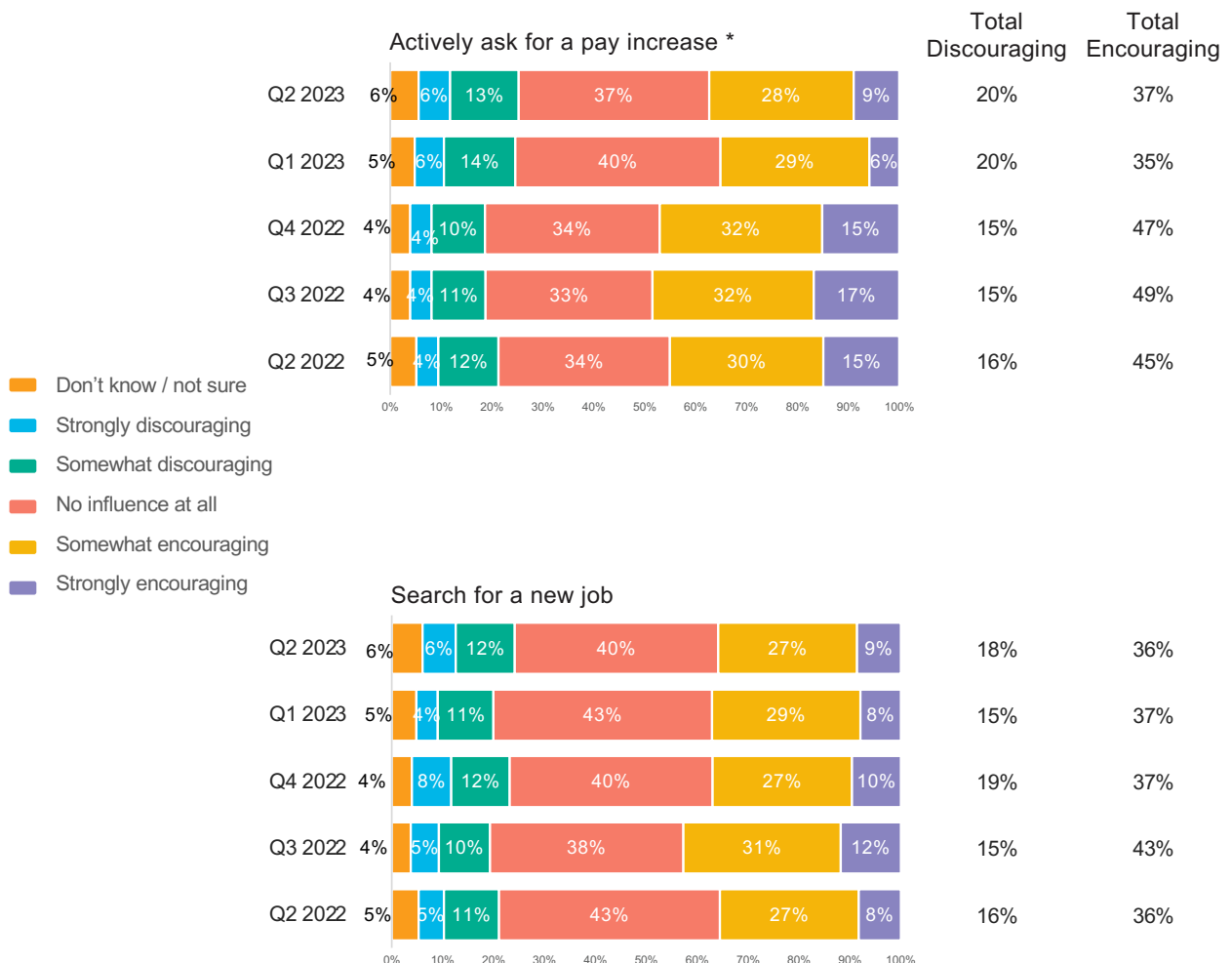
Economy influencing decision making

The number of Australians who say current economic conditions are encouraging them to actively ask for a pay rise is still low compared to this time last year but has increased two percentage points since last quarter.

The younger generations, in particular Millennials, are more encouraged by current economic conditions to ask for a pay increase (Gen Z 46%, Millennials 51%; cf. Gen X 27%, Baby Boomers 16%).

Meanwhile Australian workers are just as encouraged to search for a new job now as they were this time last year.

Workers in the Information, Media and Telecommunications, Education and Training, and Retail industries are much more likely than average to be encouraged to search for a new job (IM&T 49%, E&T 47%, Retail 45%; cf. average 36%).



Q10. To what extent are current economic conditions encouraging or discouraging you to do the following? Australian Workers Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000) // Q2 2022 (n= 1,037)

* Code frame changed in Q1 2023 from "seek a pay increase" to "Actively ask for a pay increase"

Future of work

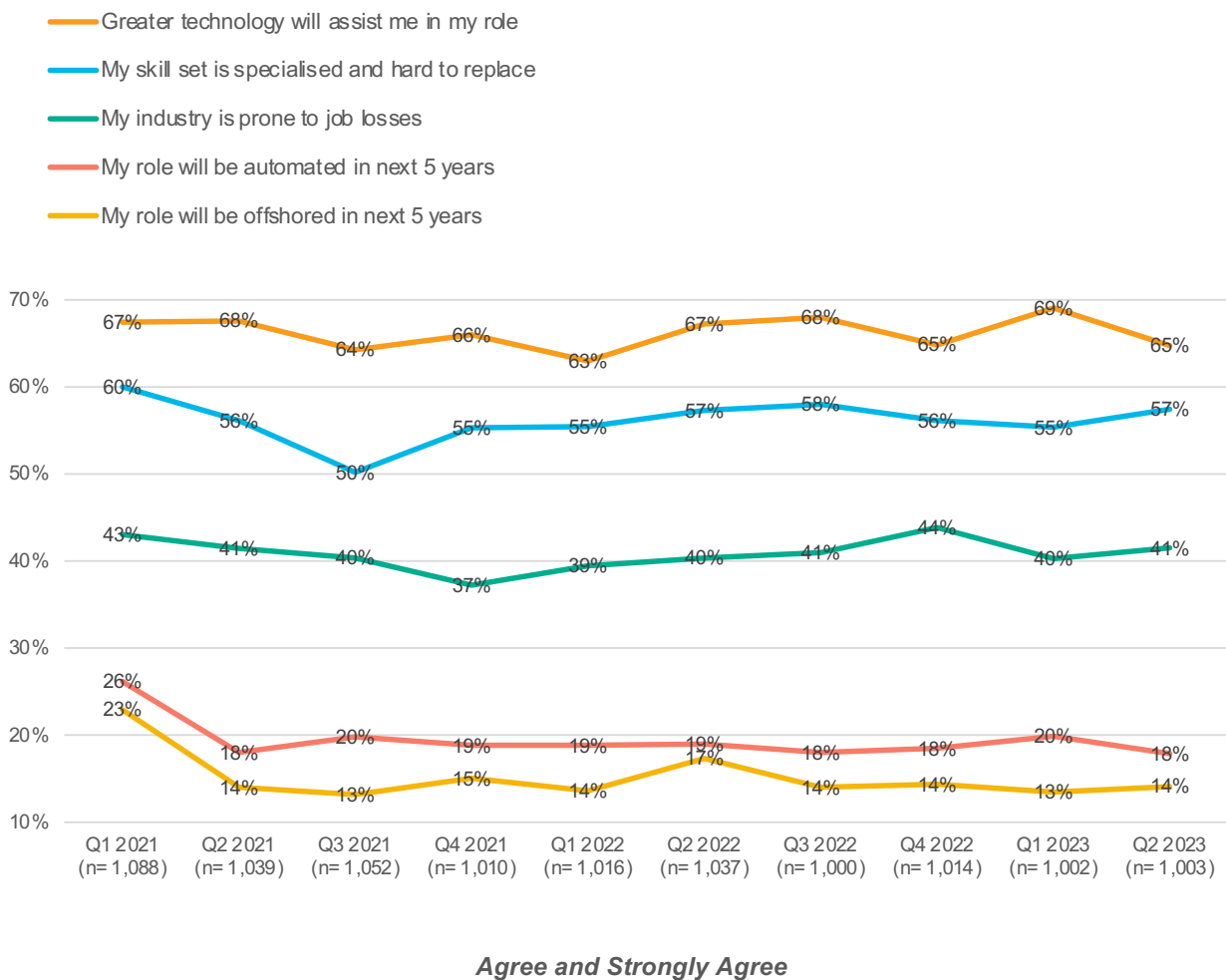
Belief that greater technology will assist employees in their role and that their role will be automated in the next five years have dropped in Q2 after a high last quarter. The trend could signal a decline in the hype around generative AI after the release of ChatGPT earlier in the year.

Both decreases are driven by workers in junior/entry level roles, specifically:

- Greater technology assisting them in their role dropped 16 percentage points (Q2 2023 51%; cf. Q1 2022 67%)
- Their role will be automated dropped 10 points (Q2 2023 17%; cf. Q1 2022 27%).

Nearly three in five (57%) Australian workers believe their skill set is specialised and hard to replace. This increases to nearly two thirds (64%) of men compared to just half (50%) of women.

Workers in the Information, Media and Telecommunications industry are roughly twice as likely than the average worker to believe their role will be offshored (31%; cf. average 14%).



Employee priorities

The prioritising of remuneration and bonus payments has seen a 13-percentage point increase among Gen Z over the last quarter (Q2 2023 40%; cf. Q1 2023 27%).

Across the states there's been an eight and nine-point increase in SA and WA when it comes to prioritising flexible and remote working:

- SA Q2 2023 53%; cf. Q1 2023 45%
- WA Q2 2023 44%; cf. Q1 2023 35%.

More than a third of workers value the culture of the organisation (36%) and an easy and/or short commute (34%) as a top three factor.

While nearly three in ten (28%) workers rank career development opportunities in their top three factors. This peaks at 37% among Millennials (cf. Gen Z 31%, Gen X 22%, Baby Boomers 13%).

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Remuneration and bonus payments / incentives	1st	1st	1st	1st	1st
Stability of an organisation	Tied 2nd	2nd	Tied 2nd	2nd	3rd
Flexible/Remote working	Tied 2nd	3rd	Tied 2nd	3rd	2nd
Culture of the organisation	4th	Tied 4th	Tied 4th	5th	5th
Easy and/or short commute	5th	Tied 4th	Tied 4th	4th	4th
Career development opportunities	6th	6th	6th	6th	6th
The ethical standing/reputation of the organisation and leadership	7th	Tied 7th	8th	7th	7th
Professional learning opportunities	8th	Tied 7th	7th	8th	8th
Wellbeing initiatives	9th	9th	9th	9th	9th
Diversity among employees/senior leadership team of the organisation	10th	10th	10th	10th	10th
Online or word-of-mouth employee reviews of the leadership	11th	11th	11th	11th	11th

Q9. Thinking about choosing a new employer, rank your top five most important factors from the list below. Australian Workers Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000) // Q2 2022 (n= 1,037)

Recognition and remuneration

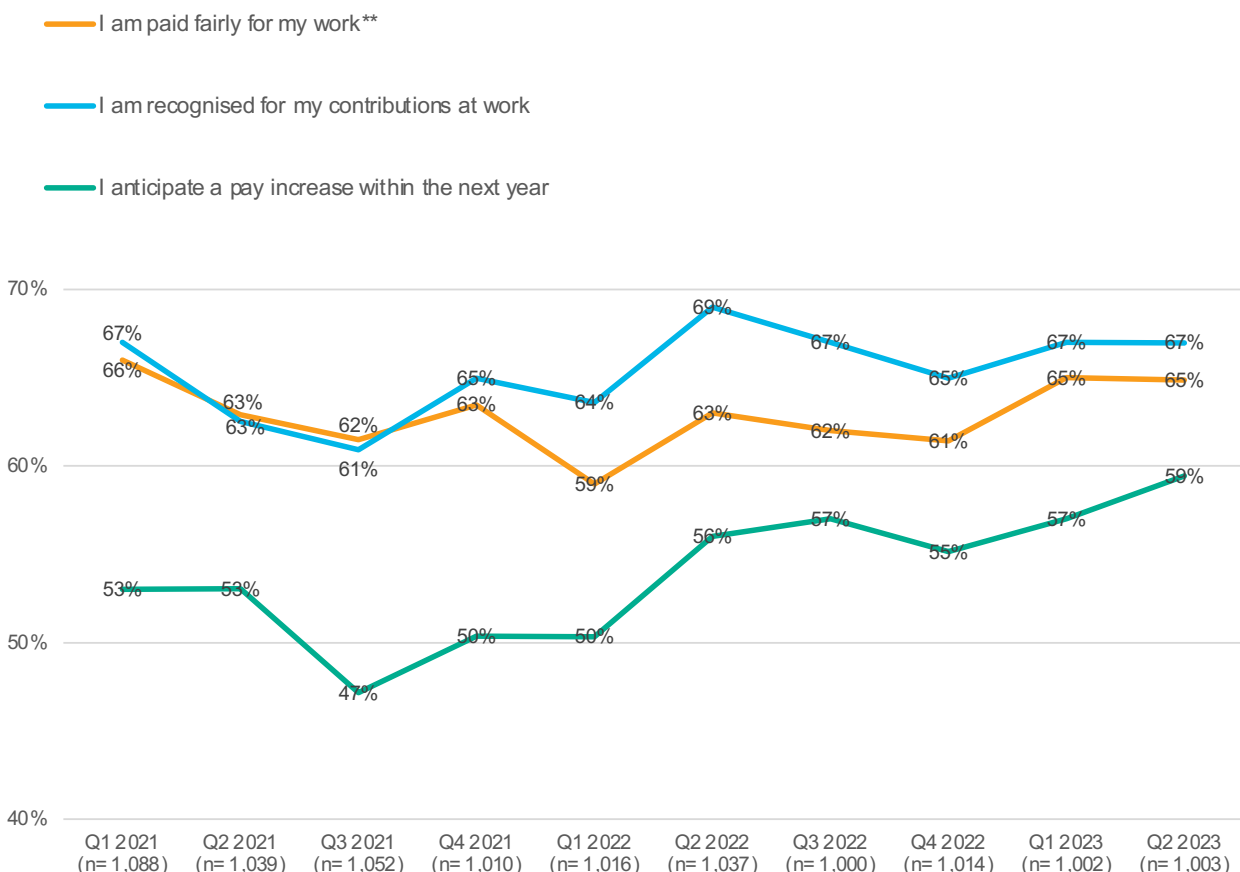
The end of financial year period brings heightened pay expectations for many workers.

Three fifths of Aussie workers anticipate a pay increase within the next year, the highest figure since the survey began.

Anticipating a pay increase peaks at two thirds among men (65%) compared to just over half (53%) of women.

Belief they are paid fairly for their work was stable in Q1, however among the genders there has been a slight increase among men (Q2 2023 70%; cf. Q1 2023 67%) and a decrease for women (Q2 2023 59%; cf. Q1 2023 64%).

Meanwhile, feeling recognised for their contributions at work increases with age (Gen Z 59%, Millennials 66%, Gen X 68%, Baby Boomers 75%). Workers in the administrative and support industry are much more likely than average to feel recognised for their contribution (83%; cf. average 67%).



Q7. To what extent do you agree or disagree with each of the following statements? Australian Workers Note: Code frame reduced in Q1 2023

*Indicative only due to small sample size

** Question text changed from "I am remunerated for my work fairly" to "I am paid fairly for my work" in Q1 2023

Recognition and remuneration (cont...)

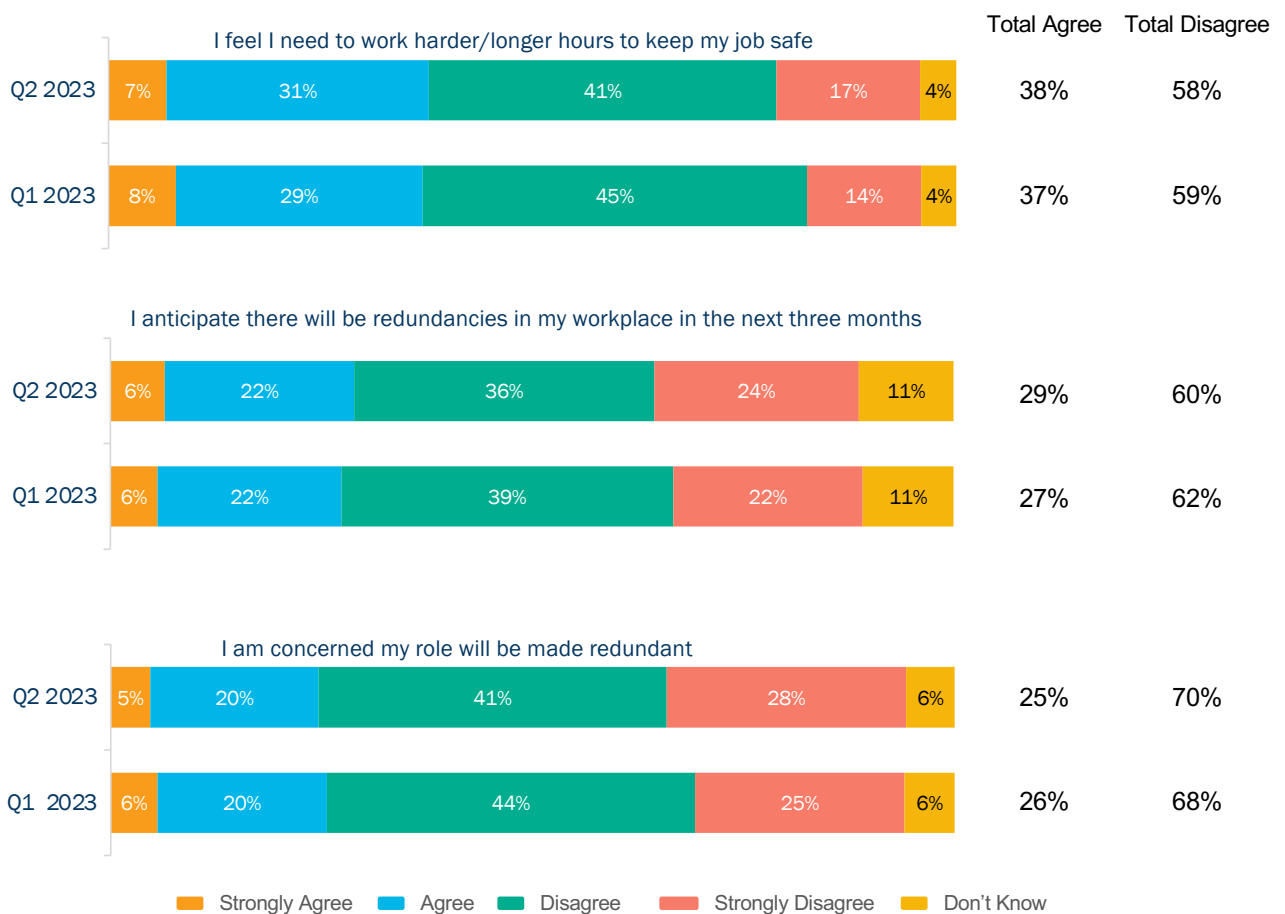
Nearly two in five Australian workers feel as though they need to work harder/longer hours to keep their job safe, which is not surprising given the high level of economic insecurity highlighted earlier in the report.

This figure is similar between men and women but is felt more strongly in the younger generations (Gen Z 41%, Millennials 43%, Gen X 34%, Baby Boomers 31%).

Three in ten workers anticipate that there will be redundancies in their workplace within the next three months, increasing to more than two-in-five (41%), among those in the Information, Media, and Telecommunications industry.

This is 12-percentage points higher than the average worker (29%).

A quarter of workers are concerned their own role will be made redundant. For those in the Information, Media, and Telecommunications industry, the trend continues with them being twice as likely as the average worker to be concerned their role will be made redundant (49%; cf. average 25%).



Q7. To what extent do you agree or disagree with each of the following statements? Australian Workers Q2 2023 (n=1,003) // Q1 2023 (n=1,002)
 *Indicative only due to small sample size



Trending topic

Pay transparency and the gender pay gap

Discussing salary, workload and health

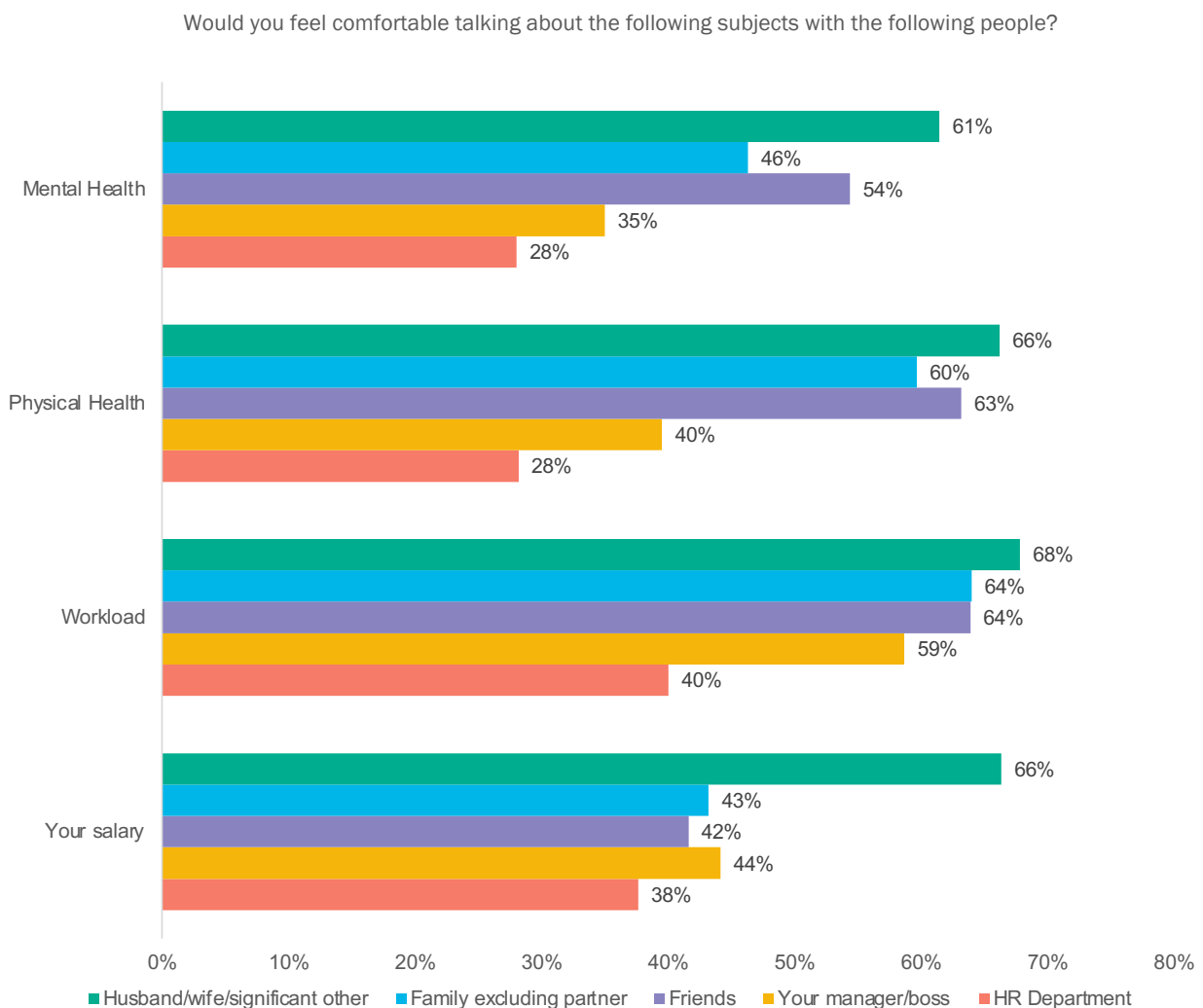
Salary seems to be a difficult topic to talk about at work. Employees are less comfortable talking to HR about their salary than they are with their manager, family, friends or significant others.

In fact, talking to HR ranks lower than the other categories of people across all four topics.

By generation, Millennials are more likely than any age group to say they are comfortable talking to HR about their salary (44%; cf. Gen Z 32% Gen X 36%, Baby Boomers 24%).

Millennials are also more likely to say they are comfortable talking to their manager about salary (48%; cf. Gen Z 40%, Gen X, 44%, Baby Boomers 36%).

There was no significant difference between men and women when asked how comfortable they feel talking about their salary with either HR or their manager.



Q11. Thinking about the following topics – your salary, workload, physical health and mental health - would you be comfortable talking about these topics with the below people? Australian Workers Q2 2023 (n=1,003)

The gender pay gap and transparency

Most Australian workers believe there should be greater pay transparency in organisations. This figure is higher among women and younger generations:

- Women 89%; cf. Men 84%.
- Gen Z 91%, Millennials 88%; cf. Gen X 84%, Baby Boomers 83%.

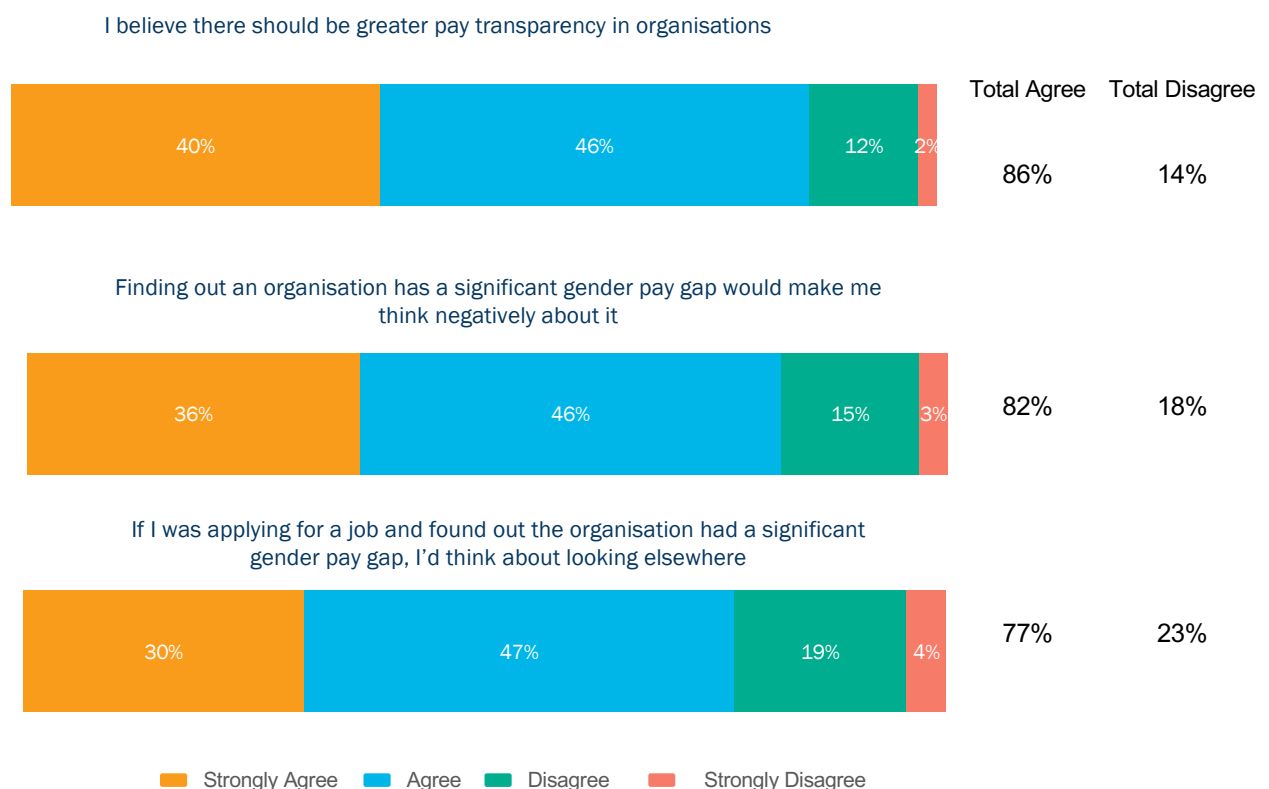
Those in the retail trade are more likely than average to believe there should be greater pay transparency (94%; cf. average 86%).

More than four in five workers say finding out an organisation has a gender pay gap would make them think negatively about it. This is driven by women, with 92% in agreement, compared to 72% of men.

What's more, Gen Z were more than twice as likely to strongly agree with the statement compared to Baby Boomers (Gen Z 50%; Baby Boomers 22%).

More than 75% of workers say that if they were applying for a job and found out the organisation had a significant gender pay gap, they would think about looking elsewhere. This too is driven by women compared to men (89%; cf. Men 66%) and the younger generations (Gen Z 84%, Millennials 78%; cf. Gen X 76%, Baby Boomers 68%).

Workers in the Education and Training industry are 10-percentage points more likely than average to say they would consider looking elsewhere if they found out about a gender pay gap when applying for a job (87%; average 77%).



The emotional reaction to a gender pay gap

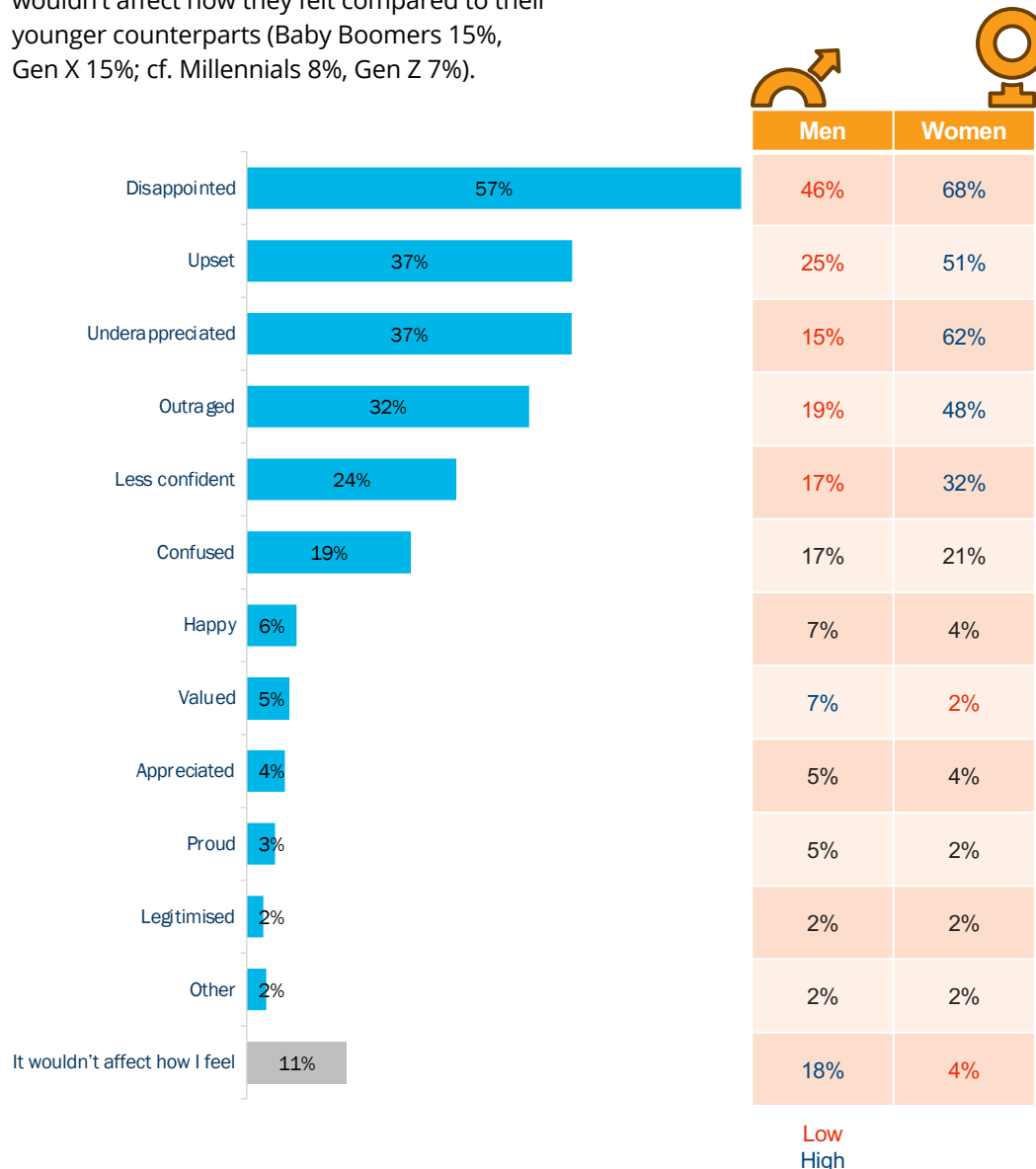
Significant differences exist between men and women if workers were confronted by a large gender pay gap in their company.

While feeling disappointed is the main emotion felt by either gender, women were roughly twice as likely than men to feel upset, outraged and less confident. Women were also four times as likely to feel underappreciated.

Men were more than four times more likely to say it wouldn't affect how they felt. Similarly, the older generations were more likely to say it wouldn't affect how they felt compared to their younger counterparts (Baby Boomers 15%, Gen X 15%; cf. Millennials 8%, Gen Z 7%).

Gen Z were also significantly more likely to feel confused after discovering a gender pay gap in their organisation (33%; cf. Millennials 20%, Gen X 15%, Baby Boomers 13%).

Interestingly when we look at the seniority of respondents, mid-level employees (non-management) were more likely than average to feel disappointed (63%; cf. 57% and underappreciated 44%; cf. 37%).



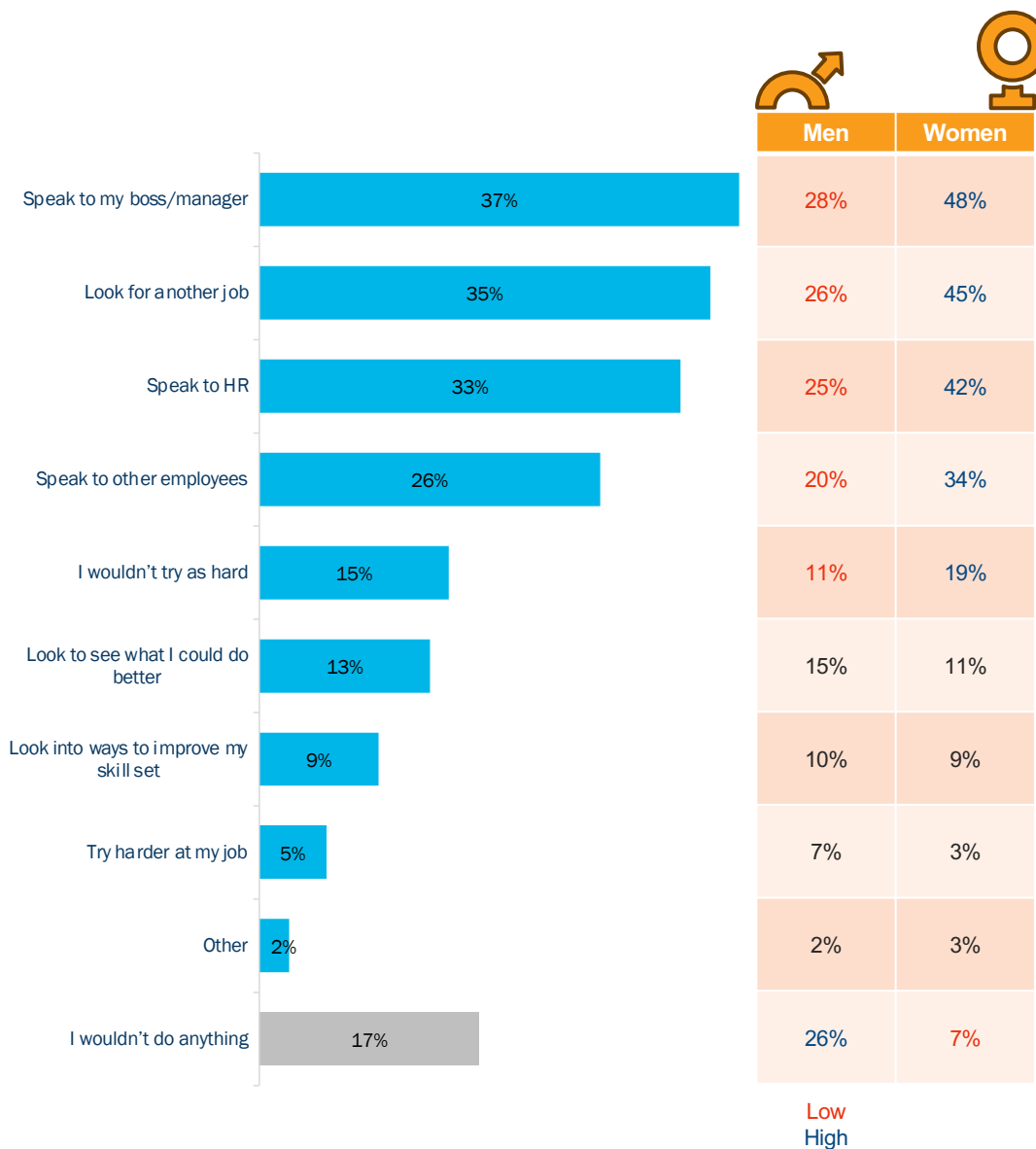
The behavioural reaction to a pay gap

When it comes to learning about a gender pay gap in their organisation, it's clear there is a significant difference in how it impacts different groups of employees. But how would it influence their actions?

Women are almost twice as likely to say they'd speak to their manager and look for another job, compared to men. While men are also almost four times more likely to not do anything (26%; cf. Women 7%, average 17%).

Interestingly, more Gen Z respondents said they'd look for another job compared to other generations (47%; cf. Millennials 37% Gen X 34% and Baby Boomers 18%).

'Look for another job' was also the most popular answer of all the actions, while older generations were more likely to say they'd speak to their manager or HR. This suggests that while older generations would first raise the issue internally, Gen Z employees will respond with their feet.



Methodology

The ELMO Employee Sentiment Report was initiated to gain data and insights into the attitudes, actions and concerns of employees.

For this iteration, respondents were asked to reflect on the three-month period between April to June 2023.

The research was commissioned by ELMO Software and conducted by Lonergan Research in accordance with the ISO 20252 standard.

Lonergan Research surveyed 1,003 Australian workers aged 18 years and over between 15 June 2023 and 22 June 2023. The research was conducted via a 15-question online survey.

Respondents were members of a permission-based panel, geographically dispersed throughout Australia including both capital city and non-capital city areas.

After surveying, data was weighted to the latest population estimates sourced from the Australian Bureau of Statistics.

For generational comparisons, we have used the following definitions: Gen Z (aged 18-24), Millennials (aged 25-39), Gen X (aged 40-59) and Baby Boomers (60+).

About ELMO Software

ELMO Software is a leading provider of integrated, cloud-based HR technology operating in Australia, New Zealand and the UK. With over 3,000 customers, ELMO helps users to save valuable time, money, and resources by streamlining HR processes within one easy to use platform.

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