Employee Sentiment Index: Q3 2022

Australia | ELMO Software | July – September 2022

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Summary

The ELMO Employee Sentiment Index offers an insight into the actions, attitudes and behaviours of Australian workers.

The report provides a quarterly analysis of the prevailing sentiment within the workforce to track changes in perceived job security and the employment landscape.

The July to September 2022 ELMO Employee Sentiment Index revealed:

- Australian workers are now working half an hour longer per week compared to last quarter, putting in an average of 33.4 hours a week during Q3. That figure is now the highest it has been all year.
- Just under half of Australian employees were encouraged by the economy to seek a pay increase in Q3 which marked a 4% rise on Q2.
- A quarter (23%) of Australian workers have more than the yearly annual leave entitlement of 20 days. In fact, the average employee has just under an additional four days over the entitlement (23.8 days).
- Two out of five employees (41%) have avoided taking leave because they want to save money or due to the rising cost of living.

Methodology

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

Respondents were asked to reflect on the three-month period between July 2022 to September 2022.

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

Lonergan Research surveyed 1,000 Australian workers aged 18 years and over between 15 July 2022 and 26 September 2022. The research was conducted via a 14-question online survey. Respondents were members of a permission-based panel, geographically disbursed 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.

Q3 2022 (July - September) Analysis

Perceived Security

More Australians are feeling secure overall as perceived security increased across the board, with job and industry security experiencing the highest growth (increases of 18% and 19% respectively).

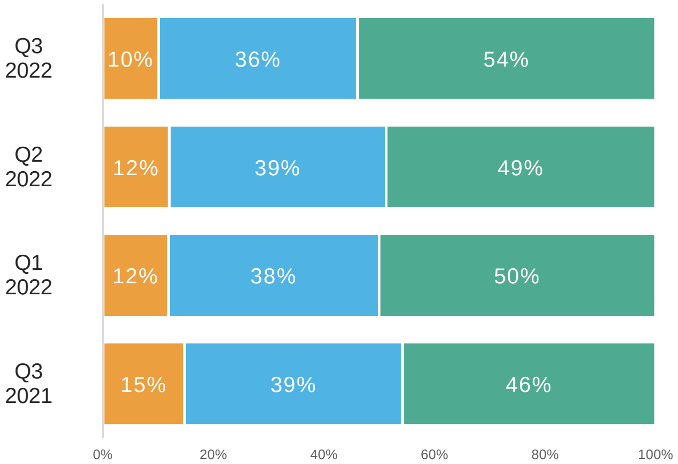
In regard to job, industry and organisational security, the number of employees feeling secure has increased by around 5% across the board.

Employees in South Australia have the highest level or perceived organisational security compared to other Australian state (SA 63%; cf. NSW/ACT 51%, VIC 55%, QLD 56%, WA 49%, TAS/NT 57%*).

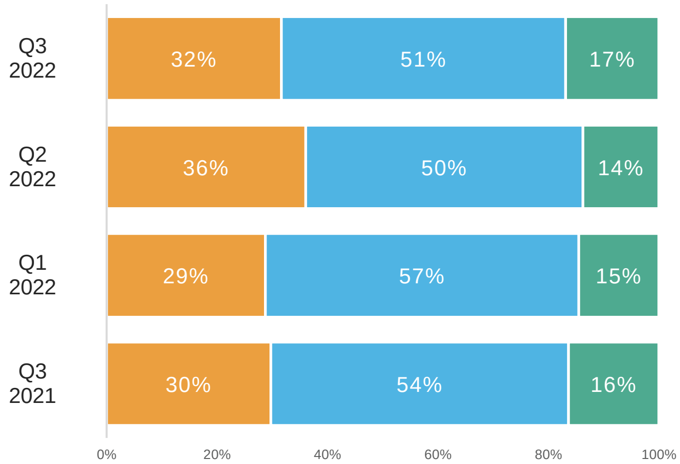
South Australia is joined by NSW as the two regions that have the highest level of perceived economic security (NSW/ACT 20%, SA 21%; cf. VIC 17%, QLD 13%, WA 12%, TAS/NT 8%*).

Men have a higher level of perceived economic security compared to women (20%; cf. Women 13%).

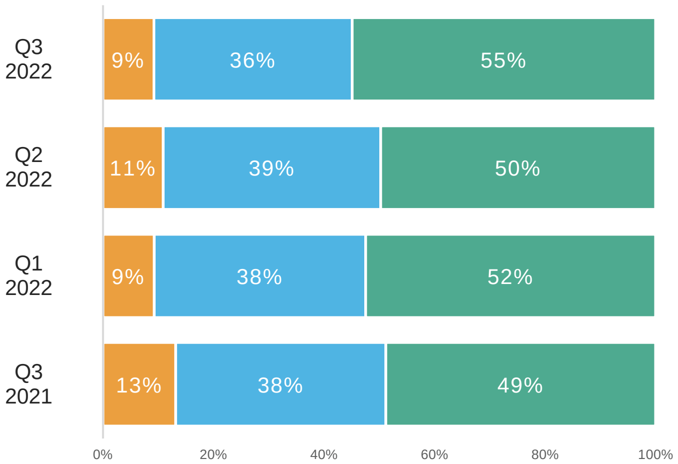
Job Security



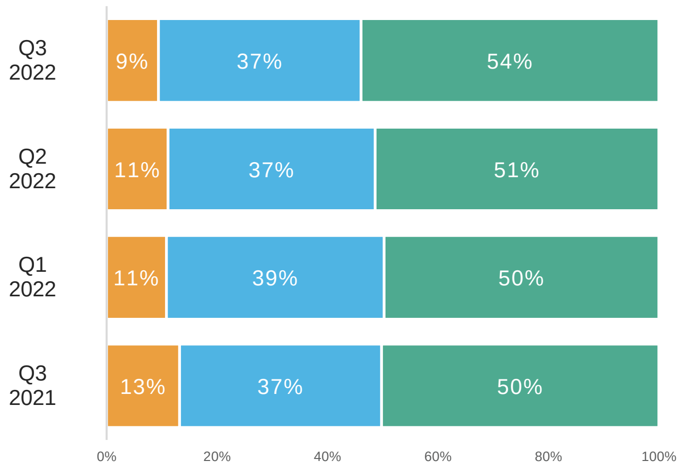
Economic Security



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 Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q3 2021 (n = 1052)
*Indicative only due to small sample size

Hours Worked

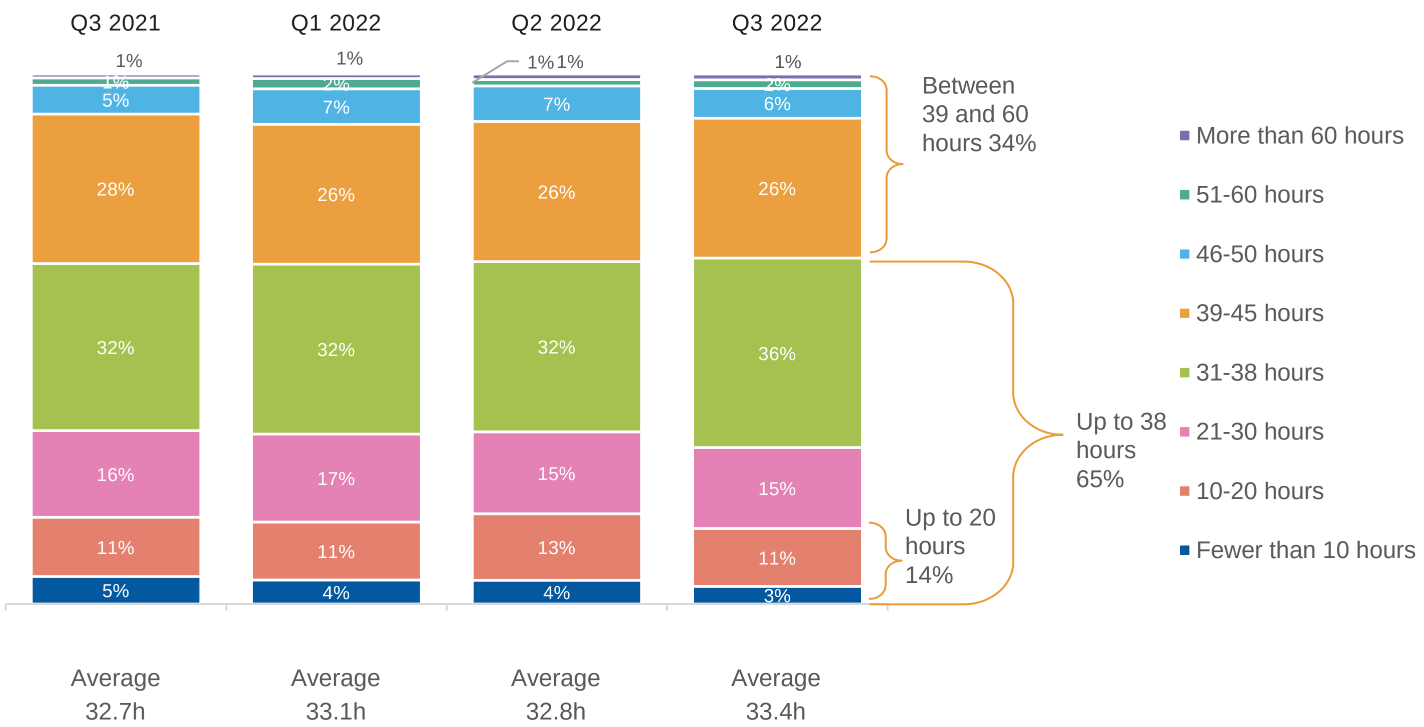
On average Australian workers put in 33.4 hours a week during Q3 - an increase of just over half an hour compared to Q2. That figure is now the highest it has been all year.

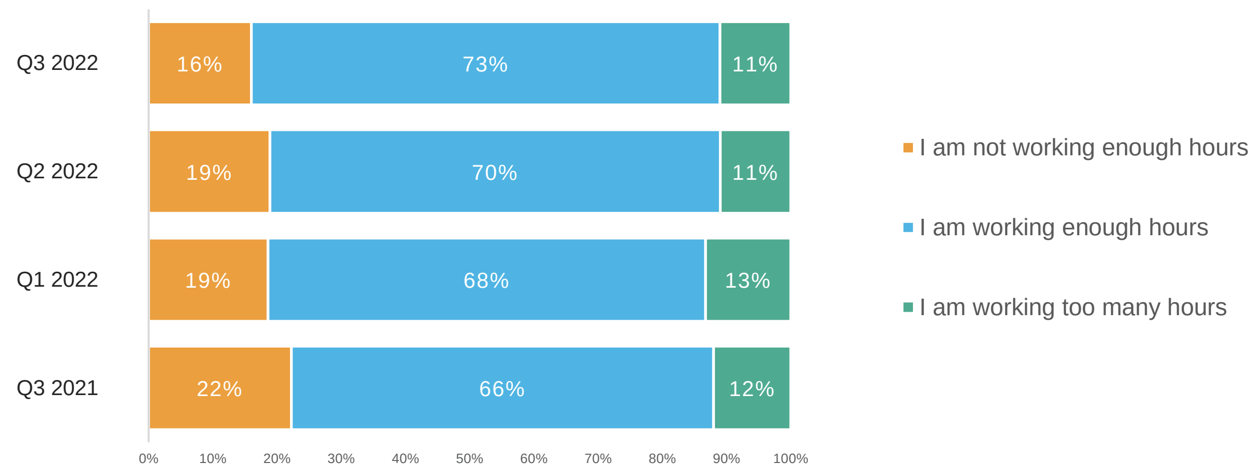
Looking at the gender split, men are working an additional 4.7 hours per week compared to women (Men 35.7h; cf. Women 31.0).

Employees in QLD are working an hour a week more than the rest of the country (QLD 34.5h; cf. NSW/ACT 33.4h, VIC 33.3, SA 33.4h, WA 32.0, TAS/NT 32.9h *).

While the change has been slight, more employees are now working enough hours - this has reached it's peak of just under three quarters (73%).

However, Gen Z would still like to work more hours as a quarter (24%) say they aren't working enough hours (cf. Millennials 15%, Gen X 14%, Baby Boomers 17%).





Q1. Ordinarily, how many hours do you work per week? Australian Workers Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q3 2021 (n = 1052)
Q2. Over the past three months (July to September 2021), 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 Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q3 2021 (n = 1052)
*indicative only due to small sample size

Worker Wellbeing

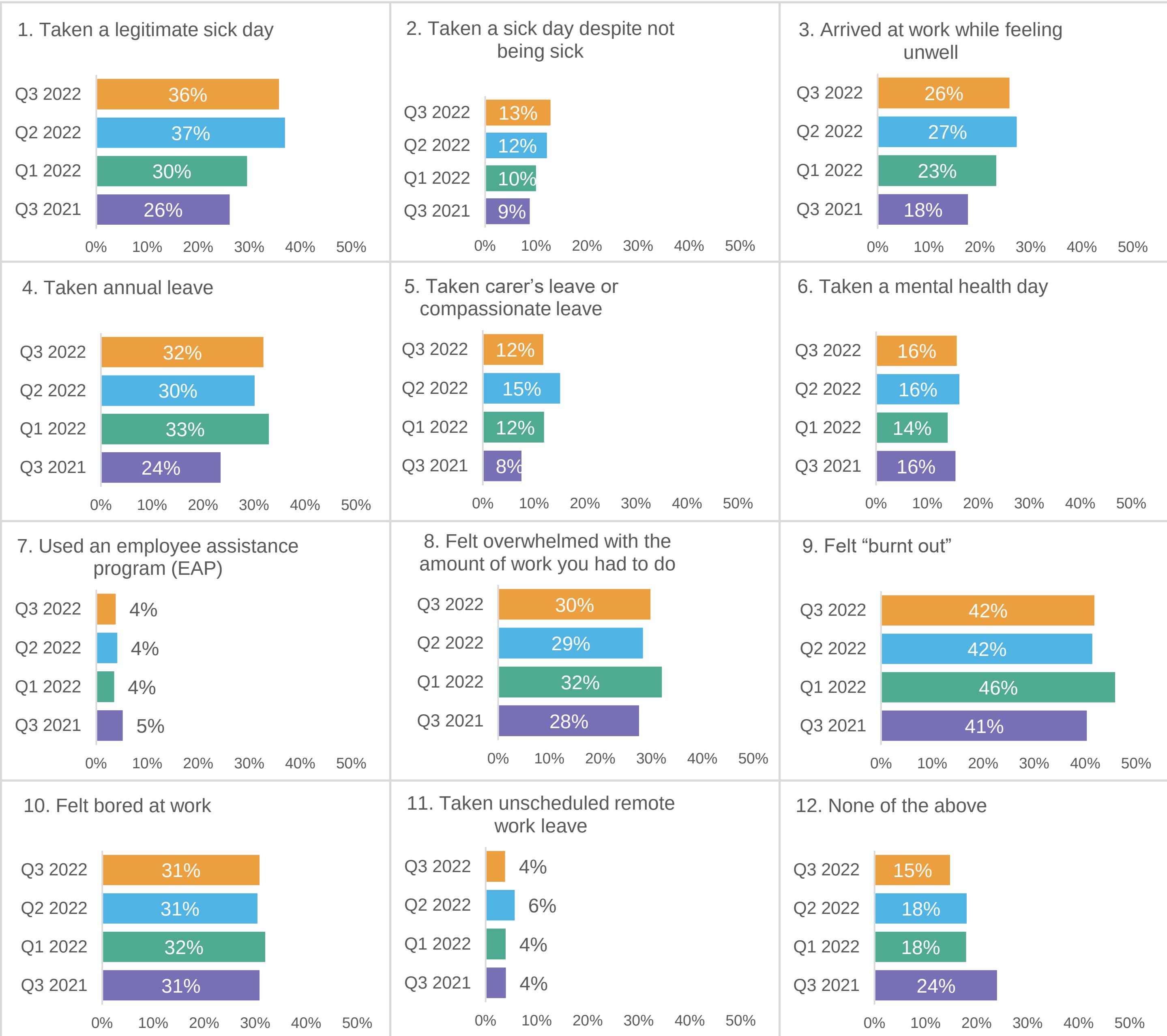
Q3 sees Australian workers taking a legitimate sick day in slightly lower numbers, with a 1% decrease from the peak levels of Q2.

There was a similar 1% drop in the number of employees arriving at work feeling unwell, which is particularly common among Gen Z employees (34%)

A similar number of employees felt burnt out in Q3 and Q2 (both 42%) which is also on par with this time last year.

The number of employees who have taken annual leave has increased to almost a third (32%) or over three and a quarter million (3.380) Australian employees, just under the peak of Q1 earlier this years (33%).

Two out of five (40%) Millennials have taken annual leave in the last quarter making them the generation that takes the most leave (cf. Gen Z 24%, Gen X 31%, Baby Boomers 23%).



Q3. Over the past three months have you...? Australian Workers Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q3 2022 (n = 1052)

Worker Mobility

The most movement in this section was a three-percentage point increase in employees who actively searched for a new role within another company.

Workers starting a new job has remained stable in Q3 at 9%, with around twice as many Gen Z workers compared to Millennials and around four times as many when compared to Gen X and Baby Boomers (Gen Z 21%; cf. Millennials 9%, Gen X 6%, Baby Boomers 5%).

This generational trend is also reflected in the number of workers interviewing for a new role in a new company (Gen Z 22%; cf. Millennials 10%, Gen X 6%, Baby Boomers 7%).

None of the above:
Q3 2022 28%, Q2 2022 31%, Q1 2022 30%, Q3 2021 37%

Q6. In the past three months, did you…? Australian Workers Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q3 2021 (n = 1052)

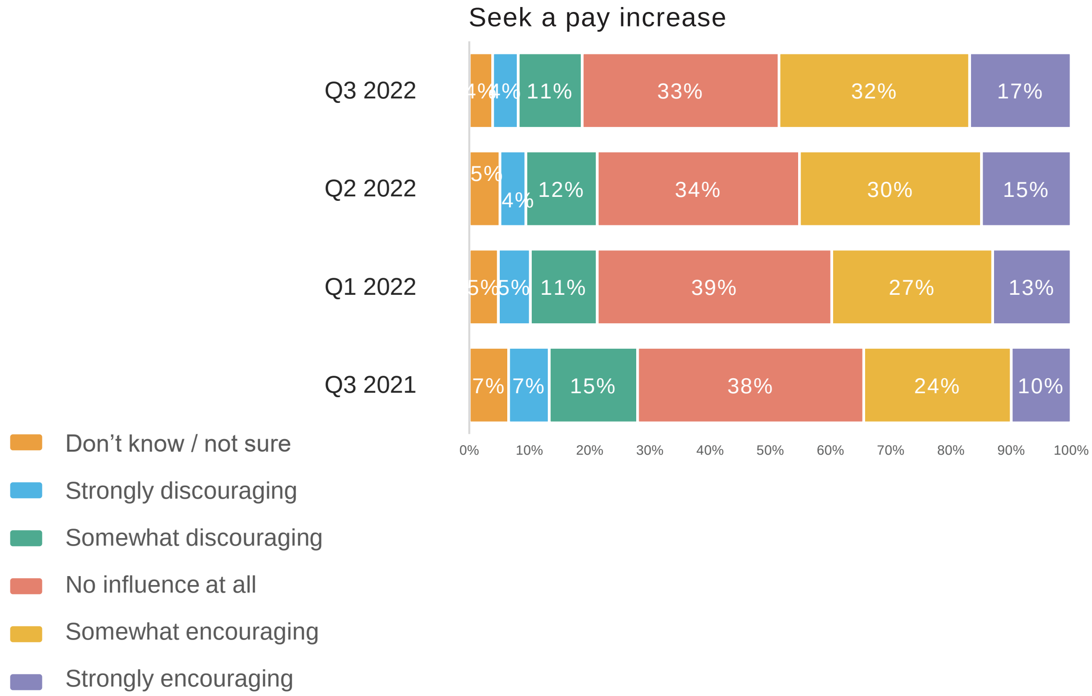
Economy Influencing Decision Making

Just under half of Australian employees were encouraged by the economy to seek a pay increase in Q3, a four-percentage point increase on the previous quarter and a 15-percentage point rise on the previous year.

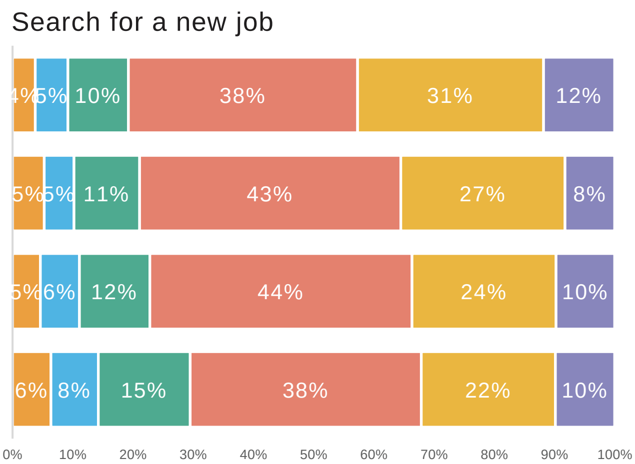
The peak in Q3 2022 was driven by the younger generations (Gen Z 69%, Millennials 57%; cf. Gen X 40%, Baby Boomers 29%).

Like seeking a pay increase, the number of Australian workers who are encouraged to search for a new job has reached a peak in Q3, increasing by seven percentage points since Q2.

The younger generations are again dominating this trend (Gen Z 55%, Millennials 51%; cf. Gen X 38%, Baby Boomers 22%).



Seek a pay increase	Total Discouraging	Total Encouraging
Q3 2022	15%	49%
Q2 2022	16%	45%
Q1 2022	16%	40%
Q3 2021	21%	34%



Search for a new job	Total Discouraging	Total Encouraging
Q3 2022	15%	43%
Q2 2022	16%	36%
Q1 2022	18%	34%
Q3 2021	23%	32%

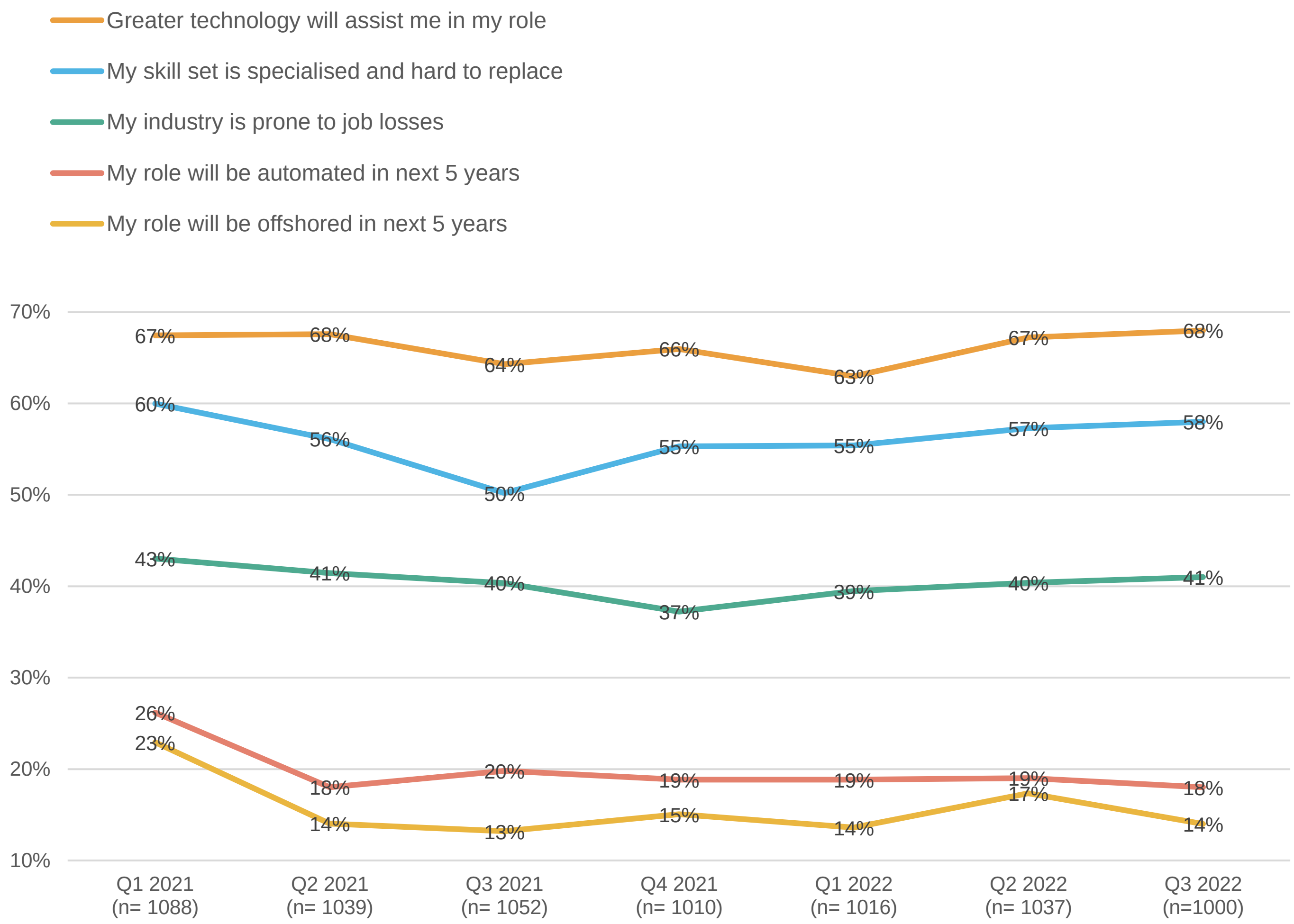
Q10. To what extent are current economic conditions encouraging or discouraging you to do the following? Australian Workers Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q3 2021 (n = 1052)
*indicative only due to small sample size

Future of Work

Australian employees' perception about the future of work is stable in Q3 with the most change amongst those who believe their role will be offshored in the next 5 years, which decreased by three percentage points on Q2.

Even with the decrease, the belief is stronger among Gen Z employees (29%) and those who are in NSW/ACT (20%).

Belief that greater technology will assist employees in their role, their skill sets are specialised and hard to replace and that their industry is prone to job losses have all remained steady compared to Q2 levels, increasing by only one percentage point.



Agree and Strongly Agree

Q5. To what extent do you agree or disagree with each of the following statements? Australian Workers
*Indicative only due to small sample size

Employee Priorities

The priorities of the Australian workforce have remained virtually the same as in Q2 with the only change being that stability of an organisation moved to second place and flexible/remote working dropped down to third.

This is now the same top three as recorded a year earlier, in Q3 2021. Employees prioritising the stability of an organisation could reflect fear of a global recession and how Australia might be affected.

Other than professional learning opportunities and wellbeing initiatives no longer being tied, the only other difference in employee priorities from now and this time last year is that an easy or short commute is now in fourth and culture of the organisation is now in fifth.

	Q3 2022	Q2 2022	Q1 2022	Q3 2021
Remuneration and bonus payments / incentives	1st	1st	1st	1st
Stability of an organisation	2nd	3rd	Tied 2nd	2nd
Flexible/Remote working	3rd	2nd	Tied 2nd	3rd
Culture of the organisation	5th	5th	Tied 4th	4th
Easy and/or short commute	4th	4th	Tied 4th	5th
Career development opportunities	6th	6th	6th	6th
The ethical standing/reputation of the organisation and leadership	7th	7th	7th	7th
Professional learning opportunities	8th	8th	8th	Tied 8th
Wellbeing initiatives	9th	9th	9th	Tied 8th
Diversity among employees/senior leadership team of the organisation	10th	10th	10th	10th
Online or word-of-mouth employee reviews of the leadership	11th	11th	11th	11th

Q9. Thinking about choosing a new employer, rank your top five most important factors from the list below. Australian Workers (n = 1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q3 2021 (n = 1052)

Recognition and Remuneration

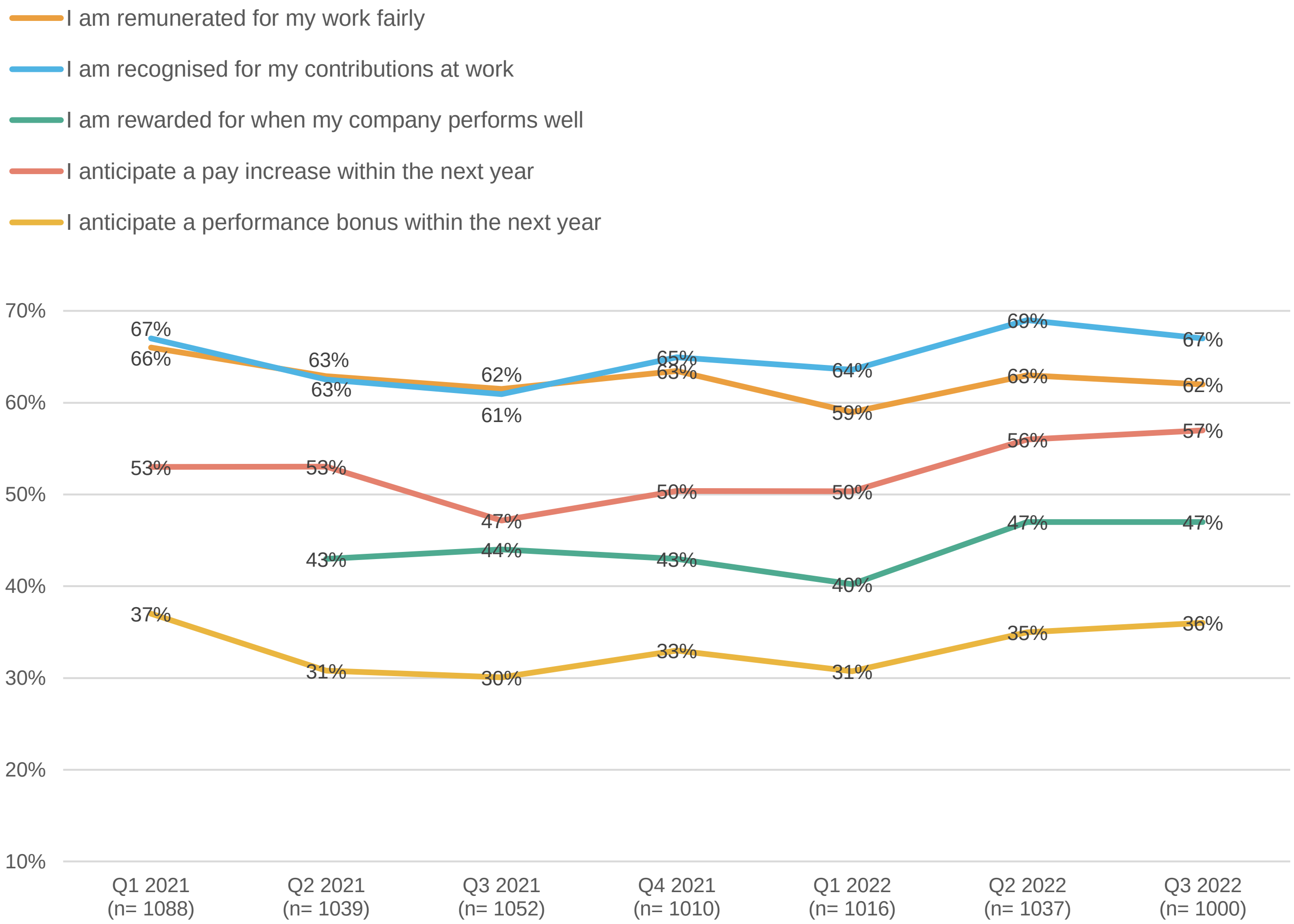
Australian employees felt quite similar in Q3 as they did in Q2. The biggest change was a two-percentage point decrease in the number of employees who say they are recognised for their contributions at work.

The only increases (of just one percentage point) were that more employees anticipate either a performance bonus or a pay increase within the next year. This is driven by the younger generations (Gen Z 63%, Millennials 63%; cf. Gen X 54%, Baby Boomers 44%).

Employees feeling as though they are rewarded when their company performs well reached its peak in Q2 2022 (47%) and has remained the same in Q3 2022.

Both men and workers in South Australia agree with this sentiment the most (Men 53%; cf. Women 40%. SA 57%; cf. NSW/ACT 50%, VIC 45%, QLD 43%, WA 50%, TAS/NT 19%)

Lastly, the number of employees who feel they are remunerated for their work fairly has also decreased but only by one percentage point.



Agree and Strongly Agree

Q7. To what extent do you agree or disagree with each of the following statements? Australian Workers
*Indicative only due to small sample size

Trending Concerns in Q3 2022

Annual Leave Liability and Returning to the Office

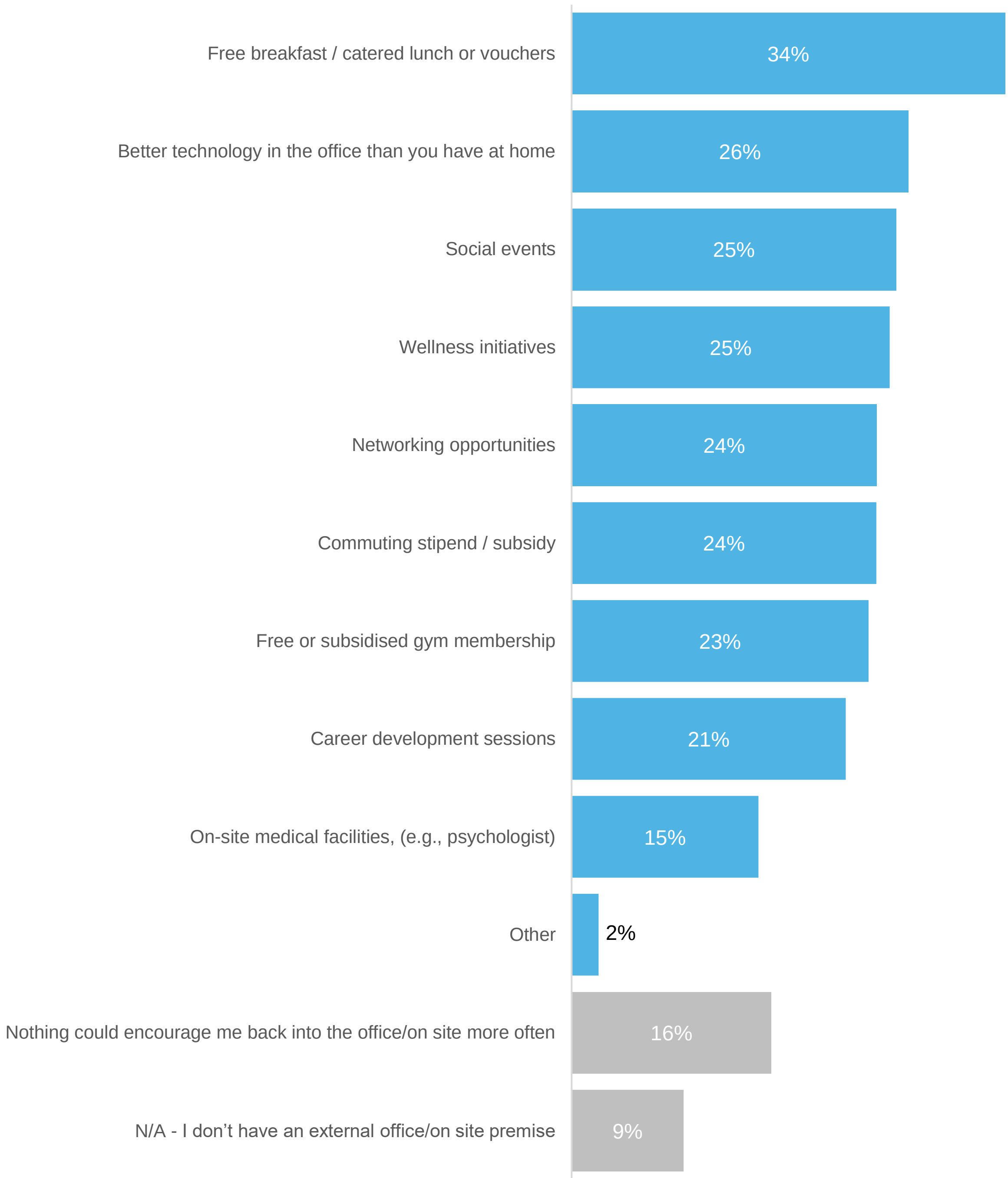
Encouraging Workers into the Office

Three quarters of employees in Australia who can work from home could be encouraged to return to the office.

Clearly, Australian employees love a free lunch as a third of those who can work from home would be incentivised to return to the office if there was a free breakfast/catered lunch or vouchers on offer. It's only Baby Boomers who are less likely to be encouraged by this incentive (20%; cf. Gen Z 35%, Millennials 37%, Gen X 35%).

A quarter of employees working from home would be encouraged by at least one of the following:

- Better technology in the office than you have at home (26%)
- Social events (25%)
- Wellness initiatives (25%)
- Networking opportunities (24%)
- Community stipend / subsidy (24%)
- Free or subsided gym membership (23%)



Q11. What incentives would encourage you back into the office/on site more often? Those who WFH (n =522)

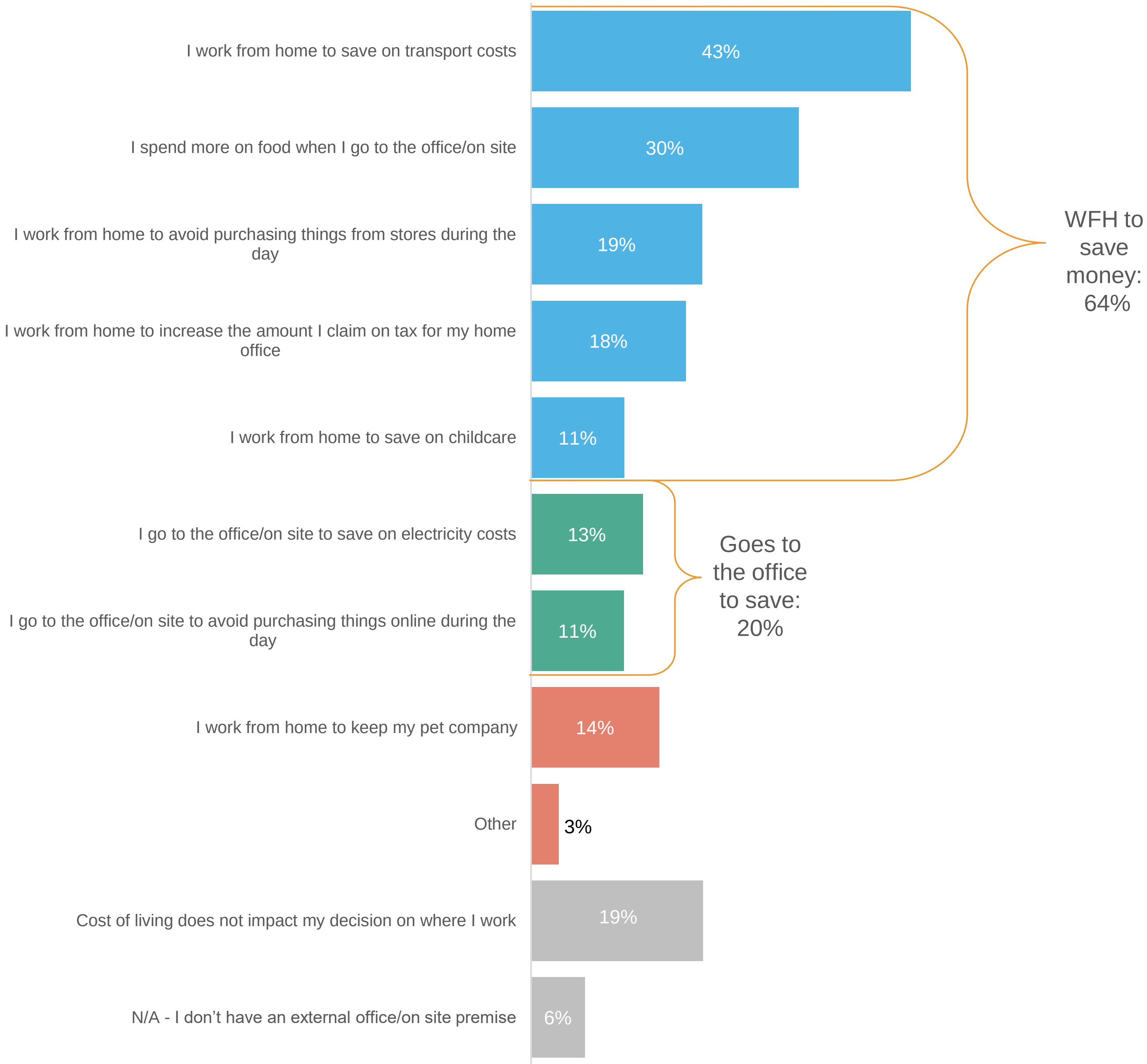
Cost of Living and Working from Home

Two thirds of Australian employees who can work from home do so to save money, with two in five (43%) saving on transport costs and three out of ten (30%) saving on food spending.

Younger generations and those who work in the financial/insurance services are more likely to work from home to save money (Gen Z 73%, Millennials 73%; cf. Gen X 59%, Baby Boomers 46%, Financial/Insurance 90%;cf. national average 63%).

On the other end of the spectrum, one in five (20%) Australian employees who can work from home go into the office to save money. Around an eighth choose the office to save money on electricity (13%) and to avoid online shopping (11%).

A similar number of employees who can work from home said that cost of living does not impact their decision on where they work.



Q12. Thinking about the cost of living and working from home, which of the following apply to you? Those who WFH (n =522)

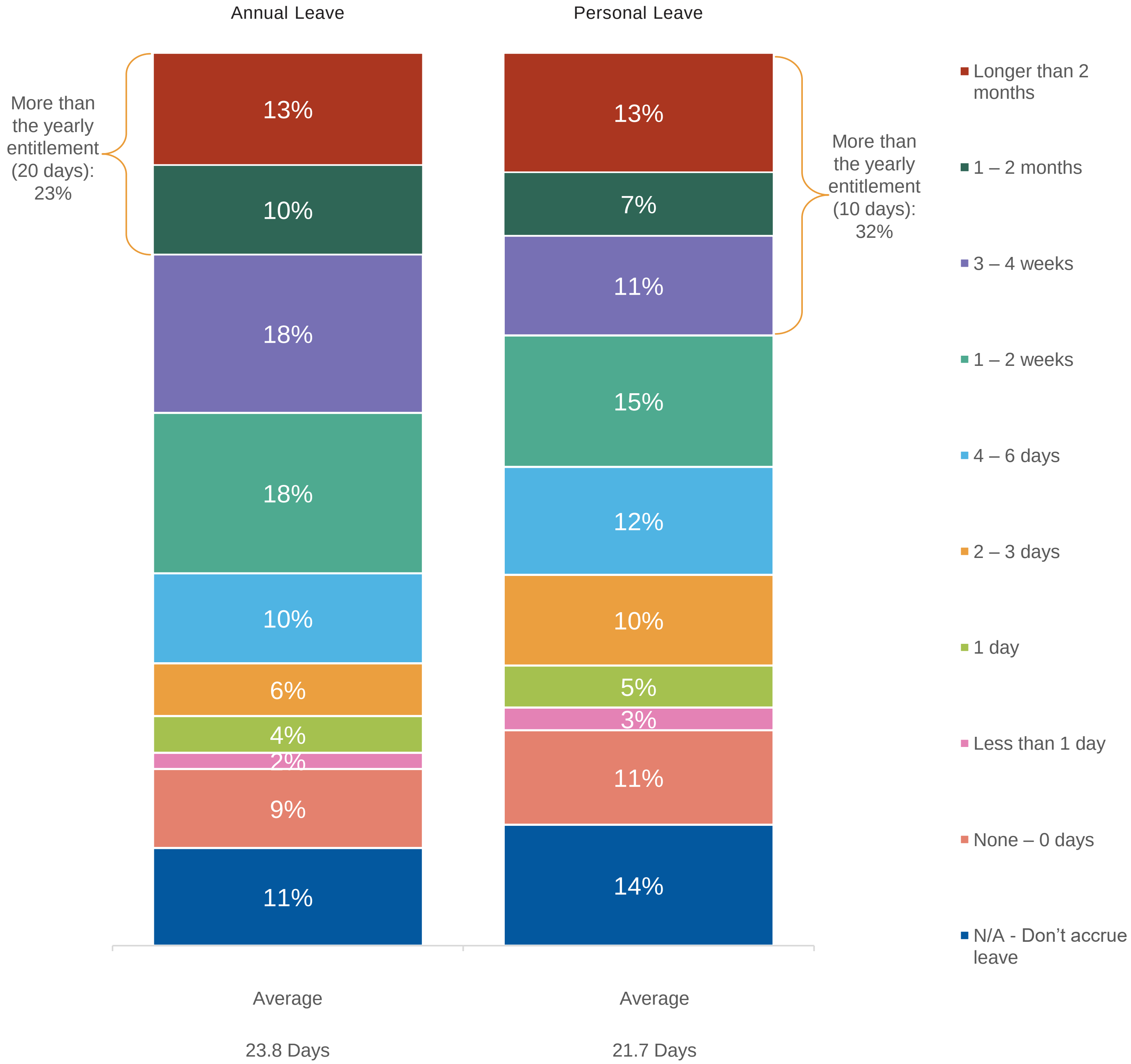
Accrued Leave

Almost a quarter of Australian workers have more than the yearly annual leave entitlement of 20 days. In fact, the average employee has 23.8 days accrued.

On average, men have an additional five days compared to women (26.2 days; cf. Female 21.2 days).

Interestingly, the older the employee the higher the average number of annual leave days (Baby Boomers 29.2 days, Gen X 28.8 days, Millennials 21.6 days, Gen Z 10.4 days).

It's a similar story when it comes to personal leave however the amount saved is higher. A third (32%) of Australian employees have more than the yearly entitlement. The average number of personal leave saved is over double the yearly amount (21.7 days) and once again men and older employees the most.



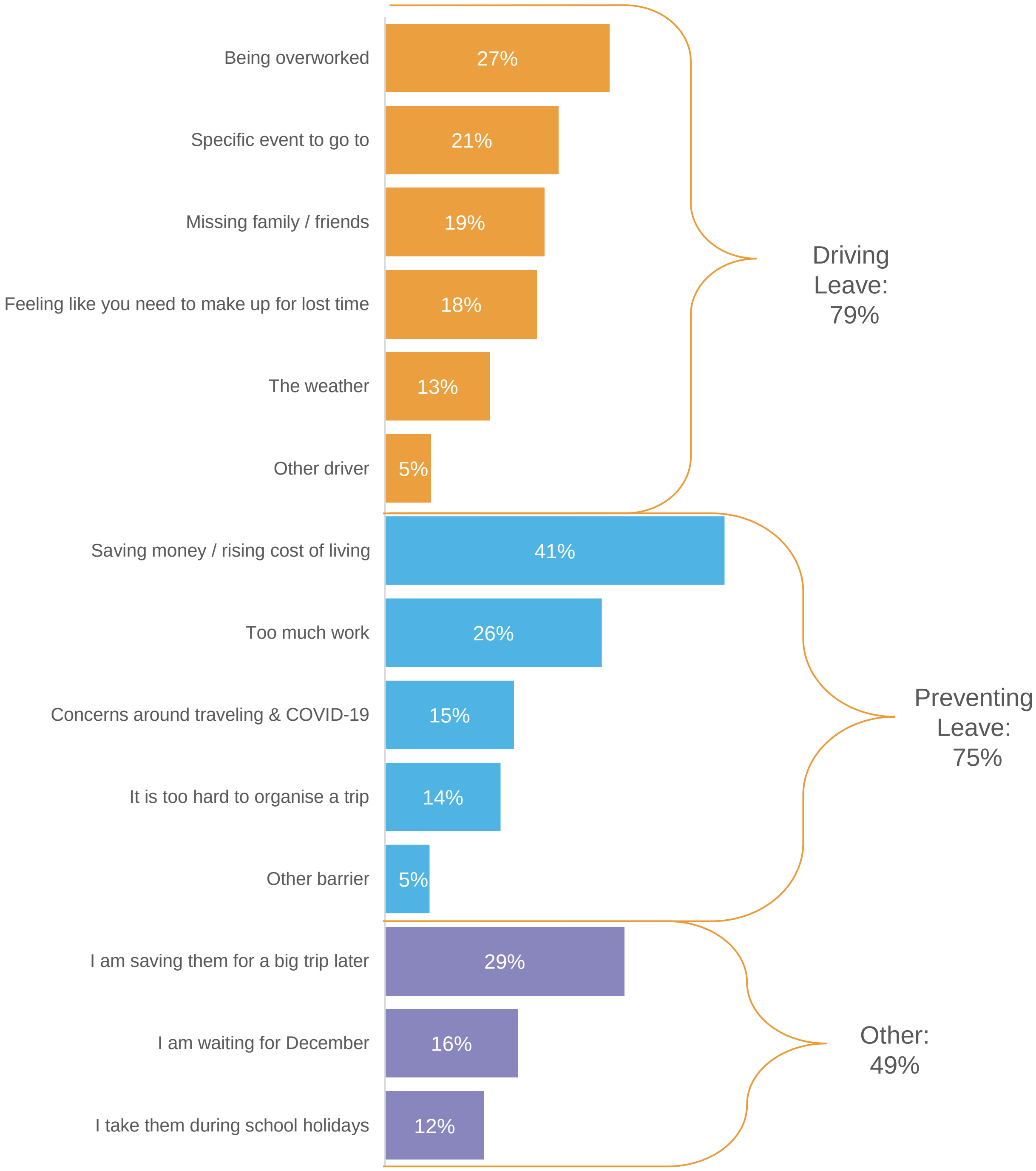
Q13. Thinking of annual leave and sick leave/personal leave, approximately how many days of leave will you have available at the end of September (Sept 30)? Australia Workers (n=1000)
indicitive only due to small sample space

Annual Leave: Drivers and Barriers

Two out of five (41%) of Australian employees have avoided taking leave because they want to save money or because of the rising cost of living.

Younger generations are more likely to take leave than avoid it, with being overworked the most popular reason for taking leave (Being overworked Gen Z 32%, Millennials 31%; cf. Gen X 26%, Baby Boomers 11%).

Meanwhile, it is South Australian employees and those who work in the office that are the most likely to put off taking leave (SA 89%; cf. NSW 74%, VIC 77%, QLD 74%, WA 69%, TAS/NT 76%, Office/On site 79% cf. Mix 73%, WFH 66%).



Q14. What is driving or preventing you from taking annual leave? Those who accrue leave (n =899)
*Indicative only due to small sample size

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