Employee Sentiment Index Q4 2022

Australia | ELMO Software | October – December 2022

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Summary

The October to December 2022 ELMO Employee Sentiment Index paints a very different picture of Australia's employment landscape compared to this time last year. The data shows the Great Resignation is over, with more than one in seven employees planning to stay put in their jobs this year. Of those, a third say fear of a recession is encouraging them to remain in their current role and a further 16% say they plan to look for a new job internally. The economic uncertainty in Australia may have heralded a new period – The Great Realisation. While still ambitious about their hopes for a promotion or a pay rise this year, it seems employees are now more likely to favour the security of their existing employer to find their next role.

- The perception that the economy is not secure in the eyes of Australian workers has reached its highest point in the last 12 months, with a 14-percentage point increase since this time last year.

- Half of Australian workers believe the prospect of a recession will impact their career plans this year. A third say the talk of a recession is encouraging them to stay in their current jobs, while a further 16% said it's encouraging them to look for a new role within their existing company.

- Despite economic concerns, more employees think it is still a candidate's job market – but only just. The survey found 38% said it is as an employee-led market, while 34% said it is an employer-led and 28% are unsure.

- Workers are also expecting to come back to the office in 2023. The number of employees who said they're likely to work from the office part-time (2-3 times per week) fell by almost 20% compared to this time last year.

Methodology

The ELMO Employee Sentiment Index offers a regular pulse check on the actions, attitudes and behaviours of Australia's employees. The quarterly report provides analysis of the prevailing sentiment within the workforce to track changes in perceptions around job security, wellbeing and the economy, as well as topical issues impacting Australia.

For this wave of the survey, respondents were asked to reflect on the three-month period between October 2022 to December 2022.

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

Lonergan Research surveyed 1,014 Australian workers aged 18 years and over between 15 October 2022 and 26 December 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.

Q4 2022

(October - December) Analysis

Perceived security

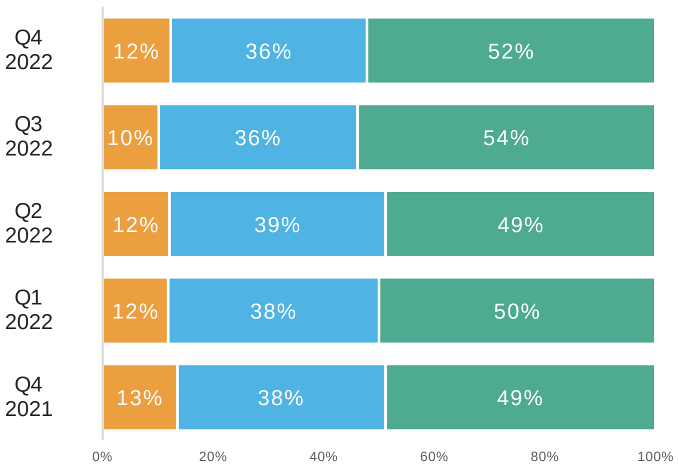
The perception that the economy is not secure in the eyes of Australian workers has reached its highest point in the last 12 months at 38%, a 14-percentage point increase since this time last year.

Gen X feel the most unconfident about the economy (43% not secure), followed by Gen Z (33%), Millennials (36%), and Baby Boomers (30%).

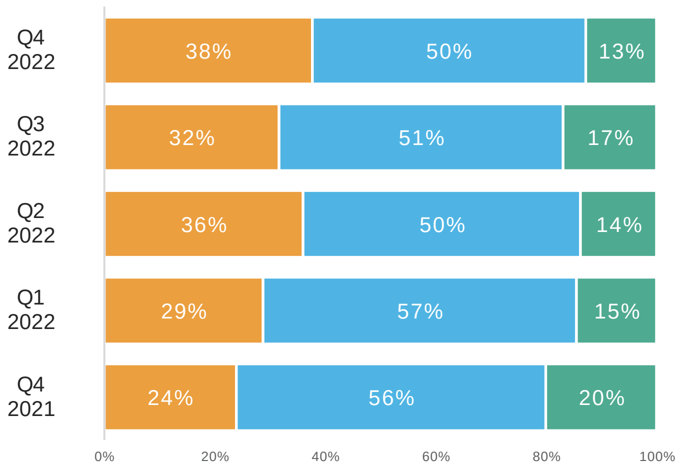
However, employees' perceived security in their industry has remained stable against Q3 levels and is also the same as last year. Similarly, job security and organisational security have also remained stable compared to the previous year. This points to a disconnect between how workers perceive the economy and the impact on their own jobs and industries. While they're concerned about the bigger picture, perhaps due in part to the headlines around a potential recession, it has not yet begun impacting their sense of job security.

The next wave of the ESI, out in May this year, may show a very different picture.

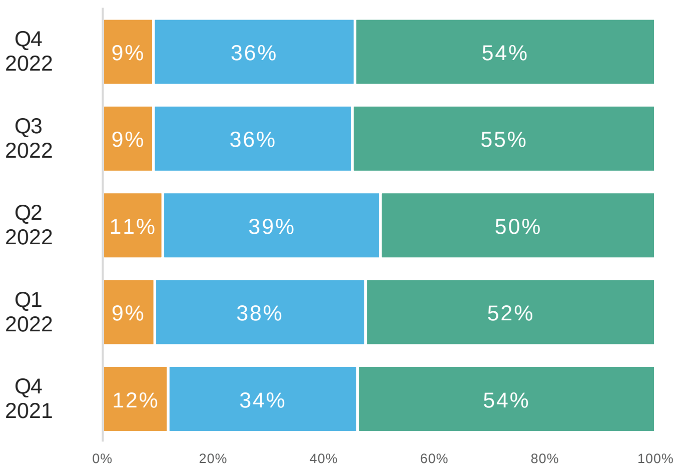
Job security



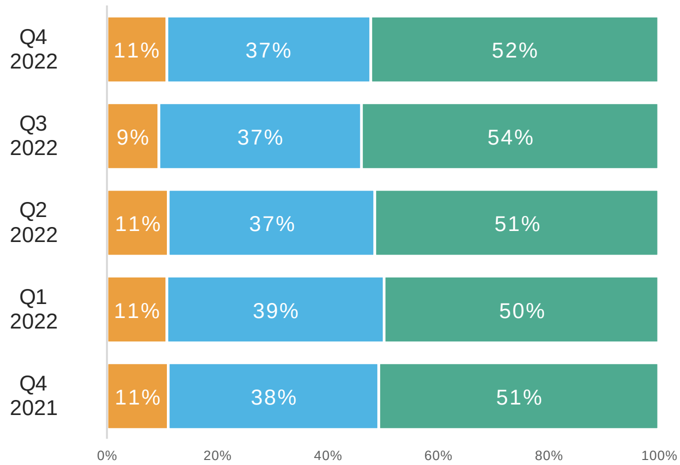
Economic security



Industry security



Organisational security



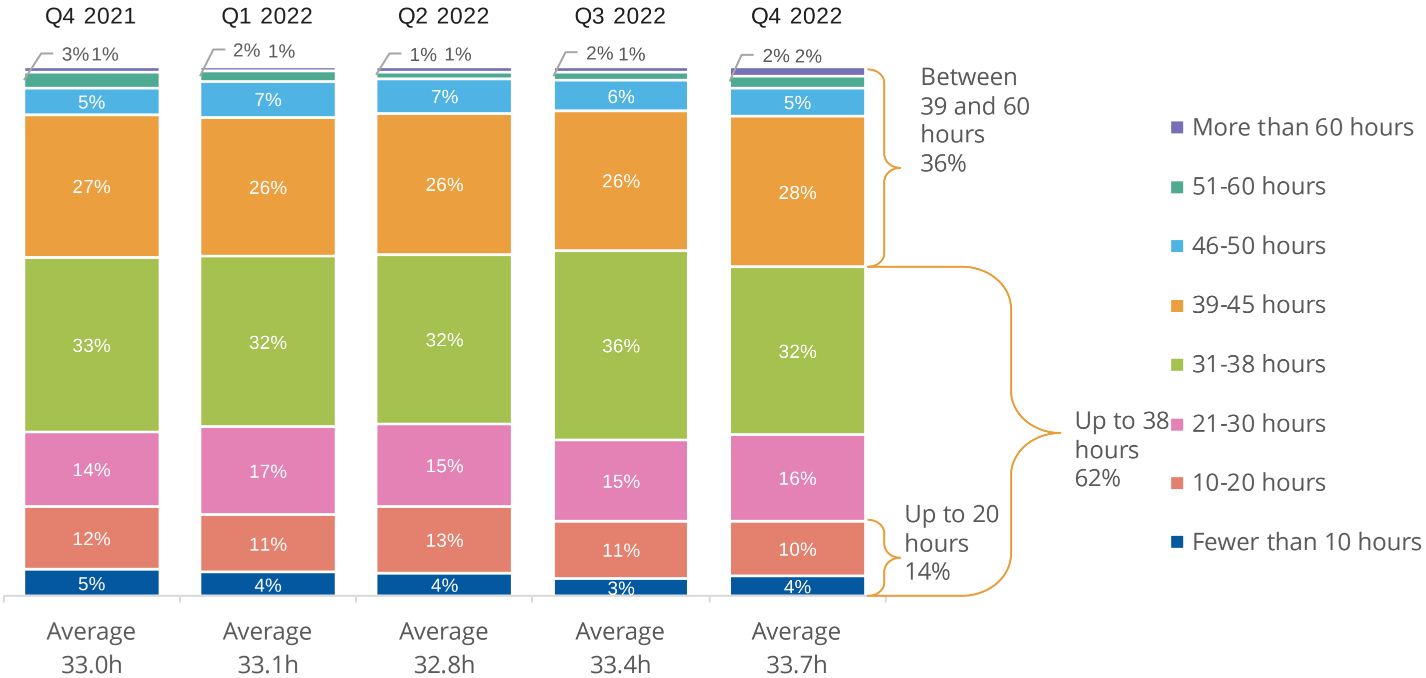
Not Secure (1-4) Neutral (5-7) Secure (8-10)

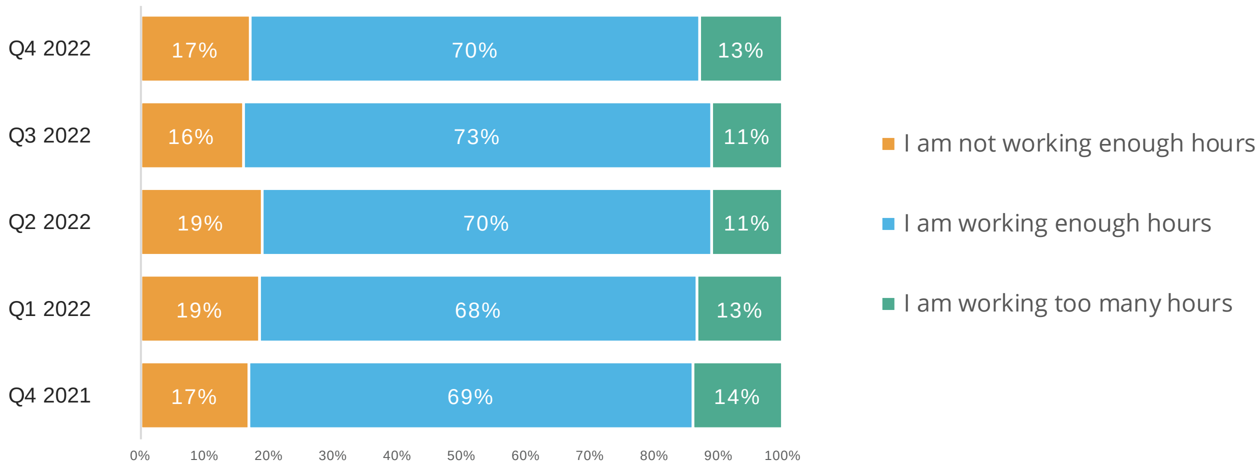
Q4. On a scale of 1 - 10, where 1 is not at all secure and 10 is extremely secure, how would you rate your feelings of security with each of the following?
Australian Workers Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q4 2021 (n = 1010)
*Indicative only due to small sample size

Hours worked

On average Australian workers put in 33.7 hours a week during Q4 - just over a quarter of an hour more than in Q3 and over half an hour higher than this time last year.

Gen X is the generation working the most hours on average (35.7h) followed by Millennials (35h) Gen Z (29.2h) and Baby Boomers (27.1h). Workers in QLD are doing more hours than any other state (34.6h). There has been a slight increase in the number of employees who say they're working too many hours, compared to the previous quarter. However, attitudes toward the number of hours worked has remained very similar to this time last year.





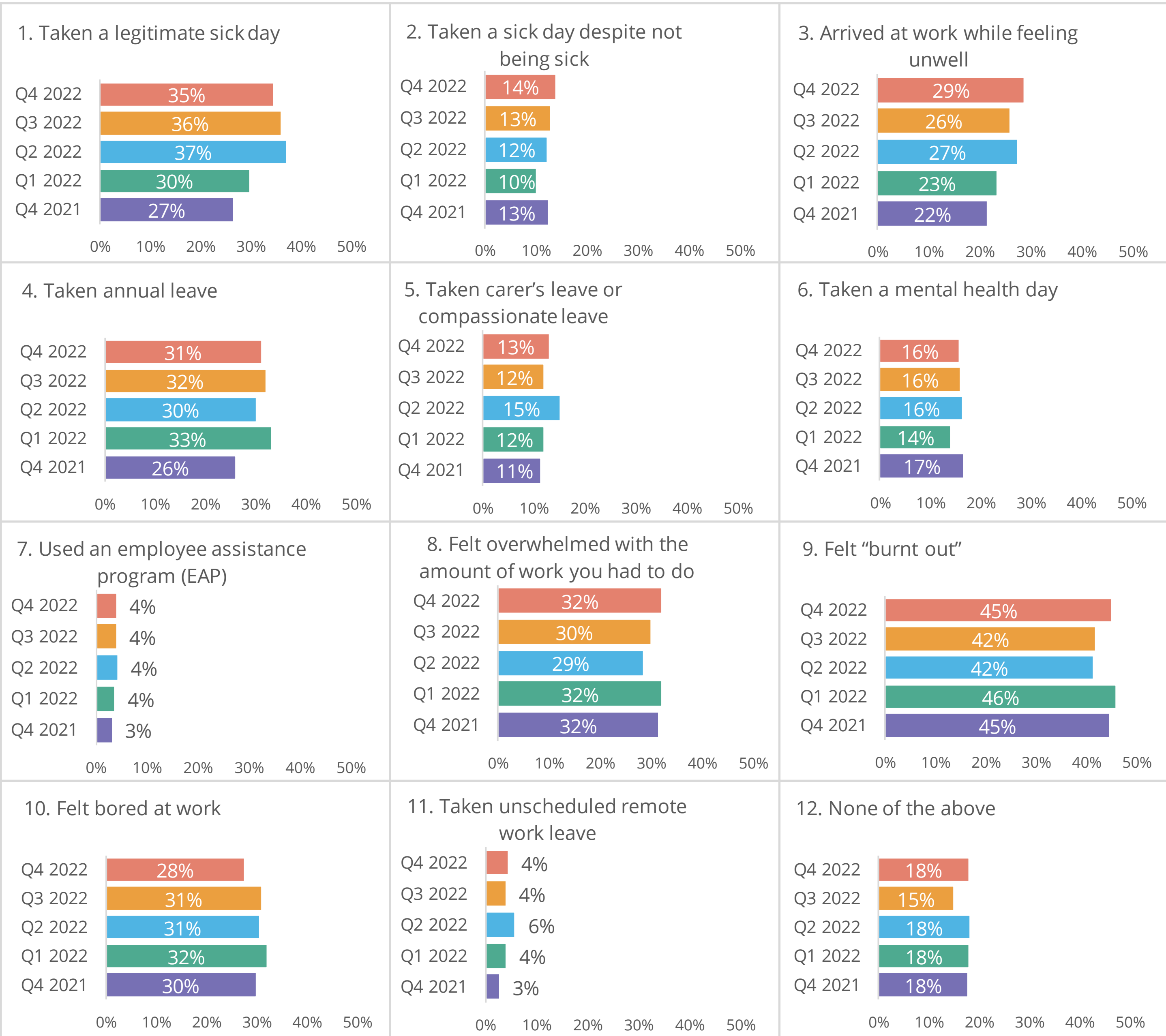
Q1. Ordinarily, how many hours do you work per week? Australian Workers Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q4 2021 (n = 1010)
Q2. Over the past three months (July to September 2021), which of the following statements best applies to you regarding the hours you worked? Consider your cost of living and your ability to meet those needs based on the number of hours you work. Australian Workers Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q4 2021 (n = 1010)
*indicative only due to small sample size

Worker wellbeing

The number of employees taking a legitimate sick day jumped by 8 percentage points. This could be due to higher levels of Covid-19 and other illnesses circulating, compared to the previous year when restrictions were still in place. There was also a rise in the number of employees arriving at work feeling unwell, which again correlates with the reduction in financial support for employees suffering from Covid-19.

The results also showed that the younger the worker, the more likely they are to have taken a legitimate sick day (Gen Z 40%, Millennials 38%, Gen X 33%, Baby Boomers 22%), indicating different attitudes to taking sick leave.

It's positive to see more employees taking annual leave this year, most likely due to the reopening of international travel. Interestingly, employees working a mix of from home and in the office are twice as likely as those who work from home full time to take annual leave (Mix, 39%; cf. WFH Full time 19%, One site/office full time 28%).



Q3. Over the past three months have you...? Australian Workers Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q3 2022 (n = 1052)

Worker mobility

Things have remained quite stable since Q3 on the worker mobility front. Slightly more employees started a new job, which was driven by Gen Z workers (21%; cf. Millennials 13%, Gen X 8%, Baby Boomers 3%).

The 11% of employees starting a new job in Q4 is the highest number for 2022 and two percentage points higher than the previous year.

Meanwhile the proportion of employees taking steps to find a new job, whether in their existing company or elsewhere, has remained largely the same as the year before. When split by gender, women were more likely to have actively searched for a new role in another company compared to men (20%; cf men 14%).

None of the above:
Q4 2022 31%, Q3 2022 28%, Q2 2022 31%, Q1 2022 30%, Q4 2021 32%

Q6. In the past three months, did you...? Australian Workers Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q4 2021 (n = 1010)

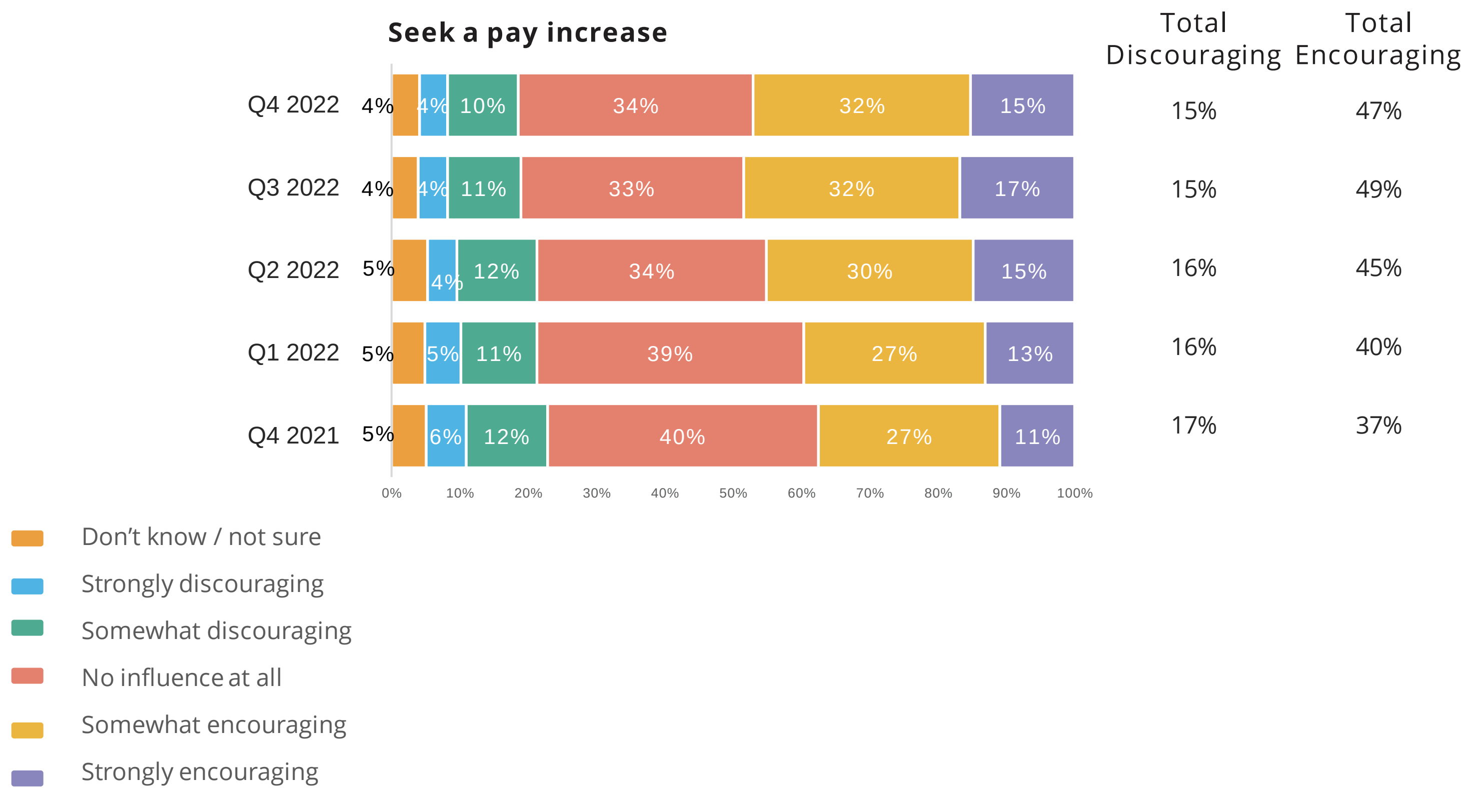
Economy influencing decision making

Slightly less Australian workers are encouraged to seek a pay increase than they were in Q3 – however, it is still almost 10 percentage points higher then last year's level (38%).

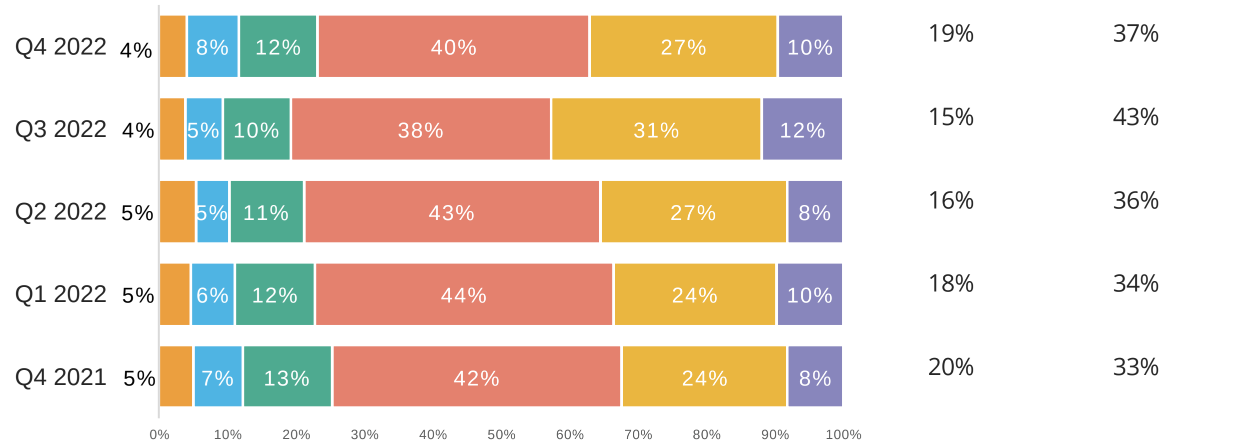
The younger generation of workers are the most likely to be encouraged (Gen Z 55%, Millennials 59%; cf. Gen X 38%, Baby Boomers 28%) and it is equal between men and women (47%).

On the employment front, Q4's economic conditions were less encouraging for employees searching for a new job, decreasing by six percentage points on Q3. However, some industries were more confident than others. More than half of employees in Retail said they are encouraged to look for a new job, most likely due to sector's Christmas-period employment surge.

Seek a pay increase



Search for a new job



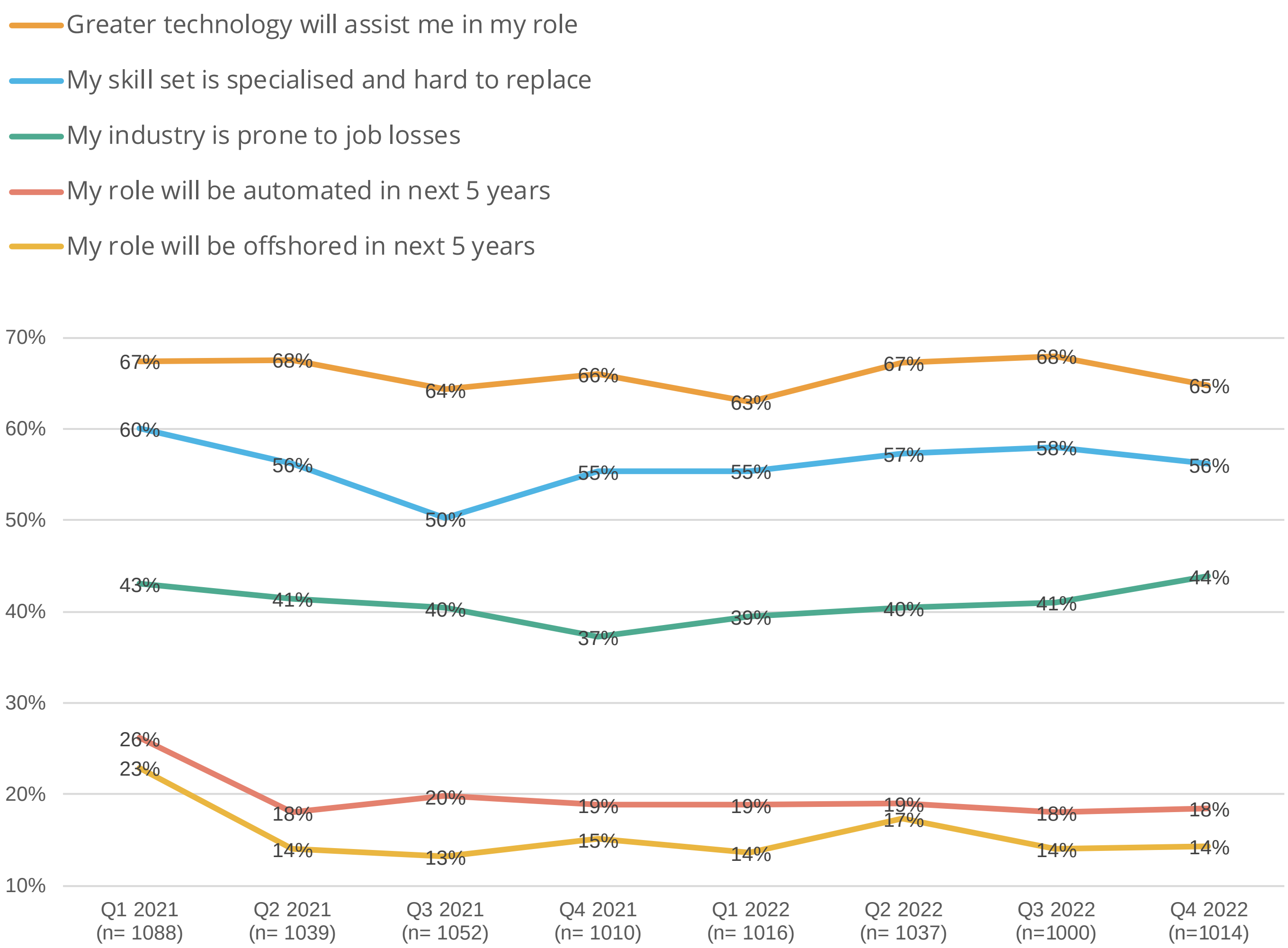
Q10. To what extent are current economic conditions encouraging or discouraging you to do the following?Australian Workers Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q4 2021 (n = 1010)
*indicative only due to small sample size

Future of work

The most notable change for Q4 is the increase in the number of workers who say their industry is prone to job losses, which has reached an all time high (44%; cf. Q3 2022 41%). This is quite the increase from last year when only 37% believed their industry was prone to job losses. The result was particularly high for those in the Retail (61%) and Construction (56%) sectors.

The proportion of workers who believe that greater technology will assist them in their role has declined, however the younger generations, especially Millennials, remain the most supportive of technology (Gen Z 70%, Millennials 74%; cf. Gen X 58%, Baby Boomers 54%).

Employees who believe their skill set is specialised and hard to replace has also decreased by two percentage points, with workers from capital cites are more likely to agree (58%; cf. Regional 53%).



Agree and Strongly Agree

Q5. To what extent do you agree or disagree with each of the following statements? Australian Workers Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q4 2021 (n = 1010)
*Indicative only due to small sample size

Employee priorities

Throughout 2022, stability of an organisation and flexible/remote working have flip-flopped between second and third position. Now they're back in joint second, indicating that the stability of an organisation has risen in prominence. This is no surprise given the much lower level of economic security among employees.

While remuneration will most likely always remain the most important priority to jobseekers, as it has throughout 2022, it is the remaining factors that tell the most interesting story. Clearly all the factors listed are important but in 2023, it is the top six that employers must consider as part of their Employee Value Proposition if they want to attract and retain talent throughout the year.

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Remuneration and bonus payments / incentives	1st	1st	1st	1st	1st
Stability of an organisation	Tied 2nd	2nd	3rd	Tied 2nd	3rd
Flexible/Remote working	Tied 2nd	3rd	2nd	Tied 2nd	2nd
Culture of the organisation	Tied 4th	5th	5th	Tied 4th	Tied 4th
Easy and/or short commute	Tied 4th	4th	4th	Tied 4th	Tied 4th
Career development opportunities	6th	6th	6th	6th	6th
Professional learning opportunities	7th	8th	8th	8th	8th
The ethical standing/reputation of the organisation and leadership	8th	7th	7th	7th	7th
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 Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q4 2021 (n = 1010)

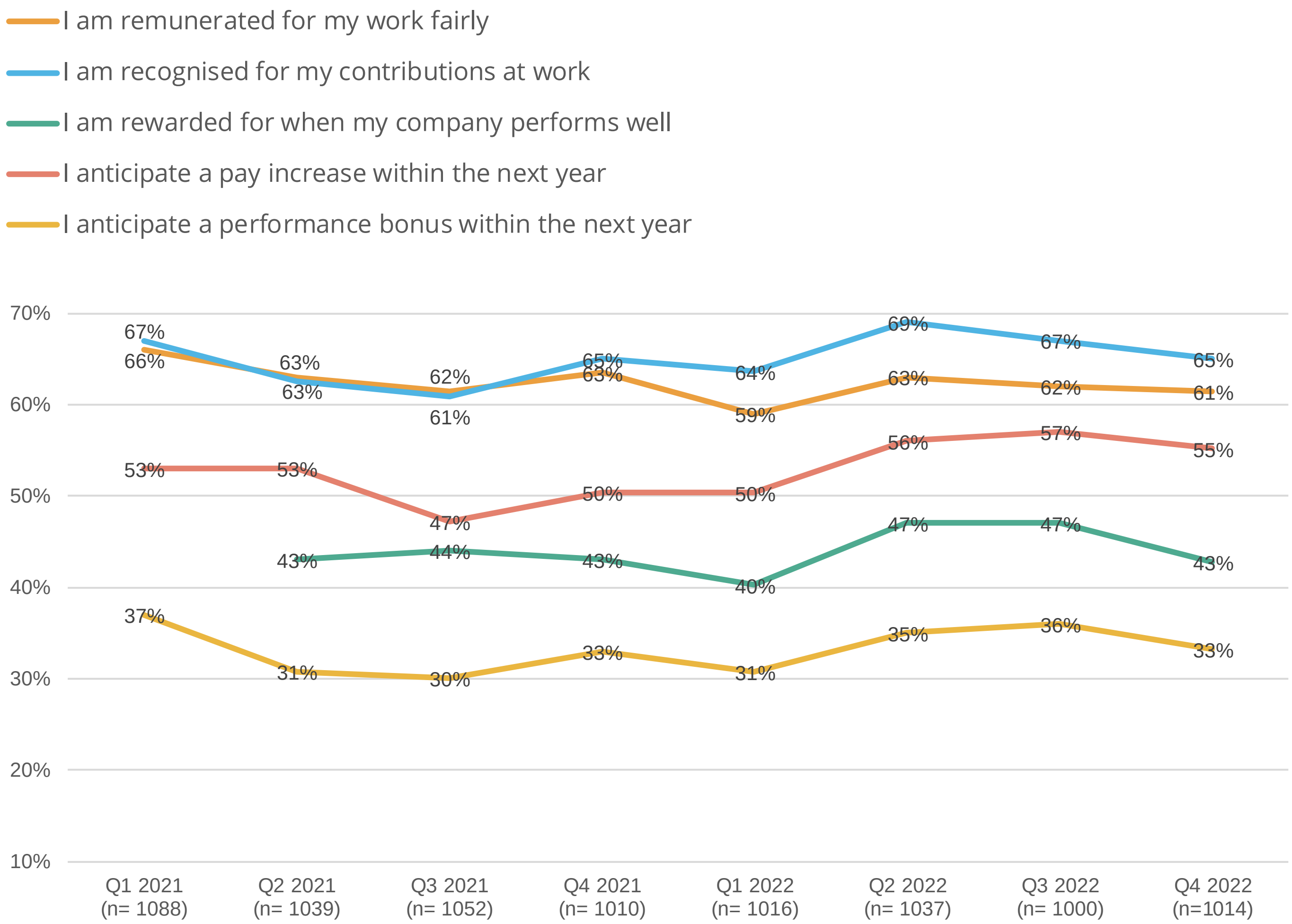
Recognition and remuneration

In Q4, the sentiment around recognition and remuneration is less positive than the previous quarter. In fact, Australian employees agree less with every one of these statements. The biggest decrease is in the number of employees feeling rewarded when their company performs well.

Less workers are anticipating either a pay increase or a performance bonus within the next year, compared to the previous quarter. Older employees are less likely to anticipate a pay increase or bonus compared to Gen Z or Millennials who seem to be remaining more optimistic for the year ahead.

However, it's the employees who work on site or in the office that are the least likely to believe they will get a performance bonus (25%; cf. Hybrid 42%, WFH full time 42%).

Lastly, employees feeling they are remunerated fairly is the most stable as it has only decreased by one percentage point on the previous quarter. This is being driven by male employees (65%; cf. Female 58%).



Agree and Strongly Agree

Q7. To what extent do you agree or disagree with each of the following statements? Australian Workers Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016) // Q4 2021 (n = 1010)
*Indicative only due to small sample size

The year ahead

Trending Concerns

Employee plans for 2023

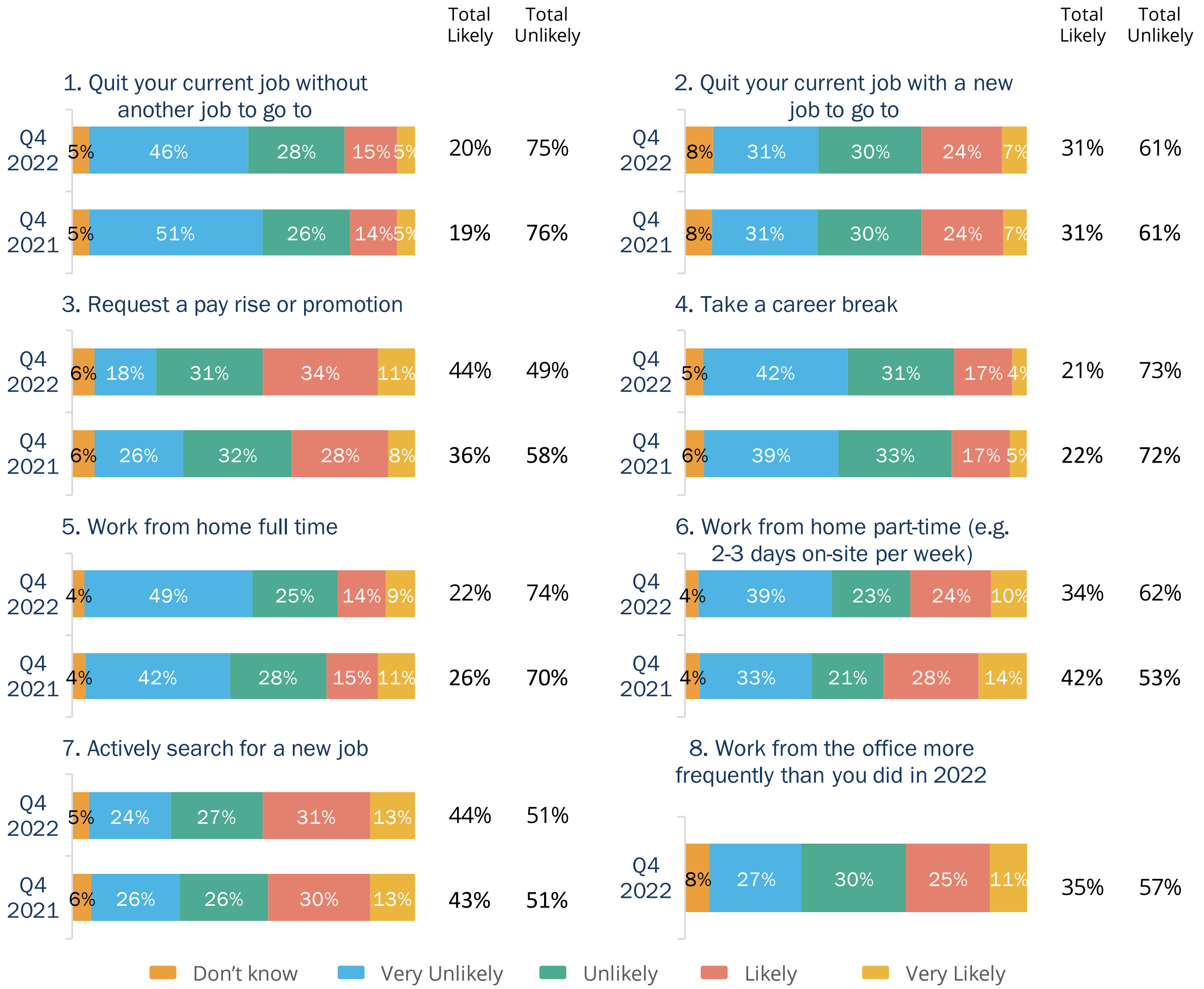
More than half of employees say they're unlikely to quit their job in 2023 – either with or without a new role to go to. Similarly, 51% said they're unlikely to actively search for a new job.

Meanwhile, over one-in-five (21%) Australian employees think it is likely they will take a career break in 2023. Interestingly the younger the employee, the more optimistic they are about taking a career break (Gen Z 33%, Millennials 25%, Gen X 16%, Baby Boomers 15%).

The number of employees who think it is likely they will request a pay rise or promotion has increased to close to half (44%), which is a 22% increase on this time last year. That is highest among men (49%; cf women 39%) and Millennials (54%).

Over a third of Australian employees think it is likely they will work from the office more frequently in 2023, with Gen Z leading the way (43%; cf Millennials 39%, Gen Z 33%, Baby Boomers 21%)

The number of employees who said they're likely to work from home full time and part-time also fell, compared to this time last year.



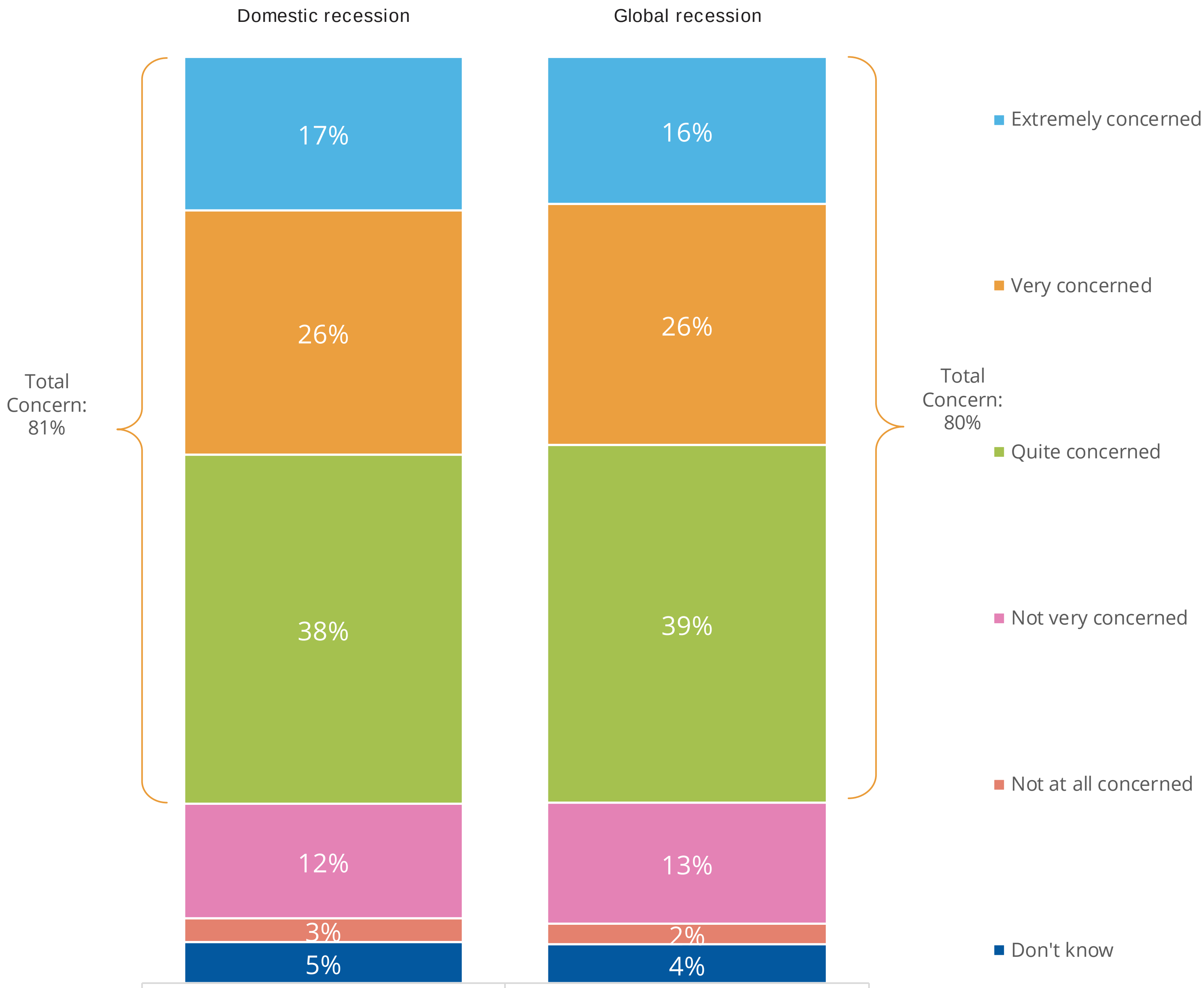
Q11. Thinking about your plans for 2023, how likely are you to: Australian Workers Q4 2022 (n=1014) // Q4 2021 (n = 1010)
*Indicative only due to small sample size

Recession concerns

Four out of five employees are concerned about a recession in Australia this year, representing an overwhelming majority. Female employees are more concerned than men (83%; cf 79%).

It isn't just a domestic recession that concerns workers as 80% of employees are also worried about about a global recession - close to 8 and a half million Australian workers (8,399).

Interestingly, the older the worker the more likely they are to be concerned about a recession in Australia (Gen Z 72%, Millennials 80%, Gen X 83%, Baby Boomers 84%). The trend isn't surprising, given it shows that those who were employed or entering employment during the 1991 recession in Australia (Baby Boomers and older Gen X) are more likely to fear the prospect of another one.



Q13. How concerned are you about each of the following in 2023? Australia Workers (n=1014)

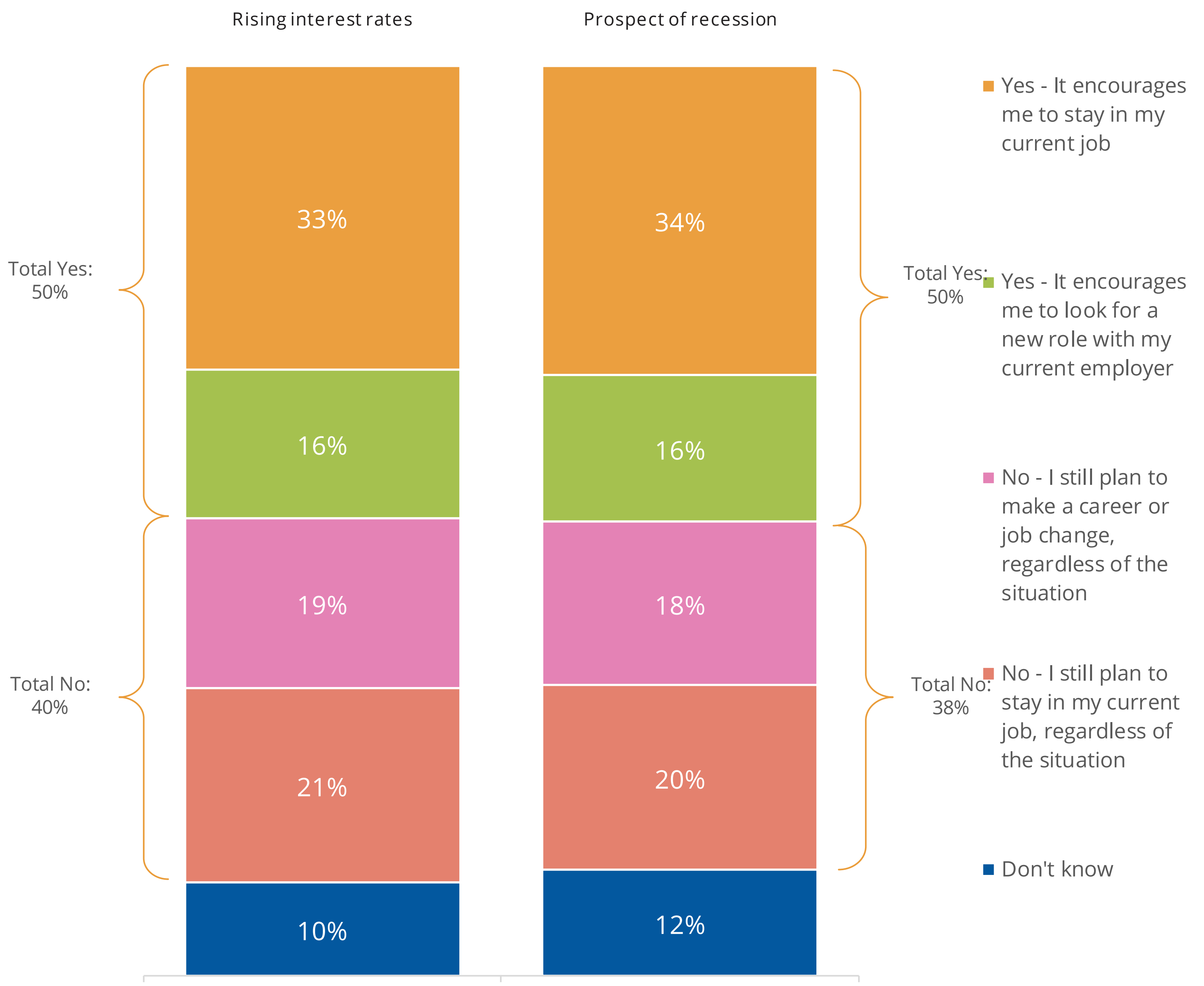
Impact on career plans

Half of Australian workers believe that either rising interest rates or the prospect of a recession will impact their career in 2023.

Millennials are the most likely to believe that rising interest rates will impact their career plans in 2023 (56%: cf. Gen Z 46%, Gen X 49%, Baby Boomers 34%), which is no surprise given they're most likely to have recently bought a property.

While, twice as many workers in the younger generations say they're encouraged to look internally for a new role (Gen Z 23%, Millennials 22%; cf. Gen X 11%, Baby Boomers 6%).

Across industries, employees in Administrative and Support Services are most likely to say the recession is encouraging them to stay put in their jobs (44%), while employees in Mining (28%) and Technology (22%) are more likely to look for a new role with their current employer.



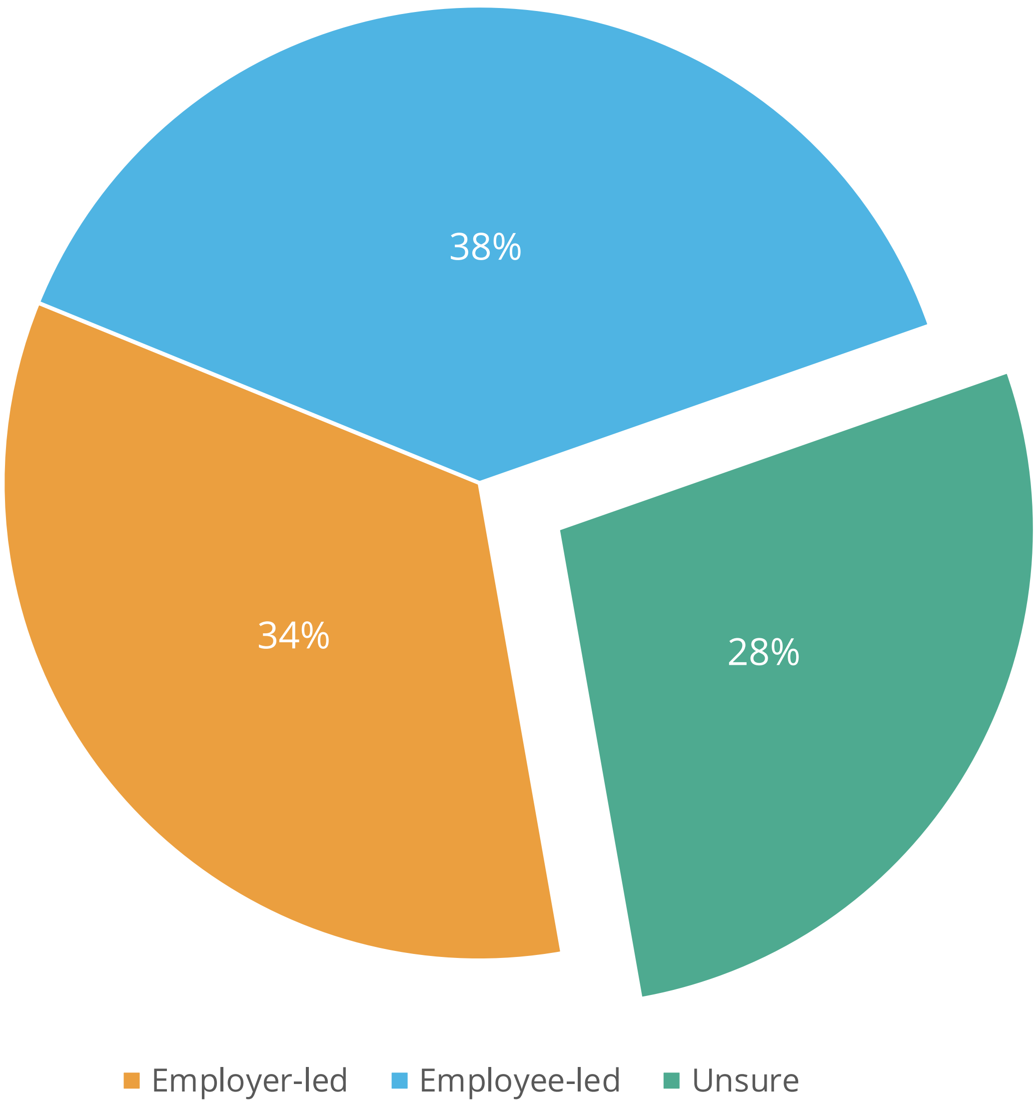
Q14. Will rising interest rates and/or prospect of a recession impact your career plans in 2023? If so, how? Australia Workers (n=1014)

Job market

Australian workers are divided as to who will have the balance of power in the job market this year. Despite their recession fears, more people believe it'll still be an employee-led job market, meaning candidates will be in the driving seat, but only by a small margin.

Workers from Gen Z are the most likely to believe it will be employee-led (47%; cf. Millennials 41%, Gen X 34%, Baby Boomers 37%) while Millennials are the most likely to think it the opposite (38%; cf. Gen Z 31%, Gen X 33%, Baby Boomers 28%).

The data throughout the report indicates that perceptions are vastly different between the youngest cohort in the workplace – Gen Z – and those who have experienced a recession in their working lives. Not only are Gen Z employees far more likely to believe the job market is still in their favour, they're also the least concerned about a recession, the most likely to take a career break, and the most likely to expect a bonus this year.



Q15. Do you think it'll be an employer or employee/candidate-led jobs market in 2023? Australia Workers (n=1014)

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.

The highly configurable solutions can be tailored to meet each organisation's unique needs and workflows. What's more, our supportive implementation services and dedicated Account Managers help users to get the most from their ELMO platform and drive a greater return on investment.

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