Employee Sentiment Index: 2021 in Review

Australia | ELMO Software | January – December 2021

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Summary

In 2021 Australian workers and employers were once again asked to display resilience and resolve. The first half of 2021 saw the early stages of economic recovery and reopening – a fact that was represented in many workers perceiving the economy as secure. However, in the second half of 2021 that positive sentiment was undone as government mandated lockdowns hit the eastern seaboard states. This polarity of halves has been represented in the findings of the ELMO Employee Sentiment Index Annual Report.

In each quarter of 2021 ELMO Software commissioned independent research firm Lonergan Research to conduct a survey of Australian workers. A series of fixed questions provided a benchmark upon which comparison and analysis could take place. These fixed questions explored workers' perceived security, overall wellbeing, plans for the future and the influence of the economy on their decision making. Topical questions were also introduced each quarter to understand how workers felt about pressing workplace matters such as vaccinations in the workplace.

In the first Employee Sentiment Index Annual Report, ELMO Software provides a deeper analysis into the findings and what that may mean for employers in 2021. Understanding the relationship between how workers feel and how they act can provide employers with a starting point to plan for 2022.

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 their actions in the three month period between October 2021 to December 2021.

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

Lonergan Research surveyed 1,010 Australian workers aged 18 years and over between 13 December 2021 to 2 January 2022. The research was conducted through 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.

Understanding 2021 to plan for 2022

How job and economic insecurity influence workers

The COVID-19 pandemic has undoubtedly impacted how secure workers perceive their jobs, organisations, industries and the economy to be. The mid-year lockdowns that impacted many states on the Eastern seaboard had a marked impact on workers' perceived security. Notably, there was an 11 point spike in those rating the economy as 'not secure' in Q3 of 2021. Although this has subsided and confidence has begun to return in Q4 – ratings of 'not secure' down 6 points to 24% - perceived economic insecurity has tangible impacts for individuals and employers.

In fact, when compared to workers who rate the economy as 'secure', workers who rate the economy as 'not secure' are:

13%
more likely to feel burnt-out

15%
more likely to actively search for a new job in a new company

8%
more likely to apply for a new job in a new company

Even though employers cannot directly influence the economy and their employees' perceptions of its security it is important they understand the impact external factors can have on their workforce's behaviour and actions.

However, a factor that employers can have greater influence over is a workers' perceived job security. Perceived job security or insecurity also impacts employee behaviour.

Workers who had low job security are:

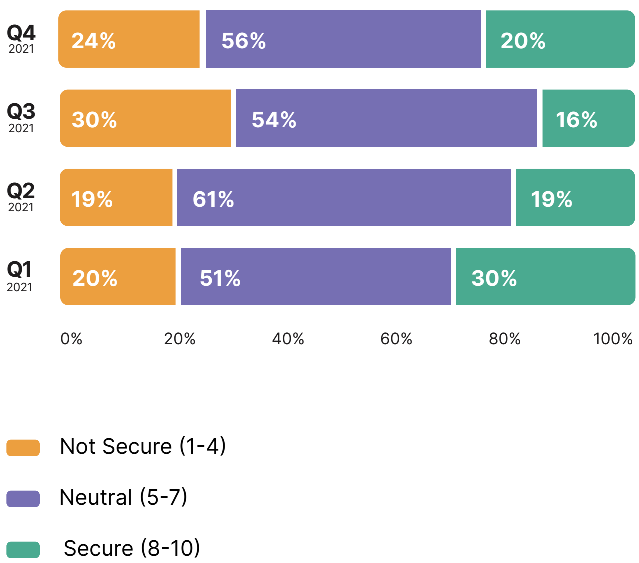
18%
more likely to search for a new job in a new company

16%
more likely to feel burnt out

6%
more likely to arrive at work while unwell

30%
more likely to say they aren't working enough hours to make ends meet

Economic Security



The impacts of burnout on employee behaviour

In the final quarter of 2021 workers were feeling more burnt out than at any other point in 2021. The heightened burnout may be expected given workers endured another 12 months of ambiguity and stress.

Analysis of the past year of Employee Sentiment Index data has revealed just how important it is for employers to address burnout to mitigate other issues among their workforce. For example, a fifth of burnt-out workers reported arriving at work while feeling unwell. This presents a tremendous challenge for organisations trying to implement policies and procedures to minimise the risk of COVID-19 transmission in the workplace.

Burnt-out employees displayed other behaviours that may being a warning sign for employers.

Among burnt-out workers:

14%

said they had taken mental health leave

23.5% *(Almost a quarter)*

say they recently took on more responsibility at work

28% *(Almost a third)*

say they are overwhelmed with the amount of work they have to do

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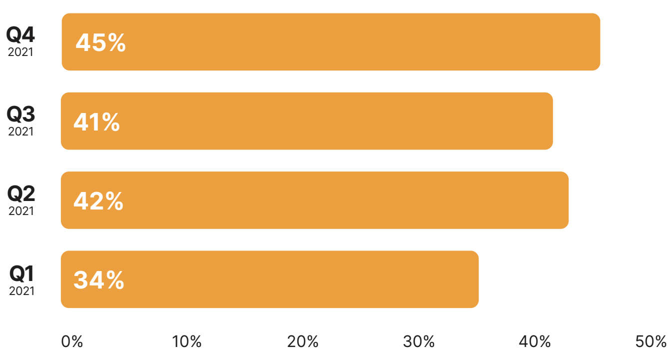
17% *(Nearly a fifth)*

reported they are actively searching for a new job

Proportion of Australian workers who feel burnt-out



Preparing for the Great Resignation'

There has been much conjecture about the possible arrival of a US-styled 'Great Resignation' in Australia in 2021. According to the Employee Sentiment Index, this may be occurring as more than two-fifths (43%) of Australian workers say they will be actively searching for a new job in 2022.

The arrival of a 'Great Resignation' could not come at a worse time for employers as the skills shortage has already created heightened competition for skilled workers. This has driven up wages and made for a far more competitive jobs market.

To manage this double-headed challenge employers need to rely on data to understand their workforce and identify trends that may predict flight risk. Analysis of the past year of Employee Sentiment Index data revealed behavioral characteristics of employees who report they are 'actively searching for a new job in another company'.

Among workers seeking new roles:

41%

This is 12 points greater than the national average for 2021

said they felt overwhelmed with the amount of work they had to do

20%

A fifth

reported taking a sick day despite not being sick

38%

took annual leave

It may not be a desire for better remuneration that could be driving workers to search for a new role. In fact, of those workers who are searching for a new role more than half (53%) said they feel remunerated fairly while 51 per cent feel recognised for their contributions.

In fact, according to the Q4 Employee Sentiment Index, aside from salary there are a number of other tactics employers can employ to have their talent turn down an offer from another company. For instance, greater flexibility, not just remote working, is the second most influential factor which workers say could see them turn down a job offer from another organisation. This is followed by more annual leave, a promotion and remote working.

Quarter-on-quarter Comparative Analysis

Perceived Security

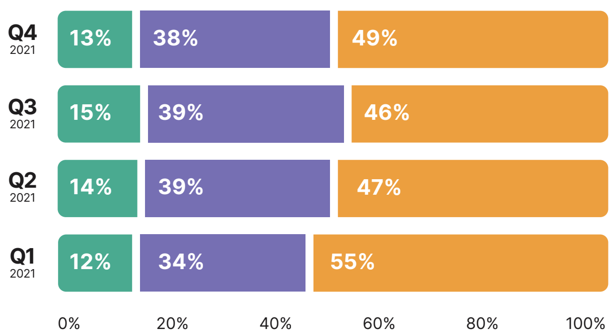
Workers' perceived job, industry and organisational security have improved after wavering during the period of enforced lockdowns during the July to September period. However, almost a quarter of Australian workers still perceive the economy as 'not secure'.

The proportion of workers who rate the economy as 'not secure' declined 6 per cent to 24 per cent (30% in Q3). A fifth of workers (20%) now view the economy as 'secure' while 56 per cent are neutral in their view.

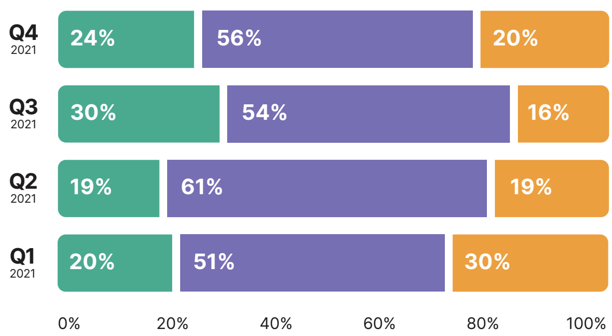
Job security has also increased among workers following the uncertainty and instability of the mandated lockdowns. There was a three per cent increase in the proportion of workers feeling their job is 'secure' to 49 per cent (up from 46% in Q3).

Perceived organisational security remains largely stable – increasing slightly, as 51 per cent of Australian workers report feeling 'secure' or 'neutral' about their organisation, compared to 50 per cent in Q3. Industry security has seen a considerable improvement as workers who were 'neutral' appear to perceive their industry as 'secure

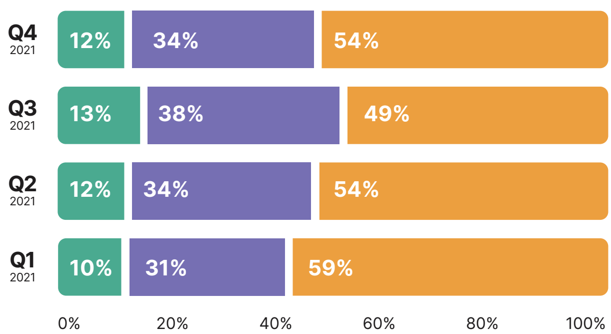
Job Security



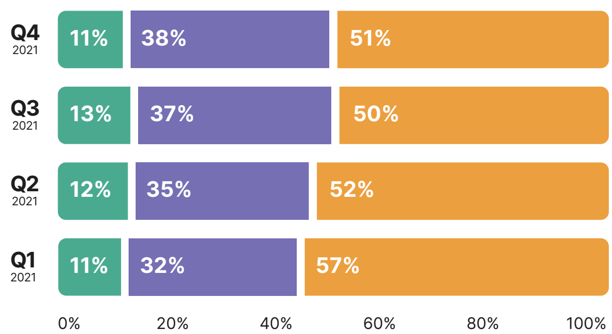
Economic Security



Industry Security



Organisational Security

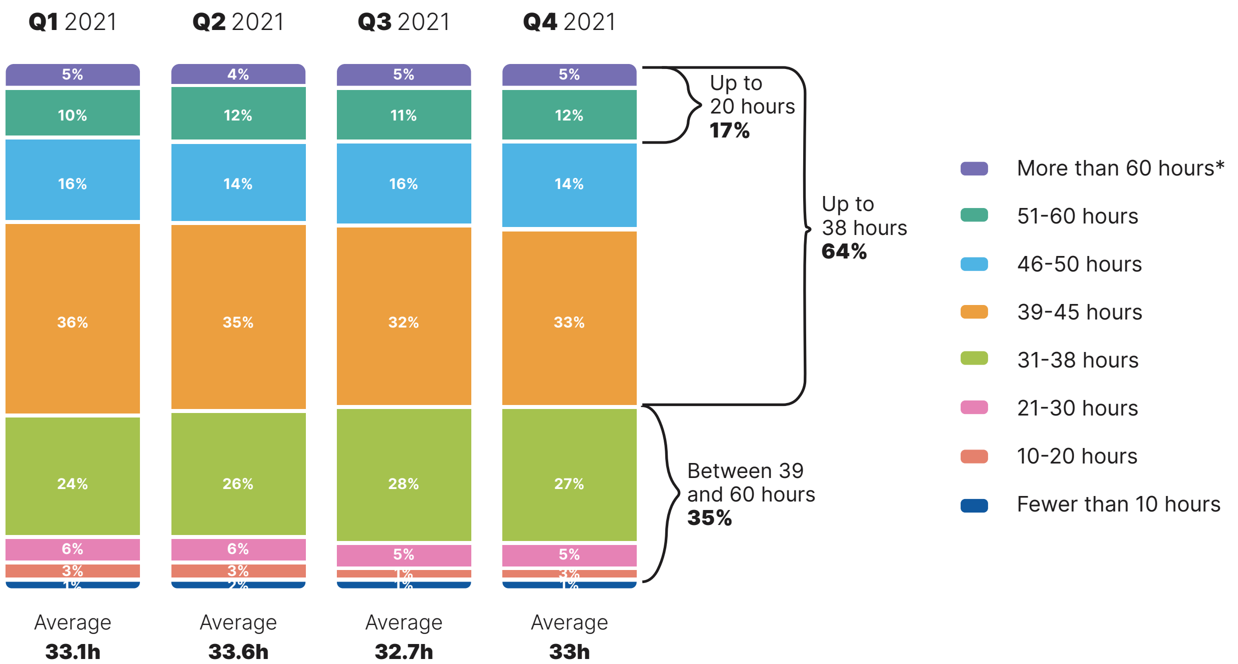


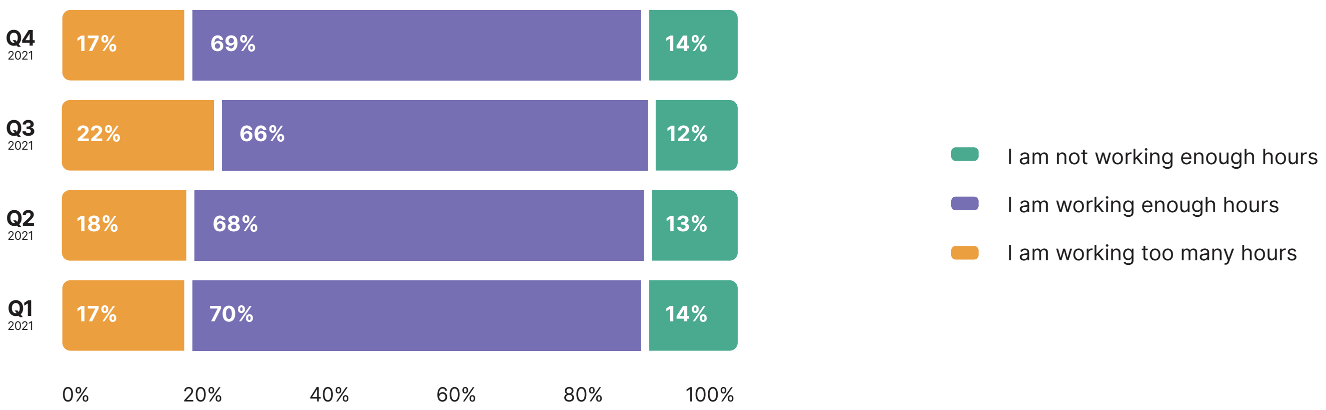
Not Secure (1-4) Neutral (5-7) Secure (8-10)

Hours Worked

On average, Australian workers are clocking 33 hours per week, despite a small dip of 0.3 of an hour in Q3. However, while the number of hours that Australians are working has remained relatively stable throughout 2021 the perceptions of working enough hours to make ends meet has fluctuated.

The mid-year quarters between April to September appear to be the periods when the most workers feel they are not working enough hours. The impacts of COVID lockdowns also displayed a profound impact on workers compared to the rest of the year.





Worker Wellbeing

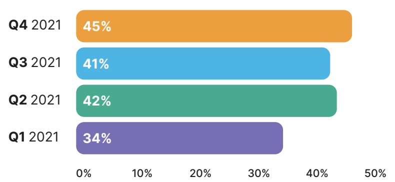
As 2021 drew to a close, Australian workers felt more burnt-out than at any point in the year. Burnout spiked at 45 per cent in Q4 after dropping one per cent in Q3 to 41 per cent.

Coinciding with greater burnout is elevated feelings of being overwhelmed with workloads. In Q4 a third of workers (32%) reported being overwhelmed with the amount of work they had to do. This was the equal greatest levels for 2021, mirroring the result in Q2.

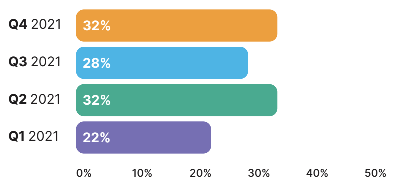
Mental health days have also become more frequently used by workers in the past quarter. In Q4, nearly a fifth (17%) of workers reported taking a mental health day. This is the greatest figure recorded in 2021 as the proportion of workers taking mental health leave has increased quarter-on-quarter.

The proportion of workers arriving at work despite feeling unwell has begun to return to pre-lockdown levels. A fifth of workers (22%) reported arriving at work while feeling unwell in the past three months.

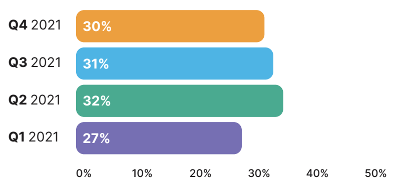
Felt "burnt out"



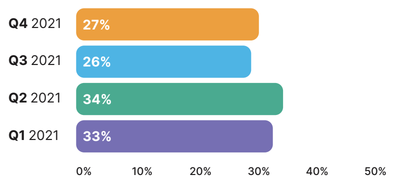
Felt overwhelmed with the amount of work you had to do



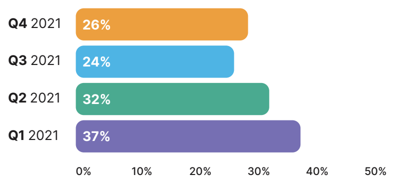
Felt bored at work



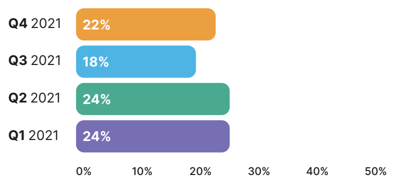
Taken a legitimate sick day



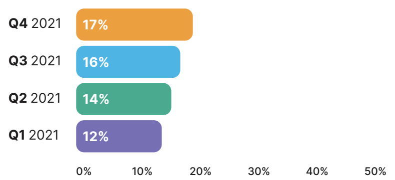
Taken annual leave



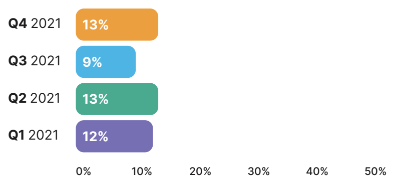
Arrived at work while feeling unwell



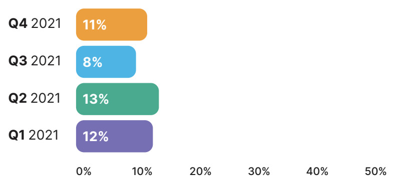
Taken a mental health day



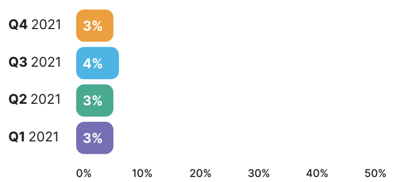
Taken a sick day despite not being sick



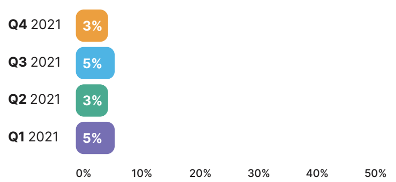
Taken carer's leave or compassionate leave



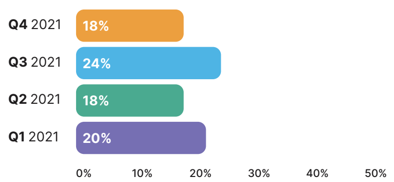
Taken unscheduled remote work leave



Used an employee assistance program (EAP)



None of the above



Worker Mobility

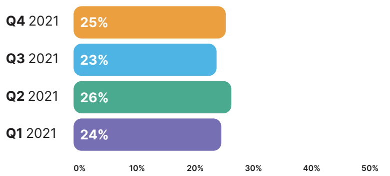
Australian workers are once again consid ering career changes. In Q4, a quarter of Australian workers considered a career change. This was up two per cent on Q3 and sits as the median between Q1 and Q2 results.

The number of Australian workers actively searching for a new role in their company has bounced back slightly from Q3 (Q4 9%; cf. Q3 8% Q2 10%).

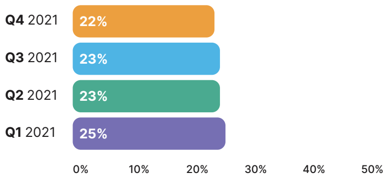
Australian workers starting a new job has remained stable at 9% making Q3 and Q4 the highest quarters of new employment (cf. Q1 8%, Q2 7%).

Perhaps coinciding with the rising levels of employee burnout (up to 45 per cent in Q4), More than a fifth (22%) of Australian workers have taken on more responsibility at work in the last three months.

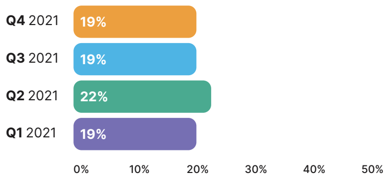
Consider a career change



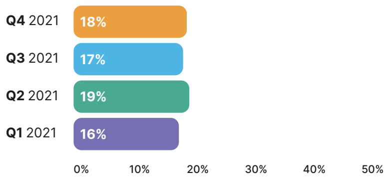
Taken on more responsibility at work



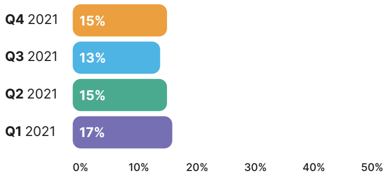
Complete training mandated by your employer



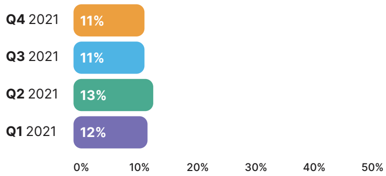
Actively search for a new role in another company



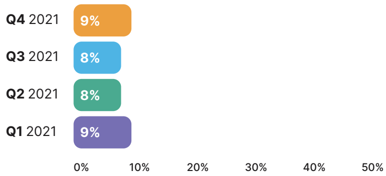
Consider undertaking new formal training



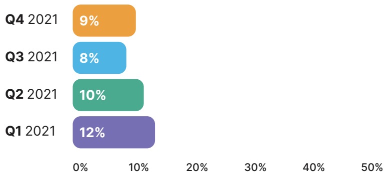
Apply for a new role in a new company



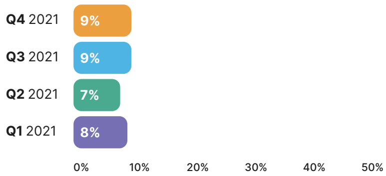
Interview for a new role in a new company



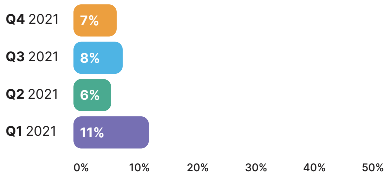
Actively search for a role in your existing company



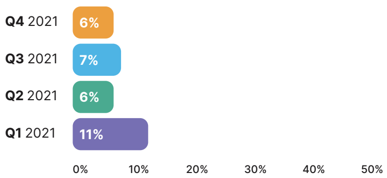
Started in a new job



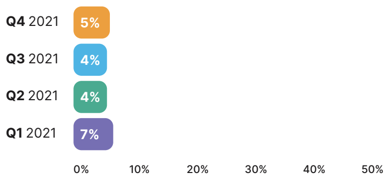
Earn a promotion



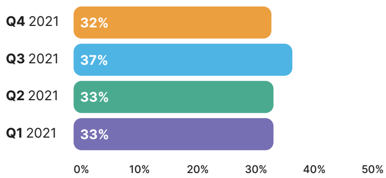
Commence new formal training



Commence a career change



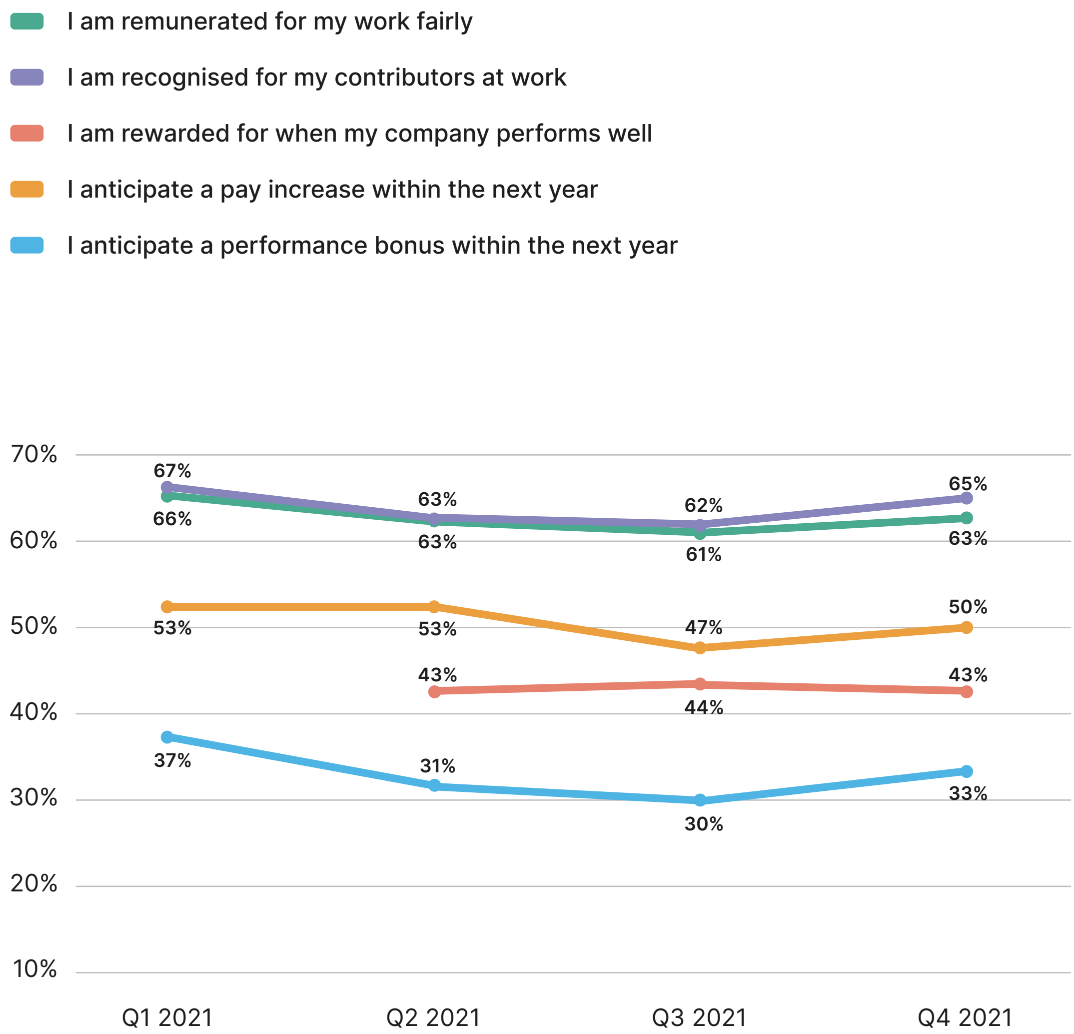
None of the above



Recognition and Remuneration

Expectations of a pay increase have rebounded slightly, yet still remain behind Q1 and Q2 levels. Half of Australian workers reported they expect a pay increase in the next year, up from 47 per cent in Q3. The proportion of workers anticipating a bonus also increased by three per cent to 33 per cent in Q4.

While most statements received higher levels of agreement than Q3, when it came to feeling rewarded when the company performed workers agreement decreased by one per cent (Q4 43%, Q3 44%).



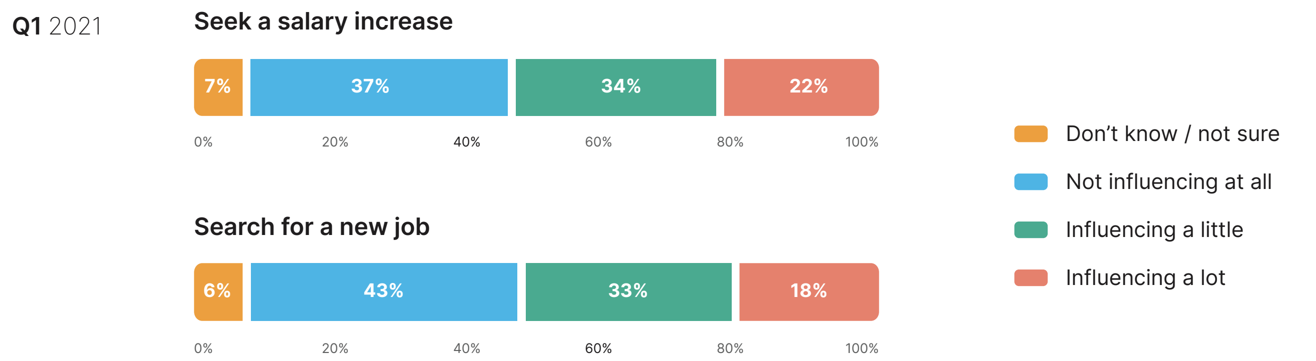
Agree and strongly agree

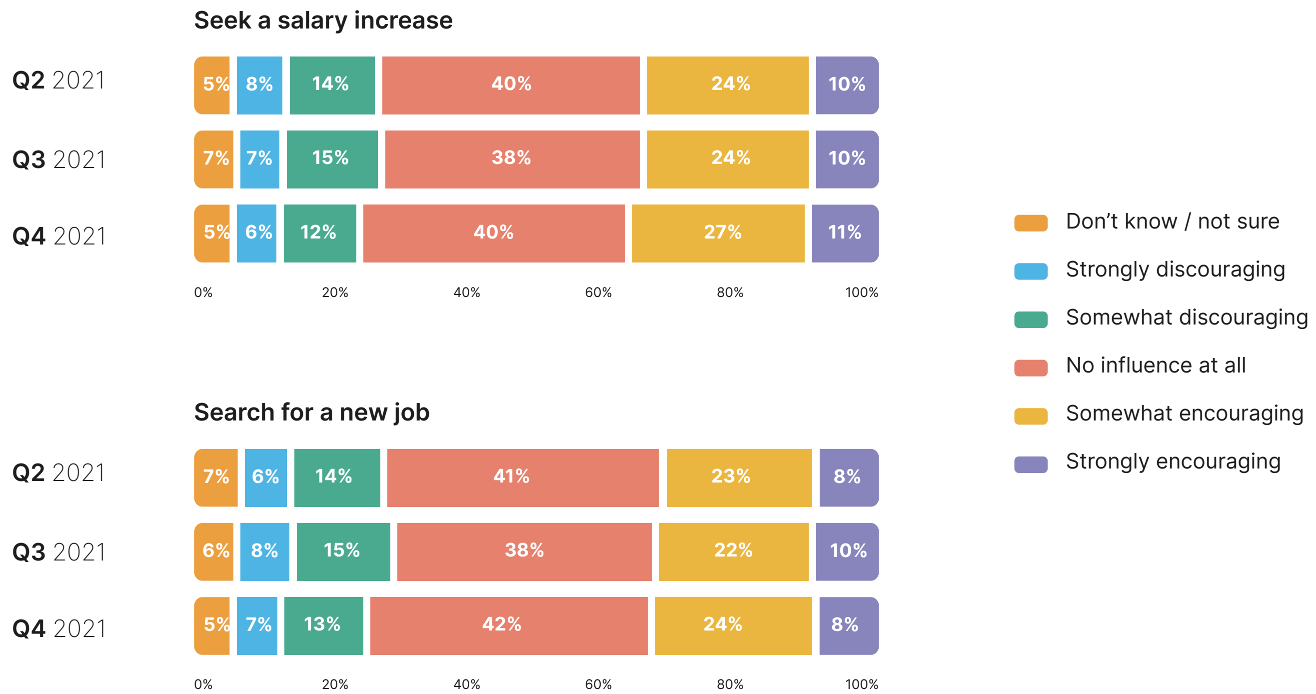
Economy Influencing Decision Making

Improving economic conditions are encouraging a third of working Australians (32%) to search for a new job. Conversely, a fifth (20%) state that economic conditions are discouraging them from searching for a new job. This is improved from Q3 when 23 per cent of workers reported being discouraged in their job search by economic conditions.

Employers may face more employees seeking a pay increase as more than a third (37%) report improving economic conditions may encourage them to seek a pay rise. This is the greatest figure recorded in 2021.

NOTE: Code frame change since Q1

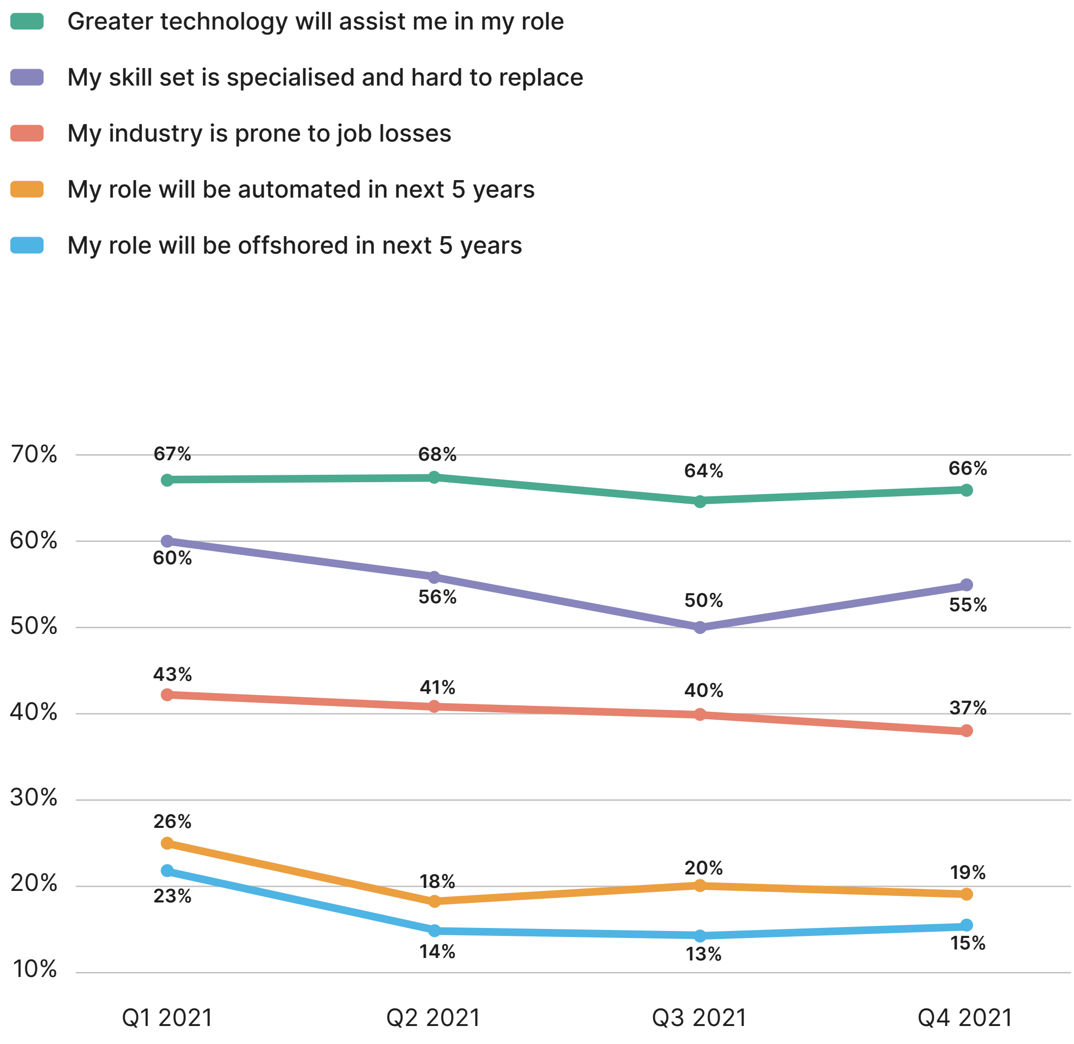




Future of Work

After dipping significantly during the mid-year lockdowns, the number of Australian workers believing their skill set is specialised and hard to replace has increase by 4 per cent in the last quarter to return to Q2 levels (Q4 55%; Q3 51%, Q2 56%, Q1 60%).

Despite the uncertainty evident in 2021, fewer Australian workers believe their industries are prone to job losses than at the beginning of the year. From a Q1 high of 43 per cent, the proportion of Australian workers who view job losses as likely in their industry has falled to 37 per cent in Q4.



Agree and strongly agree

Employee Priorities

‘Remuneration and bonus payments / incentives’, ‘stability’, and ‘flexible/remote working’ top the list as the most important factors Australian workers look for when choosing a new employer. However stability of an organisation has swapped with Flexible/remote working - it is now 3rd.

While the top 5 factors when deciding a new employer remain the same, the positions within the top 5 have moved the most from Q3 to Q4 than any other quarter, with four items changing ranking.

	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Remuneration and bonus payments / incentives	2nd	1st	1st	1st
Flexible/Remote working	1st	3rd	3rd	2nd
Stability of an organisation	3rd	2nd	2nd	3rd
Easy and/or short commute	5th	5th	5th	4th
Culture of the organisation	4th	4th	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	Tied 8th	8th
Wellbeing initiatives	11th	9th	Tied 8th	9th
Diversity among employees/senior leadership team of the organization	10th	10th	10th	10th
Online or word-of-mouth employee reviews of the leadership	12th	11th	11th	11th

Trending Concerns in Q4 2021

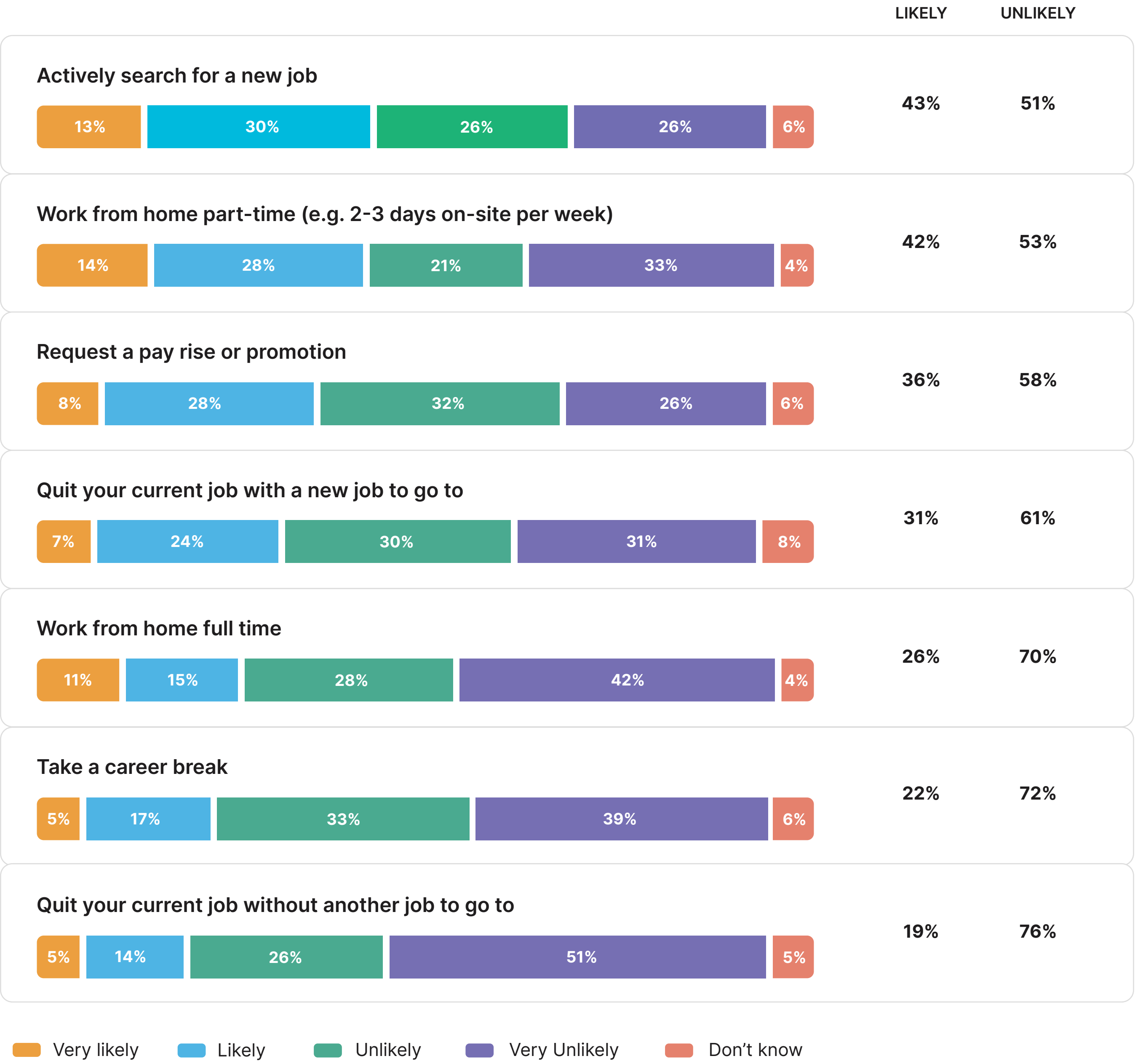
The 'Great Resignation' & COVID-19 in the workplace

The Great Resignation | Employee plans for 2022

In a sign the Great Resignation may have arrived in Australia, more than two-fifths (43%) of Australian workers say they will be actively searching for a new job in 2022 while 31 per cent report they expect they will quit as soon as they secure a new job.

However, workers may not wait to find a new job before leaving their employer with almost a fifth of workers (19%) stating they are willing to quit without securing a new job. Career breaks are also on the mind of workers with more than a fifth (22%) stating they expect to take a career break this year.

Workers are also expecting hybrid-working to become an entrenched part of working like as 42 per cent of workers expect to work from home part-time.



The Great Resignation | Which counter offers work

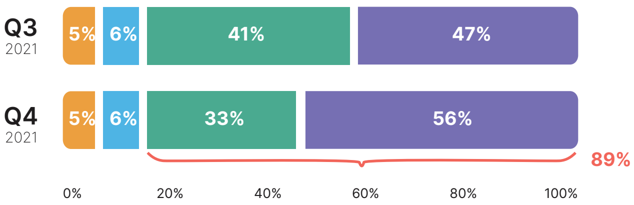
While it may come as no surprise that increased salary and wages are the most popular counter-offer, there are other factors employers can use to retain their departing employees.

Greater flexibility, not just remote working, is the second most influential factor which workers say could see them turn down a job offer from another organisation. This is followed by more annual leave, a promotion and remote working to round out the top five factors.

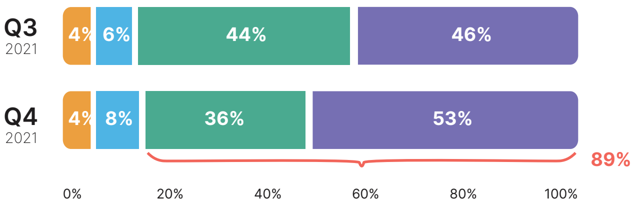
		%Ranked				
		1st	2nd	3rd	4th	5th
1st	**Increased salary/wage**	38%	17%	11%	9%	4%
2nd	**Greater flexibility of hours** (flexitime/job-share/part-time)	9%	13%	13%	12%	11%
3rd	**More annual leave**	7%	12%	12%	13%	10%
4th	**A job promotion**	10%	11%	11%	8%	8%
5th	**Ability to work from home / remotely more often**	7%	9%	9%	9%	9%
6th	**More professional development / learning**	4%	7%	10%	9%	11%
7th	**More wellbeing initiatives**	4%	5%	8%	11%	11%
8th	**Greater autonomy in my role**	4%	5%	6%	6%	10%
9th	**Clearer career pathways to grow in the business**	4%	6%	5%	6%	8%
10th	**Equity or shares in the business**	5%	6%	5%	6%	5%
11th	**Paid tertiary education**	3%	4%	4%	7%	4%
12th	**A career-break**	4%	3%	3%	4%	5%
13th	**Leave to complete further studies**	2%	3%	3%	2%	5%

COVID-19 in the workplace

I am comfortable with my employer knowing my COVID-19 vaccination status



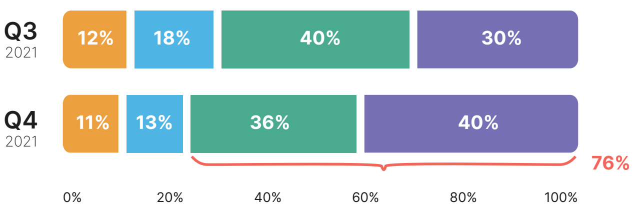
I am comfortable with my employer knowing my test status



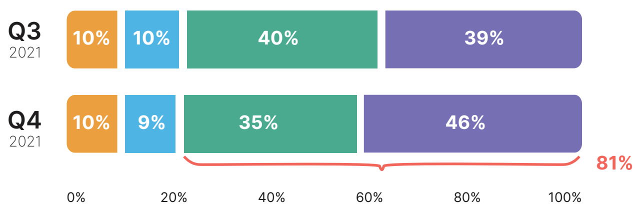
New variants of COVID-19 are making 69 per cent of workers concerned about being in the workplace. Similarly, 67 per cent of workers are uncomfortable going into work if their colleagues are unvaccinated – up from 58 per cent in Q3. This may also be behind growing support for employers mandating COVID-19 vaccinations in the workplace. Support for mandatory vaccinations at work has grown from 70 per cent in Q3 to 76 per cent in Q4.

Almost nine-in-ten Australian workers (89%) are comfortable with their employer knowing their COVID-19 test or vaccination status. Workers who are comfortable with their employee knowing their vaccine status decreased by 1% from Q3 (88%) and those who are comfortable with their COVID-19 test status being known has increased by 1% (89%).

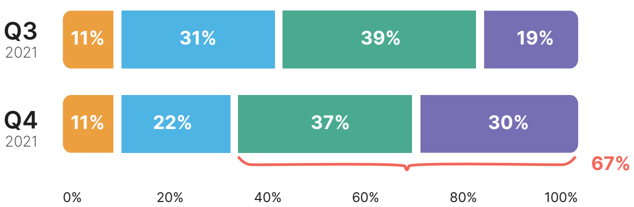
Employers should require their employees to be vaccinated



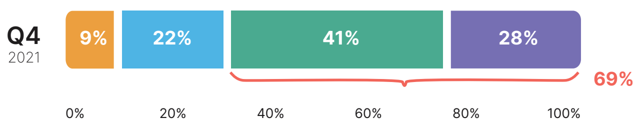
I support vaccine passports



I am uncomfortable going into work if my colleagues are not vaccinated



New variants of COVID-19 make me concerned about being in the workplace



Strongly Disagree | Disagree | Agree | Strongly Agree

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