ELMO Employee Sentiment Index: Q1 2022

Australia | ELMO Software | January – March 2022

Summary

Image: ELMO Software CEO Danny Lessem

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

With the federal election looming, the latest ELMO Employee Sentiment Index has found just 15 per cent of Australian workers consider the economy as secure; the smallest proportion of workers recorded to date. This is down from 20 per cent in Q4 of 2021 and down from 30 per cent of workers in the prior comparable period of Q1 2021.

Cost of living pressures are also battering Australian workers with almost a fifth of workers (19%) stating they are not working enough hours to meet their cost of living needs. This is up from 17 per cent in the first quarter of 2021.

Despite a growing proportion of Australians being unable to make ends meet, Australian workers are continuing to work the same average number of hours per week as they were last year (33.1hrs in Q1 2021; 33.1hrs in Q1 2022).

Other key findings include:

- Almost four fifths (78%) of workers believe global conflict will have a negative impact on economic security
- Burn out hits highest levels on record at 46 per cent; up from 34 per cent in Q1 2021
- A third of workers expect they'll leave their current employer within the next 18 months

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 January 2022 to March 2022.

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

Lonergan Research surveyed 1,016 Australian workers aged 18 years and over between 11 March 2022 and 31 March 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.

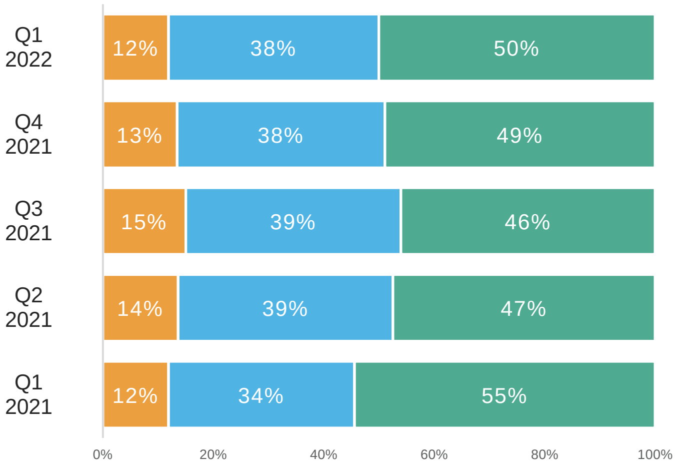
Q1 2022 (January-March) Analysis

Perceived Security

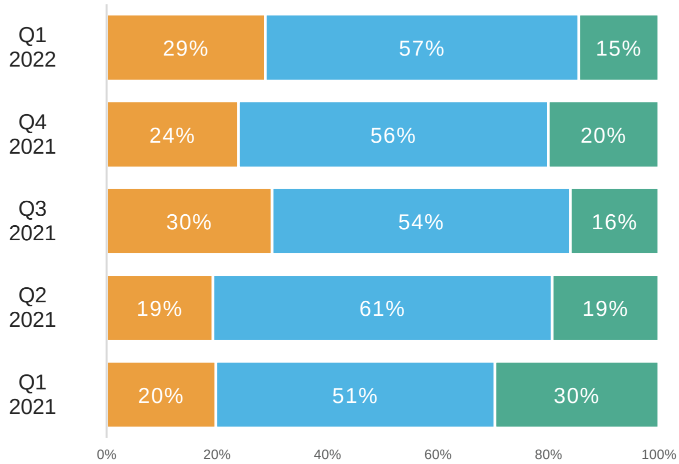
Perceived economic security has dropped by a quarter to 15 per cent in Q1 2022 (20% in Q4 2021). This significant decline may reflect broader concern about the international situation as tensions and conflict continue to escalate overseas. Workers are now feeling less secure in the economy than they were at the same point last year (30% in Q1 2021). This is the lowest rate of perceived economic security recorded in the ELMO Employee Sentiment Index.

Workers' perceived industry and organisational security decreased slightly during the first quarter of 2022 compared to the preceding quarter. However, there was some welcome news that job security had increased by one per cent on the previous quarter with 50 per cent of workers now considering their job secure.

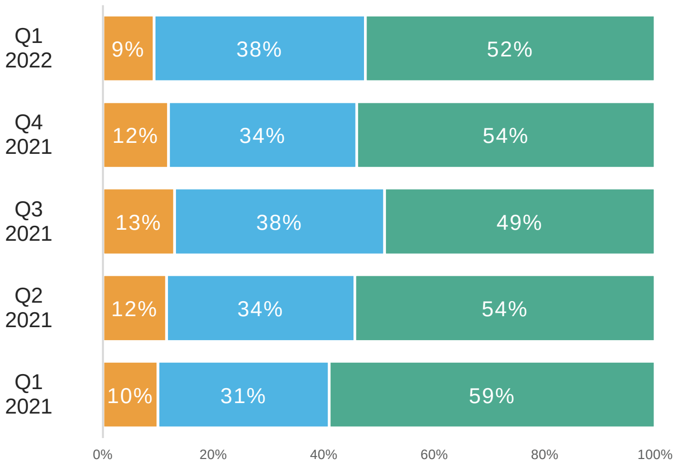
Job Security



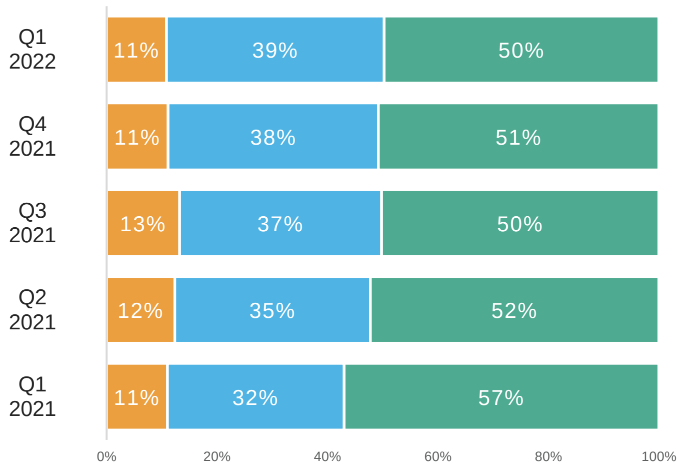
Economic Security



Industry Security



Organisational Security



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

Worker Wellbeing

Burn out remains a considerable issue for Australian employers with 46 per cent of workers reporting they are burnt out. This high rate of burn out is the greatest figure recorded in the Employee Sentiment Index to date and is up substantially on the prior comparable period (34% in Q1 2021).

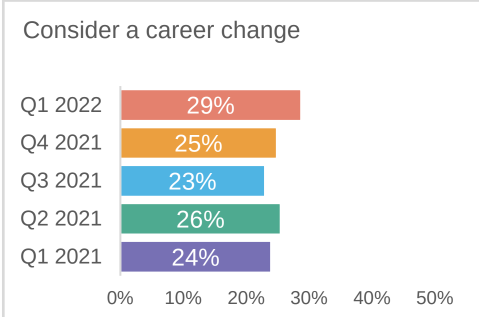
A possible contributor to the burn out rates may be the fact fewer Australian workers reported taking leave in the first quarter of 2022 compared to the same time last year (33% Q1 2022; 37% Q1 2021). A further contributor may be that a third (32%) of workers felt overwhelmed with the amount of work they had to do, and a similar proportion felt bored at work (32%).

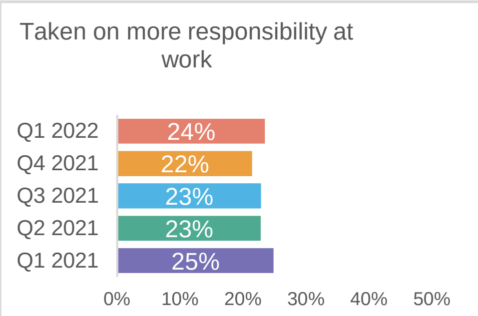
Although more workers are feeling burnt out, fewer workers are reporting taking a mental health day. Just 14 per cent reported taking a mental health day in Q1 2022, a decline from 17 per cent in Q4 2021.

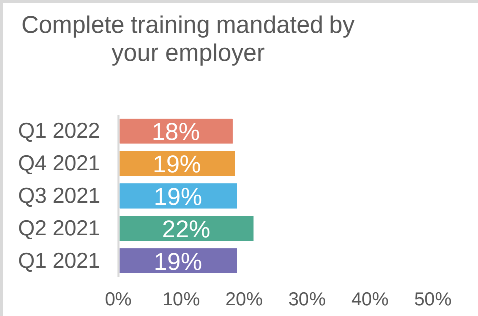
Worker Mobility

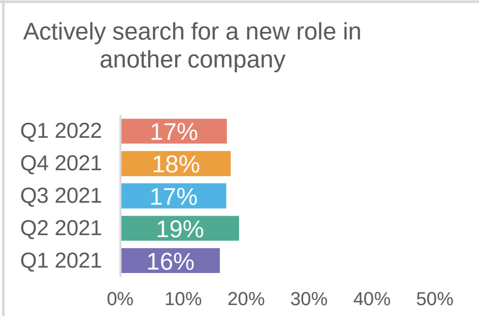
In signs the Great Resignation may not be over, more Australian workers considered a career change in the last three months than during previous quarters, with three in ten (29%) considering changing their career.

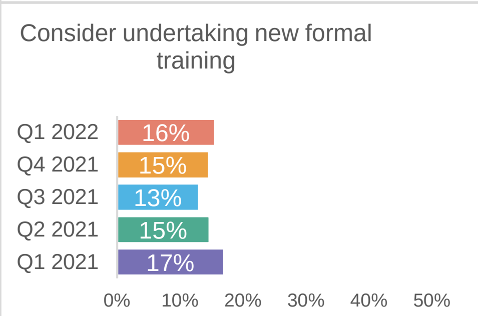
A quarter (24%) of Australians workers have taken on more responsibility at work in the past three months, this is slightly higher than in the final quarter of 2021 (22%). This may be a contributing factor to the climbing burn out rates among Australian workers.

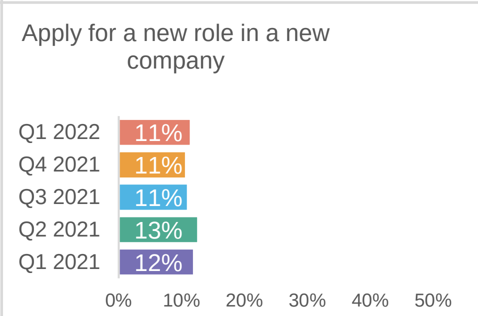


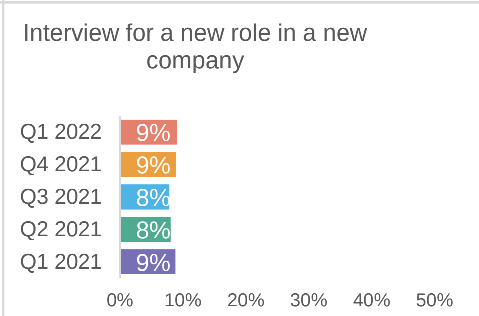


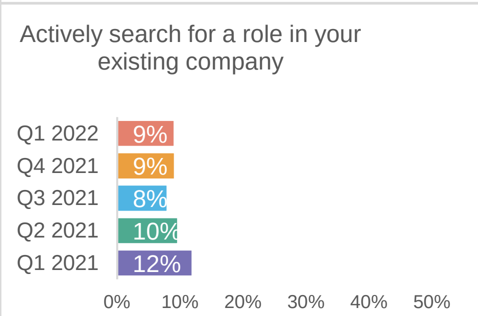


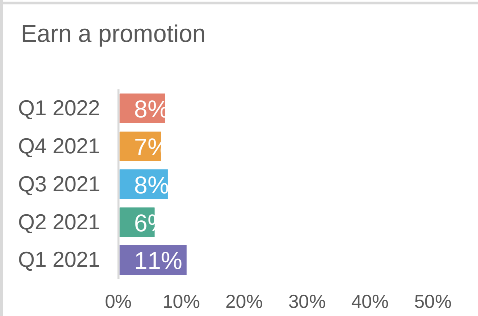


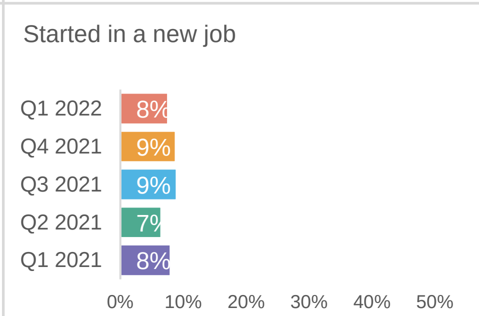


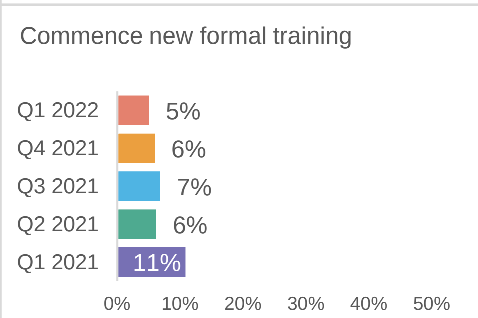


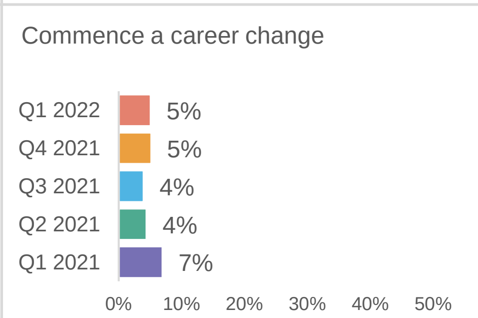


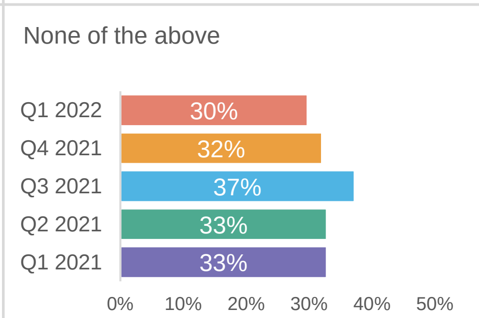










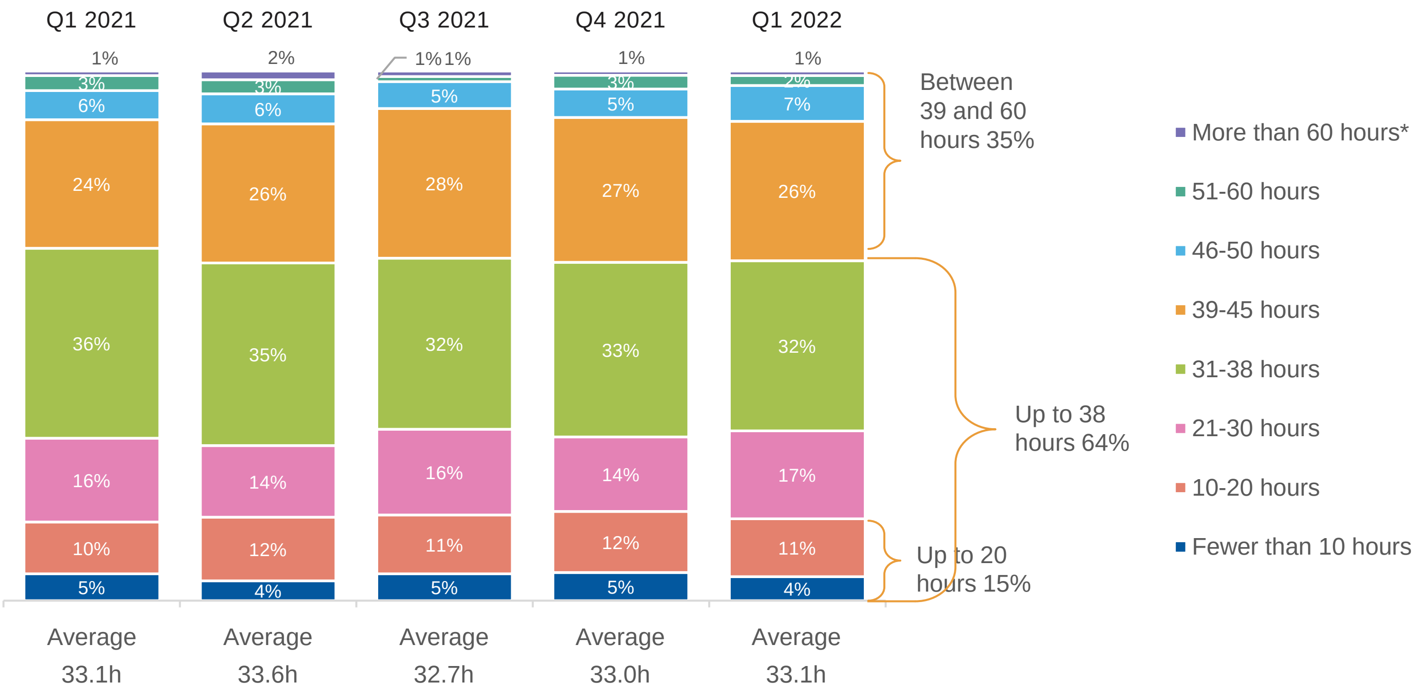


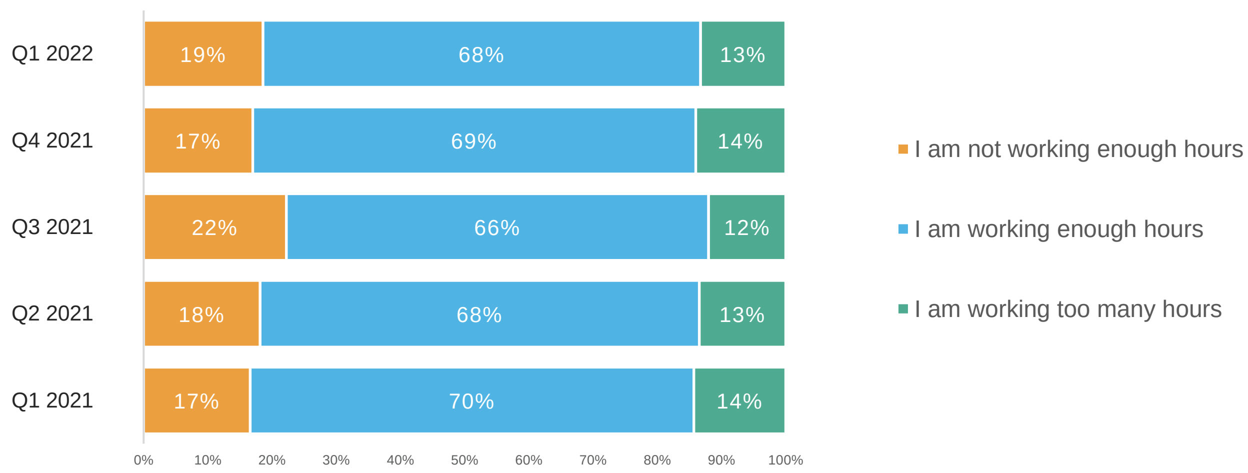
Hours Worked

Cost of living pressures are impacting a greater proportion of Australian workers in the first quarter of 2022 than in the prior comparable period.

Almost a fifth (19%) of workers say they are not working enough hours to meet their cost of living needs. This is despite the average number of hours being worked remaining the same between Q1 2021 and Q1 2022 (33.1 hours per week).

Nearly two thirds (64%) of Australians workers clocked in up to 38 hours per week, while slightly more than a third (35%) worked up to 60 hours per week.

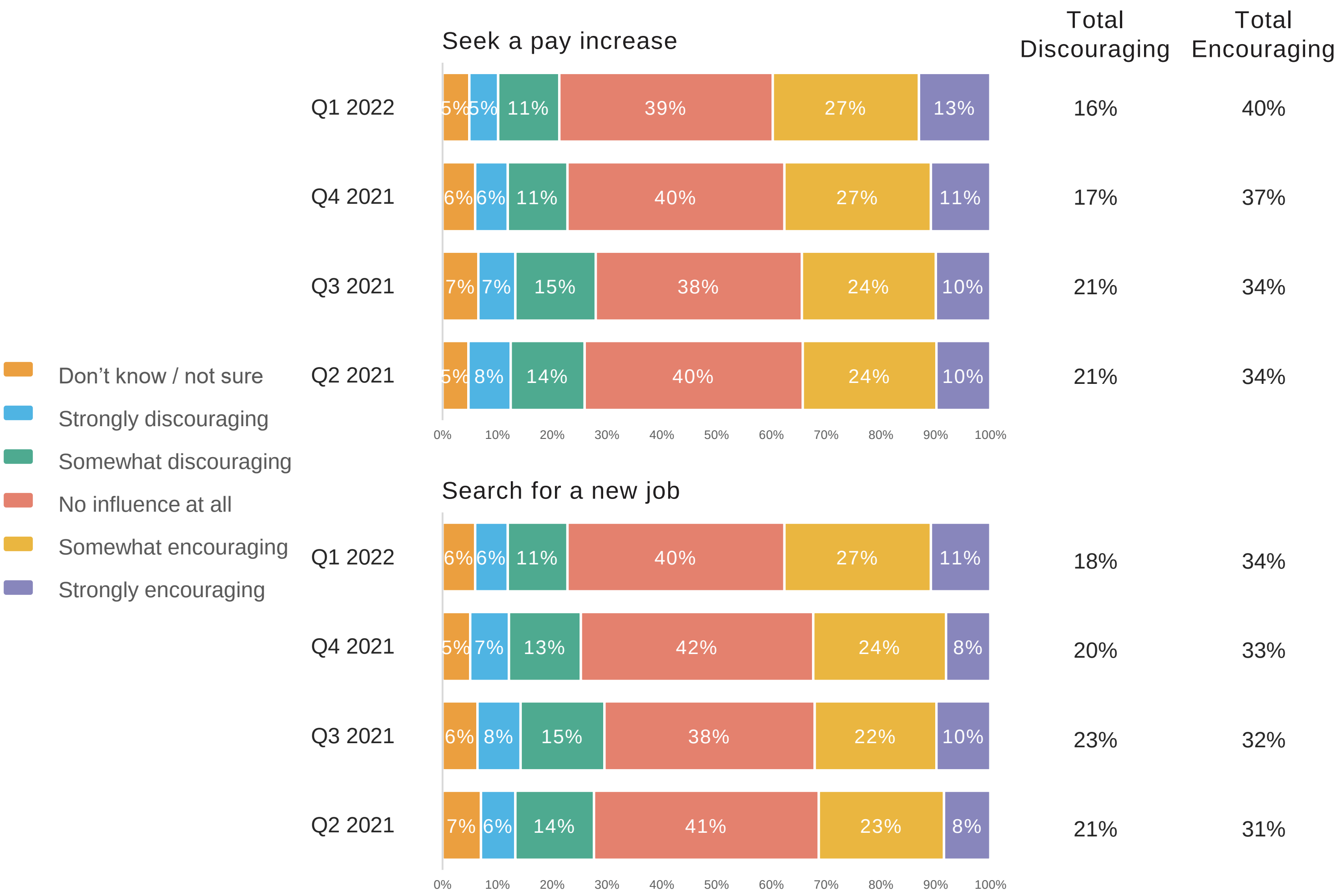




Economy Influencing Decision Making

Current economic conditions are encouraging two in five (40%) Australian workers to seek a pay increase. This is three points higher than in Q4 2021 (37%) and is the highest on record (2021 Q3 34%, Q2 34%).

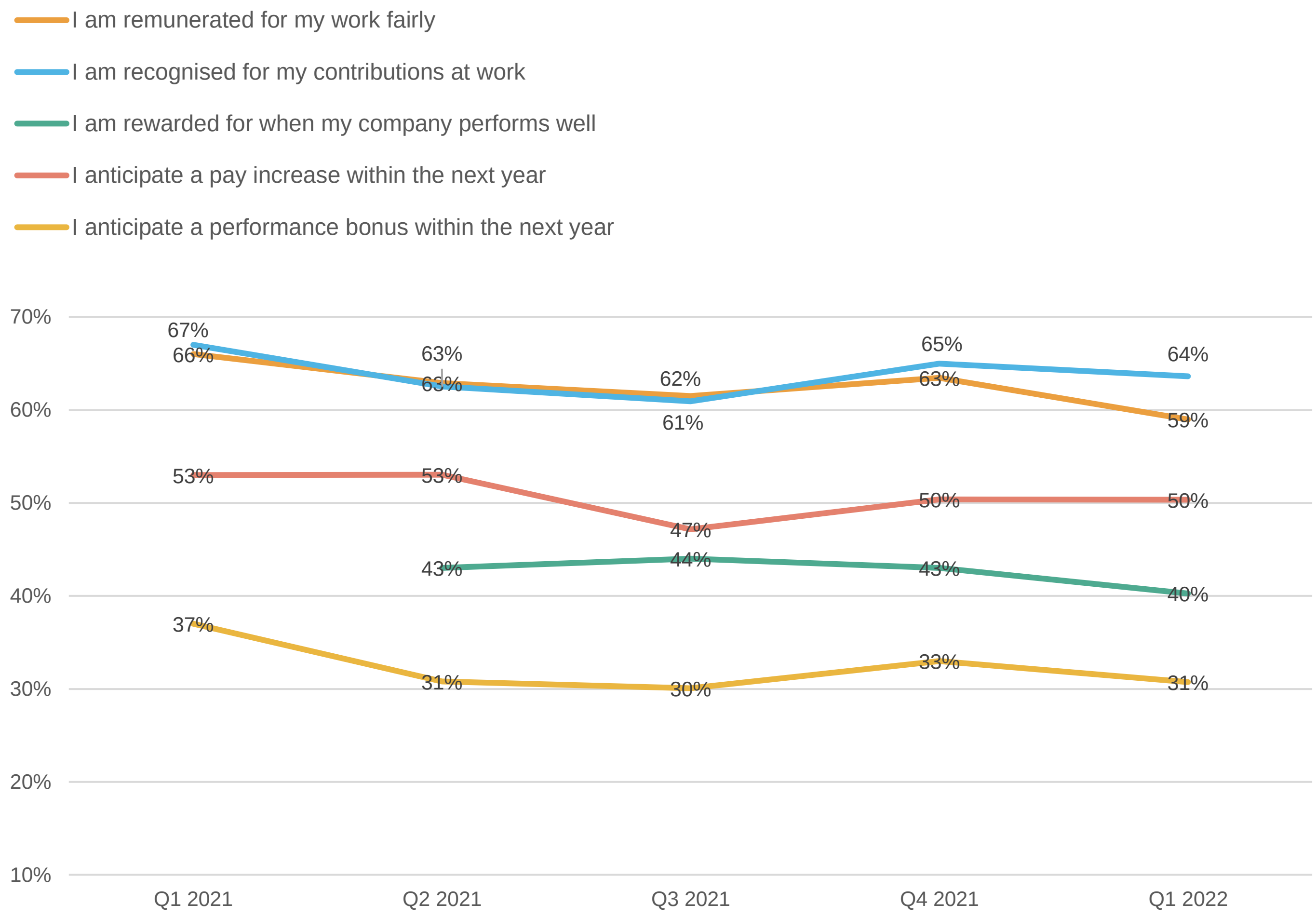
Similarly, current conditions have seen the number of Australian workers being encouraged to search for a new job continue to increase (34%; 2021 Q4 33%, Q3 32%, Q2 31%).



Recognition and Remuneration

The proportion of Australian workers who feel they are fairly remunerated for their work has reached a record low with three fifths (59%) of workers stating they feel remunerated fairly. This is down from 63 per cent in the previous quarter and down from 66 per cent in Q1 2021.

Workers are also less hopeful of a pay rise or bonus than they were a year ago. Half of Australian workers expect a pay rise within the next year, down from 53 per cent in Q1 2021. Similarly, the proportion of workers expecting a bonus has fallen from 37 per cent in Q1 2021 to 31 per cent this quarter.

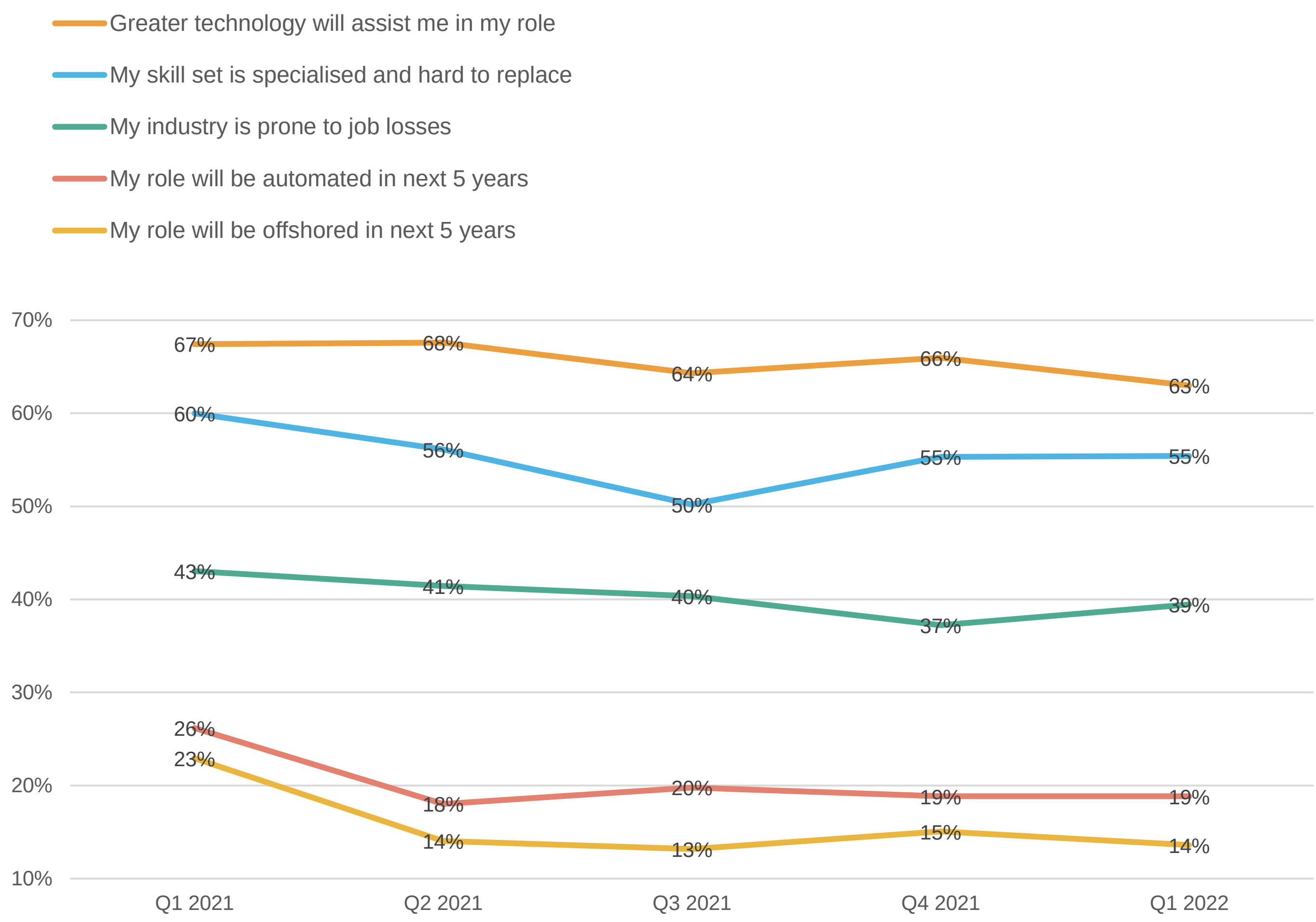


Agree and Strongly Agree

Future of Work

Workers are less certain about the specialisation of their skill sets than they were a year ago. More than half of Australian workers (55%) say their skills are hard to replace, a decline from 60 per cent recorded in Q1 2021.

Two thirds (63%) of Australian workers believe technology will assist them in their role. This is three points lower than in Q4 2021 (66%).



Agree and Strongly Agree

Employee Priorities

While ‘remuneration and bonus payments / incentives’, remains in first place for the fourth straight quarter, ‘stability of an organisation’ has increased slightly to tie for second place of employees most important factors when choosing a new employer. Culture has also edged up the rankings, coming in at equal fourth after coming in fifth last quarter.

The growing importance of stability may be related to concerns about economic security and the desire for a stable employer.

Wellbeing initiatives, diversity among the executive and online reviews round out the bottom three factors employees care about when choosing a new employer.

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Remuneration and bonus payments / incentives	2nd	1st	1st	1st	1st
Stability of an organisation	3rd	2nd	2nd	3rd	Tied 2nd
Flexible/Remote working	1st	3rd	3rd	2nd	Tied 2nd
Culture of the organisation	4th	4th	4th	5th	Tied 4th
Easy and/or short commute	5th	5th	5th	4th	Tied 4th
Career development opportunities	6th	6th	6th	6th	6th
The ethical standing/reputation of the organisation and leadership	7th	7th	7th	7th	7h
Professional learning opportunities	8th	8th	Tied 8th	8th	8th
Wellbeing initiatives	11th	9th	Tied 8th	9th	9th
Diversity among employees/senior leadership team of the organization	10th	10th	10th	10th	10th
Online or word-of-mouth employee reviews of the leadership	12th	11th	11th	11th	11th

Trending Concerns in Q4 2021

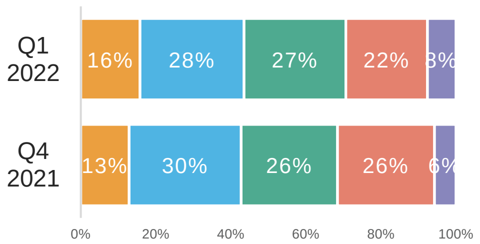
The 'Great Resignation' & COVID-19 in the workplace

The Great Resignation | Employee plans for 2022

There’s little reprieve for employers battling the ‘Great Resignation’ as more than two in four (44%) Australian workers state they will actively be searching for a job during the remainder of 2022. A third of workers (33%) plan to quit their job after securing a new one, however 18 percent plan to quit without another job to go to.

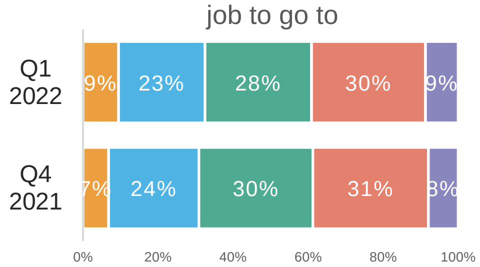
Hybrid-working will likely remain a factor in the Australian work landscape with two in five workers (40%) planning to work from home part time during the remainder of 2022.

Actively search for a new job



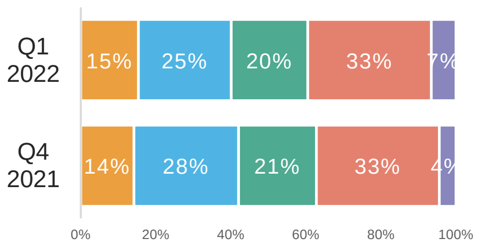
	Likely	Unlikely
Q1 2022	44%	49%
Q4 2021	43%	51%

Quit your current job with a new job to go to



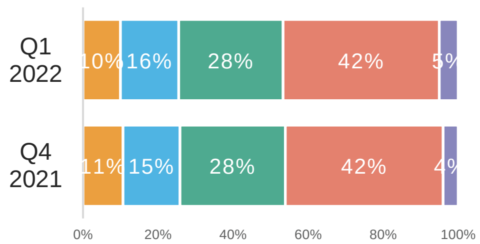
	Likely	Unlikely
Q1 2022	33%	59%
Q4 2021	31%	61%

Work from home part-time



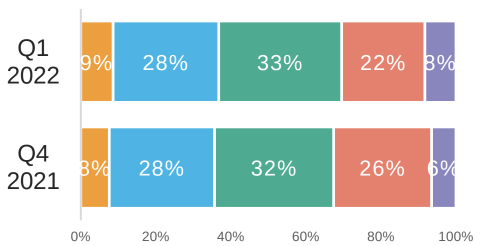
	Likely	Unlikely
Q1 2022	40%	53%
Q4 2021	42%	53%

Work from home full time



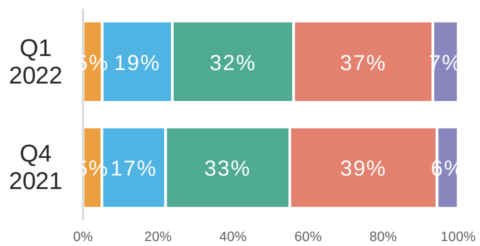
	Likely	Unlikely
Q1 2022	25%	69%
Q4 2021	26%	70%

Request a pay rise or promotion



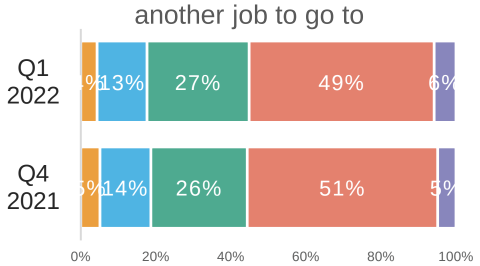
	Likely	Unlikely
Q1 2022	37%	55%
Q4 2021	36%	58%

Take a career break



	Likely	Unlikely
Q1 2022	24%	69%
Q4 2021	22%	72%

Quit your current job without another job to go to

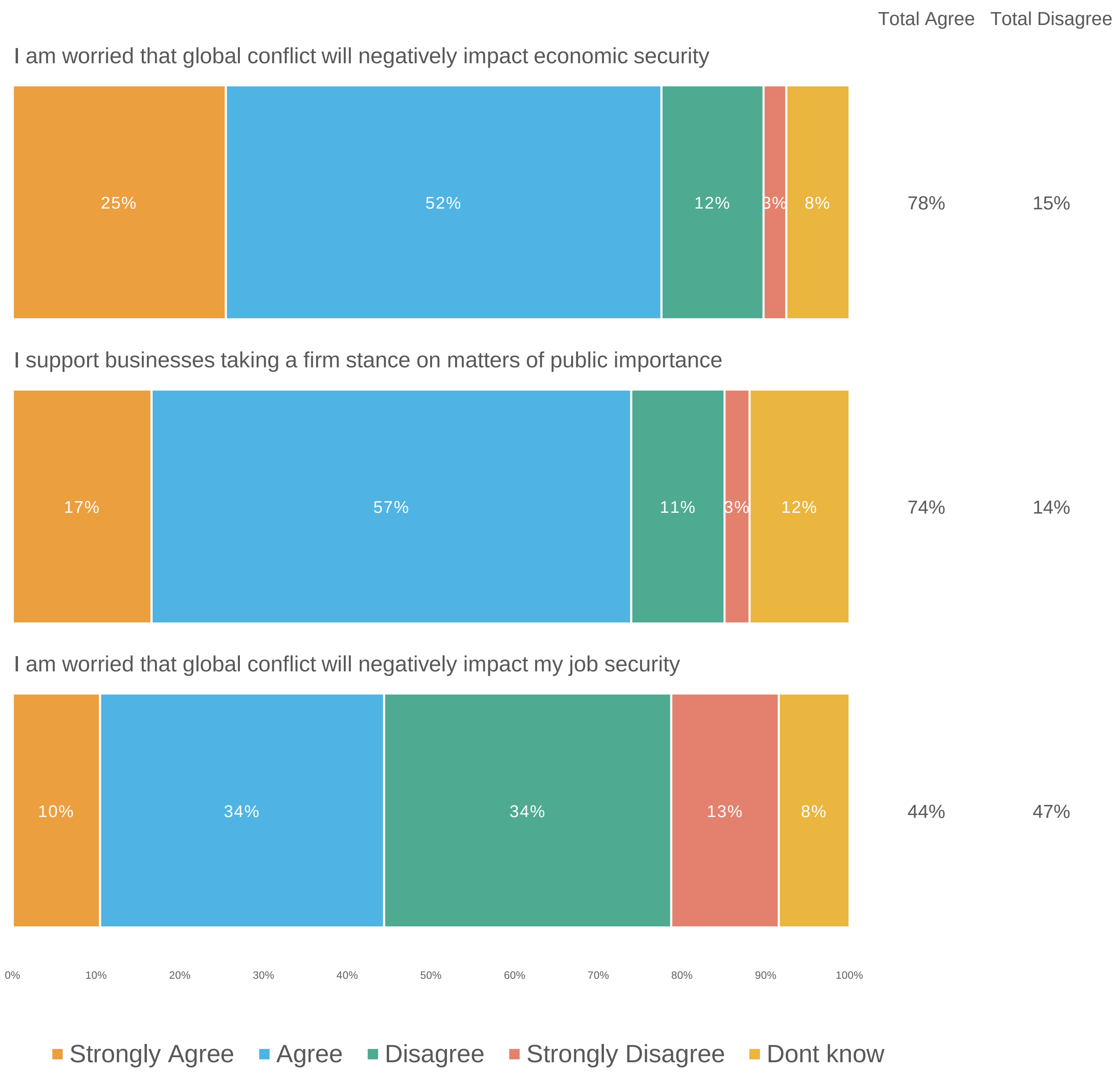


	Likely	Unlikely
Q1 2022	18%	77%
Q4 2021	19%	76%

Security and Global Conflict

When thinking about the events of the past three months, nearly four in five (78%) Australian workers are worried that global conflict will negatively impact economic security, while more than two in five (44%) worry that global conflict will negatively impact their job security.

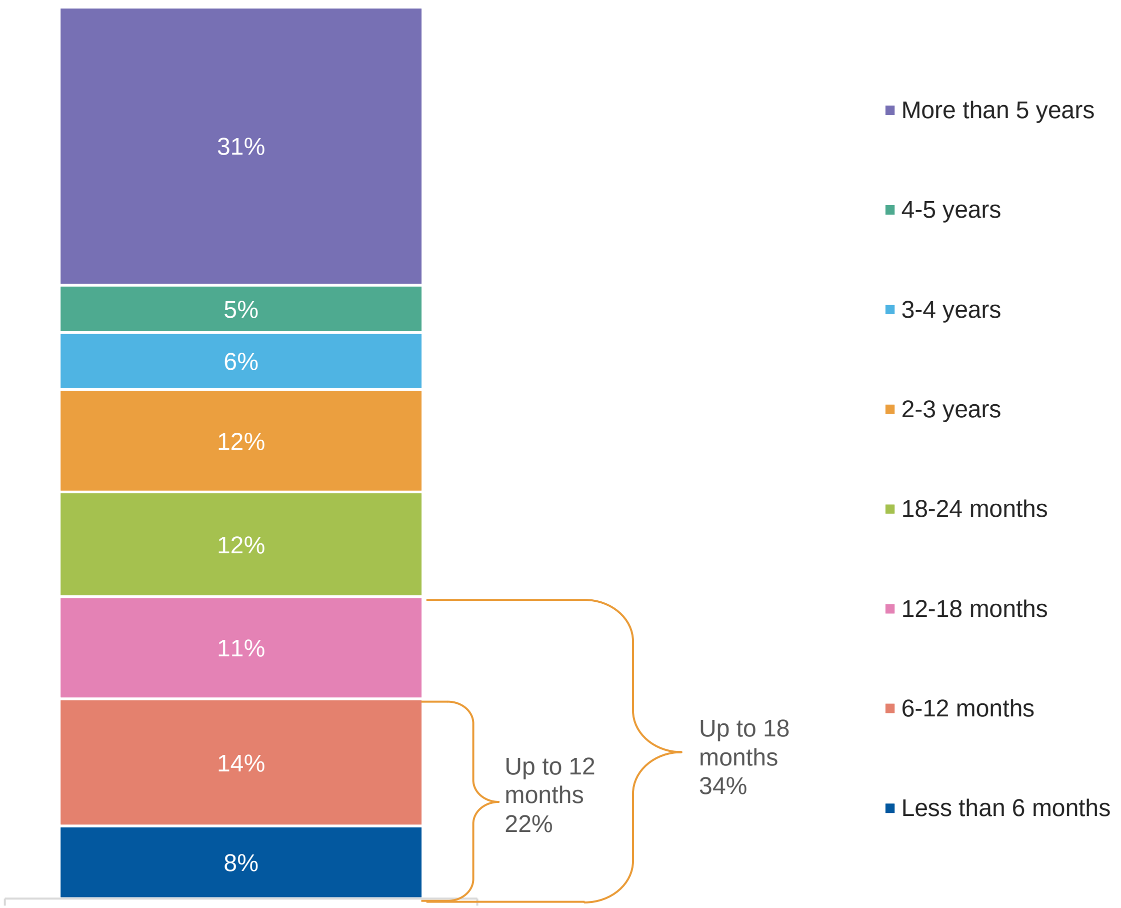
Recent events have driven three quarters (74%) of Australian workers to support businesses taking a firm stance on matters of public importance.



Employee longevity

Changing jobs more frequently is becoming more common among working Australians. A third (34%) of Australian workers believe they'll only stay with their current company for up to 18 months, while slightly more than one in five (22%) say they will stay up to 12 months, and eight percent anticipating they'll leave within six.

Nearly a third (31%) of workers anticipate they will stay with their company for more than five years. This increases for 42 percent amongst Gen X workers.



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