EMPLOYEE SENTIMENT INDEX

AUSTRALIA | JULY - SEPTEMBER 2023

KEY FINDINGS

FIXED QUESTIONS

EMPLOYEE CONFIDENCE IN THE ECONOMY IS STEADYING

35% of workers say the **economy is not secure**, down from an all-time-high of 44% in the previous quarter.

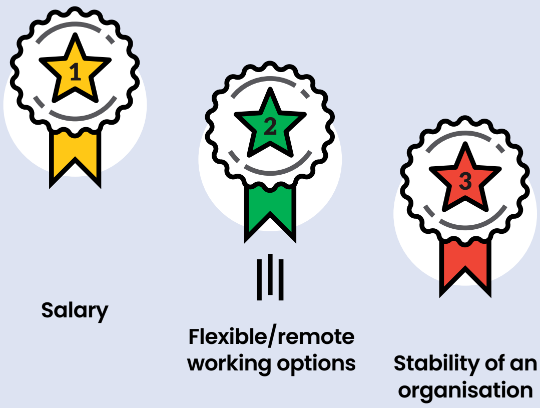
EMPLOYEES HIT PAUSE ON THE JOB HUNT

Workers appear cautious on the job searching front.

Only 36% of workers say the economy is encouraging them to **look for a new job**, a six percentage point drop compared to this time last year.

FLEXIBLE WORKING MOVES BACK UP THE AGENDA

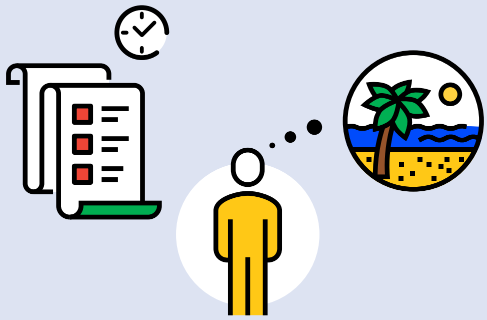
For the first time in over a year, **flexible/ remote working** has moved clearly into **2nd position** in the list of job searching priorities.



KEY FINDINGS TOPICAL QUESTIONS

EMPLOYEES ARE HOARDING LEAVE – AND WORKLOAD IS TO BLAME

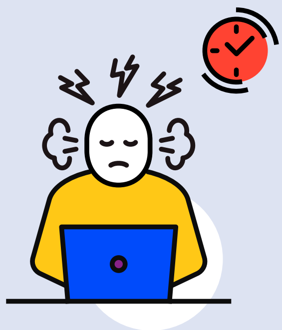
Almost a quarter of workers have accrued the yearly **annual leave** entitlement of **four weeks (20 working days)** or more.



24% of employees say they're **too busy at work** to take leave.

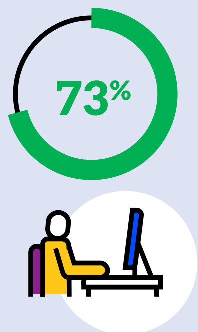
MILLENNIALS ARE FEELING THE STRAIN

Half of millennial workers say they feel burnt out.



39% say they feel **overwhelmed with the amount of work** – far higher than the average worker.

WHILE BABY BOOMERS ARE BEING UNDERUTILISED



73% of Baby Boomers say their **workload has not changed**.

Only 16% say they feel overwhelmed with the amount of work on their plate, **compared to the average employee (32%).**

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FIXED QUESTIONS: ANALYSIS

TRENDING CONCERNS: ANALYSIS

Q3 ANALYSIS

JULY – SEPTEMBER 2023

ELMO

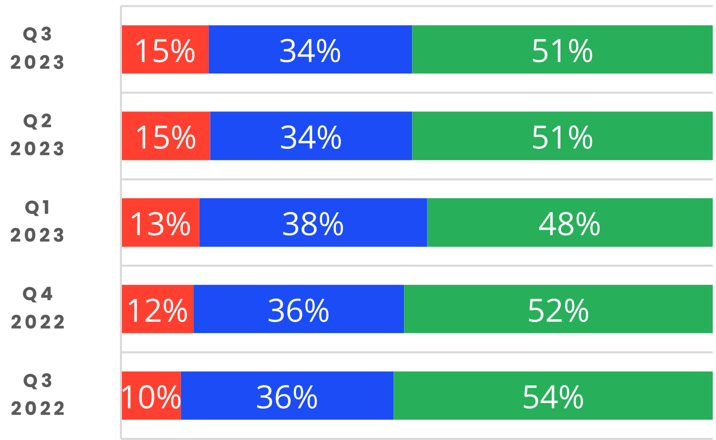
PERCEIVED SECURITY

Employee confidence in the Australian economy has improved this quarter, signalling a pause in the downward trajectory of the past year. The number of employees who believe the economy is not secure has fallen by nine percentage points, from the all-time-high of 44% in Q2.

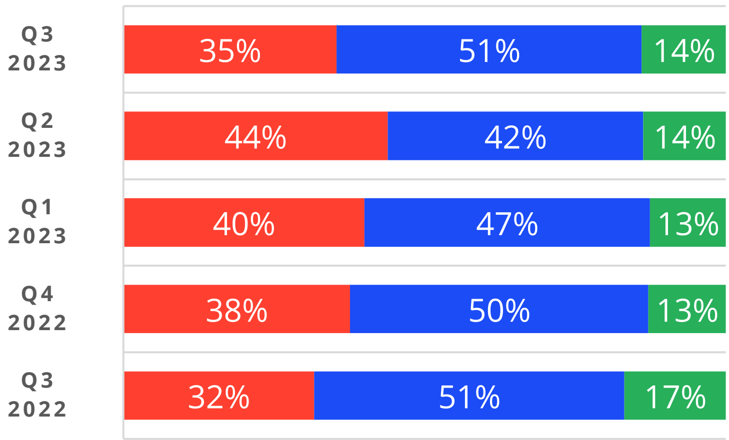
Similarly, the number of employees who believe their industry and organisation are not secure have also fallen by three percentage points each in Q2, from highs of 14% last quarter. This is the result of more people feeling 'neutral' about both the security of both their industry and their organisation. Job security levels meanwhile remains identical to last quarter.

It's worth noting that during this period of surveying, the interest rates in Australia remained stable. The pausing of rate hikes may have prompted employees to feel more secure about the economy, believing the worst to be over.

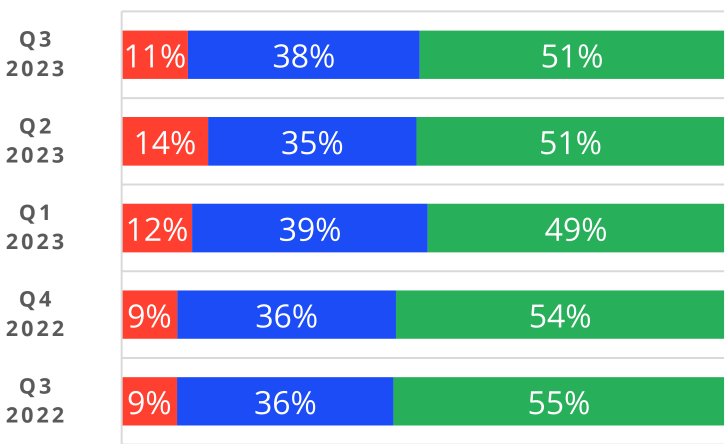
Job security



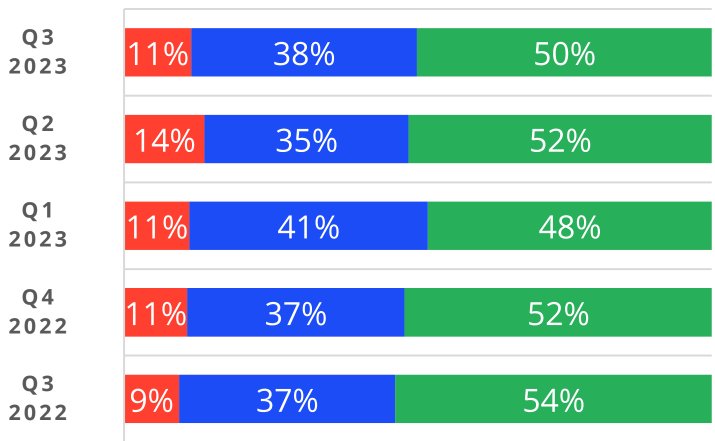
Economic security



Industry security



Organisational security



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

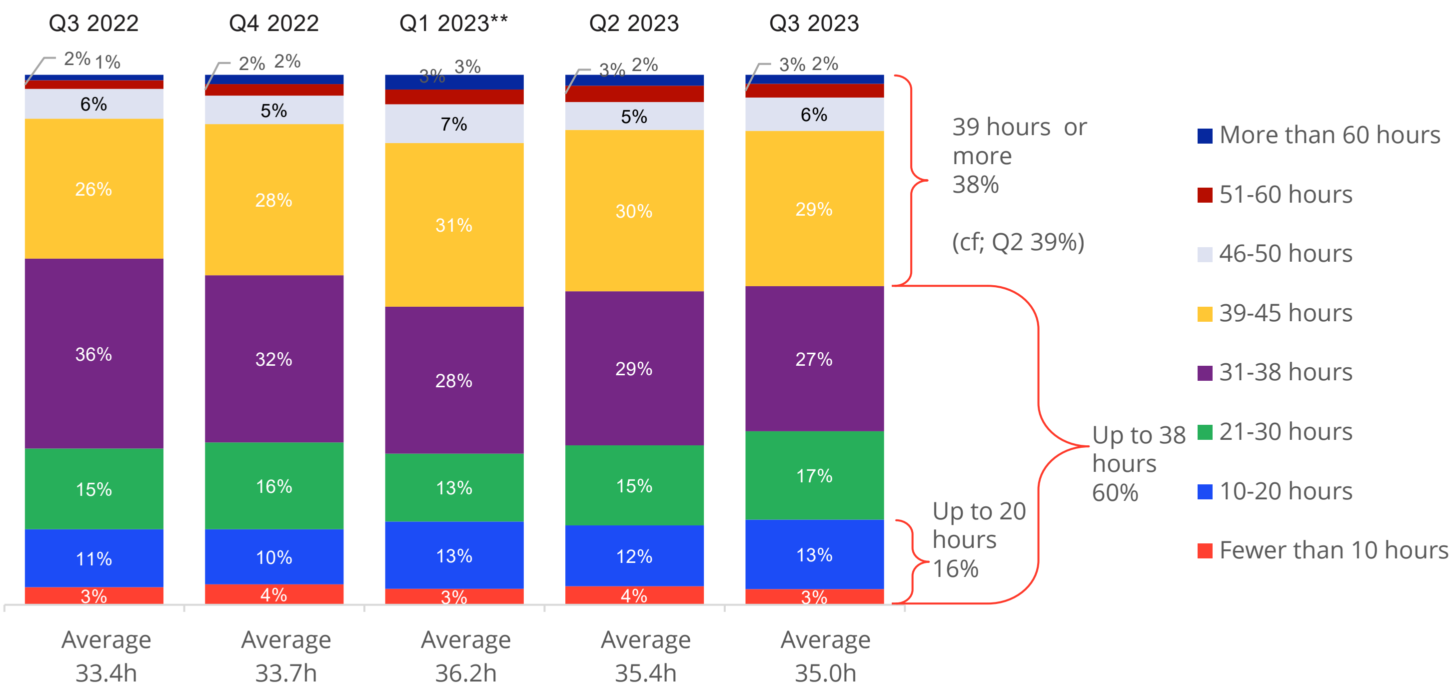
Q4. On a scale of 1 - 10, where 1 is not at all secure and 10 is extremely secure, how would you rate your feelings of security with each of the following?
Australian Workers Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000)

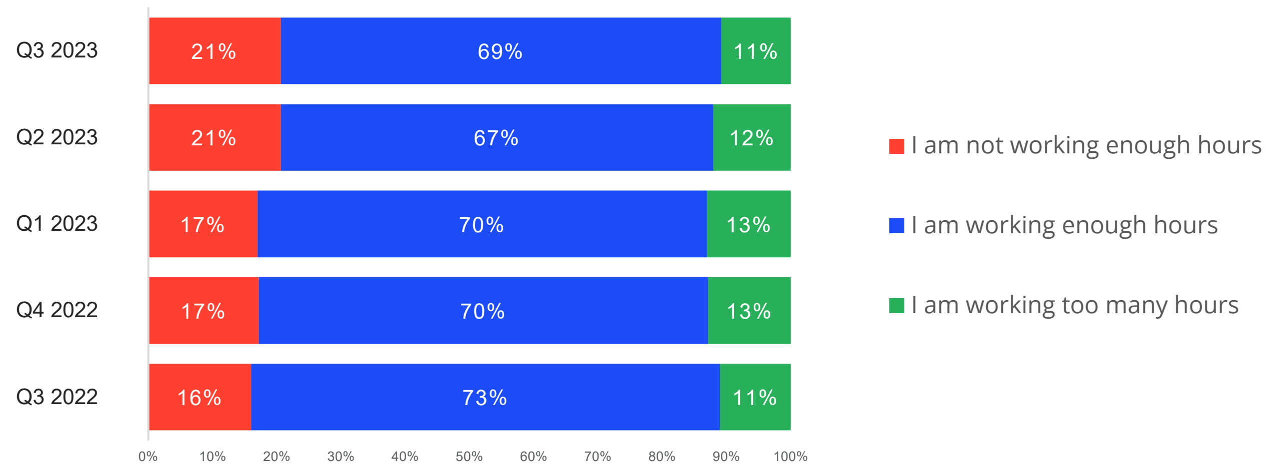
HOURS WORKED

On average Australian workers put in 35 hours a week during Q3 – nearly half an hour less than in the previous quarter.

Just under 70% workers feel they are working enough hours, while one in five say this is not the case. The number of workers who feel they're not working enough hours remains the same as last quarter, but is five percentage points higher than this time last year.

As cost-of-living pressures ramped up in 2023, the number of employees who say they're not working enough hours has gradually crept up. Why is this a cause of concern for employers? These employees may have to look for additional work to supplement their income, meaning they have less downtime to rest and may be susceptible to burnout.





Q1. Over the last three months, on average how many hours do you work per week?
**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 (July to September 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 Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000)

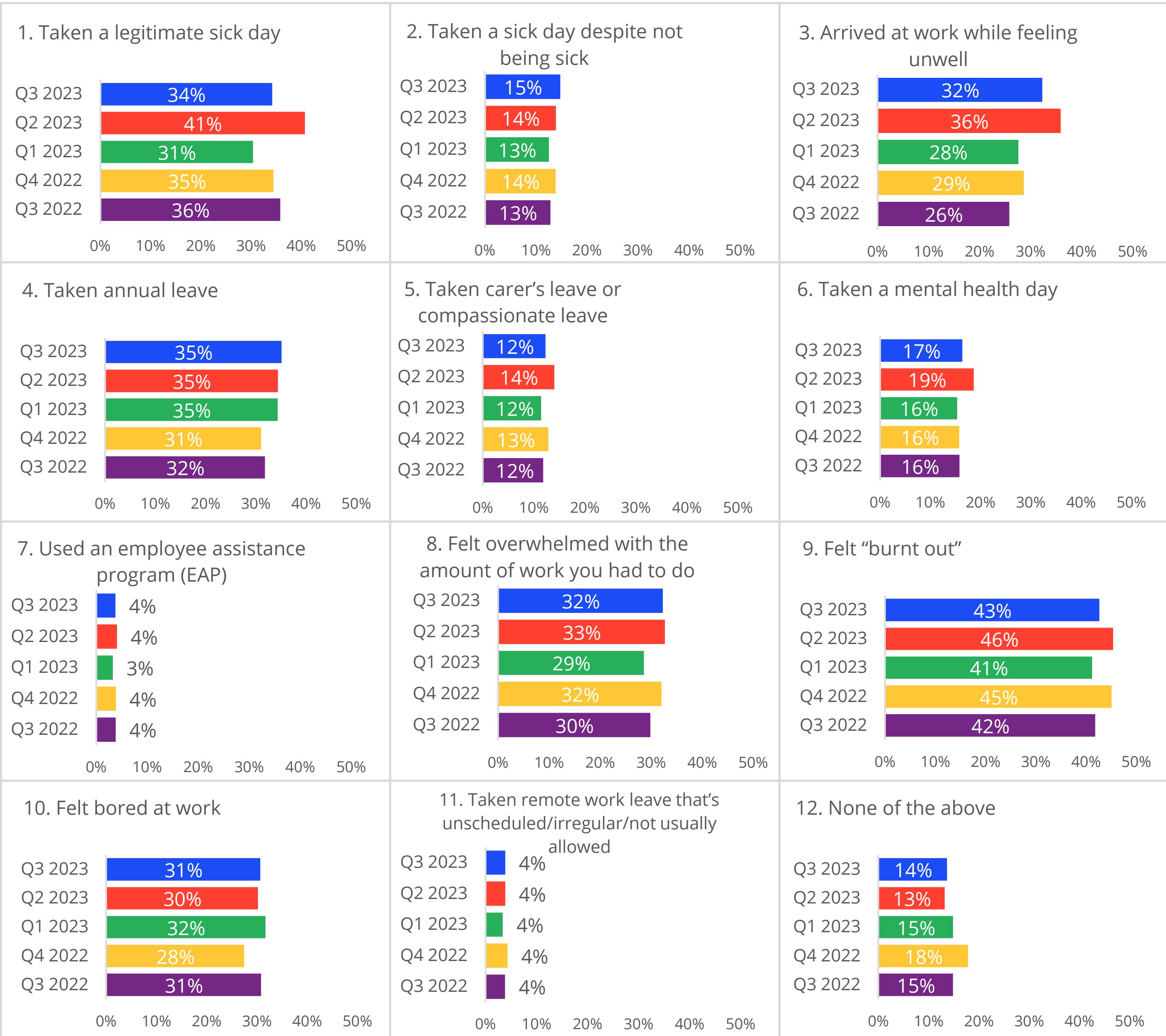
WORKER WELLBEING

Metrics indicating poor health among workers have seen a decrease in Q3 after a notably warm winter, with less workers taking a sick day (34% cf; Q2 41%), arriving at work feeling unwell (32% cf; 36%) and taking a mental health day (17% cf; Q2 19%).

Despite indications of a positive health swing, Millennials were significantly more likely than the average worker to have felt unwell in Q3:

- 40% took a legitimate sick day over the last three months (cf; Gen Z 33%, Gen X 31%, Baby Boomers 29%).
- 38% arrived at work while unwell (cf; Gen Z 36%, Gen X 30%, Baby Boomers 19%).

Interestingly, 23% of Gen Z workers said they took a fake sick day in Q3. In comparison, only 3% of Baby Boomers said the same.



Q3. Over the past three months have you...? Australian Workers Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000)

WORKER WELLBEING CONTINUED

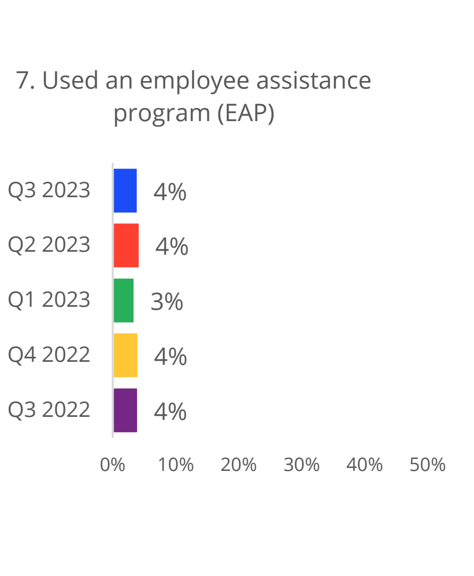
In Q3, the level of burnout among workers dropped slightly from its all-time-high of 46%.

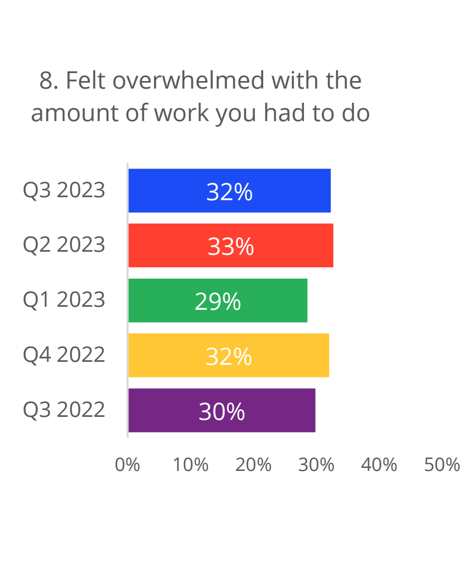
However, this wave of the ESI revealed heightened stress among Millennials. When measuring wellbeing levels in your business, be sure to analyse trends among different generations to allow for a more targeted approach to wellbeing initiatives.

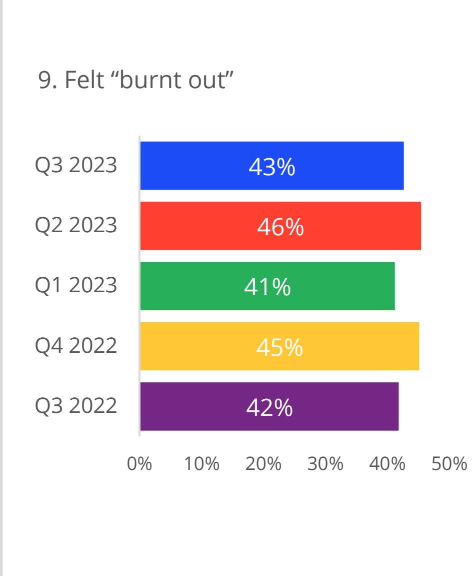
In Q3, more than half of Millennials reported feeling burnt out – significantly more than the other cohorts (51% cf; Gen Z 39%, Gen X 44%, Baby Boomers 16%).

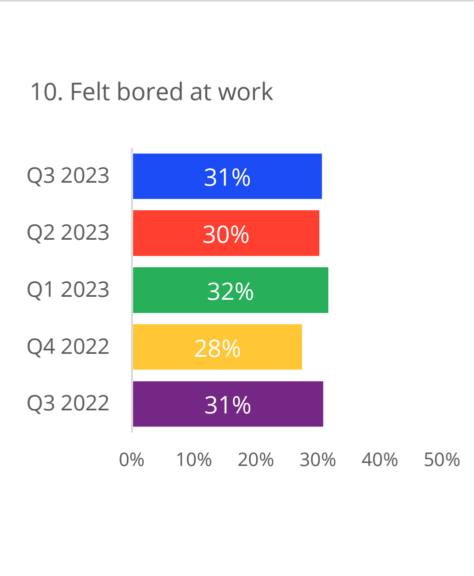
Almost 40% of Millennials felt overwhelmed by the amount of work they had to do, higher than the average worker (32%) and their younger cohort, Gen Z (31%).

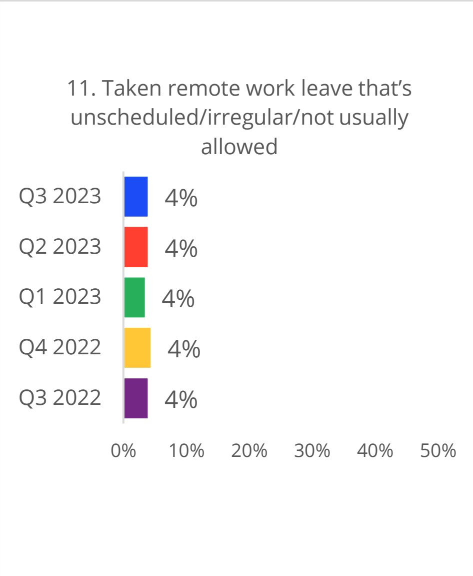
On the other end of the scale, only 16% of Baby Boomers felt burnt out or overwhelmed by their workload.

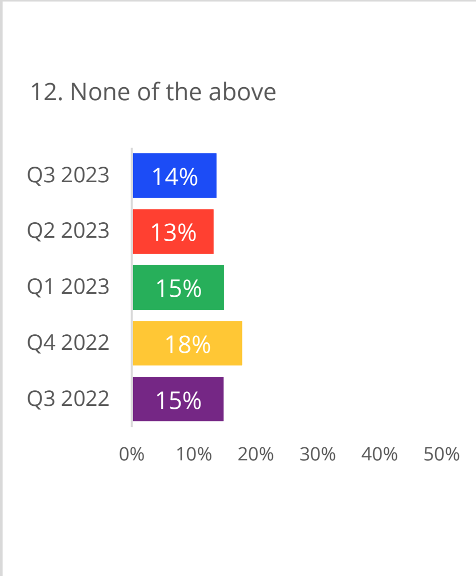












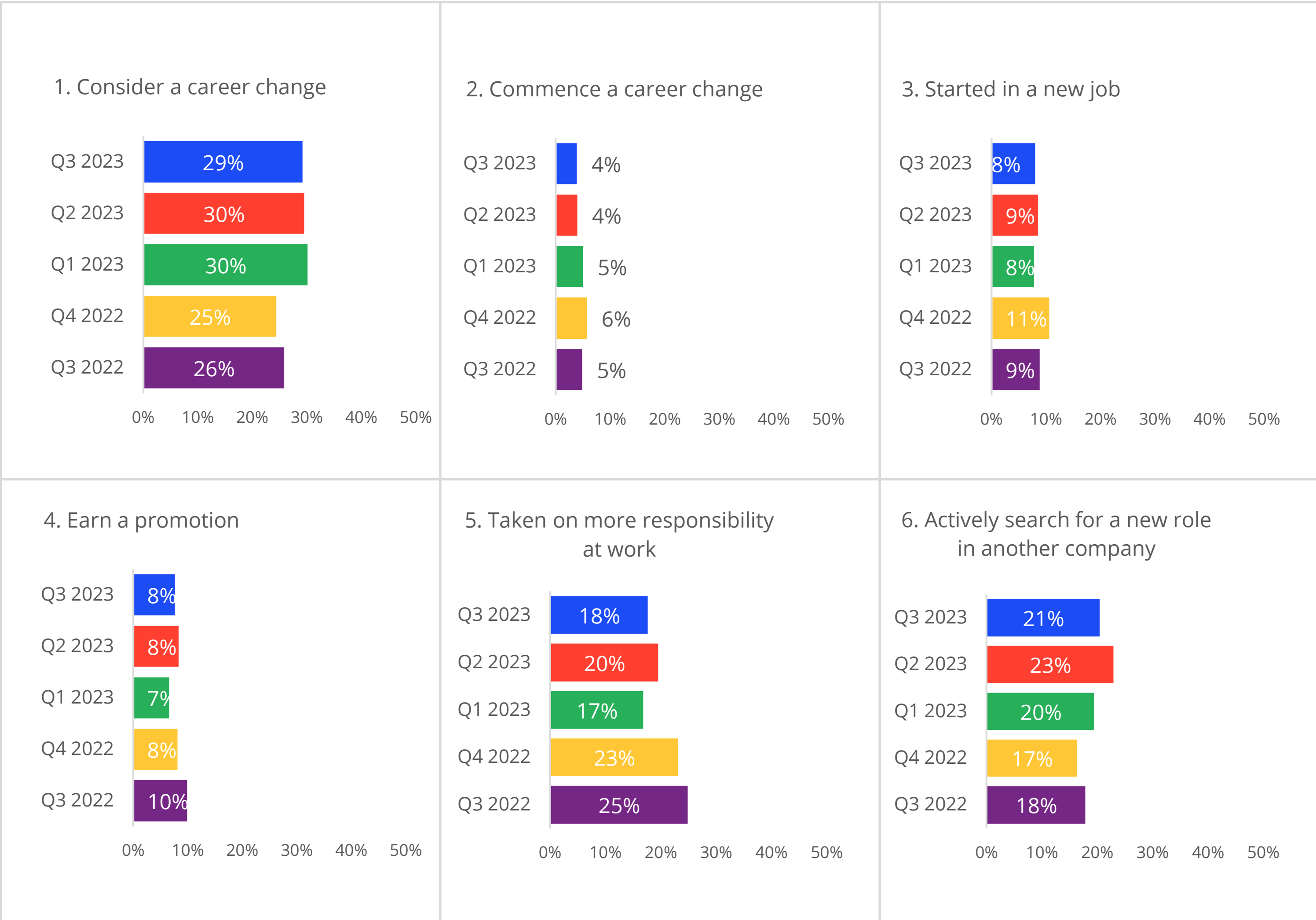
Q3. Over the past three months have you...? Australian Workers Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000)

WORKER MOBILITY

There's been little change this quarter when it comes to worker mobility. The number of employees actively searching for a new role in a another company dropped marginally by two percentage points, but otherwise the metrics remain stable compared to last quarter.

Female workers are more likely than their Male counterparts to have actively searched for a new role in a new company during Q3 (Female 24%, cf; Male 18%), and to have taken on more responsibility at work (Female 21%, cf; 15%).

Meanwhile, commencing a career change was driven by the youngest generation in Q3, with one in ten Gen Z doing so (10% cf; Millennials 6%, Gen X 2%, Baby Boomers 0%), while one in seven Millennials earned a promotion (14% cf; Gen Z 11%, Gen X 3%, Baby Boomers 2%).



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

Q6. In the past three months, did you...? Australian Workers Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000)

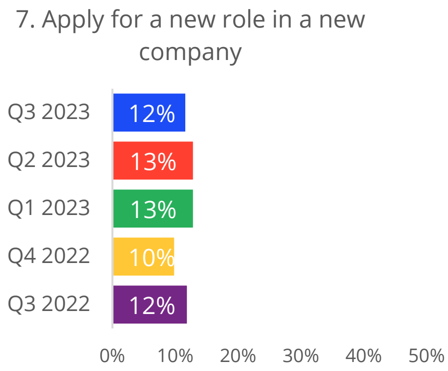
WORKER MOBILITY CONTINUED

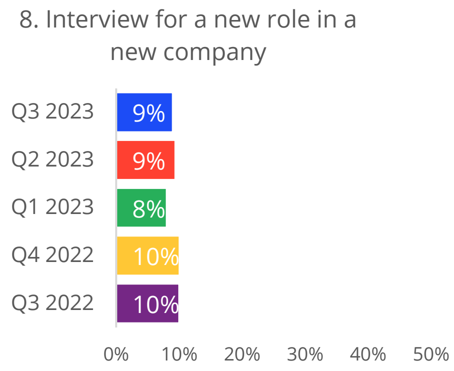
Similar to previous waves of the ESI, there's a significant difference between the number of workers who say they're actively searching for a new job (21%) and those who have applied or interviewed for a role (12% and 9% respectively).

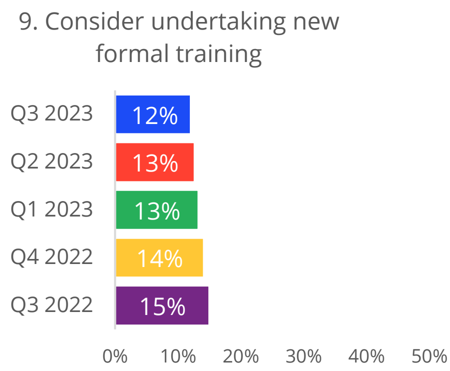
The appetite for formal training remains consistent with previous surveys, showing very little movement compared to last quarter.

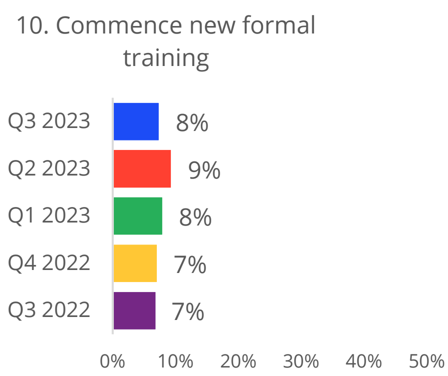
Respondents in Small Business (1-49 employees) were less likely to have completed training mandated by their employer (15%) or actively search for a role in their existing company (8%).

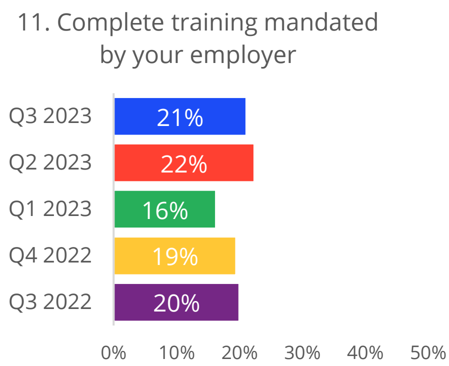
On the other end of the scale, respondents in very large businesses (10,000+) were far more likely to have completed training mandated by their employer (39%).

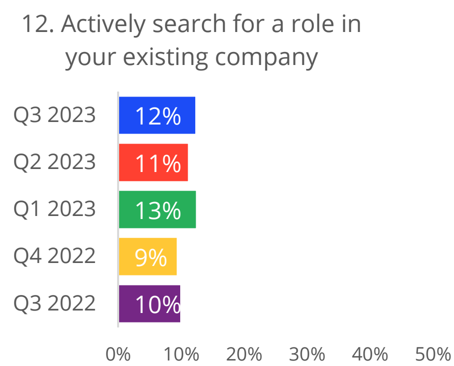












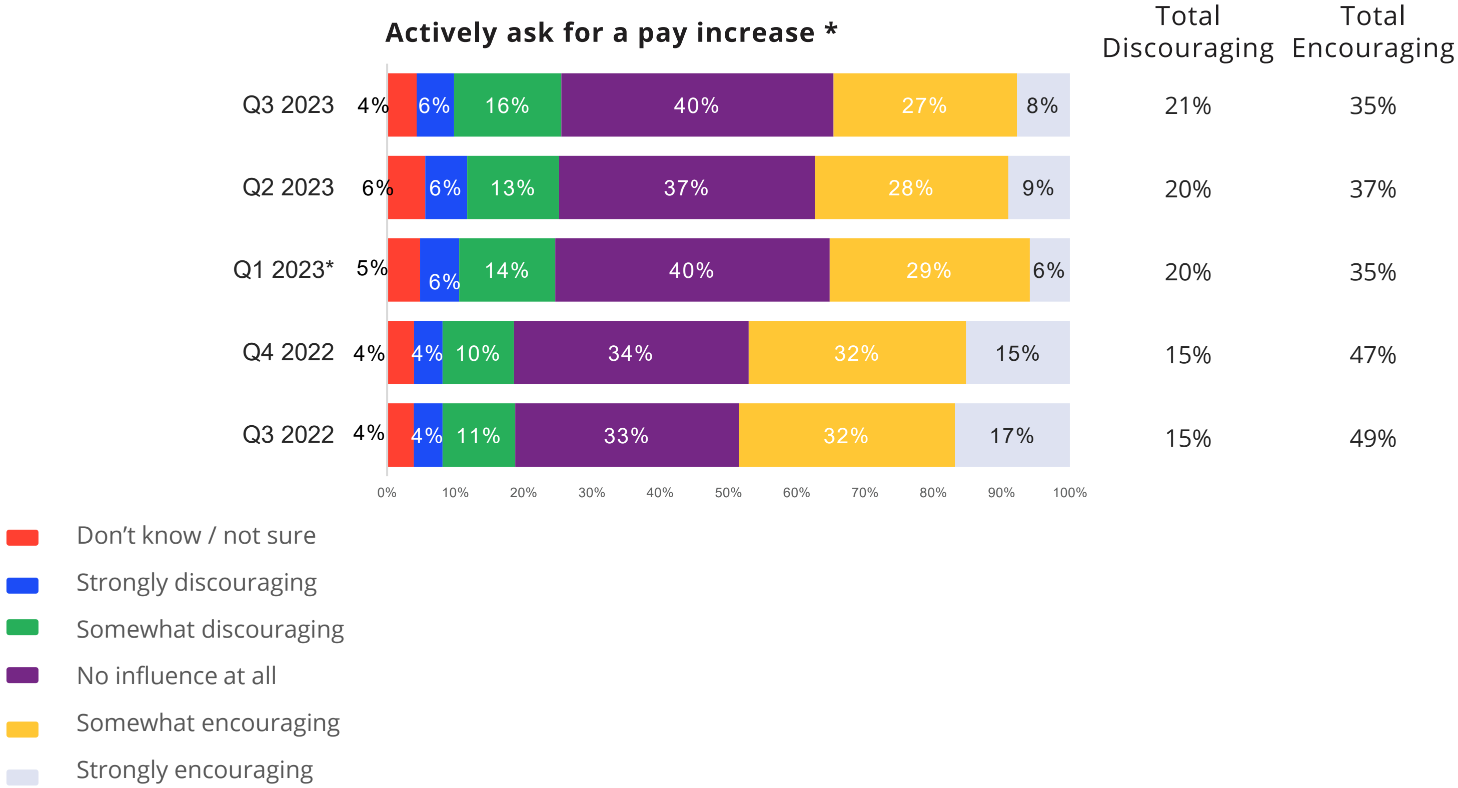
None of the above:
Q3 2023 31%, Q2 2023 32%, Q1 2023 33%, Q4 2022 31%, Q3 2022 28%

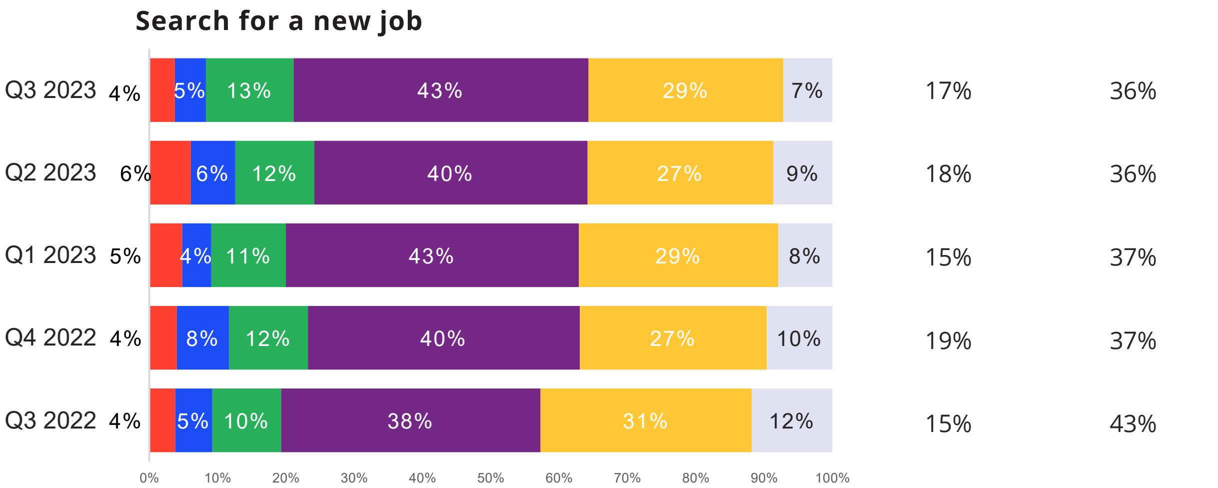
Q6. In the past three months, did you...? Australian Workers Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000)

ECONOMY INFLUENCING DECISION MAKING

Over a third of Australian workers say economic conditions over Q3 were encouraging them to actively ask for a pay increase. This is slightly lower than what was seen in Q2, but much lower compared to this time last year.

The number of workers who say the economy is encouraging them to look for a new job is stable for the fourth quarter in a row, with very little movement throughout 2023. But again, it was markedly lower than this time last year.





Q10. To what extent are current economic conditions encouraging or discouraging you to do the following? Australian Workers Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000)
* Code frame changed in Q1 2023 from "seek a pay increase" to "Actively ask for a pay increase"

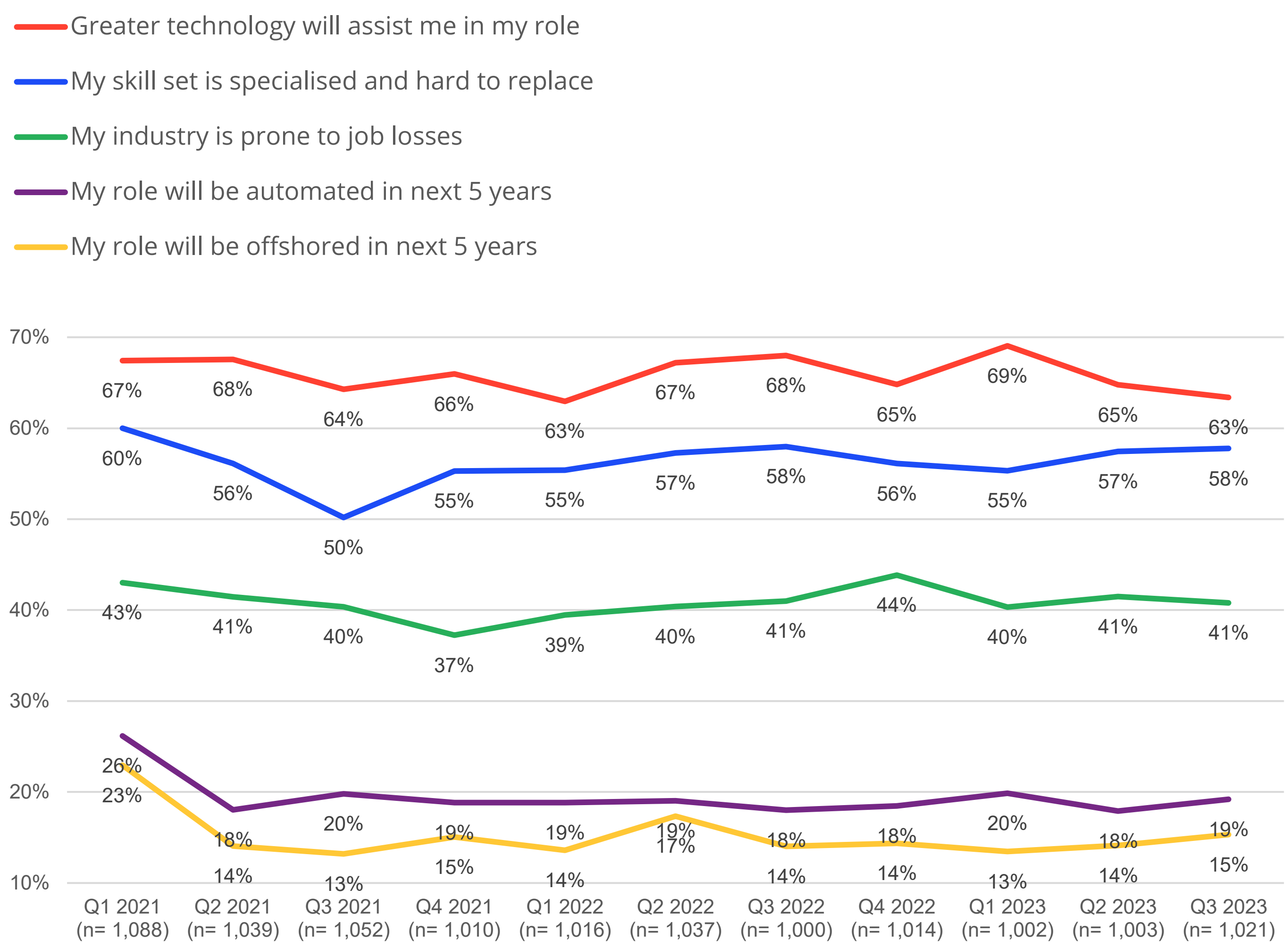
FUTURE OF WORK

Belief that greater technology will assist them in their role continues in its downward trend after spiking at the start of this year. It may be that as employees begin experimenting with AI in their roles, the limitations of the technology in its current state are becoming clear.

Interestingly, it's Millennials, not Gen Z, who are the most likely to believe greater technology will assist them in their role (69%, cf; Gen Z 63%, Gen X 63%, Baby Boomers 46%).

However, it appears Gen Z are the most concerned about the impact of AI on their jobs. Gen Z are the most likely to believe their role will be automated in the next 5 years (27%, cf; Millennials 22%, Gen X 16%, Baby Boomers 11%).

The automation of entry-level roles is clearly a concern for our youngest cohort of employees. For this generation, learning to use AI to operate more efficiently is going to be crucial. Consider how your organisation can empower your Gen Z employees to explore AI.



Agree and Strongly Agree

Q5. To what extent do you agree or disagree with each of the following statements? Australian Workers Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000)

EMPLOYEE PRIORITIES

'Flexible/remote working' has pipped 'stability of an organisation' for the first time in 2023 for what workers consider an important factor when choosing a new employer.

Female workers are much more likely to rate 'flexible/remote working' in their top three factors compared to their male counterparts (female 47%, cf; male 39%), while males are more likely to choose 'stability of an organisation' (male 41%, cf; female 35%).

While remuneration remains the top priority for those choosing a new employer overall, Gen Z jobseekers are more likely to rate culture of the organisation in their top three than remuneration (culture of the organisation 37%, cf; remuneration and bonus payments/incentives 34%).

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Remuneration and bonus payments / incentives	1st	1st	1st	1st	1st
Flexible/Remote working	2nd	Tied 2nd	3rd	Tied 2nd	3rd
Stability of an organisation	3rd	Tied 2nd	2nd	Tied 2nd	2nd
Culture of the organisation	4th	4th	Tied 4th	Tied 4th	5th
Easy and/or short commute	5th	5th	Tied 4th	Tied 4th	4th
Career development opportunities	6th	6th	6th	6th	6th
The ethical standing/reputation of the organisation and leadership	7th	7th	Tied 7th	8th	7th
Professional learning opportunities	8th	8th	Tied 7th	7th	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 Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000)

RECOGNITION AND REMUNERATION

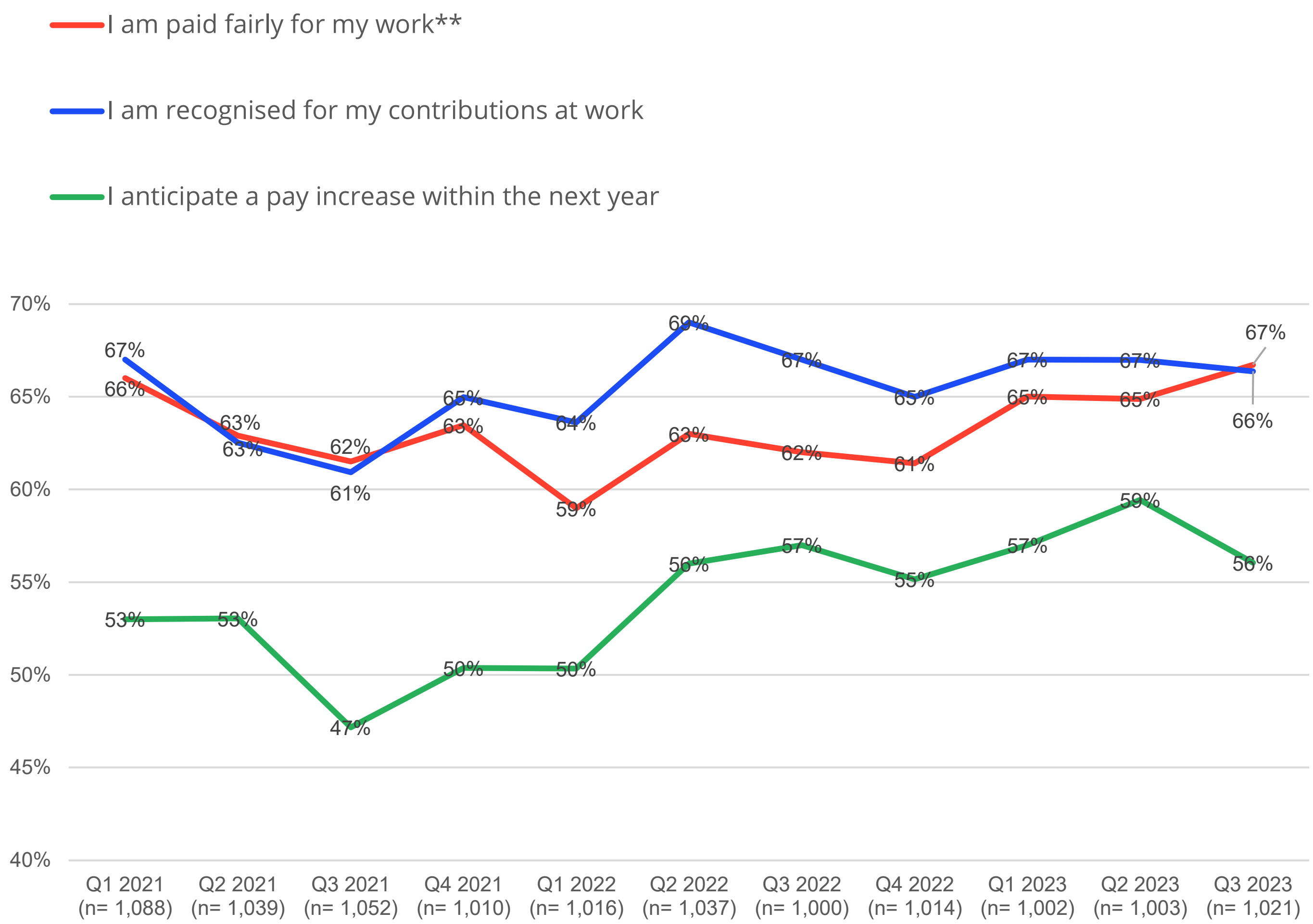
Q3 sees the highest percentage of employees who believe they are paid fairly for their work since the ESI began (67%). Perhaps this is reflective of any salary increases applied after the end of the financial year or the recent wage increases implemented by the Albanese government, including the Minimum Wage rise.

However, not all industries feel as strongly about the fairness of their pay. Belief they are paid fairly drops to 51% among those in the Education and Training sector, while on the other end of the scale, 78% of employees in Construction say they are paid fairly.

Meanwhile, two thirds (66%) of workers say they are recognised for their contributions at work and this has remained stable during 2023.

Interestingly, feelings of recognition increase with age, with only three in five (61%) Gen Z workers feeling seen, compared to 66% of Millennials, 67% of Gen Z, and nearly three quarters of Baby Boomers (73%) .

As with fair pay, workers in Education and Training are less likely than average to feel they are recognised for their contributions at work (57%, cf; average 66%).



Agree and Strongly Agree

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

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

JOB SAFETY AND REDUNDANCIES

Two fifths of workers feel as though they need to work harder/longer hours to keep their job safe. Although slight, this has increased for the second quarter in a row.

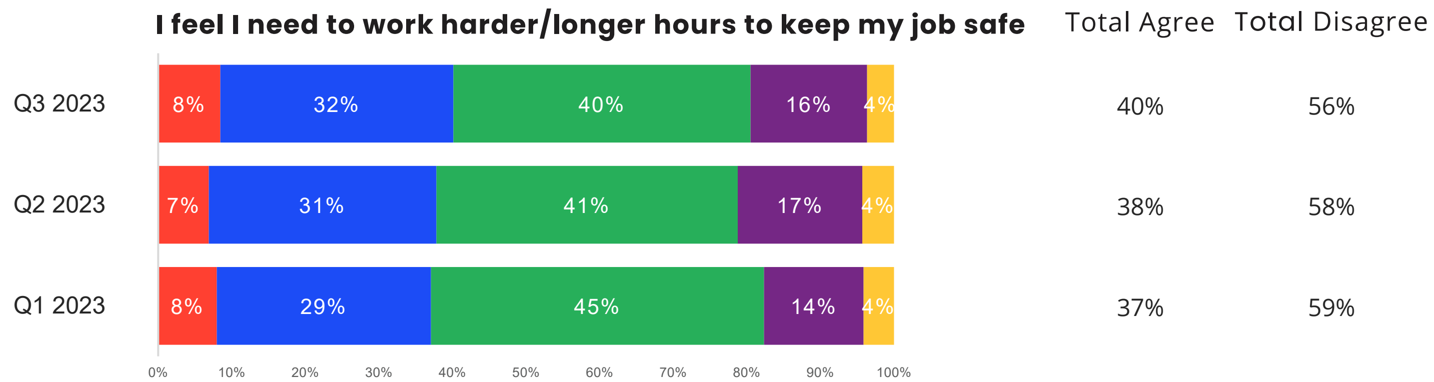
Looking at the generations, more than half (54%) of Gen Z workers feel they need to work harder/longer to keep their job safe, this is up 12 percentage points from Q2.

Three in ten workers anticipate that there will be redundancies in their workplace within the next three months.

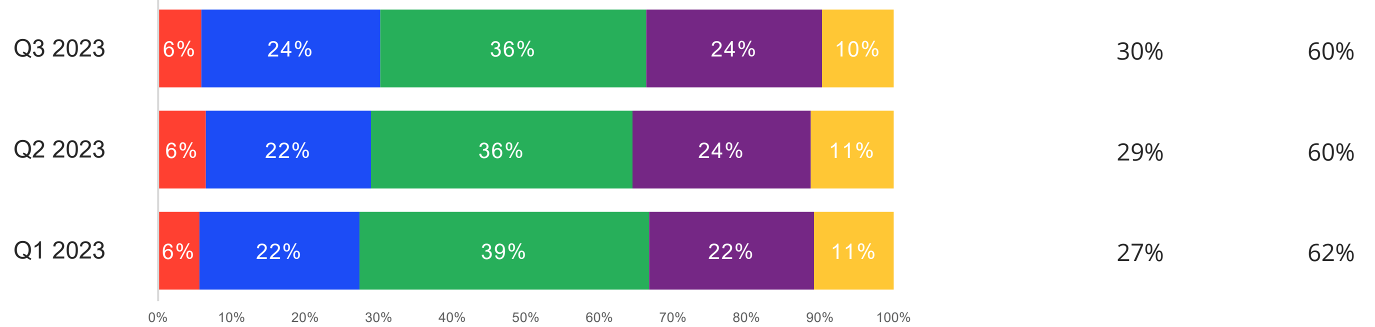
Fear from recent mass-redundancies in the tech sector may still be around, as workers in the Information, Media and Telecommunications industry are more than twice as likely to anticipate redundancies (67%, cf; average 30%).

In comparison, only one in six (17%) workers in Healthcare and Social Assistance anticipate redundancies.

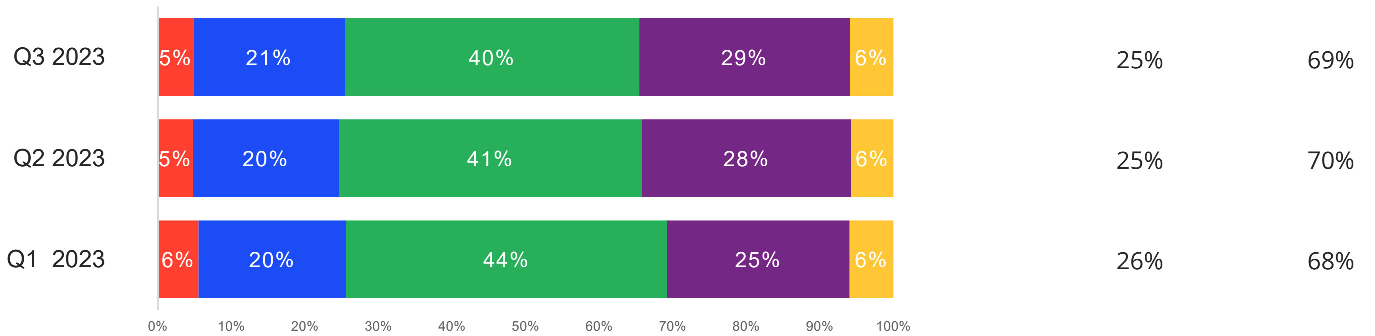
I feel I need to work harder/longer hours to keep my job safe



I anticipate there will be redundancies in my workplace in the next three months



I am concerned my role will be made redundant



Strongly Agree | Agree | Disagree | Strongly Disagree | Don't Know

Q7. To what extent are current economic conditions encouraging or discouraging you to do the following? Australian Workers Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002) // Q4 2022 (n= 1,014) // Q3 2022 (n= 1,000)

^figures subject to rounding

Q3 TOPICAL ANALYSIS

JULY – SEPTEMBER 2023

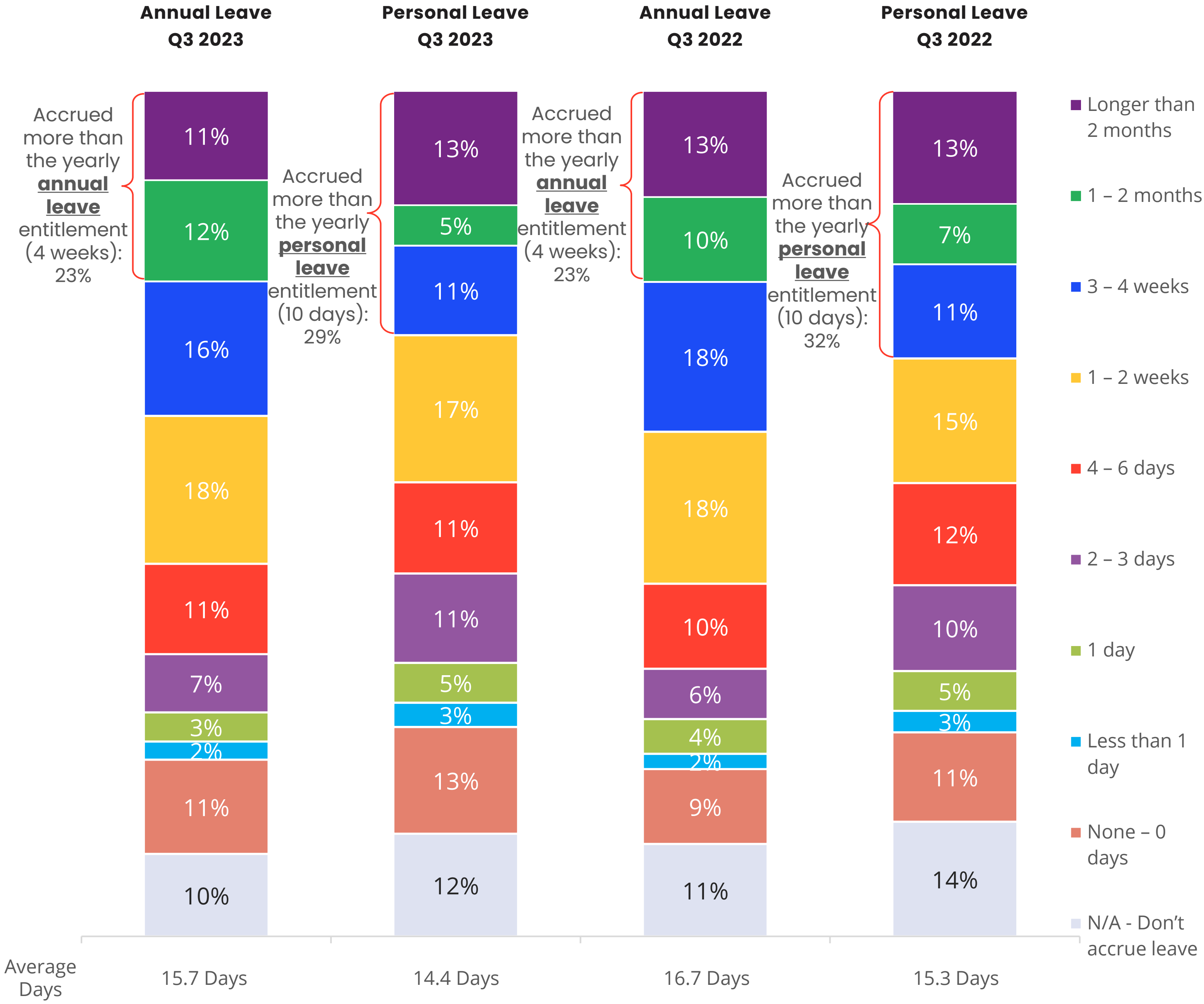
ACCRUED LEAVE

Almost a quarter of Australian workers have accrued the yearly annual leave entitlement of four weeks (20 working days) or more and the average worker has just under 16 days of annual leave accrued. This has decreased by a day compared to this time last year.

Older employees have accrued a higher number of days of annual leave. The average Baby Boomer has 19.3 days and Gen X 19.1 days, compared to 13.6 days for Millennials and 8.3 days for Gen Z.

When it comes to personal leave, the average worker has accrued close to one and a half times the annual entitlement of two weeks/10 working days (14.4 days).

Leave liability is a significant financial concern for many businesses – especially given the high number of employees accruing both annual and personal leave. Analysing the leave liability in your business across departments, age groups, and locations may shed light on what is driving this trend.



Q11. 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)? Australian Workers Q3 2023 (n=1021) // Q3 2022 Q13 (n = 1000)

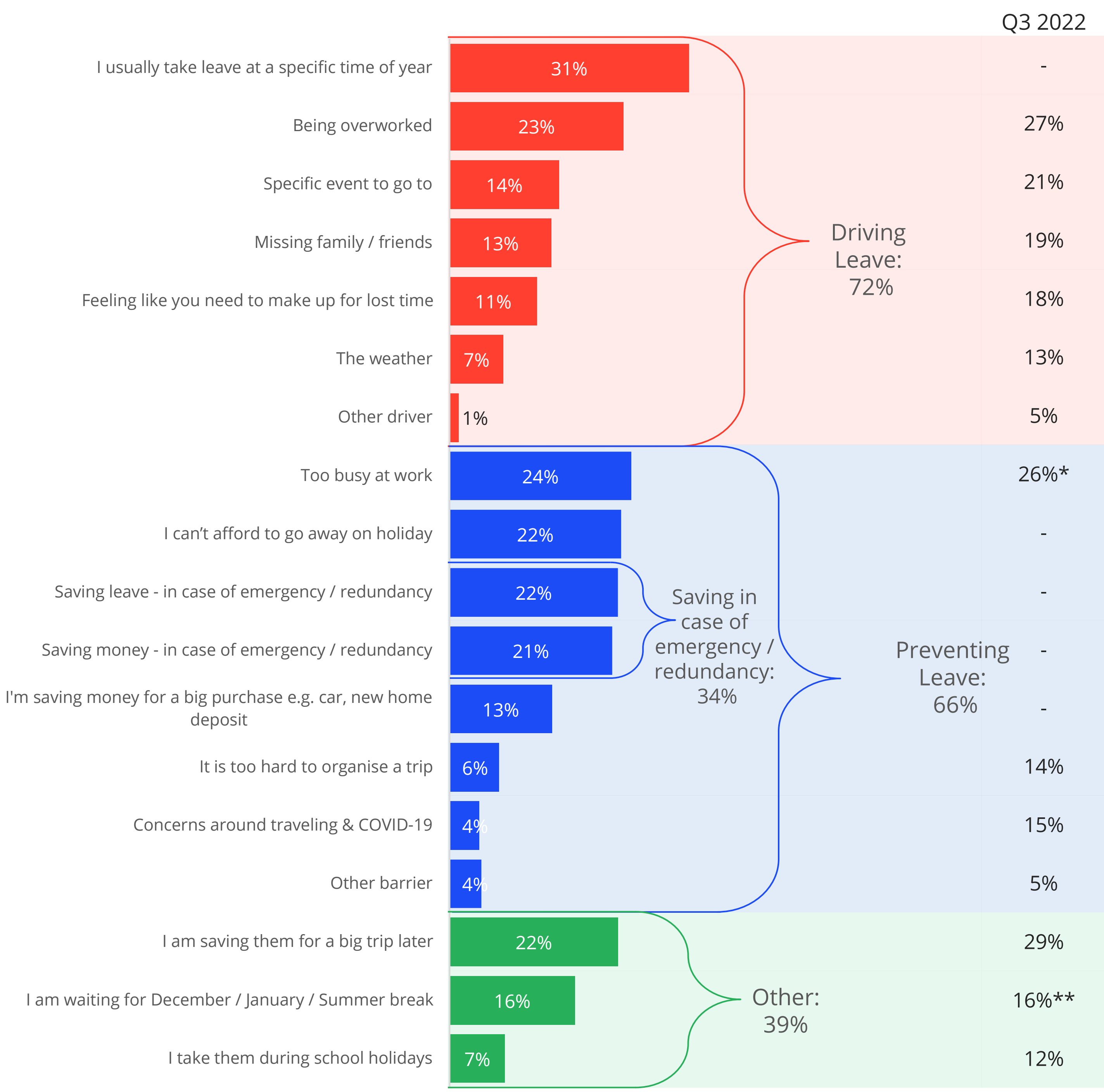
DRIVERS AND BARRIERS OF LEAVE

The previous findings beg the question: Why aren't employees taking leave?

When it comes to barriers preventing leave, the most common reason workers give is being too busy at work (24%). This has remained stable since Q3 2022 (26%*) and it is driven by Millennials and Gen X workers (Millennials 26%, Gen X 27%, cf; Gen Z 16%, Baby Boomers 14%).

Meanwhile, 22% say they can't afford to go away on holiday. A similar amount say they're saving their leave - in case of redundancy and to save money.

Taking leave at a specific time of the year is the most common reason for taking leave – and this is particularly true for older workers. It suggests that tradition – i.e, going away at the same time each year has the biggest influence on their decision to use their annual leave.



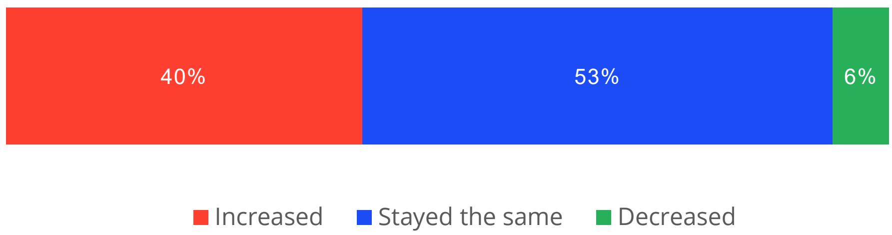
Q12. What is driving or preventing you from taking annual leave? Those who accrue annual leave (n= 920) // Q3 2022 Q14 (n = 889)
*Wording change from "Too much work"
** Wording change from "I am waiting for December"

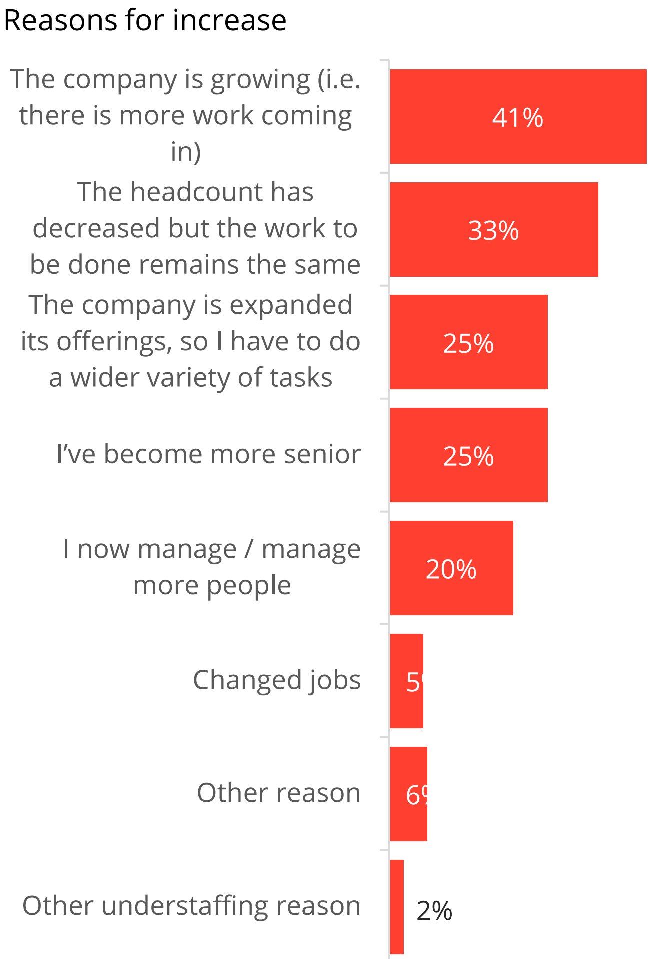
WORKLOAD

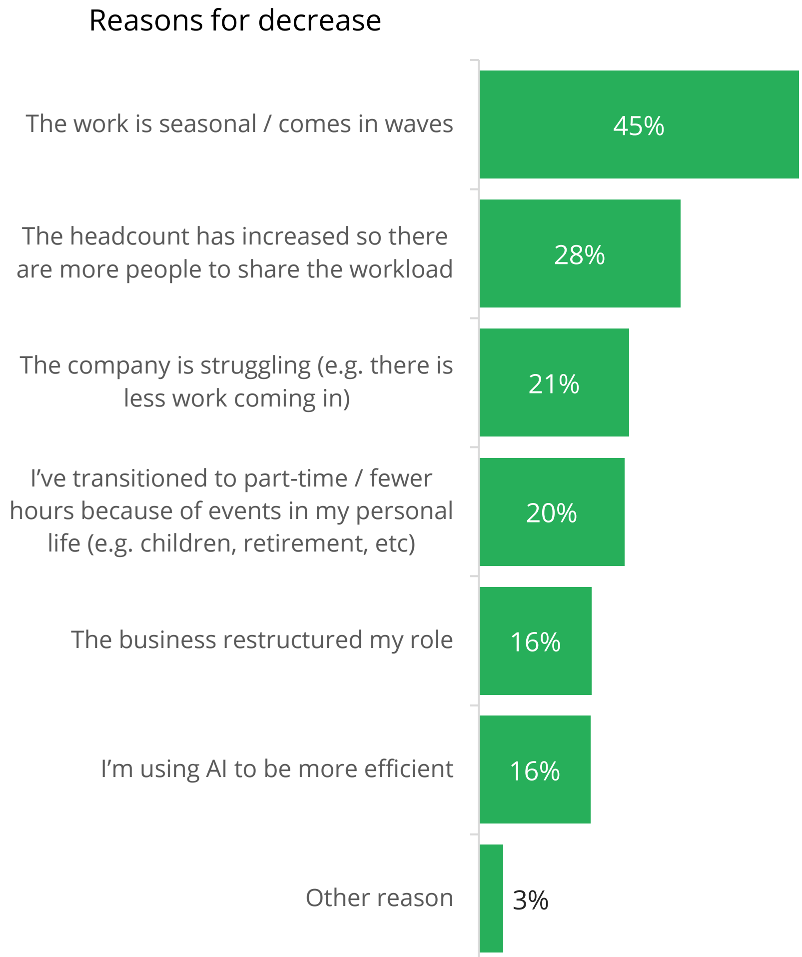
Two fifths of Australian workers say the demands of their role have increased over the past three months. Notably, this is higher among female workers (Female 45%, cf; Male 36%).

Among workers who have experienced an increase in the demands of their role, the most common reason given is a positive sign for the economy, with 41% saying their company is growing. However, a third who have experienced more demands say their company headcount has decreased, but the work to do remains the same.

Only six percent of workers have experienced a decrease in the demands of their role over the last three months. Nearly half of those who have seen a decrease blame seasonality of the work or that it comes in waves, while nearly three fifths say the headcount in the company has increased so there are more people to share the load.







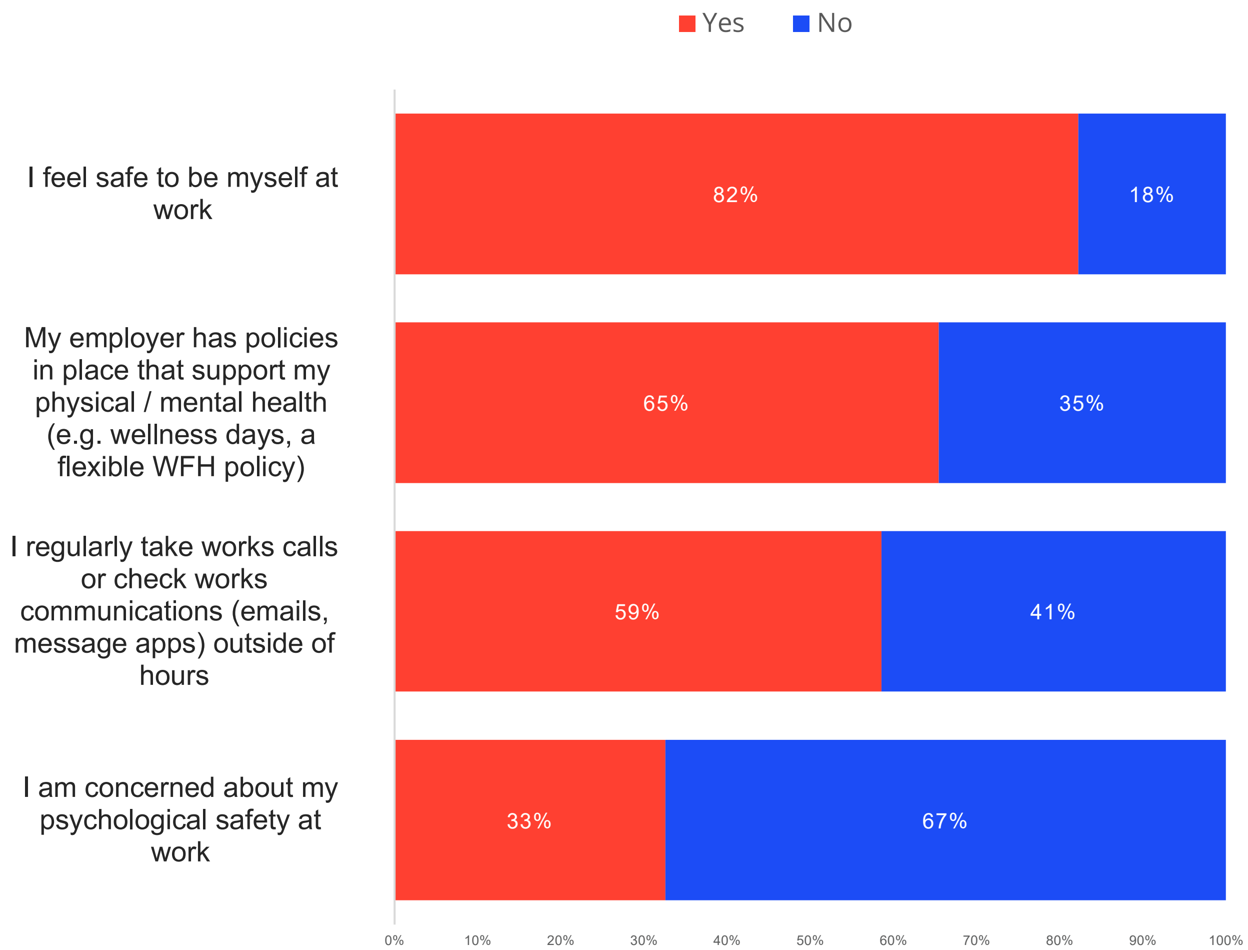
Q13. Have the demands of your role increased/decreased/remained the same over the past three months? Australia Workers (n=1021)
Q14a. You said the demands of your role increased, what are the reasons behind the change? Those with increased role demand (n= 414)
Q14b. You said the demands of your role decreased, what are the reasons behind the change? Those with decreased role demand (n= 64)

PSYCHOSOCIAL WELLBEING

As Australian workplaces continue to adjust to post-pandemic ways of working, it is important to maintain focus on the psychosocial wellbeing of the workforce. Earlier this year, new healthy and safety legislation introduced in certain states put the onus on employers to proactively reduce the risk of psychosocial hazards such as harassment and bullying.

Two thirds of Australian workers say their employer has policies that support their physical/mental health. This increases to three quarters of those who work for organisations of 200 or more employees (cf; <200 employees 59%).
However, a third of Australians workers say they are concerned about their psychological safety at work. This is higher among younger generations (Gen Z 36%, Millennials 39%, cf; Gen X 30%, Baby Boomers 19%).

Reflecting the feelings of being overworked and the increase in demand of their roles seen earlier, three in five (59%) workers regularly take work calls or check work communications outside of hours.



Q15. Please select Yes or No to the following questions about work demands and your psychosocial health and wellbeing. Australia Workers (n=1021)

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 Australian workers.

For this wave of the survey, respondents were asked to reflect on the three-month period between July 2023 to September 2023.

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

Lonergan Research surveyed 1,021 Australian workers aged 18 years and over between 27 September 2023 and 4 October 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.

ABOUT ELMO SOFTWARE

Founded in 2002, ELMO Software is the trusted provider of HR technology solutions to 2,500+ mid-sized organisations and more than one million end users across Australia and New Zealand.

With a comprehensive suite of ISO-certified solutions that span the full employee lifecycle, ELMO Software is designed to scale as organisations grow.

Flexible and configurable, ELMO's one-stop HRIS fits to your specific needs and workflows.

Through powerful technology, automation, data and analytics, ELMO Software empowers HR professionals to play an integral role in company decision making.

See ELMO in action with one of our friendly consultants to experience our HR and payroll solutions for your organisation.

WE BUILD HR SOLUTIONS THAT RELEASE YOUR FULL POTENTIAL

HR CORE

Centralise and automate your people management in one place.

ONBOARDING

Start your new employee's journey with a personalised onboarding experience.

RECRUITMENT

Find and hire the right talent for your business.

PERFORMANCE MANAGEMENT

Empower your teams to achieve their goals and thrive.

PAYROLL

Navigate the complexities of pay with secure and accurate payroll.

LEARNING MANAGEMENT

Create a culture of learning and develop your people with eLearning.