

EMPLOYEE SENTIMENT INDEX

AUSTRALIA | JANUARY - MARCH 2024





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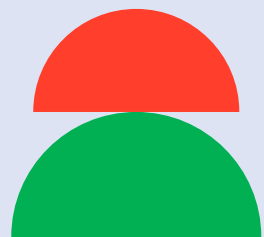
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KEY FINDINGS

FIXED QUESTIONS

The Q1 Employee Sentiment Index paints an interesting picture of Australia's talent landscape at the start of year. After a period where employees held the balance of power in the jobs market, things have clearly shifted as organisations reign in their hiring. This quarter, we saw declines across several key indicators of job market activity.

However in more positive news, employee confidence in both the economy and the fate of their employers appears to be rallying. Fears about redundancies and the need to work harder to secure their jobs have both decreased noticeably on last quarter, while the number of people who think Australia's economy is secure continues to creep up.

For HR leaders, it's a reassuring trend because of the well-established link between financial and mental health, and the impact on things like workforce wellbeing, absenteeism and overall productivity.

SLOWDOWN IN JOBS MARKET

Only 5% of employees **started a new job** between January and March this year, compared to a high of 9% in Q2 of 2023.



The proportion of employees **looking for a new role** internally also **fell this quarter**.



DECLINING CONFIDENCE AMONG JOBSEEKERS

Between January and March, **32%** of workers say the **economy was encouraging them** to look for a new job.

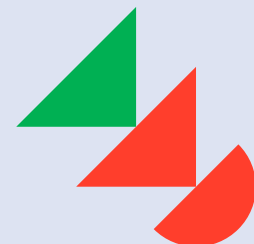
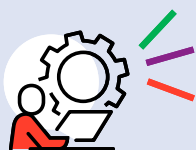
It's the **lowest figure** recorded yet and a four percentage-point decrease on this time last year.

32%



DROP IN WORKING HOURS

Between January and March this year, Australian employees worked **over an hour less** per week than in the previous quarter, putting in an average of **36.2 hours** each week.



KEY FINDINGS

TOPICAL QUESTIONS

For this round of the Employee Sentiment Index, we chose to explore the topic of onboarding. It follows on from the recent launch of ELMO's 2024 HR Industry Benchmark Report which found that organisations are struggling to hold onto new hires and get their recruits up to speed quickly.

The survey of 700 HR professionals in Australia found that around one in seven new hires (13%) leave their job within the probation period and it takes an average of 35 days for a new employee to become productive.

But how does this stack up with employees' perceptions?

EXPECTATION VERSUS REALITY

One in eight Australian workers say they have left a job within their first year of employment there.

The most common reason they gave for leaving was that the **job or organisation did not match with expectations** set during the recruitment process, according to 40% of respondents.

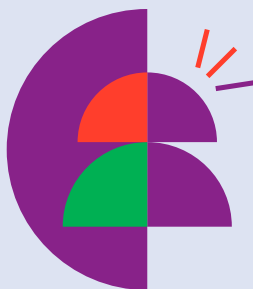


NEW HIRES NEED AT LEAST A MONTH

On average, Australian employees believe it takes

38 days

for them to become **fully productive in a new role**, inclusive of the onboarding period. Around a third of workers estimate it takes them **a week or less to become fully productive.**



NEW JOB REGRET OR RELIEF?

Almost 40% of respondents say they know whether their new job was the right move **within one month**. However, a third say they know the answer within one week or less.



FIXED QUESTION ANALYSIS

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PERCEIVED SECURITY

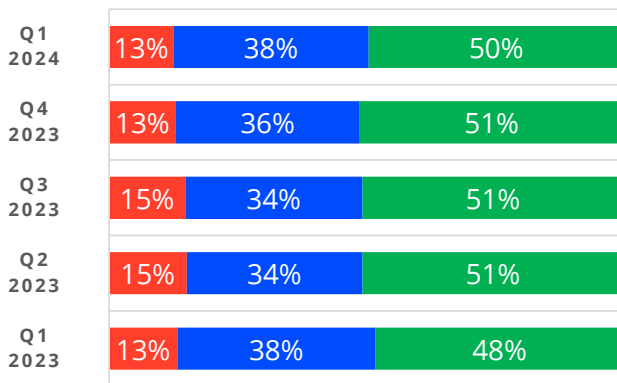
Perceived security among Australian employees has remained relatively consistent compared to last quarter across all four subsections.

The most prominent change is that the number of employees who feel their industry is secure has fallen by four percentage points compared to the last quarter of 2024. However, the number who believe their industry is insecure has remained the same, with the aforementioned drop being caused by an increase in those who chose neutral.

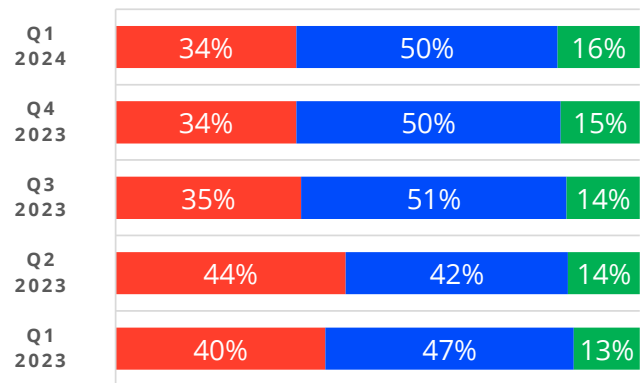
Perceptions of economic security remain remarkably similar to the previous quarter. This could be due to the continued pausing in interest rate rises and inflation rates moving in the right direction.

While half of employees are seemingly unsure of how the economy will fare this year, it is an improvement on this time last year when 44% of workers felt the economy was not secure.

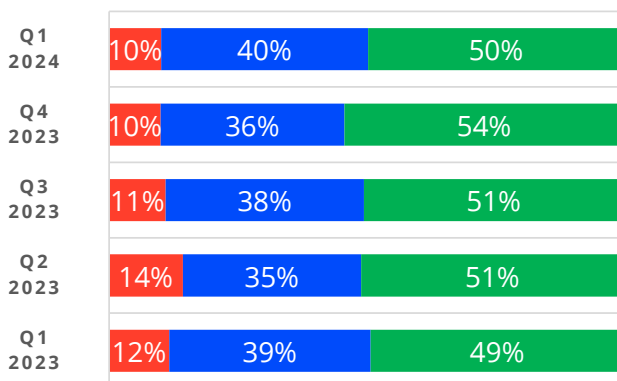
Job security



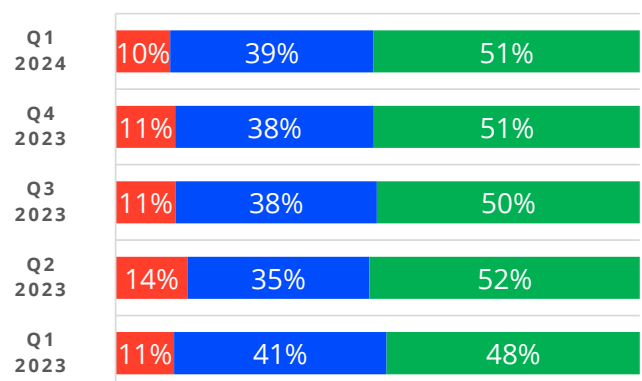
Economic security



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 Q1 2024 (n=1,025) // Q4 2023 (n=1,022) // Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002)

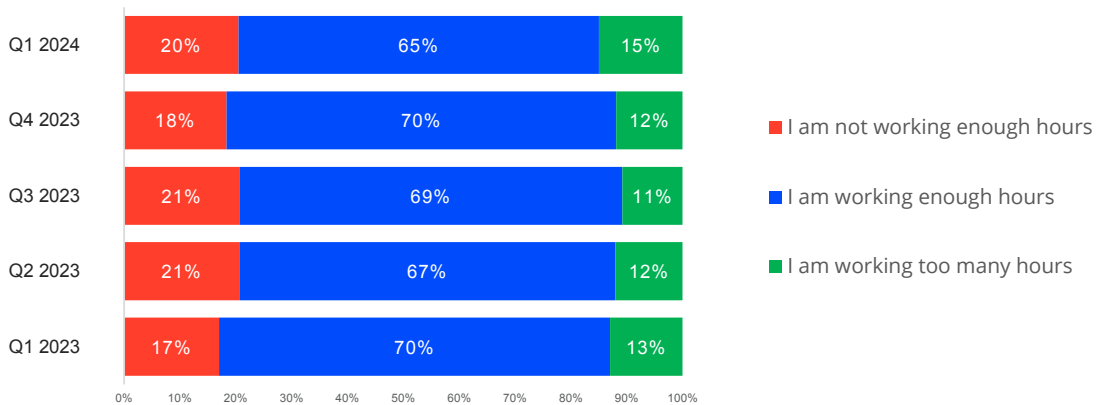
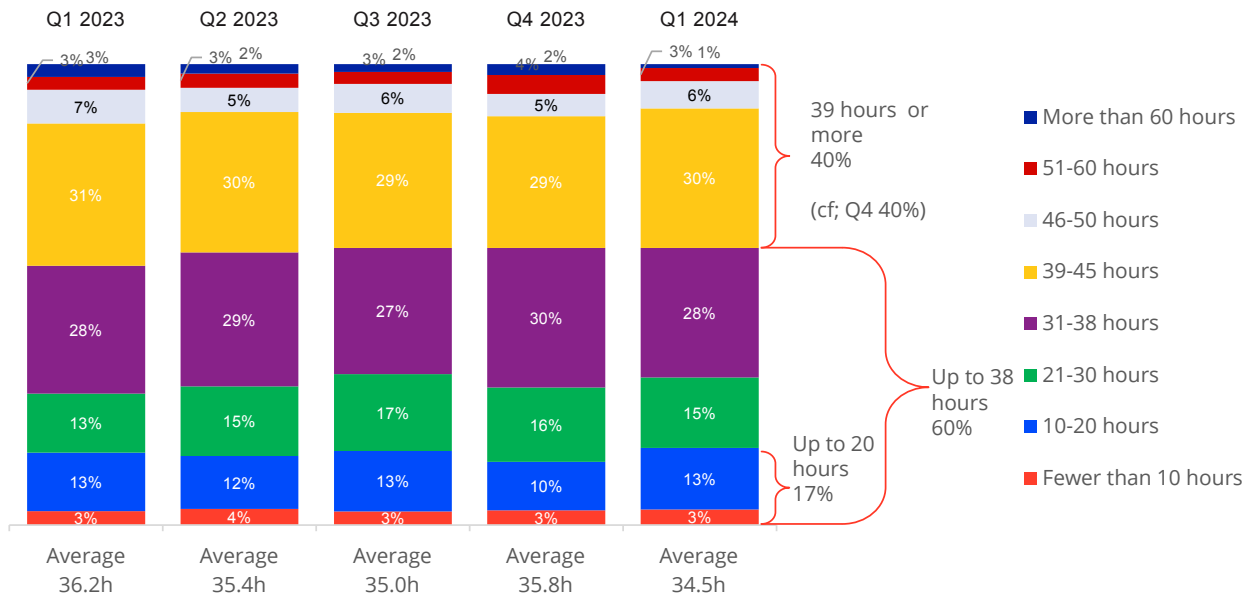
HOURS WORKED

In the last quarter, Australian workers spent an average of 34.5 hours a week at work, over an hour less than the last quarter of 2024 and almost two hours less than this time last year.

Interestingly, the number of employees who say they're working enough hours has fallen for the first time in 2024 to 65%, a five percentage point drop compared to Q4 of 2023.

On average, Millennials worked the most hours per week whilst Baby Boomers worked the least (Millennials 37.0h; cf. Baby Boomers 24.2h, Gen X 33.8h, Gen Z 33.7h).

Women are significantly more likely than men to feel they aren't working enough hours (Women 25%; cf. Men 16%).



Q1. Over the last three months, on average how many hours do you work per week?
 Q2. Over the past three months (January to March 2024), 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 Q1 2024 (n=1,025) // Q4 2023 (n=1,022) // Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002)

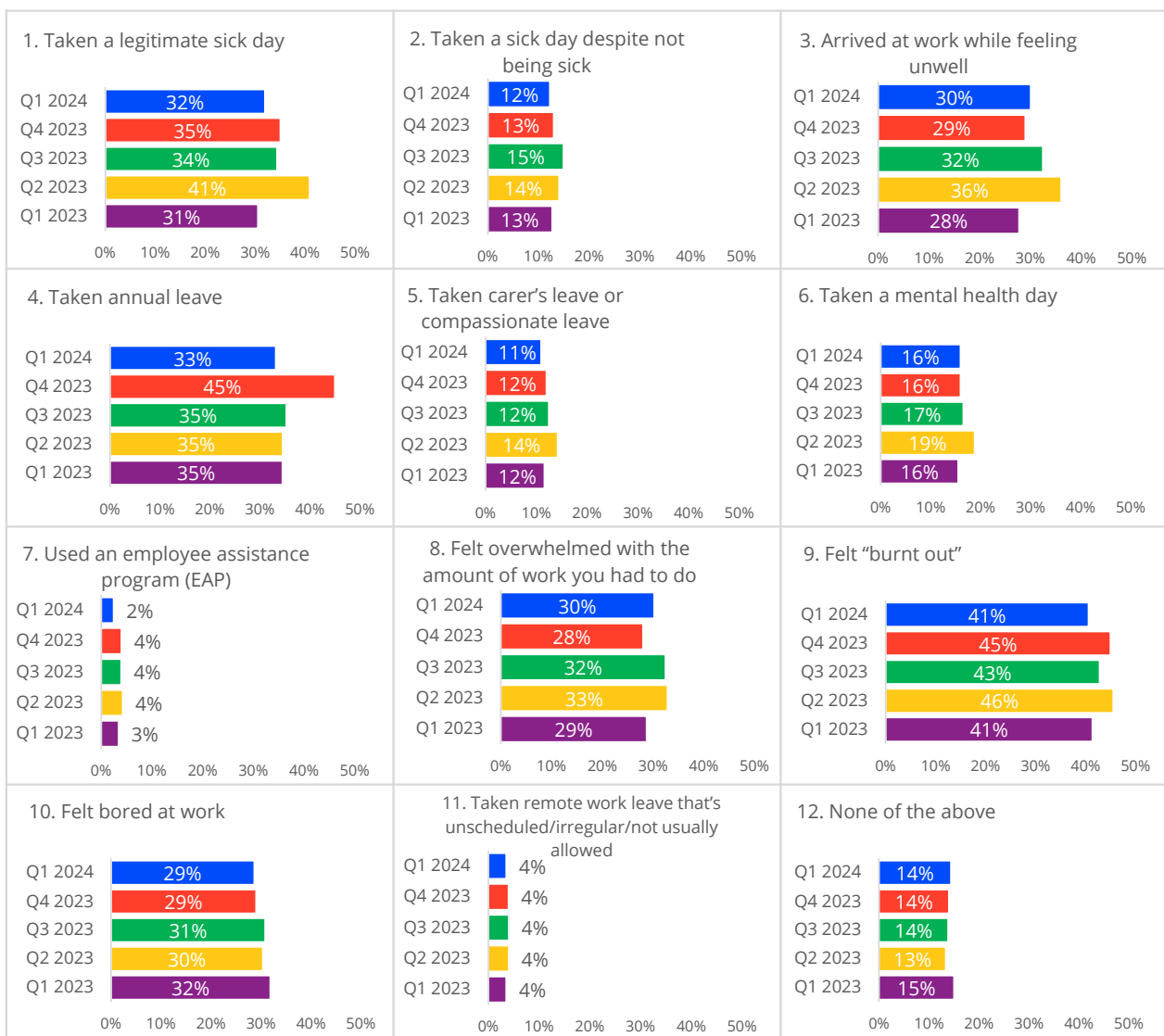
WORKER WELLBEING

Most workers appear to be back at work after the holiday season, with a 12-percentage point decrease in the proportion of workers taking annual leave since the last quarter.

Notably, the number of employees who reported feeling burnt out in the last three months has fallen to 41%. But it will be interesting to see if the increase in burnout that we saw in the second quarter of the year, which coincides with the end of financial year, will reappear in the next round of surveying.

It's not been a restful period for all age groups. Gen Z workers were significantly more likely to have taken a mental health day in the last three months (24%; cf. Millennials 18%, Gen X 10%, Baby Boomers 7%). This may be linked to Gen Z workers being significantly more likely to have reported feeling burnt out (53%; cf. Average 41%).

Australian workers in the education and training sector were also significantly more likely to have taken a mental health day (29%; cf. Average 16%).



Q3. Over the past three months have you...? Australian Workers Q1 2024 (n=1,025) // Q4 2023 (n=1,022) // Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002)

WORKER MOBILITY

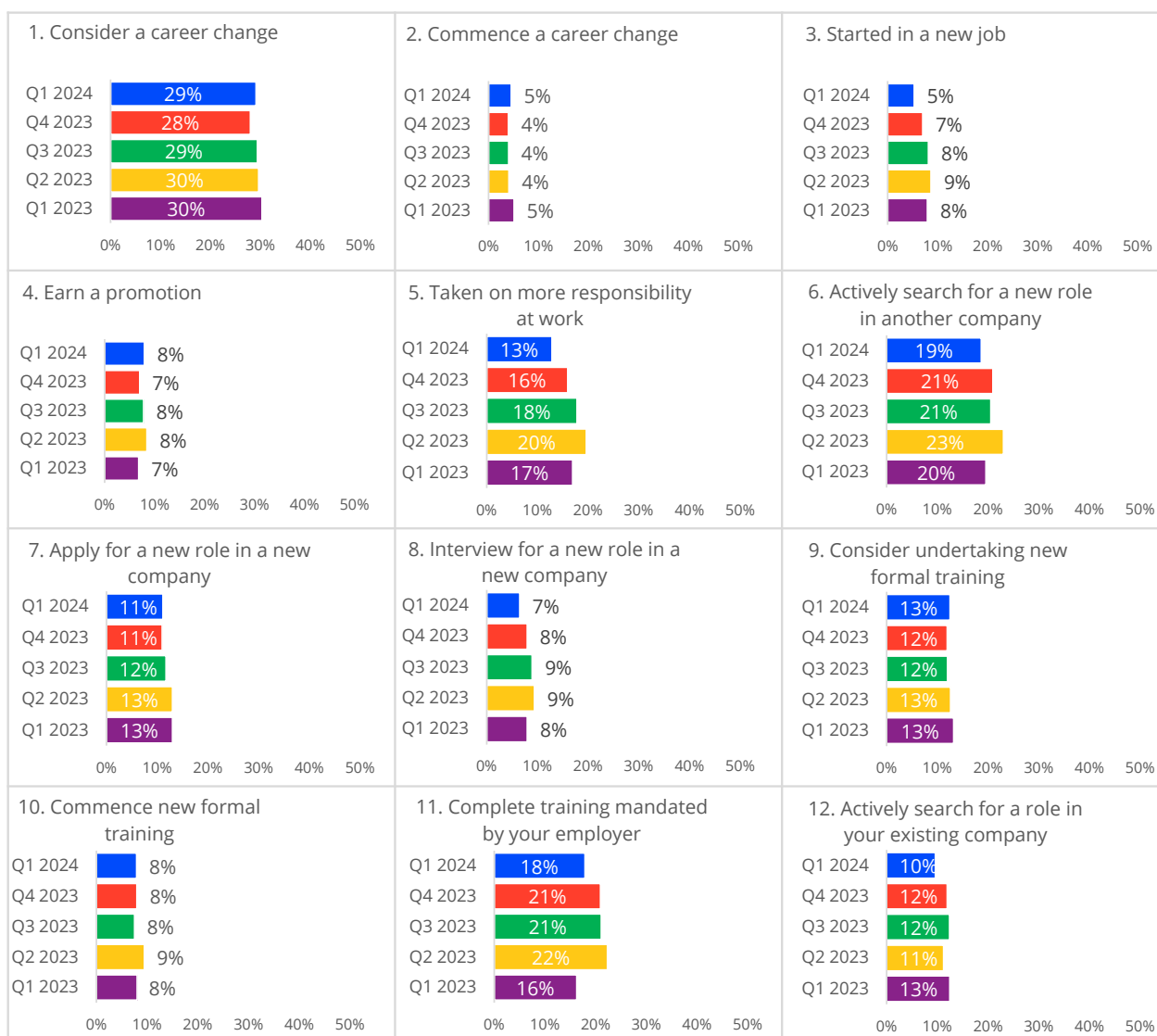
The job market has slowed in the first quarter of this year with only 5% of employees having started in a new job.

It's only the youngest cohort who are still job-hopping at high levels, with 10% of Gen Z workers having started a new job within the last three months (10%; cf. Average 5%).

The proportion of workers actively searching for a

new job has also fallen slightly to 19%, down from a high of 23% in the second quarter of 2023. There's also been fewer employees looking for a new role within their existing companies, suggesting that the internal jobs market has cooled too.

The proportion of workers earning a promotion has remained stable this quarter. However, men were twice as likely to have earned a promotion in the past three months (10%; cf. Women 5%).



None of the above:
Q1 2024 35%, Q4 2023 32%, Q3 2023 31%, Q2 2023 32%, Q1 2023 33%

Q6. In the past three months, did you...? Australian Workers Q1 2024 (n=1,025) // Q4 2023 (n=1,022) // Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002)

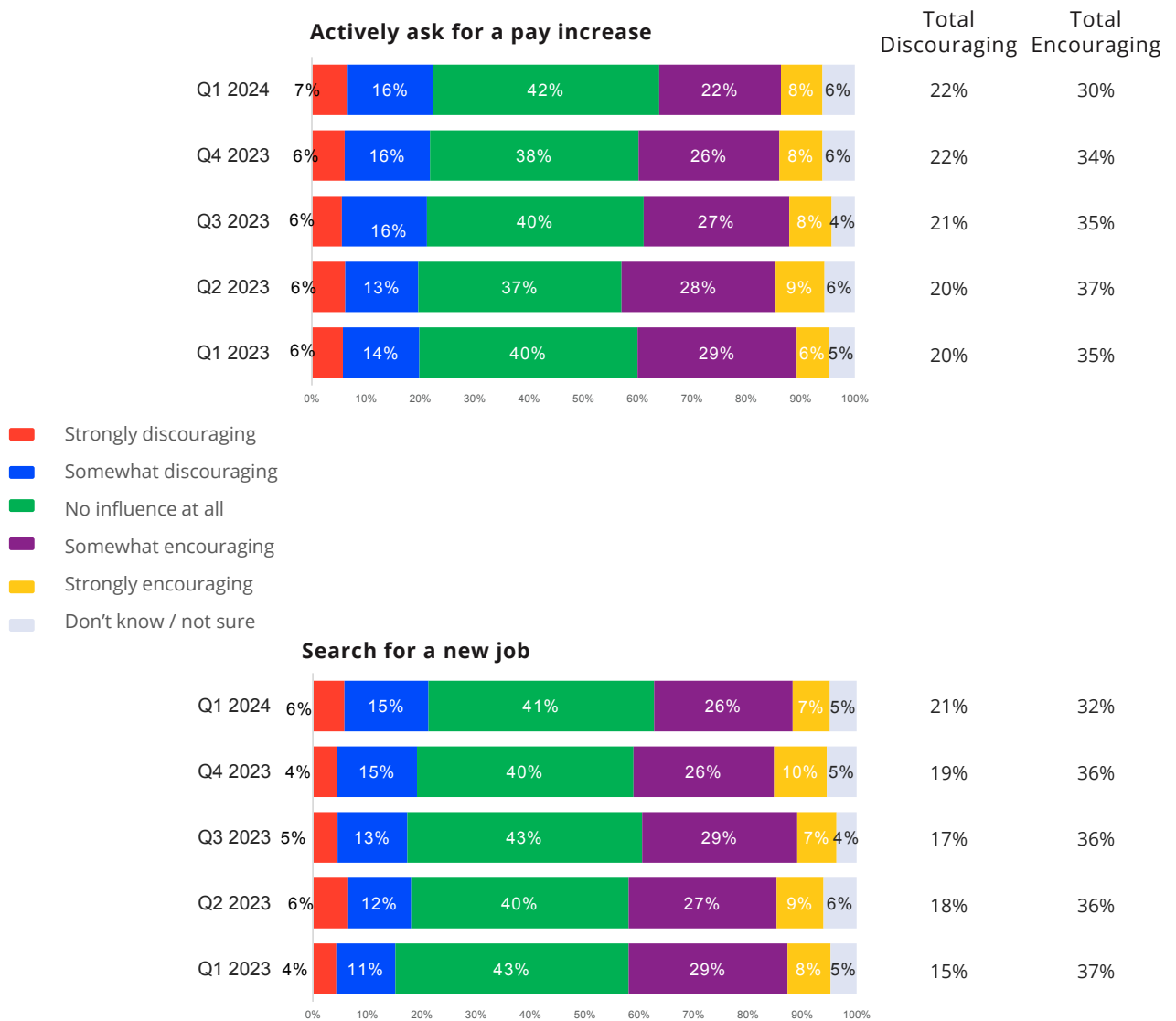
ECONOMY INFLUENCING DECISIONS

Three in ten workers felt encouraged by current economic conditions to actively ask for a pay increase in Q1. That figure has fallen for the third quarter in a row since the high of 37% in Q2 of 2023.

Younger generations were more likely to feel encouraged to ask for a pay increase (Gen Z 41%, Millennials 34%, Gen X 21%, Baby Boomers 12%), as were men (33%; cf. Women 27%).

Similarly, the number who are encouraged to look for a new job has fallen for another quarter to 32%. Now, 21% say the economy is discouraging them from looking for a new job.

This apparent lack of confidence in the current jobs market is consistent with the downward trend in career mobility highlighted on the previous page.



Q10. To what extent are current economic conditions encouraging or discouraging you to do the following? Australian Workers Q1 2024 (n=1,025) // Q4 2023 (n=1,022) // Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002)

FUTURE OF WORK

While there's still much talk of how AI will revolutionise certain roles and industries, employees' belief that technology will help them at work has fallen for the fourth quarter in a row.

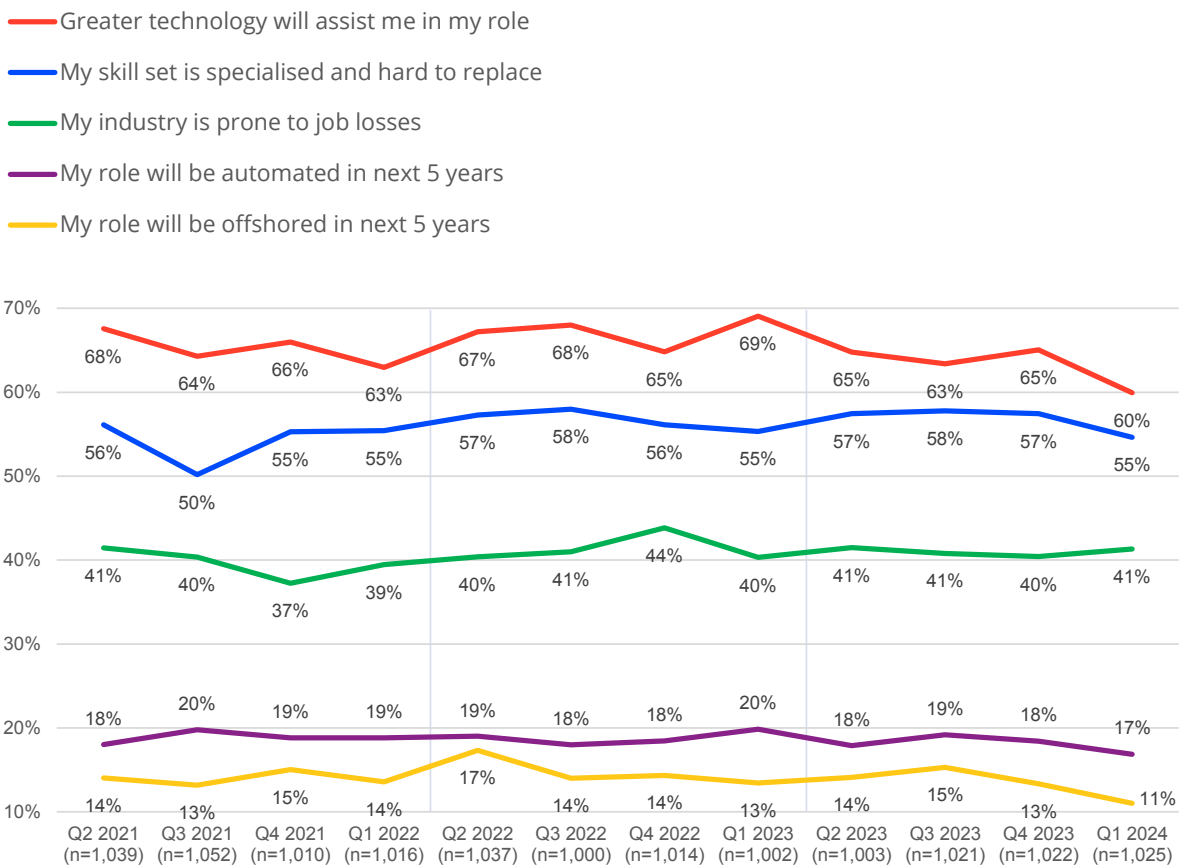
Now, only 60% of employees believe greater technology will help them in their role. That's down from 69% in the first quarter of 2023, which coincided with the sudden uptake in technologies such as ChatGPT.

Perhaps surprisingly, it was Millennials, rather than Gen Z, who were most likely to believe technology

will benefit them (67%; cf. Gen Z 61%, Gen X 55%, Baby Boomers 38%).

There have also been small declines in the number of employees who feel their skillset is specialised and hard to replace, as well as those who believe their role will be automated or offshored in the next five years.

Gen Z were most likely to believe their role will be automated in the next five years (24%; cf. Millennials, 18%, Gen X 12%, Baby Boomers 9%).



Agree and Strongly Agree

Q5. To what extent do you agree or disagree with each of the following statements? Australian Workers

EMPLOYEE PRIORITIES

Unsurprisingly, remuneration and bonus payments/incentives continues to be the most important factor for Australian workers when thinking about choosing a new employer.

But the jostle for second place continues with flexible/remote working moving back up the rankings. Stability of an organisation now ranks third.

Online or word-of-mouth employee reviews of the leadership has interestingly broken from its previously fixed position at last place and has risen to tie at seventh place with professional learning opportunities and the ethical standing/reputation of the organisation and leadership.

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Remuneration and bonus payments / incentives	1st	1st	1st	1st	1st
Flexible/Remote working	2nd	3rd	2nd	Tied 2nd	3rd
Stability of an organisation	3rd	2nd	3rd	Tied 2nd	2nd
Easy and/or short commute	4th	Tied 4th	5th	5th	Tied 4th
Culture of the organisation	5th	Tied 4th	4th	4th	Tied 4th
Career development opportunities	6th	6th	6th	6th	6th
Professional learning opportunities	Tied 7th	7th	8th	8th	Tied 7th
Online or word-of-mouth employee reviews of the leadership	Tied 7th	11th	11th	11th	11th
The ethical standing/reputation of the organisation and leadership	Tied 7th	8th	7th	7th	Tied 7th
Wellbeing initiatives	10th	9th	9th	9th	9th
Diversity among employees/senior leadership team of the organisation	11th	10th	10th	10th	10th

Q9. Thinking about choosing a new employer, rank your top five most important factors from the list below. Australian Workers Q1 2024 (n=1,025) // Q4 2023 (n=1,022) // Q3 2023 (n=1,021) // Q2 2023 (n=1,003) // Q1 2023 (n=1,002)

RECOGNITION AND REMUNERATION

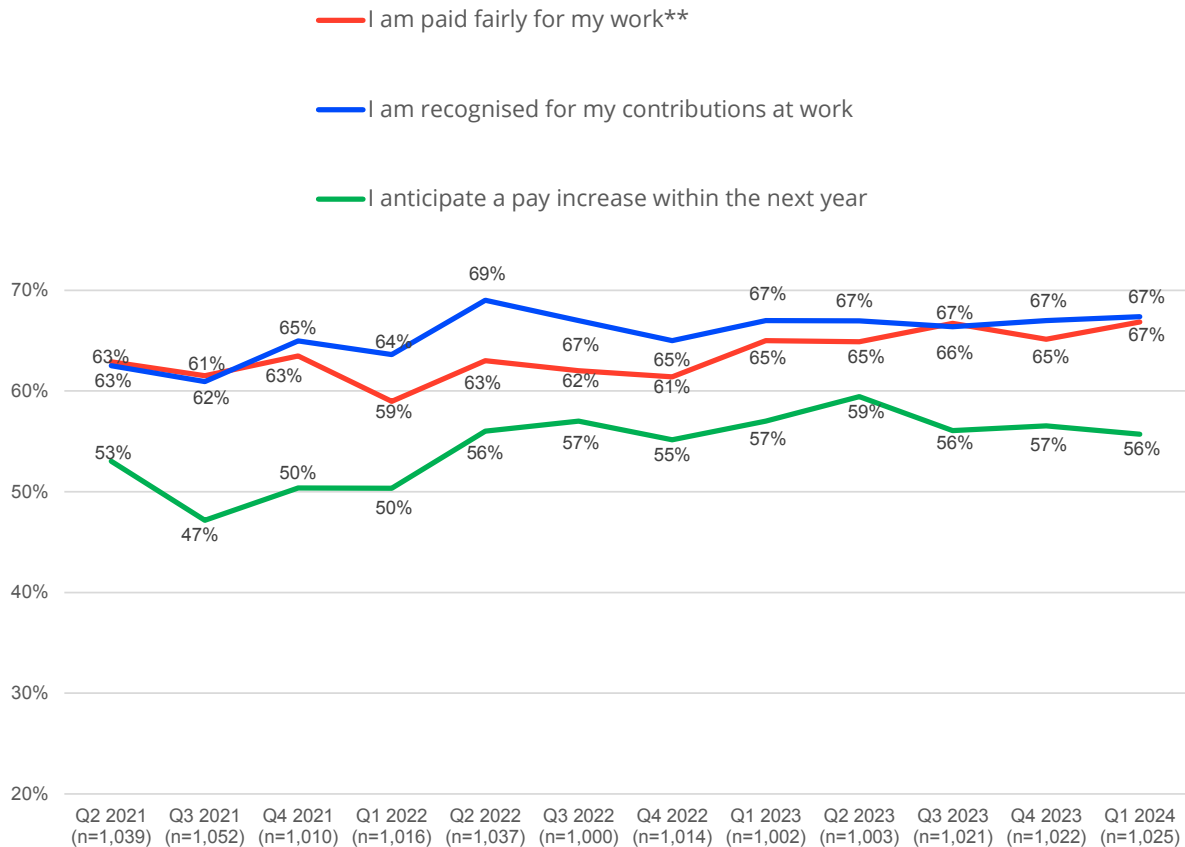
Two thirds of workers believe they are recognised for their contributions at work, which has remained consistent for the past year.

Men are more likely to feel recognised for their contributions at work (71%; cf. Women 63%).

Similarly, two in three workers feel they are paid fairly for their work, a two-point increase since Q4 2023. That's particularly true for Baby Boomers who were most likely to believe they are paid fairly for their work (80%; cf. Gen X 66%, Millennials 68%, Gen Z 63%).

Over half of workers anticipate a pay increase within the next year, remaining similar to previous quarters last year. However, men were significantly more likely to anticipate a pay increase in the next 12 months (62%; cf. Women 49%).

By industry, 78% of those working in Public Administration and Safety anticipate a pay increase within the next 12 months, compared to just 39% of workers in the Retail trade.



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

Over a third of workers feel the need to work harder or longer hours to keep their job safe, which is consistent with the last quarter and has fallen from a high of 40% in Q3 of 2023.

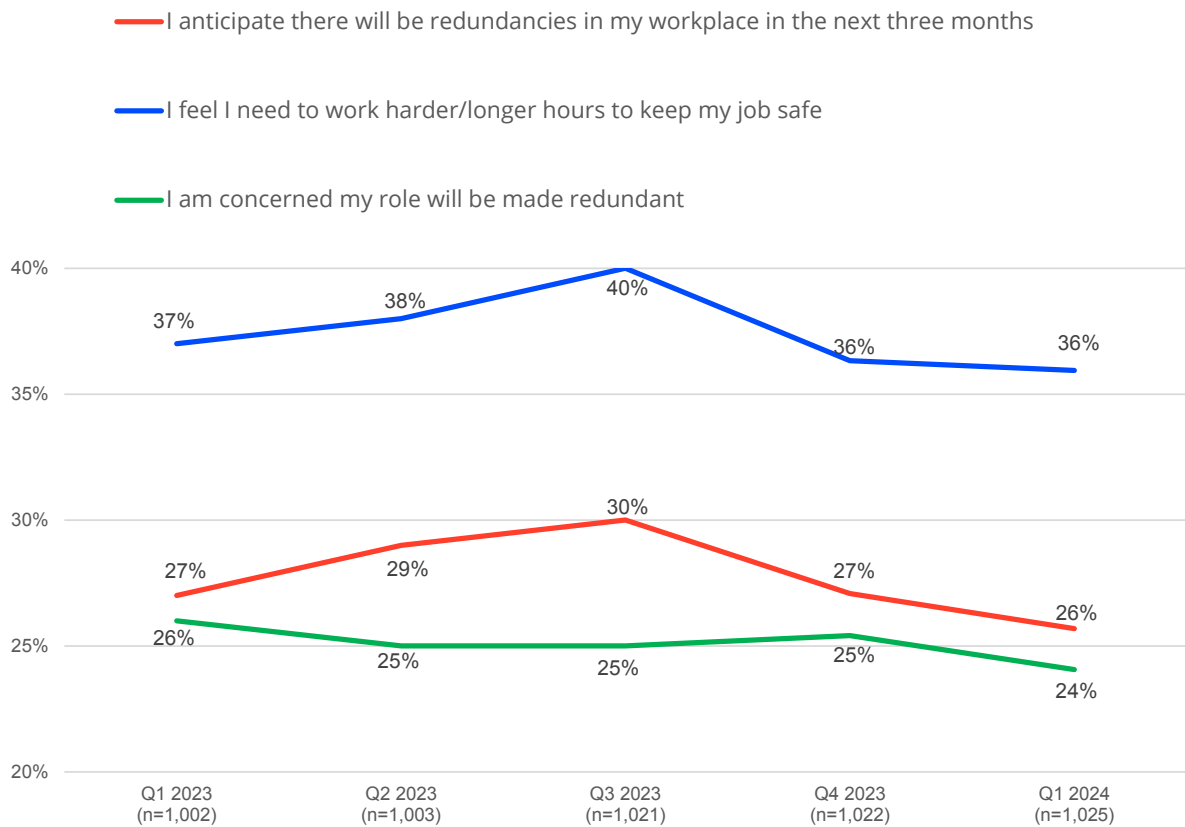
However, workers in certain industries are having a tougher time than others. Over half (54%) of those working in Information Media and Telecommunications felt they needed to work harder/longer hours to keep their jobs safe.

Fear of redundancies has also dropped among workers. Now only 26% of workers anticipate

there will be redundancies in their workplace within the next three months. This has been declining since a peak in of 30% in Q3 2023.

A quarter (24%) of workers are concerned their own role will be made redundant.

Younger generations are more likely to have this concern, with one in three Gen Z workers worried their role will be made redundant (Gen Z 32%, Millennials 26%; cf. Gen X 18%, Baby Boomers 17%).



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

TRENDING CONCERNS: ONBOARDING TRENDS

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NEW HIRES: TIME TO PRODUCTIVITY

On average, Australian employees believe it takes 38 days for them to become fully productive in a new role.

Interestingly, that figure is remarkably similar to the average time to productivity given by our sample of Australian HR professionals in the [2024 HR Industry Benchmark Report](#).

The report found it now takes employees 35 days to become fully productive in a role, according to the 700 Australian HR professionals surveyed.

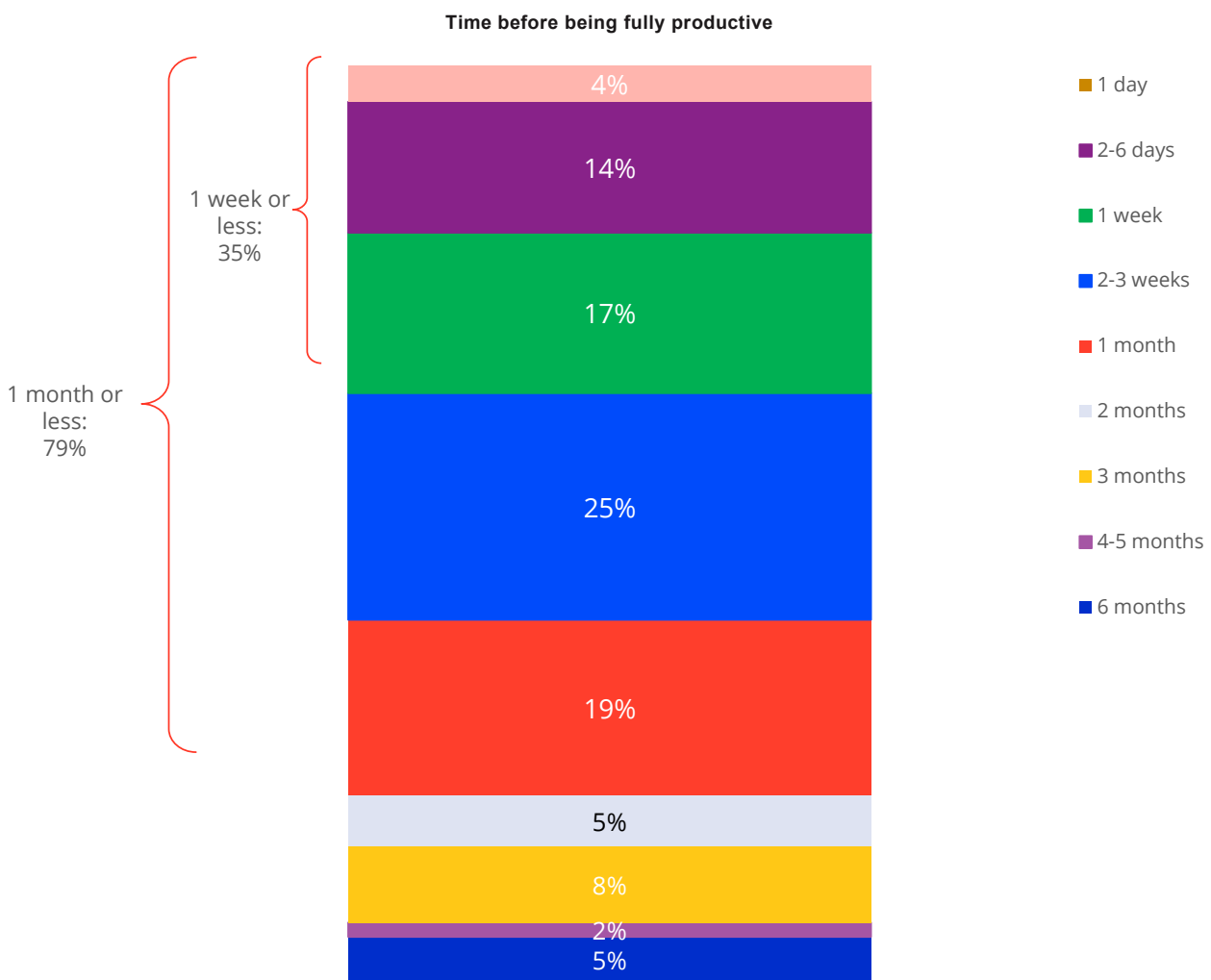
Just over a third of employees believe they are

fully productive in a week or less.

Men are more likely to believe they only need a week or less before becoming fully productive in a new role (39%; cf. Women 31%).

Age plays a role too, with 52% of Baby Boomers saying they only need one week or less before being fully productive at a new job.

Almost four in five Australian workers feel they are fully productive in a new role within a month of starting.



B1. Thinking about starting a new job, how long do you believe it would take you to be fully productive, including the onboarding period? Australian Workers (n=1,025)

LEAVING A NEW ROLE EARLY

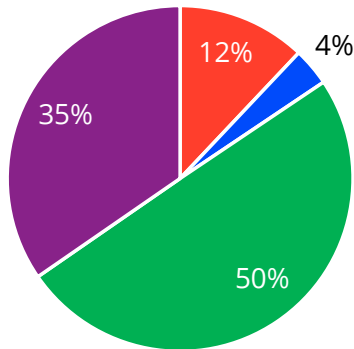
In the last three years, one in eight workers have left a job within their first year of employment there. This increases to over one in five (22%) Gen Z workers and people currently in Junior or Entry level positions (22%).

Of these 12% of workers who have left a job within their first year of employment, the most common reason they gave for leaving was that the job or organisation did not match with expectations set during the recruitment process.

Approximately one in three workers who left their role within the first year mention a poor impression of the organisation (34%), poor first impression/relationship with the manager (32%) or unrealistic expectations from the manager (31%) as reasons for leaving.

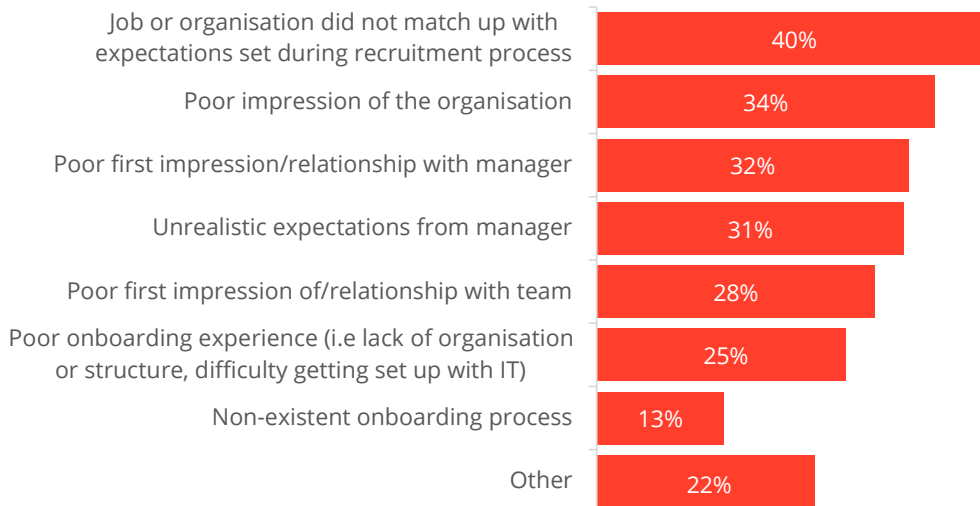
Meanwhile, one in twenty (4%) Australian workers have been let go from a job within their first year of employment in the last three years. This increases to 8% of Gen Z workers and 13% of those working in the construction industry.

Workers who left a new role



- Yes, I left the job
- Yes, I was let go from the job
- No, I have not left a job during the first year of employment
- N/A I haven't had a new job during the last 3 years

Reasons for leaving



B2. In the last three years, have you left a job within the first year of employment there? Australian Workers (n=1,025)

B4. What are the main reasons for leaving your job during the first year? Australian Workers who chose to leave during their first year (n=122)

SHOULD I STAY OR SHOULD I GO?

Of the 12% of workers who have left a new role within the first year of employment, the vast majority (92%) felt they made the right decision. Only 6% of people who left a new role within a year of starting regret their decision.

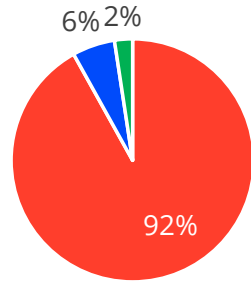
The results are far less clear cut for those who have stayed in a new job. Only 60% feel they have made the right decision, 35% couldn't answer the question and 5% regret their decision to stay.

Almost 40% of respondents say they know whether their new job was the right move within one month. However, a third say they know the answer within one week or less.

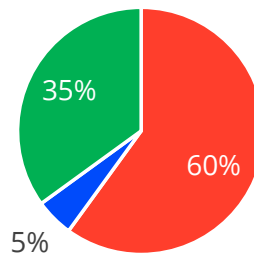
For five per cent of respondents, it takes just one day to decide if it was the right move. While for a similar proportion (6%), they need an entire year to decide.

Staying or leaving a new role

People who left their job

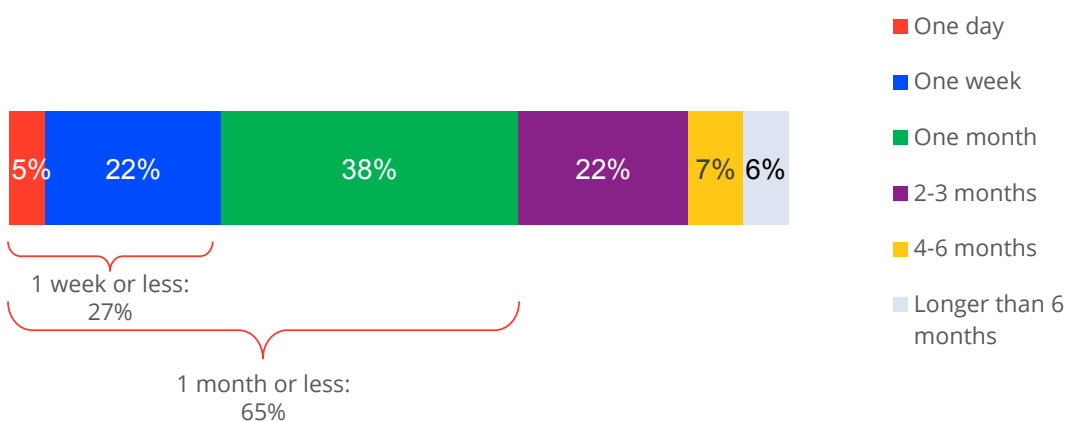


People who stayed in their job



■ It was the right decision ■ I regret my decision ■ N/A

Deciding if a new role was the right move



B3. Thinking about the same job as above, which do you agree with the most? Australian Workers who left or stayed at their job in the first year of employment (n=633)

B5. Thinking about starting in a new job, how quickly does it take you to decide whether it was the right move? Australian Workers (n=1,025)

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 in order 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 January 2024 to March 2024.

The research was commissioned by ELMO Software and conducted by

Lonergan Research in accordance with the ISO 20252 standard.

Lonergan Research surveyed 1,025 Australian workers aged 18 years and over between 15th March 2024 and 25th March 2024. 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.

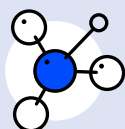
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Navigate the complexities of pay with secure and accurate payroll.



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RECRUITMENT

Find and hire the right talent for your business.



ONBOARDING

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



PERFORMANCE MANAGEMENT

Empower your teams to achieve their goals and thrive.



LEARNING MANAGEMENT

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