

EMPLOYEE SENTIMENT INDEX

NEW ZEALAND | JANUARY - MARCH 2024





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KEY FINDINGS

FIXED QUESTIONS

The Q1 Employee Sentiment Index paints a mixed picture for workers in New Zealand. Unlike in Australia, where the number of employees starting a new job fell sharply in Q1, the figure in New Zealand rose to 10%. The increase could be attributed to those who accepted a new job in December, but commenced employment in January after the holiday period.

The number of employees who were actively searching for a new job fell by five percentage points to the lowest it's been in over a year. Similarly, the number of workers looking for a new role internally also fell in Q1. It points to workers being more cautious about job mobility.

In a similar vein, employees are also still worried about the safety of their jobs. In Q1, we saw increases in the number of employees feeling the need to put in more hours to secure their jobs and anticipating redundancies within their organisations. That's also a stark contrast to Australia, where confidence in the economy is picking back up.

SLOWDOWN IN JOB SEEKING

20% of workers say they **actively searched for a new role** in a new company during Q1, a five-percentage-point drop on the previous quarter.



The number **looking for a new role** internally also **fell incrementally** to 9%, well below the 14% recorded this time last year.

REDUNDANCY WORRIES CONTINUE

Almost a third of workers feel they need to **work harder or longer** hours to hold onto their jobs, the **highest ever result** and five percentage points more than this time last year.

Just over a quarter anticipate redundancies at their organisations in the next three months.



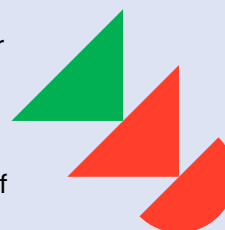
PAY SATISFACTION DECLINES

56%



Just over half of Kiwi employees (56%) feel they're **paid fairly** for their work, which marks a sudden nine-percentage-point decline compared to the previous quarter. The drop follows over year of increasing pay satisfaction among workers.

The number of employees **expecting a pay increase** within the next year also **fell marginally to 59%**, down from a high of 65% in Q3 of last year.



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 500 HR professionals in New Zealand found that around one in eight new hires (12%) leave their job within the probation period and it takes an average of 42 days for a new employee to become productive.

But how does this stack up with employees' perceptions?

EXPECTATION VERSUS REALITY

Over the past 3 years, **one in seven** workers (15%) in New Zealand have left a new job within the first year of starting.

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 41% of respondents.

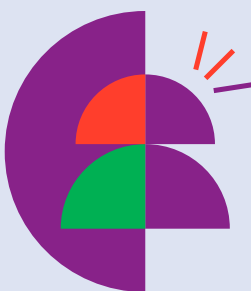


NEW HIRES NEED AT LEAST A MONTH

On average, Kiwi employees believe it takes

39 days

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



NEW JOB REGRET OR RELIEF?

Just over 40% of respondents say they know whether their new job was the right move **within one month**. However, around a quarter (23%) say they know the answer within one week or less.



FIXED QUESTION ANALYSIS

NEW ZEALAND | JANUARY - MARCH 2024



PERCEIVED SECURITY

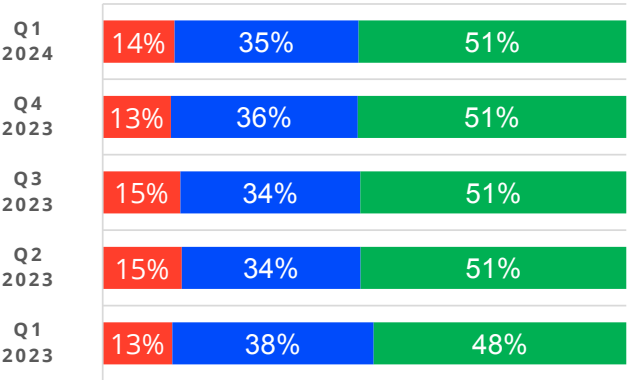
Most security metrics have shown decreases since the previous quarter. Most notable is the five-point drop in the number of employees who say their industry is secure, the lowest it's been since this time last year.

Similarly, the proportion of workers who believe the economy to be secure has fallen to the lowest level seen since this time last year (13%).

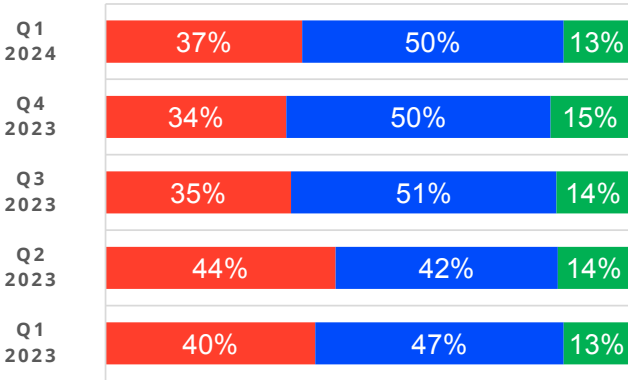
Perceived organisational security has fallen four percentage points since the last quarter and is even lower than levels seen this time last year.

The number of employees who answered 'not secure' increased across all four indicators in the last quarter.

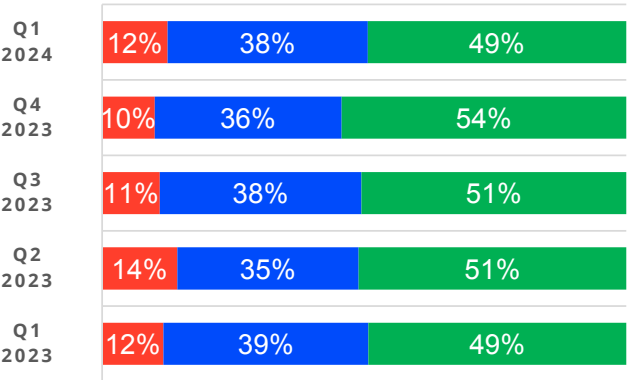
Job security



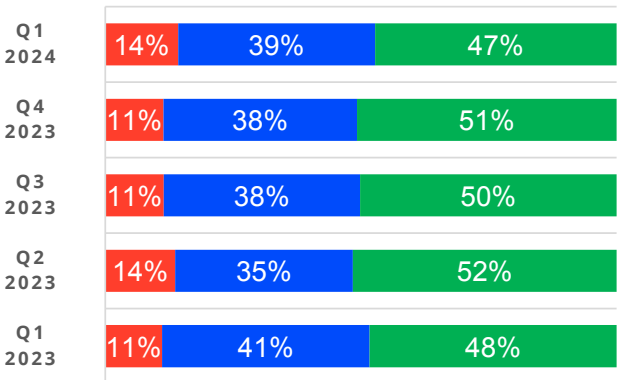
Economic security



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?
New Zealand Workers Q1 2024 (n=507) // Q4 2023 (n=501) // Q3 2023 (n=521) // Q2 2023 (n=512) // Q1 2023 (n=514)

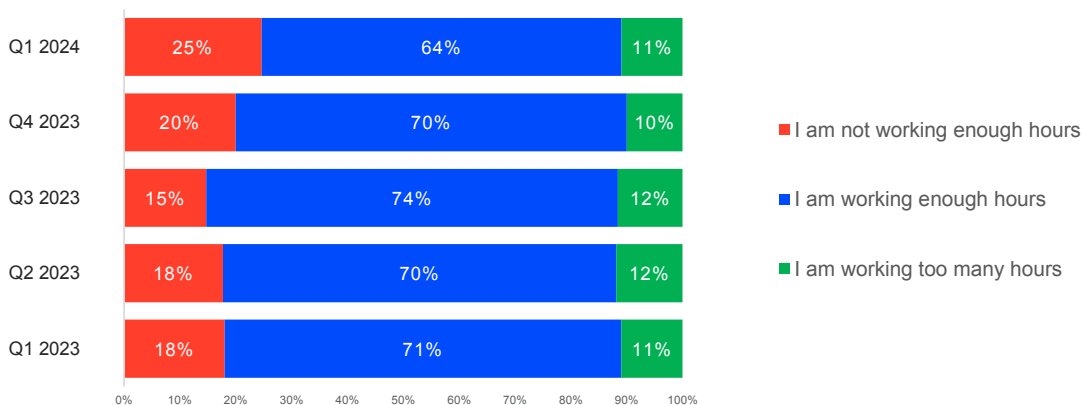
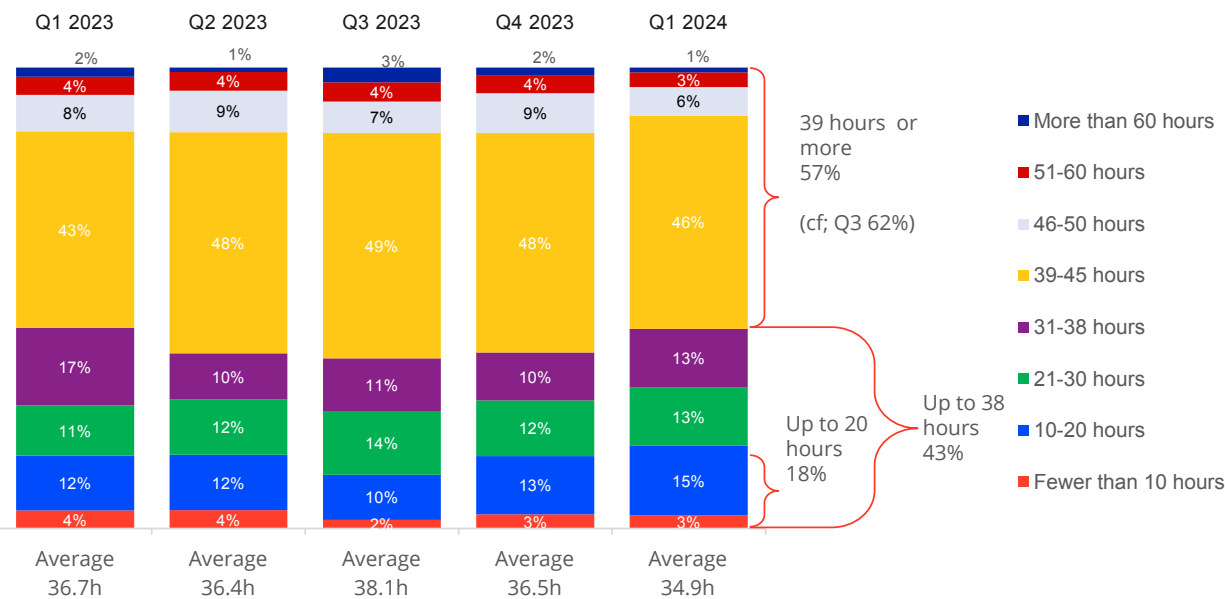
HOURS WORKED

On average, New Zealand workers spent close to 35 hours a week at work, over an hour less than they did in Q4 2023 and almost identical to this time last year.

Nearly two in three workers feel they are working enough hours to meet their needs, a notable decrease since the last quarter and the lowest amount seen across the past 12 months.

Now, a quarter of employees say they're not working enough hours, which marks a five-point increase compared to last quarter.

Women were more likely than men to feel they were not working enough hours (30%; cf. Men 20%).



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.
New Zealand Workers Q1 2024 (n=507) // Q4 2023 (n=501) // Q3 2023 (n=521) // Q2 2023 (n=512) // Q1 2023 (n=514)

WORKER WELLBEING

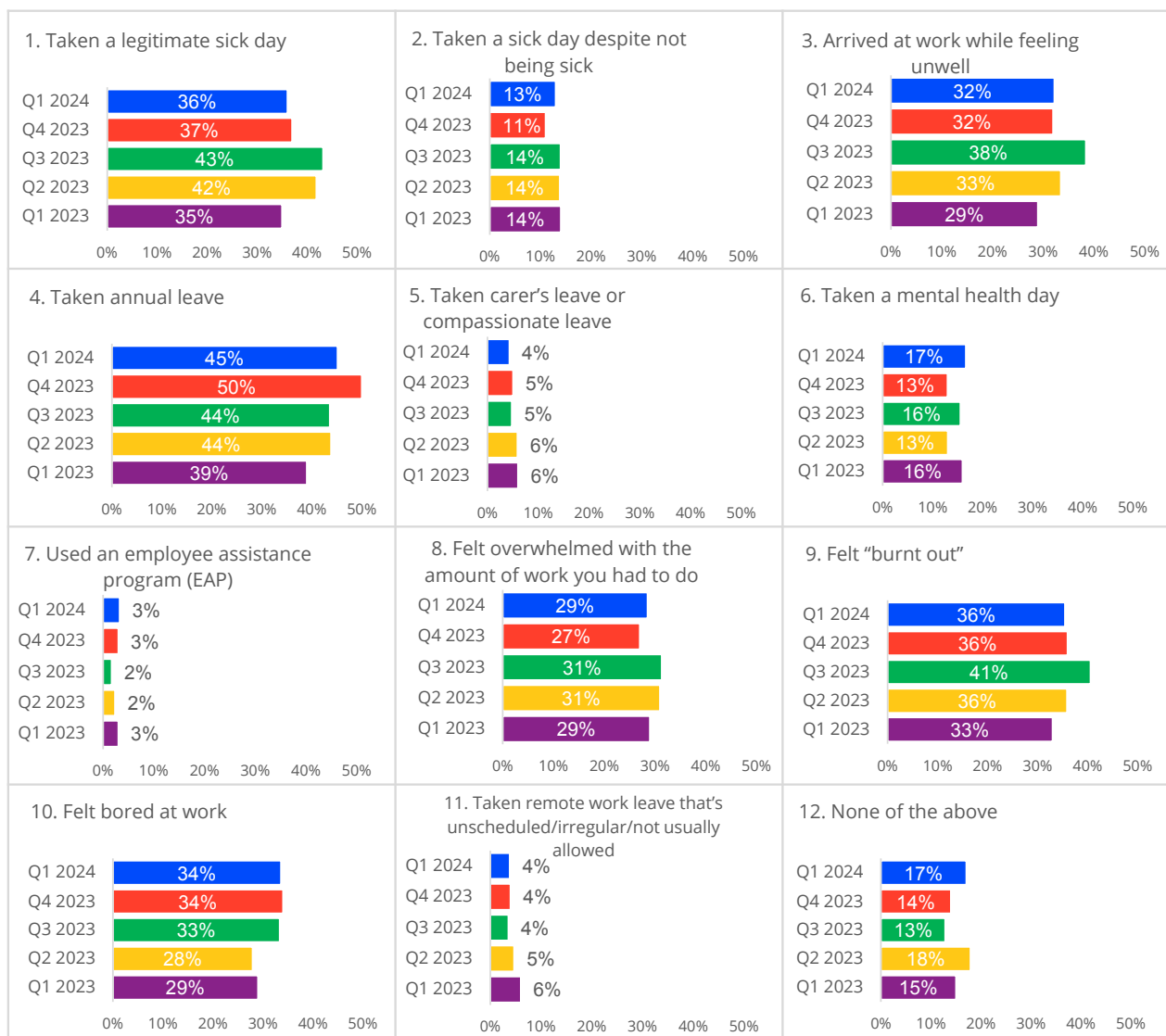
The holiday season seems to be over for New Zealand workers, with the number of respondents taking annual leave returning to levels seen in Q2 and Q3 last year (44%).

Baby Boomers were the least likely to have taken annual leave over the past three months (21%; cf. Gen X 43%, Millennials 52%, Gen Z 45%).

Many of the wellbeing metrics remain consistent

with the previous quarter. The most significant change is in the number of employees who took a mental health day in the first quarter of this year, which shot up from 13% to 17%.

Meanwhile, employees' reported levels of burnout, sickness and feeling overwhelmed with the amount of work on their plate all remained similar to the previous quarter.



Q3. Over the past three months have you...? New Zealand Workers Q1 2024 (n=507) // Q4 2023 (n=501) // Q3 2023 (n=521) // Q2 2023 (n=512) // Q1 2023 (n=514)

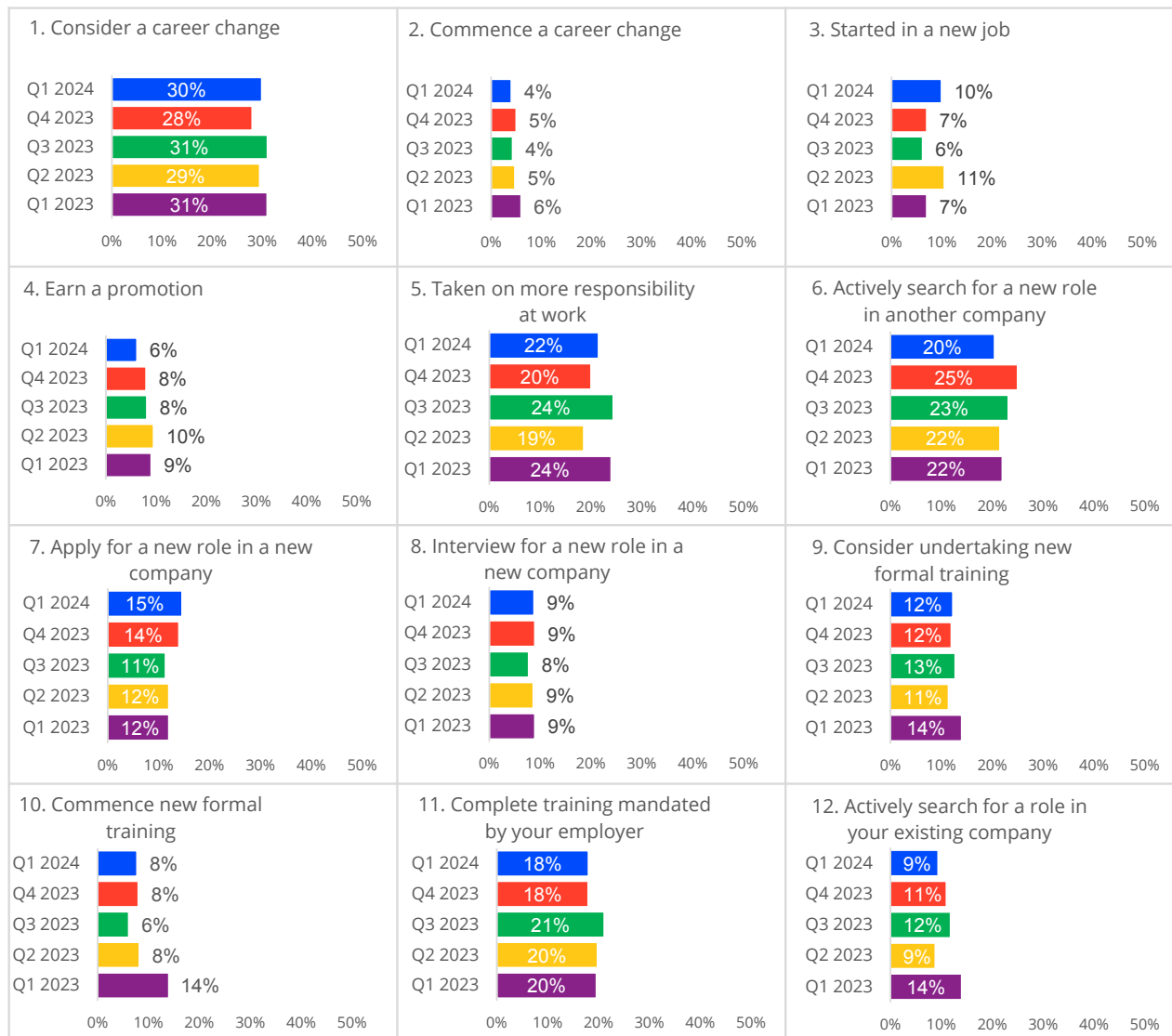
WORKER MOBILITY

In Q1, we saw a slight uptick in the number of workers starting a new job (10%). Conversely, the number of employees who actively searched for a new job in a new company fell by five percentage points.

Mobility seems to be higher in younger generations, with Gen Z workers being significantly more likely to consider a career change (48%; cf. Millennials 31%, Gen X 22%, Baby

Boomers 3%) and to have started a new job this quarter (21%; cf. Millennials 9%, Gen X 5%, Baby Boomers 0%).

Interestingly, the proportion of workers earning a promotion has been on a steady decline since Q2 2023, while the number of workers taking on more responsibility at work has largely remained consistent.



None of the above:
 Q1 2024 33%, Q4 2023 33%, Q3 2023 34%, Q2 2023 34%, Q1 2023 33%

Q6. In the past three months, did you...? New Zealand Workers Q1 2024 (n=507) // Q4 2023 (n=501) // Q3 2023 (n=521) // Q2 2023 (n=512) // Q1 2023 (n=514)

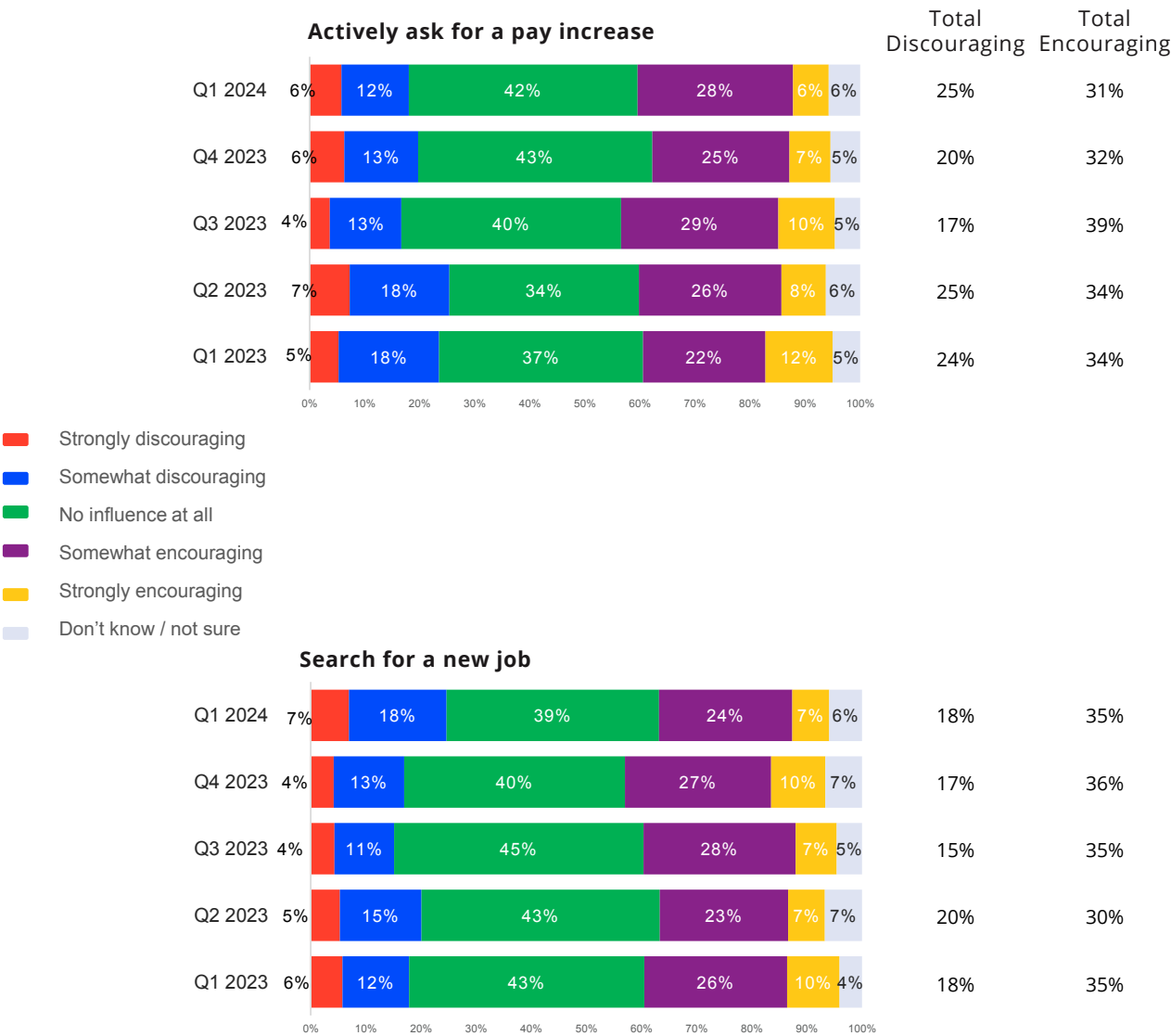
ECONOMY INFLUENCING DECISION

The proportion of workers who are discouraged by the current economic conditions to actively ask for a pay increase has risen to 25%, a similar figure to this time last year.

However not all generations are feeling as downhearted by the economy. Younger workers were more likely to indicate feeling encouraged to ask for a pay increase, with Gen Z being

significantly more likely to do so (47%; cf. Millennials 33%, Gen X 23%, Baby Boomers 7%).

Meanwhile, over one in three workers are encouraged by the current economic conditions to search for a new job. Again, this is higher in younger generations and increases to almost one in two Gen Z workers (48%; cf. Millennials 36%, Gen X 31%, Baby Boomers 5%).



Q10. To what extent are current economic conditions encouraging or discouraging you to do the following? New Zealand Workers Q1 2024 (n=507) // Q4 2023 (n=501) // Q3 2023 (n=521) // Q2 2023 (n=512) // Q1 2023 (n=514)

FUTURE OF WORK

There have been some notable changes in workers' attitudes towards the future of work this quarter.

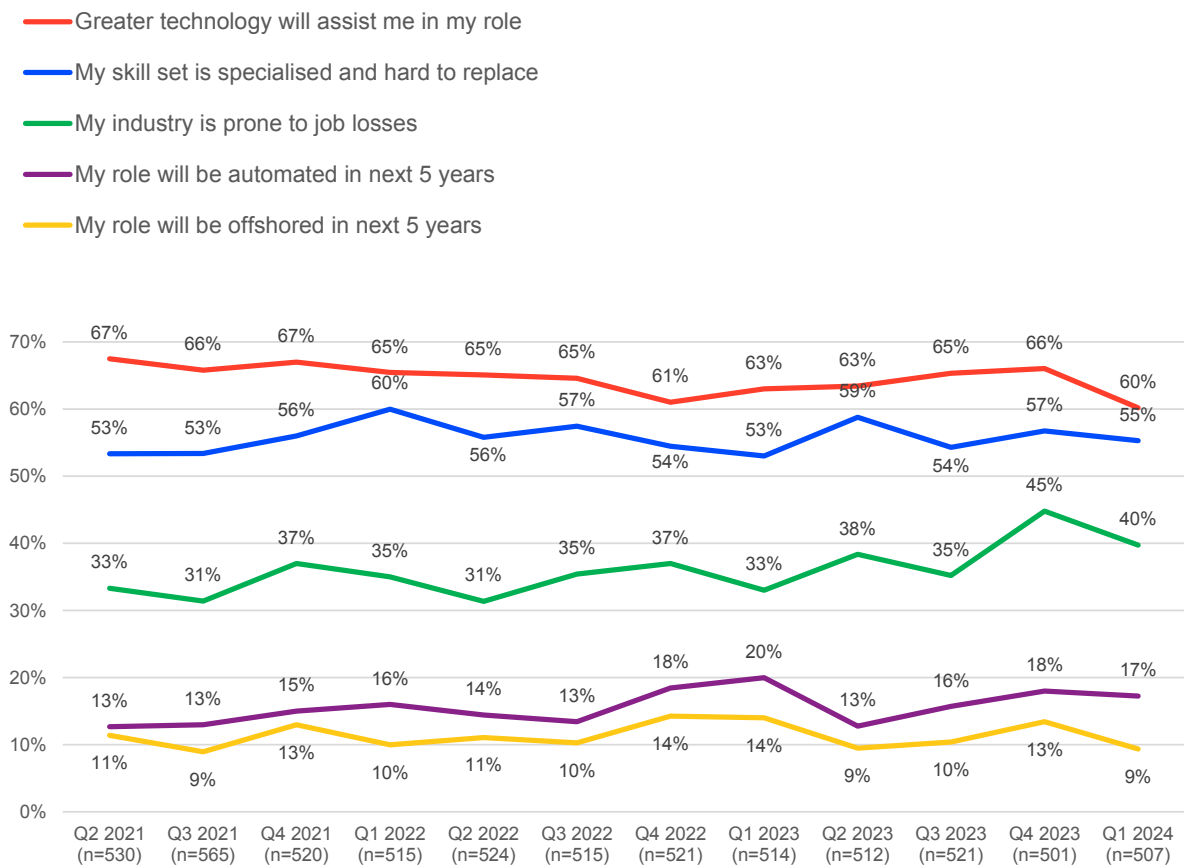
The largest of these shifts is a six-point reduction in the number of workers who believe greater technology will assist them in their role, which is the lowest level seen across a three-year period.

There was also a notable reduction in the number of workers who believed their industry

was prone to job losses which has dropped to 40%.

Less than one in ten workers now believe their role will be offshored in the next five years.

Meanwhile, belief that workers' roles will be automated within the next five years has remained consistent since the last quarter.



Agree and Strongly Agree

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

EMPLOYEE PRIORITIES

Unsurprisingly, remuneration and bonus payments/incentives continues to be the top priority for workers when thinking about choosing a new employer.

Flexible and remote working has beaten out stability of an organisation for second place, shifting back to the same positions seen this time last year.

Workers have also changed the importance placed on their commute, with an easy and/or short commute breaking from fifth place to tie in fourth with the culture of the organisation.

Importance placed on wellbeing continues to shift, with wellbeing initiatives moving from ninth place last quarter to tie at seventh with professional learning opportunities.

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Remuneration and bonus payments / incentives	1st	1st	1st	1st	1st
Flexible and remote working (e.g., altered hours, compressed work week, remote-based working)	2nd	3rd	3rd	Tied 3rd	2nd
Stability of an organisation	3rd	2nd	2nd	2nd	3rd
Easy and / or short commute	Tied 4th	5th	5th	5th	5th
Culture of the organisation	Tied 4th	4th	4th	Tied 3rd	4th
Career development opportunities	6 th	6th	6th	6th	6th
Wellbeing initiatives	Tied 7th	9th	7th	Tied 7th	8th
Professional learning opportunities	Tied 7th	Tied 7th	Tied 8th	8th	9th
The ethical standing / reputation of the organisation and leadership	Tied 9th	Tied 7th	Tied 8th	Tied 7th	7th
Diversity among employees / senior leadership team of the organisation	Tied 9th	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. New Zealand Workers Q1 2024 (n=507) // Q4 2023 (n=501) // Q3 2023 (n=521) // Q2 2023 (n=512) // Q1 2023 (n=514)

RECOGNITION AND REMUNERATION

The beginning of 2024 has seen a large drop in the number of workers feeling they are paid fairly for their work, decreasing nine percentage points from 63% in Q4 to 54% in Q1. Millennials were the least likely generation to feel they are paid fairly for their work, with less than half agreeing (47%; cf. Gen Z 53%, Gen X 58%, Baby Boomers 67%).

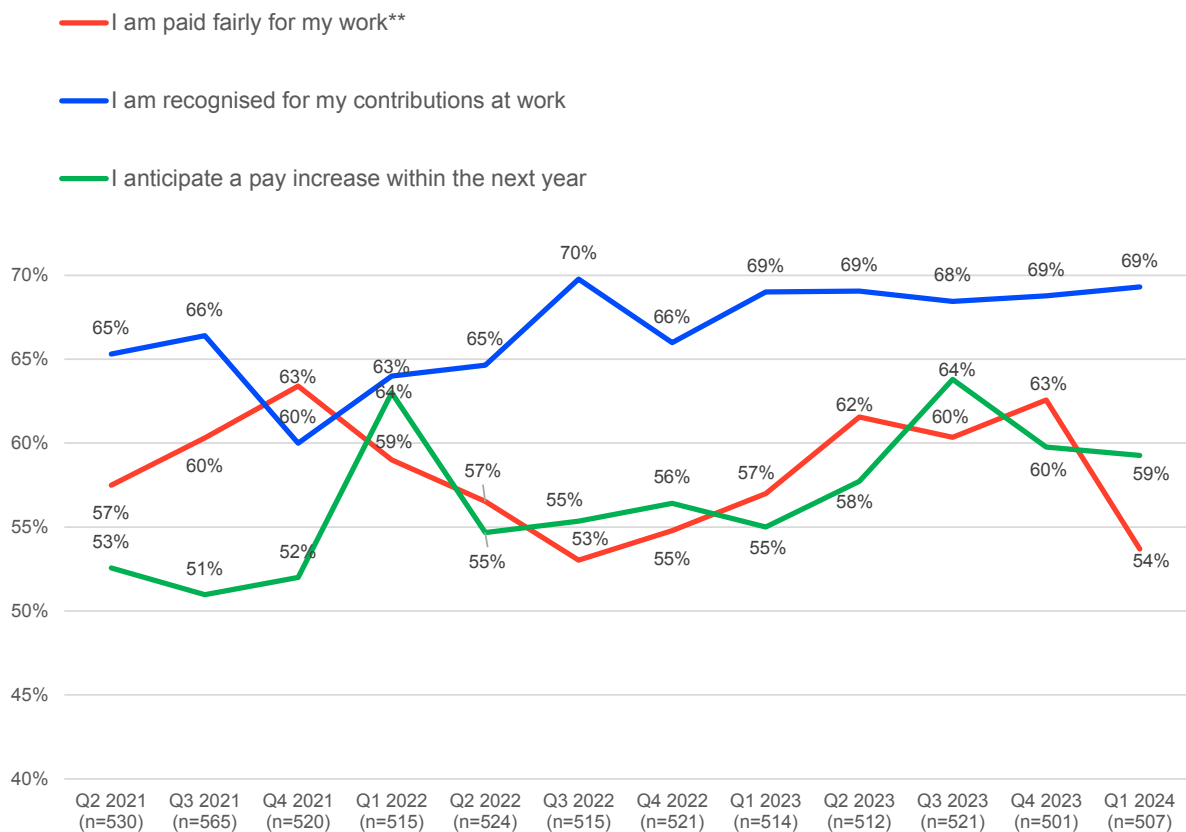
Nearly seven out of ten workers believe they are recognised for their contributions at work, consistent with the previous 12-month period. Just under 60% of those working in the retail trade felt recognised for their contributions, compared to 82% of those in professional,

scientific and technical services.

Meanwhile, older generations were more likely to feel recognised for their contributions at work (Baby Boomers 81%, Gen X 73%; cf. Millennials 68%, Gen Z 62%).

Almost six out of ten workers anticipate they will receive a pay increase within the next year, consistent with the previous quarter.

Workers earning \$100k or more were more likely to anticipate a pay increase within the next year compared to those earning less than \$100k (100k or more 69%; cf. Less than 100k 57%).



Agree and Strongly Agree

Q7. To what extent do you agree or disagree with each of the following statements? New Zealand 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

New Zealand's workers are increasingly concerned about the safety of their jobs. Almost one in three workers feel they need to work harder or longer hours to keep their job safe, the highest proportion recorded since measurement began in Q1 2023.

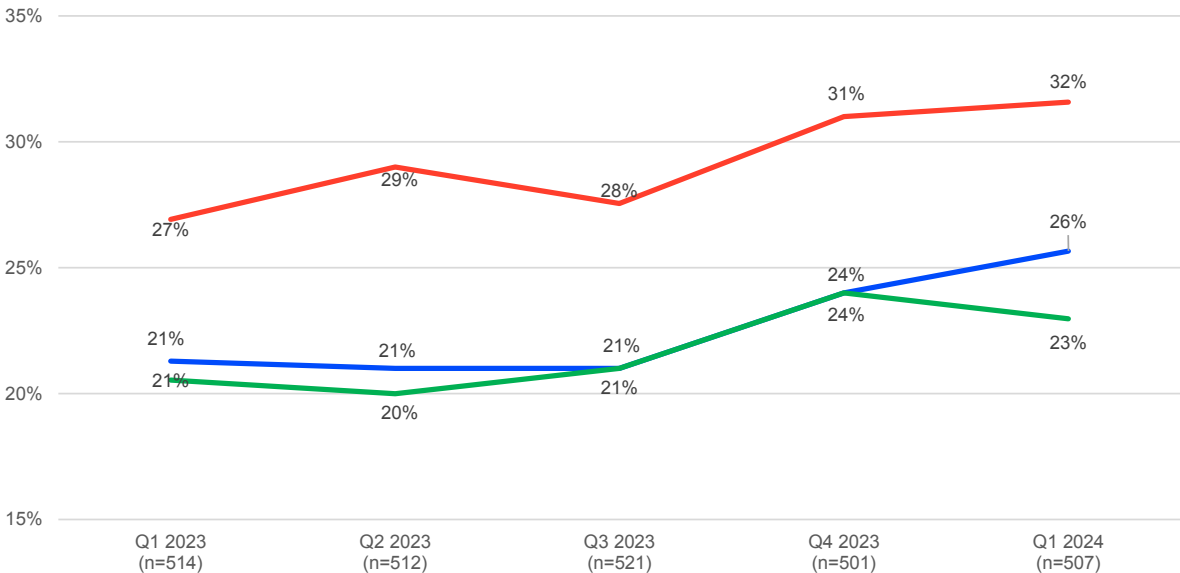
Younger workers were more likely to agree with this statement, with over two in five Gen Z workers feeling the need to work harder/longer hours to keep their job safe (42%; cf. Millennials 34%, Gen X 26%, Baby Boomers 14%).

Just over a quarter of workers feel there will be redundancies in their workplace within the next

three months, a small increase since the previous quarter and the highest proportion seen since recording began in Q1 2023. Those working full-time were twice as likely as those working part-time to expect redundancies in their workplace in the next three months (Full-time 30%; cf. Part-time 15%).

Concern that workers' own roles will be made redundant has remained stable since the last quarter. Less than one in ten (7%) employees working in health care and social assistance reported this concern, compared to 27% of those in professional, scientific and technical services or in retail trade.

- 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



Agree and Strongly Agree

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

TRENDING CONCERNS: ONBOARDING TRENDS

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NEW HIRES: TIME TO PRODUCTIVITY

On average, it takes 39 days for workers in New Zealand to become fully productive in a new role, inclusive of the onboarding process.

That figure is slightly lower than the average time to productivity given by our sample of New Zealand HR professionals in the [2024 HR Industry Benchmark Report](#).

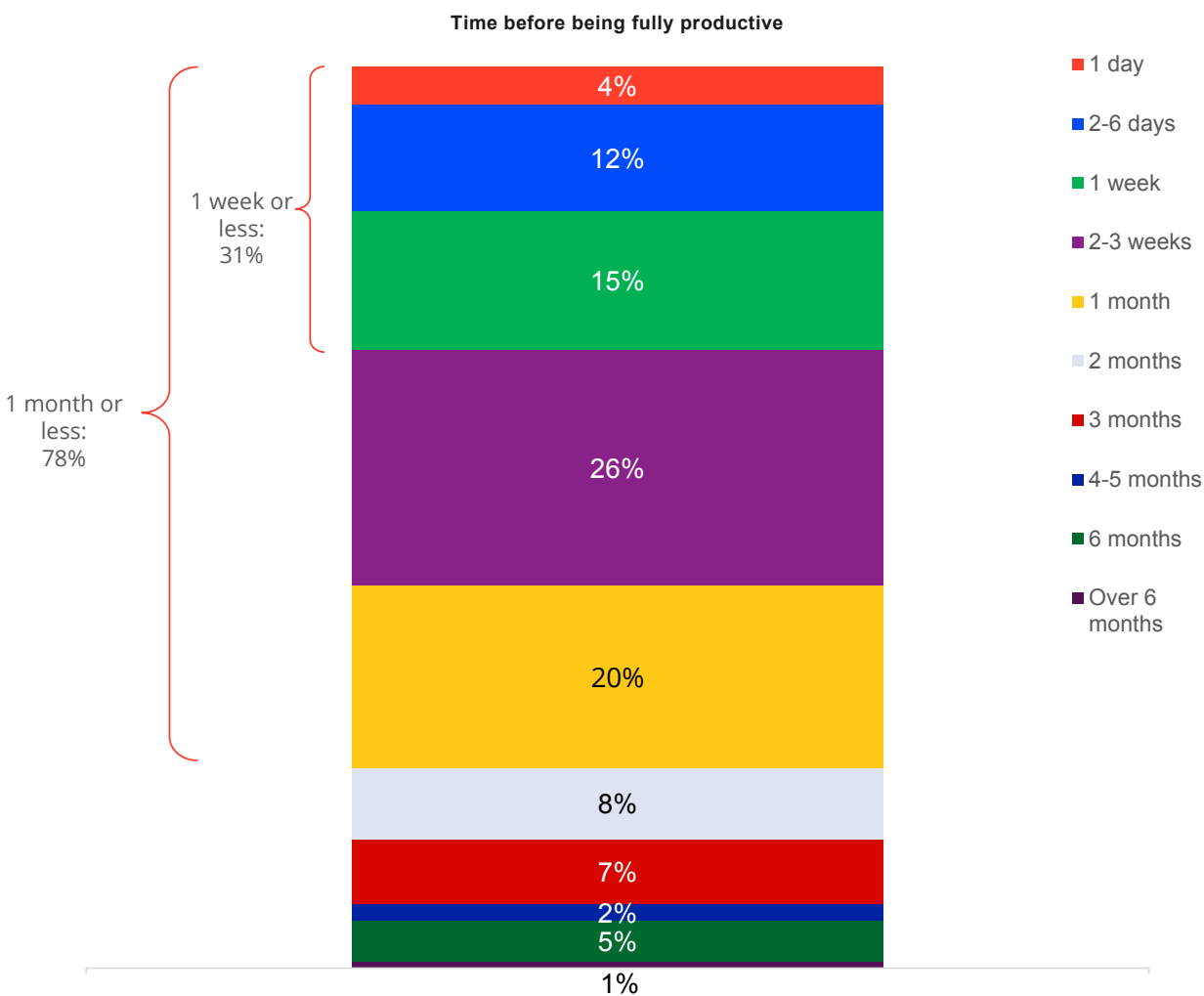
The report found it now takes employees 42 days to become fully productive in a role, according to the 500 New Zealand HR professionals surveyed.

Most workers (78%) felt they need a month or

less to become fully productive in a new role, with over a quarter (26%) indicating they would only take 2-3 weeks.

Millennials were the least likely to feel they could become fully productive in one month or less (71%; cf. Gen Z 82%, Gen X 80%, Baby Boomers 90%).

Just under a third of workers believe it takes one week or less before becoming fully productive in a new role. Men were slightly more likely to feel this way compared to women (Men 34%; cf. Women 28%).



B1. Thinking about starting a new job, how long do you believe it would take you to be fully productive, including the onboarding period? New Zealand Workers (n=507)

LEAVING A NEW ROLE EARLY

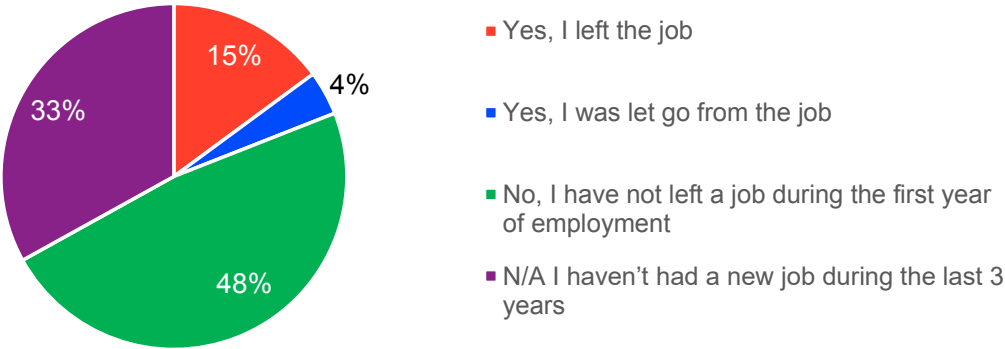
Within the past three years, one in seven (15%) workers have left a new job within the first year of starting. This increases to nearly three in ten (29%) Gen Z workers, who were also found to generally have higher work mobility than other generations.

Of those who chose to leave their job within a year of starting, the most common reason was that the job or organisation did not meet expectations set during the recruitment process (41%).

Over one third of those who chose to leave their job within their first year cited a poor first impression/relationship with their manager (36%) or unrealistic expectations from their manager (35%).

Men were much more likely than women to mention both reasons as to why they decided to leave a new role.

Workers who left a new role



Reasons for leaving



B2. In the last three years, have you left a job within the first year of employment there? New Zealand Workers (n=507)
B4. What are the main reasons for leaving your job during the first year? New Zealand Workers who chose to leave during their first year (n=75)

SHOULD I STAY OR SHOULD I GO?

Out of the 15% of workers who have left a new role within the first year of employment, over nine out of ten feel they made the right decision. Only 4% of this group regretted their decision to leave.

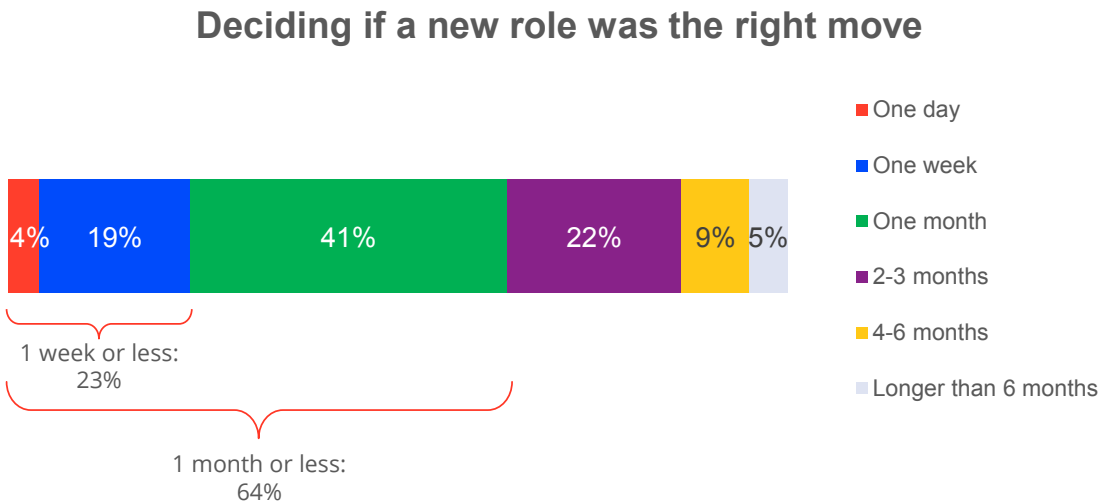
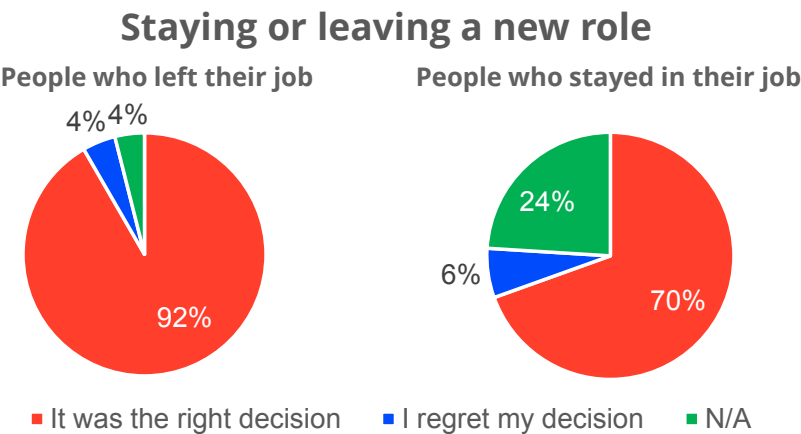
On the other hand, of the 48% of workers who have stayed in a new role they have started within the past three years, seven out of ten think they made the right decision. Again, only 6% regretted their decision to stay in their job.

For almost one in four (23%) workers, it takes

only one week or less before they decide whether starting a new job was the right move.

Older generations were slightly more likely to know their answer after one week (Baby Boomers 27%, Gen X 28%; cf. Millennials 21%, Gen Z 18%).

Almost two thirds (64%) of workers felt it would take them up to one month before deciding whether a new job was the right move.



B3. Thinking about the same job as above, which do you agree with the most? New Zealand Workers who left their job in the first year of employment (n=75), New Zealand Workers who stayed at their job (n=245)
B5. Thinking about starting in a new job, how quickly does it take you to decide whether it was the right move? New Zealand Workers (n=507)

METHODOLOGY

The ELMO Employee Sentiment Index offers a regular pulse check on the actions, attitudes and behaviours of New Zealand'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 New Zealand 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 507 New Zealand workers aged 18 years and over between 15th March 2024 and 26th March 2024. The research was conducted via a 15-question online survey. Respondents were members of a permission-based panel, geographically dispersed throughout New Zealand including both capital city and non-capital city areas.

After surveying, data was weighted to the latest population estimates sourced from Stats NZ.





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.

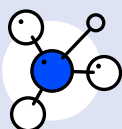
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THAT RELEASE
YOUR FULL
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Navigate the complexities of pay with secure and accurate payroll.



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Centralise and automate your people management in one place.



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.