



ELMO

Employee Sentiment Index: Q3 2024

New Zealand | July - September 2024





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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 in order to track changes in perceptions around job security, wellbeing and the economy, as well as topical issues impacting New Zealand Employees.

For this wave of the survey, respondents were asked to reflect on the three-month period between July 2024 to September 2024.

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

Lonergan Research surveyed 1,038 New Zealand Employees aged 18 years and over between 26th July 2024 and 4th October 2024. The research was conducted via a 16-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.



Key Findings

FIXED QUESTIONS

Our Q3 Employee Sentiment Index (ESI) shows that generally New Zealand employees are feeling more secure in their jobs, organisation, industry and especially the economy. Although it's yet to return to the same levels as the start of 2024.

REWARDED FOR HARD WORK

71% of employees feel they're **recognised for their contributions** at work.

63% believe they're **paid fairly**, a large increase from last quarter (58%).

WORKING ENOUGH HOURS

61% of employees are working more than 39 hours per week but the number that feel they're **working too many hours** has had a huge decrease from this quarter (9%) from last quarter (13%).



PRIORITISING HEALTH

45% (nearly half) of employees have **taken a legitimate sick day** in the past three months, the highest rate in over a year.



In addition, employees are increasingly prioritising their mental health, with **19%** taking a **dedicated mental health day**. This focus on well-being comes as reports of **employee burnout** have risen to **39%**, the highest level recorded this year.



Key Findings

TOPICAL QUESTIONS

While perceptions of security have increased slightly this quarter there is a correlation between employees saving leave, increased workload and anticipating the need for a payout 'just in case'.

Organisations who have a significant amount of employee leave in their system could have high debt on their balance sheets.

Furthermore employee productivity and mental health can suffer when regular leave isn't taken.

LEAVE BALANCE



New Zealand employees have **saved an average of 15 days of annual leave**, and just under **one in five** have accrued the **annual entitlement of 20 days or more**.

DOING MORE FOR LESS



There's also a slight **increase in workload** this quarter (**43%** cf: 42% Q2 2024) and almost half (**47%**) have said this is because their organisation's **headcount has decreased** but the **work to be done remains the same**.

FUTURE PLANNING



A large majority of NZ employees (72%) have barriers that prevent them from taking leave. **36%** feel they **can't take leave** because they're **saving either leave or money** in case of **emergency or redundancy**.

25% feel they **can't afford** to go away on holiday. Employees are exercising a degree of caution when it comes to using leave in anticipation of the future, **expecting redundancies** in the workplace has **increased** from 29% Q2 2024 to **34%** this quarter.



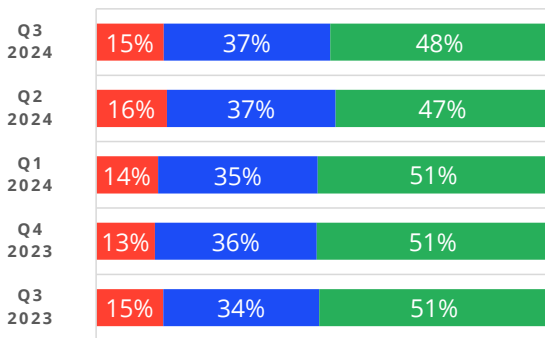
Perceived Security

New Zealand employees' perceptions of security across all areas have increased slightly with a notable increase to economic security. This has returned to being above 10% (11%; cf Q2 2024 9%). Although, it continues to be lower than the same time last year (14%) and the start of this year (13%).

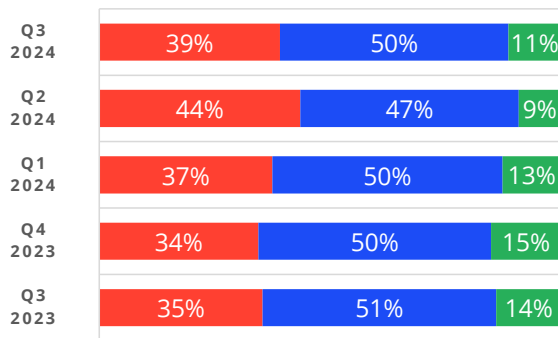
The number of NZ employees who think their job is secure has slightly increased this quarter (48%; cf. Q2 2024 47%) - it hasn't fully recovered since the start of the year (Q1 2024 51%).

The perception of industry security is similar to job security - it's increased from last quarter (45%; cf. Q2 2024 42%) but it's still lower than it was at the start of the year (49%) and this time last year (51%). Lastly organisational security has increased since last quarter (47%; cf. Q2 2024 45%) to be level with Q1 2024 (47%).

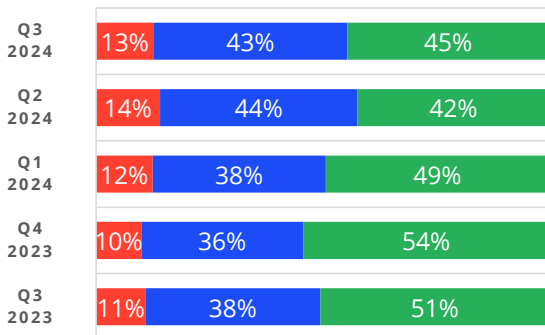
Job Security



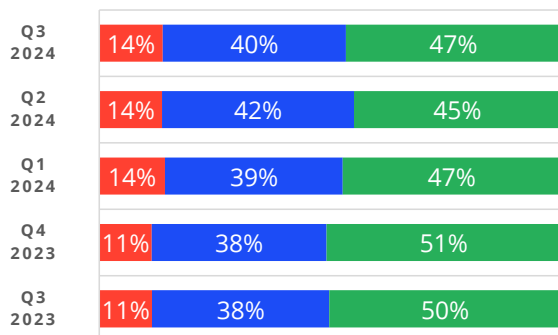
Economic Security



Industry Security



Organisational Security



● NOT SECURE (1-4) ● NEUTRAL (5-7) ● SECURE (8-10)

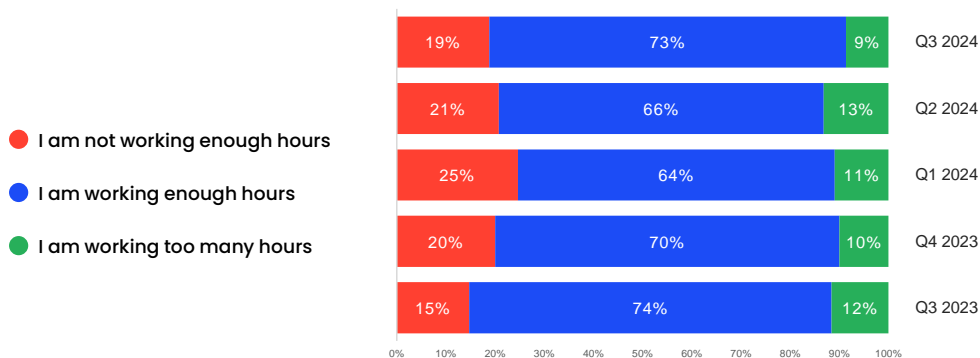
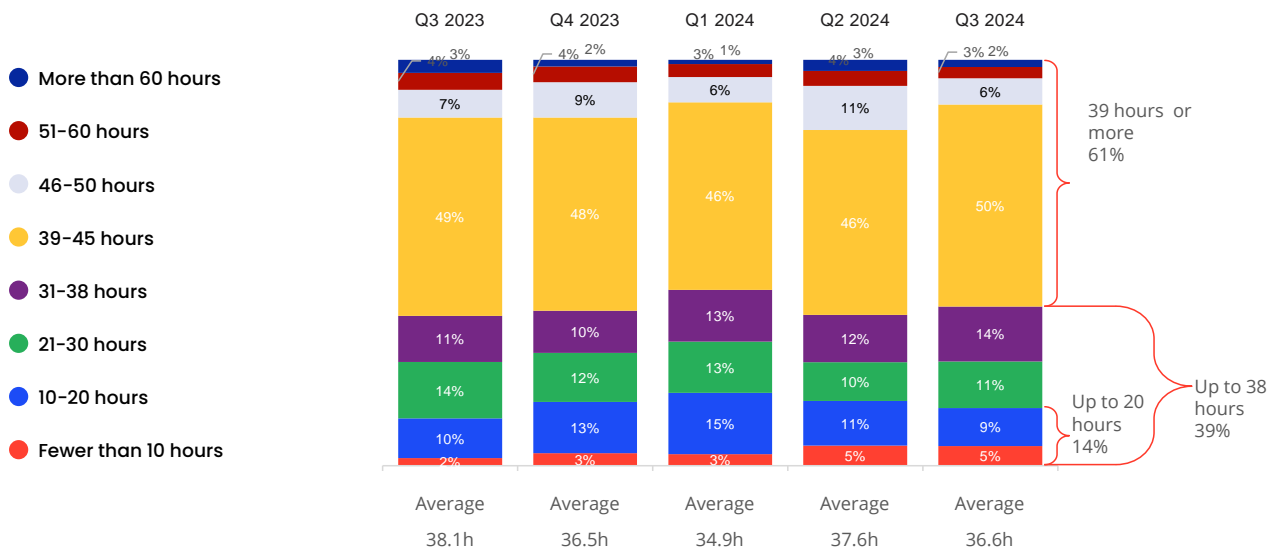
Q4. On a scale of 1 - 10, where 1 is not at all secure and 10 is extremely secure, how would you rate your feelings of security with each of the following? New Zealand Employees Q3 2024 (n= 502) // Q2 2024 (n=522) // Q1 2024 (n=507) // Q4 2023 (n=501) // Q3 2023 (n=521)



Hours Worked

The average number of weekly hours worked by NZ employees has decreased by 1 hour to now be 36.6h (Q2 2024 37.6h). This is still much higher than it was in Q1 (34.9h). This is being driven by Male and younger generations (Male 38.9h; cf. Female 34.0h, Gen Z 38.6h, Millennials 37.3h, Gen X 36.5h, Baby Boomers 26.9h). The average number of hours worked is similar between the two islands (North Island 36.7h; cf. South Island 36.3h).

The number of NZ employees that feel they are working too many hours has decreased to be less than 10% (9%) in the last year, a large decrease since Q2 (13%).



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 Employees Q3 2024 (n= 502) // Q2 2024 (n=522) // Q1 2024 (n=507) // Q4 2023 (n=501) // Q3 2023 (n=521)

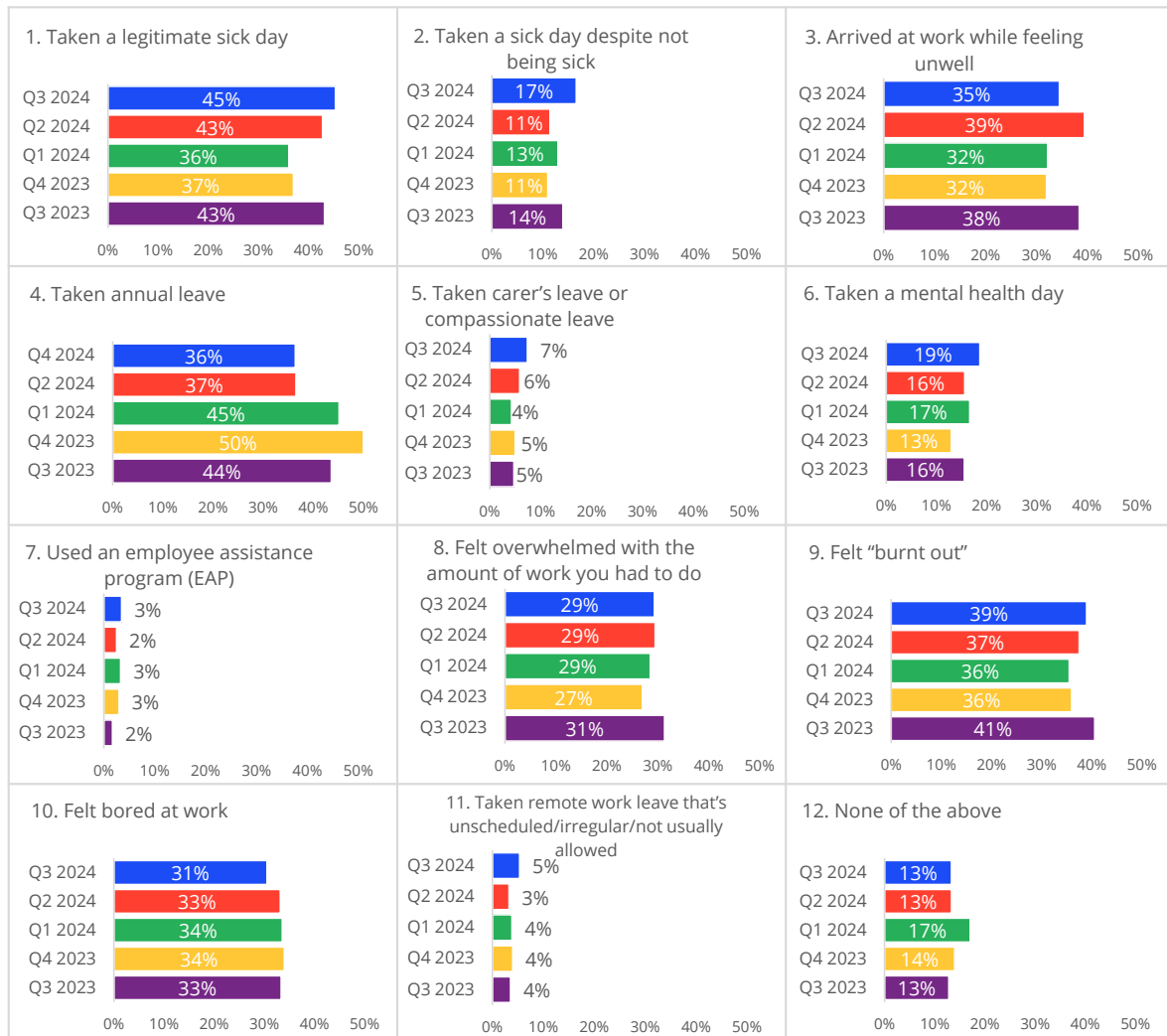


Employee Wellbeing

Close to half of NZ employees have taken a legitimate sick day (45%) in the past three months, an increase since Q2 (43%) and the highest it has been since Q3 2023 (43%). The number of employees who have taken a sick day despite not being sick has also increased (17%; cf. Q2 2024 11%, Q3 2023 14%).

The number of NZ employees who have taken a mental health day has increased since Q2 to just under a fifth (19%; cf. Q2 2024 16%). Unfortunately the number of employees that have felt burnt out in the last three months has increased (39%; cf. Q2 2024 37%).

Feeling burnt out is being driven by females (43%; cf. Male 36%) and Millennials (52%; cf. Gen Z 47%, Gen X 28%, Baby Boomers 4%) Close to two in five (36%) employees in NZ have taken annual leave in the past three months, remaining stable with Q2 levels (37%).



Q3. Over the past three months have you...? New Zealand Employees Q3 2024 (n= 502) // Q2 2024 (n=522) // Q1 2024 (n=507) // Q4 2023 (n=501) // Q3 2023 (n=521)



Employee Mobility

In the last three months, close to a third of NZ employees have considered a career change (31%), slightly decreasing from Q2 levels (33%) and consistent with Q3 2023 (31%). This is being driven by Millennials (40%; cf. Gen Z 33%, Gen X 26%, Baby Boomers 3%) and female employees (32%; cf. Males 29%).

Less than a fifth (18%) of NZ employees say they have taken on more responsibility at work, the lowest it has been in the past 12 months, decreasing six percentage points since Q3 2023 (24%).

One in ten (11%) employees have actively searched for a role in their existing company, while just under twice as many have actively searched for a role in another company (20%).



None of the above: Q3 2024 31%, Q2 2024 35%, Q1 2024 33%, Q4 2023 33%, Q3 2023 34%,

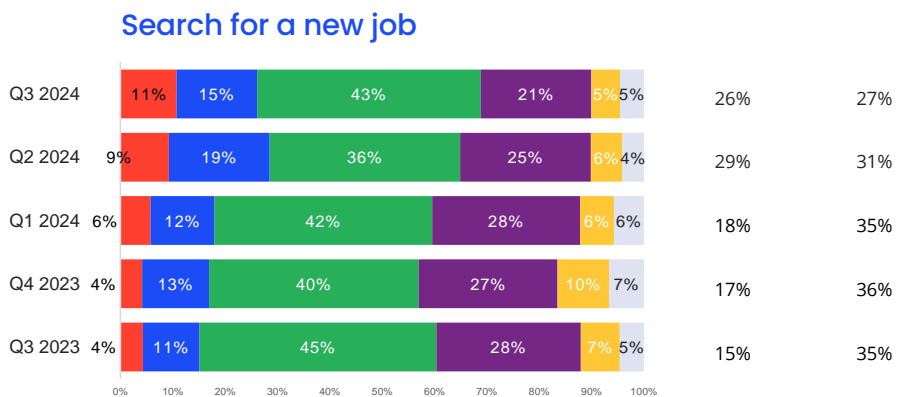
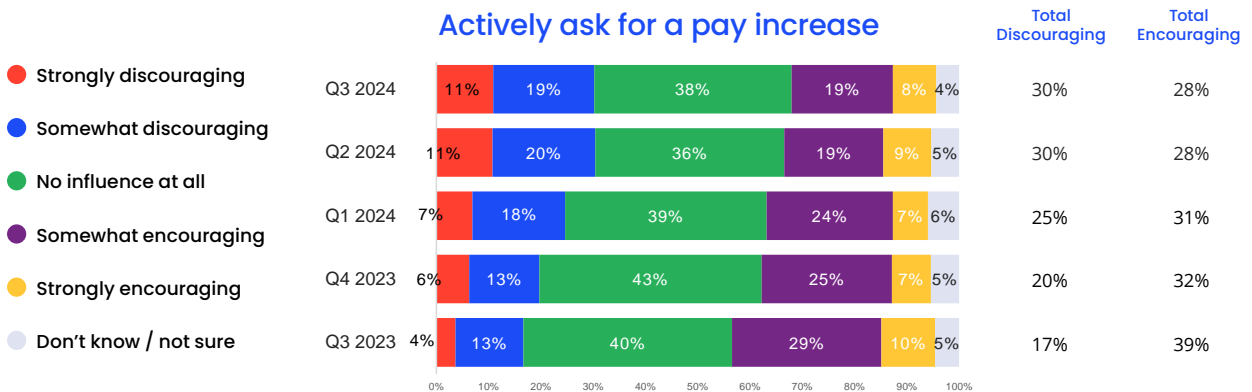
Q6. In the past three months, did you...? New Zealand Employees Q3 2024 (n= 502) // Q2 2024 (n=522) // Q1 2024 (n=507) // Q4 2023 (n=501) // Q3 2023 (n=521)

Economy Influencing Decision Making

Close to three in ten (28%) NZ employees say they are encouraged by the economy to actively ask for a pay increase while slightly more say they are discouraged (30%). Male employees are more likely to say they are encouraged, (31%; cf. Female 24%) as are younger employees (Gen Z 45%, Millennials 31%; cf. Gen X 17%, Baby Boomers 14%).

Just over a quarter of NZ employees say the current economic conditions encourage them to search for a new job (27%) while slightly less say they are discouraged (26%).

Employees in the construction industry are much more likely than the national average to search for a new job (45%; cf. National average 27%).



Q10. To what extent are current economic conditions encouraging or discouraging you to do the following? New Zealand Employees Q3 2024 (n= 502) // Q2 2024 (n=522) // Q1 2024 (n=507) // Q4 2023 (n=501) // Q3 2023 (n=521)

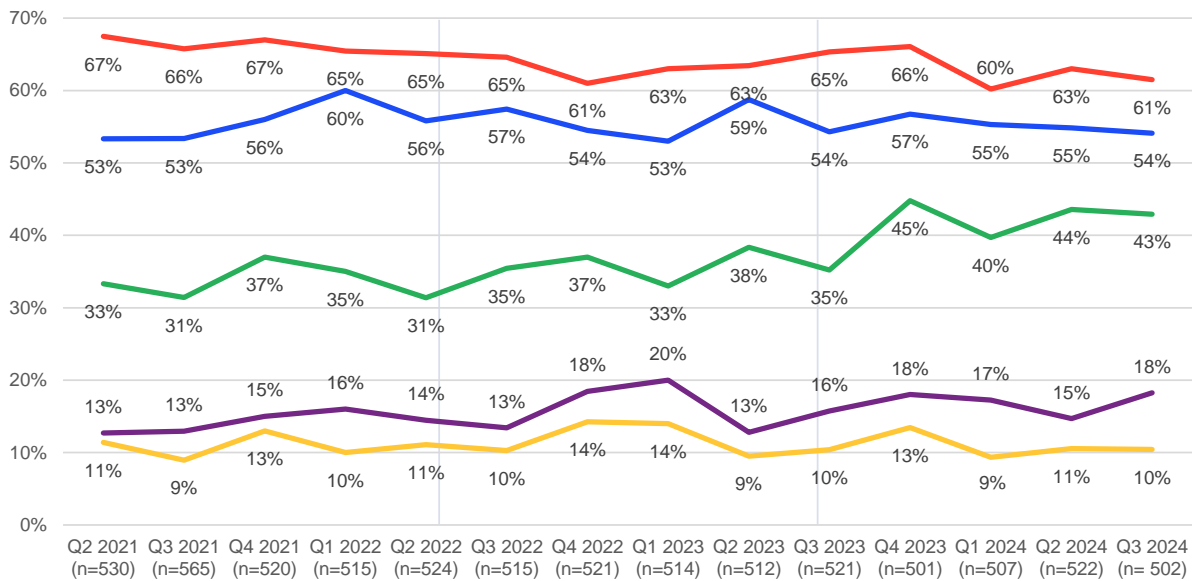


Future Of Work

Q3 saw decreases across all fronts except for the number of employees that believe their role will be automated in the next 5 years, which increased by 3 percentage points (Q3 18%; cf. Q2 2024 15%). This belief is being driven by employees in the North Island (20%; cf. South Island 14%). Interestingly employees in NZ have a similar level of belief that their role will be offshored in the next 5 years as they did last quarter (Q3 2024 10%; cf. Q2 2024 11%).

The number of employees that believe greater technology will assist them in their role continues to decrease, reaching 61% this quarter, the lowest it has been in the last 3 years outside of Q1 2024 (60%) and Q4 2022 (61%).

Lastly the number of employees that believe their industry is prone to job losses has decreased slightly from Q2 2024 (Q3 2024 43%; cf. Q2 2024 44%) but it still remains high, being slightly under the peak of Q4 2023 (45%).



Agree and Strongly Agree

- Greater technology will assist me in my role
- My skill set is specialised and hard to replace
- My industry is prone to job losses
- My role will be automated in next 5 years
- My role will be offshored in next 5 years

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



Employee Priorities

The top four employee priorities saw little movement in Q3 2024, as remuneration (1st) and flexible and remote working (2nd) did not move from the top spots, and stability and culture of an organisation swapped places (Stability Q3 2024 3rd, Q2 2024 tied 4th, Culture 4th, Q2 2024 3rd).

Interestingly career development opportunities, online word-of-mouth, wellbeing initiatives and diversity amongst employees and senior leadership are all tied 6th signalling that wellbeing initiatives and diversity are increasingly important factors to NZ employees (Q2 2024 Wellbeing 10th, Diversity 11th).

The ethical standing/ reputation of the organisation and leadership and the professional learning opportunities are now tied tenth which is a fall for ethical standing (Q2 2024 tied 6th) but little movement for professional learning opportunities (Q2 2024 9th)

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

Q9. Thinking about choosing a new employer, rank your top five most important factors from the list below. New Zealand Employees Q3 2024 (n= 502) // Q2 2024 (n=522) // Q1 2024 (n=507) // Q4 2023 (n=501) // Q3 2023 (n=521)

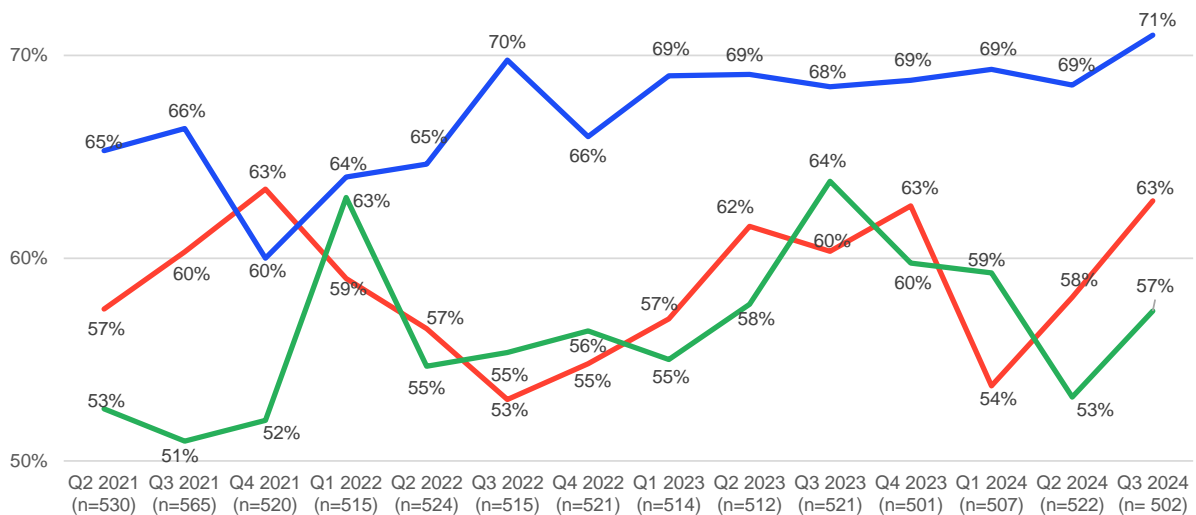
Recognition and Remuneration

Most NZ employees (71%) believe they are recognised for their contributions at work, a slight increase over the last quarter (Q2 2024 69%) and replacing the previous peak of 70% (Q3 2022).

The number of employees who feel they're paid fairly for their work has improved immensely from last quarter (63%; cf Q2 2024 58%). More importantly it's seen an almost 10% increase from the start of the year (Q1 2024 54%). Interestingly this viewpoint is held most commonly by the youngest and oldest generations in NZ (Baby Boomers 81%, Gen Z 66%; cf. Millennials 59%, Gen X 62%).

Lastly the number of employees in New Zealand that anticipate they'll receive a pay increase within the next year has also increased (Q3 2024 57%; cf. Q2 2024 53%). However it is still much lower than this time last year (Q3 2023 64%).

There is higher confidence within the manufacturing and construction industries. Close to two thirds (manufacturing 64% and construction 63%) anticipate they'll receive a raise within the next year.



Agree and Strongly Agree

- I am recognised for my contributions at work
- I am paid fairly for my work**
- I anticipate I will receive a pay increase within the next year

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

Note: Code frame reduced in Q1 2023

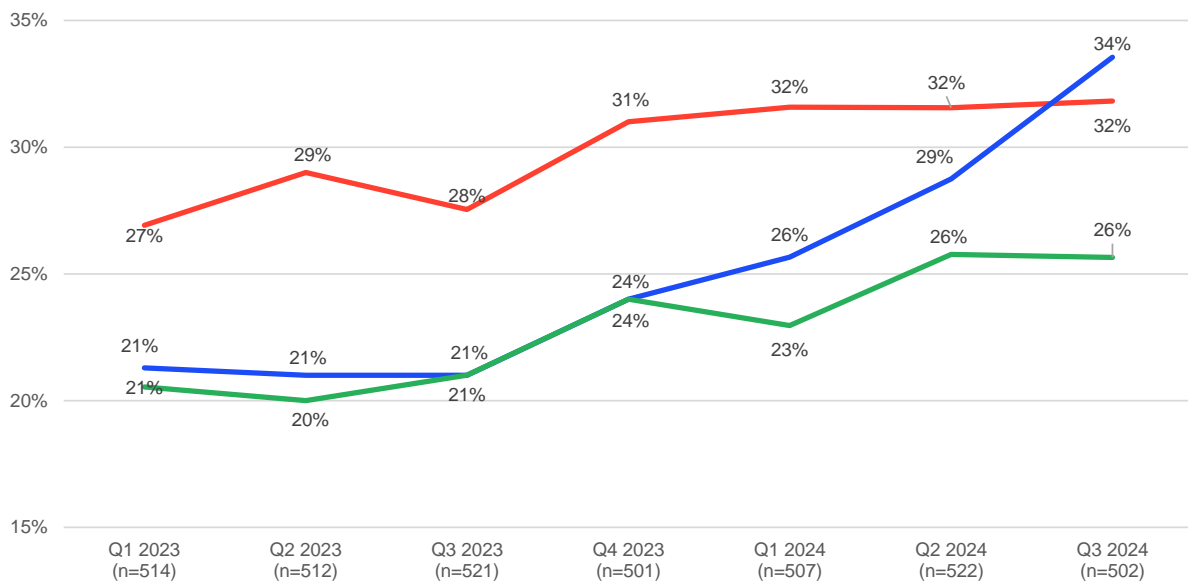
** Question text changed from "I am remunerated for my work fairly" to "I am paid fairly for my work" in Q1 2023

Job Safety and Redundancies

The number of NZ employees that anticipate there'll be redundancies in their workplace in the next three months has increased yet again, reaching a third (34%) of the workforce - at the start of last year it was only a fifth (21%). Millennials and those in Auckland are the most likely to anticipate redundancies (Millennials 42%; cf. Gen Z 35%, Gen X 28%, Baby Boomers 19%, Auckland 47%; cf. Wellington 43%*, Rest of N Island 30%, Christchurch 24%, Rest of S Island 15%).

The number of NZ employees who feel they need to work harder or longer hours to keep their job safe has seemingly plateaued as it remains at a third (32%) the same it has been since the start of the year (Q2 2024 32%, Q1 2024 32%).

While the number of employees in New Zealand that anticipate there will be redundancies in their workplace increased, the number of employees that are concerned their role will be made redundant has remained the same (26%; cf. Q2 2024 26%). Millennials are the most concerned about their roles' safety (35%; cf. Gen Z 19%. Gen X 23%, Baby Boomers 11%).



Agree and Strongly Agree

- 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

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

Note: Code frame reduced in Q1 2023

*indicative only due to low sample size



Trending Concerns

Leave, demands at work, and productivity



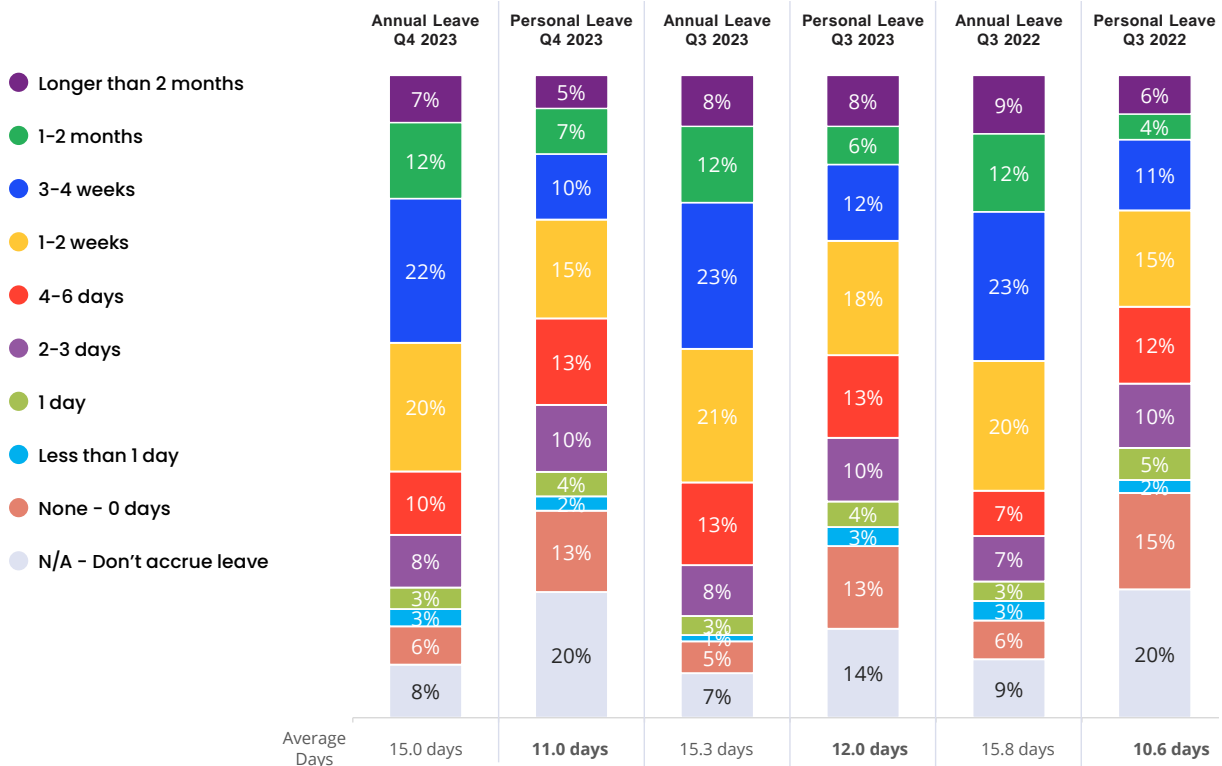
Accrued Leave

New Zealand employees have accrued an average of 15 days of annual leave. Just under one in five (19%) New Zealand employees have accrued the yearly annual leave entitlement of four weeks / 20 working days or more, consistent but slightly less than Q3 2023 (20%).

When it comes to personal leave, the average employee has 11 days of leave accrued, an entire day less than in 2023 (12 days). Just over a fifth (22%) have accrued more than the yearly personal leave entitlement of two weeks / 10 working days.

Gen X employees have an average of 14.5 days of personal leave, much higher than any of the other generations (cf. Gen Z 5.5 days, Millennials 11.0 days, Baby Boomers 11.7 days*).

Accrued greater than annual amount



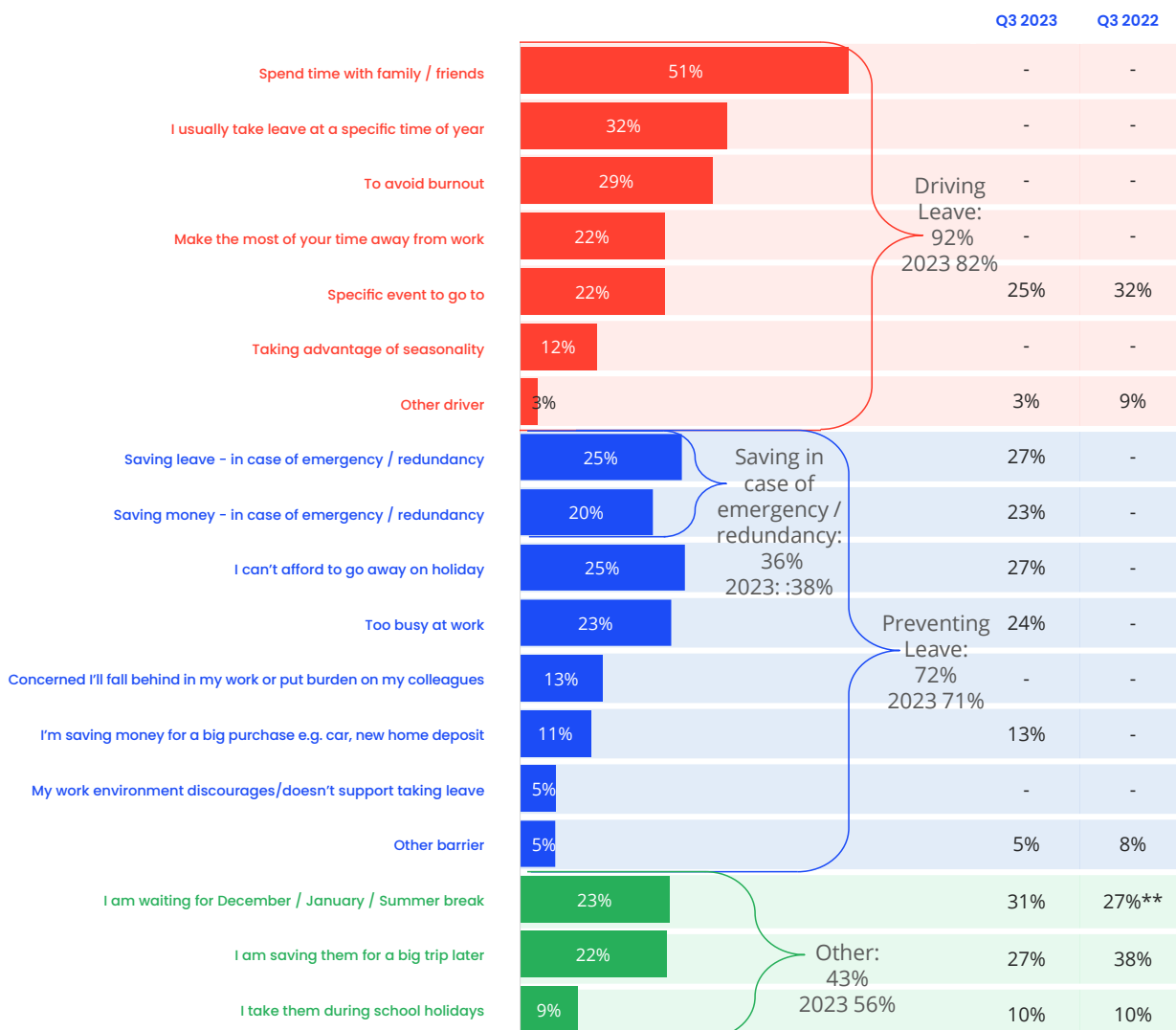
Q11. Thinking of annual leave and sick leave/personal leave, approximately how many days of leave will you have available at the end of September (Sept 30)?
 New Zealand Employees Q3 2024 (n= 502) // Q3 2023 (n= 521) // Q3 2022 Q13 (n= 515)

*Indicative only due to low sample size

Drivers and Barriers to Taking Leave

The biggest driver for taking leave is to spend time with family and friends (51%) this is largely driven by older generations (Baby Boomers 56%, Gen X 55%; cf. Gen Z 48%, Millennials 47%). The next most popular drivers are usually taking leave at a specific time of year (32%) and to avoid burnout (29%), while close to a quarter are driven to take leave because they want to make the most of their time away from work (22%) and there's a specific event to go to (22%).

Close to three quarters (72%) of employees that accrue leave say there is something preventing them from taking leave. The most common reason is saving leave in case of emergency or redundancy (36%) followed by not being able to afford a holiday (25%) and being too busy at work (23%).



Q12. What is driving or preventing you from taking annual leave? Those who accrue leave (n= 463) // Q3 2023 (n= 484) // Q3 2022 Q14 (n= 468)

Workload and Demands at Work

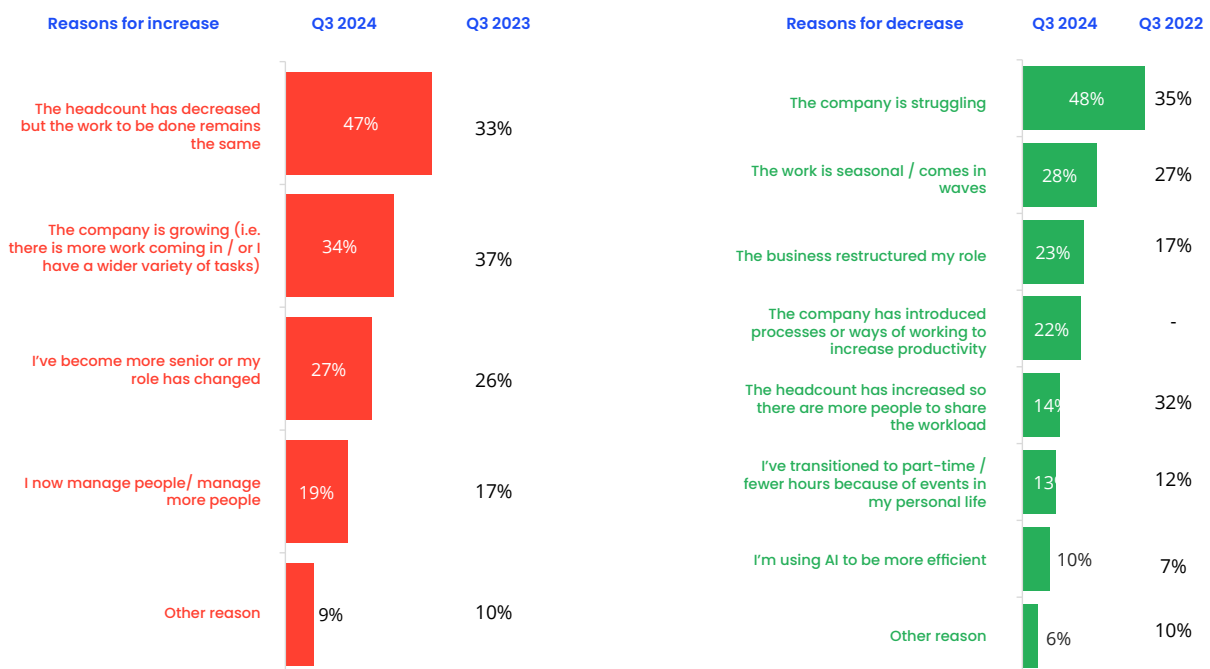
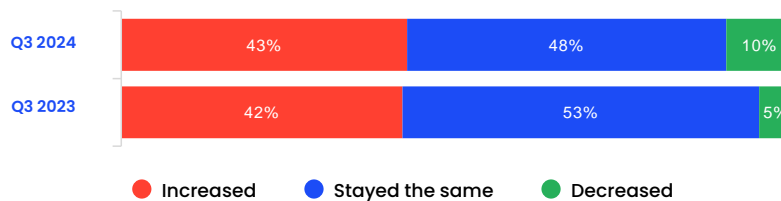
43% of NZ employees say their workload increased over the past three months remaining stable with 2023 (42%). The biggest increase in workload came from Gen Z (51%) (cf. Millennials 46%. Gen X 40%. Baby Boomers 18%).

Meanwhile one in ten (10%) employees say their workload has decreased in the past quarter, double the number it was in 2023 (5%). This is driven by Millennials as one in eight (13%) now say their workload has decreased in the past three months (cf. Gen Z 8%, Gen X 7%, Baby Boomers 9%).

Organisation headcount decreasing but the workload remaining the same is the primary reason employees say their workload has increased. This has gone from a third in 2023 (33%) to just under half (47%). The company is growing but there is more work coming in/ a wider variety of tasks is another primary reason (34%).

Just under half (48%) of NZ employees say their workload has decreased because their company is struggling.

Has your workload increased or decreased over the past three months



Q13. Have the demands of your role increased/decreased/remained the same over the past three months? New Zealand Employees (n=502) // Q3 2023 (n= 521)Q14a. You said the demands of your role increased, what are the reasons behind the change? Those with increased role demand (n= 214) // Q3 2023 (n= 218)Q14b. You said the demands of your role decreased, what are the reasons behind the change? Those with decreased role demand (n= 49) // Q3 2023 (n= 28)

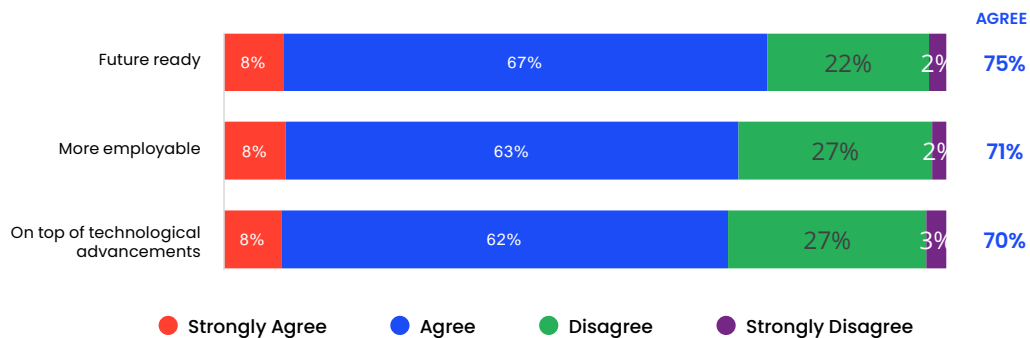
* Indicative only due to small sample size

Productivity and Technology Training

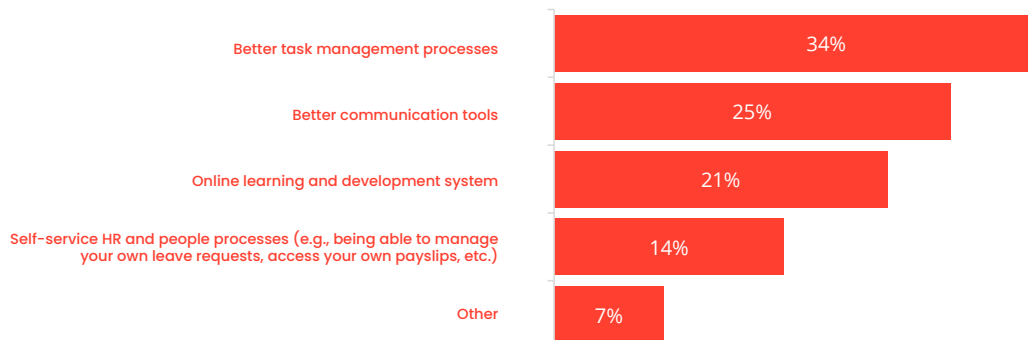
Three quarters (75%) of employees in New Zealand say their organisation delivers training and development opportunities they need to be future ready while just over seven in ten (71%) say it provides what they need to be more employable. Gen Z and Baby Boomers are the most likely to say their organisation keeps them more employable (Gen Z 78%, Baby Boomers 77%; cf. Millennials 68%, Gen X 70%). Seven out of ten (70%) NZ employees believe their organisation delivers the training and development opportunities they need to be on top of technological advancements.

Just over a third of employees think they would be more productive in their day-to-day work life if they had better task management processes (34%) while a quarter think better communication tools would help (25%). The younger generations are more likely to think a better task management process would help them in their day-to-day (Gen Z 45%, Millennials 34%; cf. Gen X 28%, Baby Boomers 28%) while Gen X is the most likely to think better communication tools would be helpful (30%; cf. Gen Z 21%, Millennials 23%, Baby Boomers 13%).

Thinking of the rapidly evolving technological landscape in which we now operate, to what extent do you agree or disagree that your organisation delivers the training and development opportunities you need to be...



Which of the following do you think would help you be more productive in your day-to-day work life?



B15. Thinking of the rapidly evolving technological landscape in which we now operate, to what extent do you agree or disagree that your organisation delivers the training and development opportunities you need to be... New Zealand Employees (n= 502)

B16. Which of the following do you think would help you be more productive in your day-to-day work life?. New Zealand Employees (n=502)

RELEASING HR'S FULL POTENTIAL

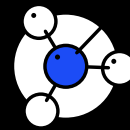
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