

Employee engagement and experience in Australia 2022

How the COVID-19
pandemic has reshaped
what people want at work



Foreword

At Mercer, we know that organisations can direct positive changes to the employee experience through actively listening to their employees, and taking action together. When employees feel involved in shaping their working experiences, organisations will be better able to engage and motivate employees and in turn, drive business outcomes.

This has never been more important than during the past few years, when organisations around the globe have been faced with uncertainty, anxiety and a constantly changing environment.

Many of our clients have asked us what impact COVID-19 has had on the employee experience in the Australian market. In this report we highlight our key observations, explore levels of engagement, and investigate other important factors that make up the employee experience.

We trust you will find the insights in this report useful for your own discussions, and may provide an interesting point of comparison with your own employee survey results. We hope the broader Australian data provides food for thought as you journey towards building positive employee experiences in your organisation.

The Mercer Australia team would welcome the opportunity to discuss these insights with you and explore how we can support you in your employee listening journey.

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The three C's of engagement

Mercer assesses employee engagement by measuring levels of employee commitment, contribution and how captivated employees feel.

In essence, engagement is a measure of how much energy people feel at work and the extent to which they feel passionate about what the organisation stands for, along with their willingness to drive success.



Committed

Wanting to stay with the organisation and feeling passionate about its mission

Contributing

Motivated to help the organisation succeed

Captivated

Feeling energised and looking forward to coming to work

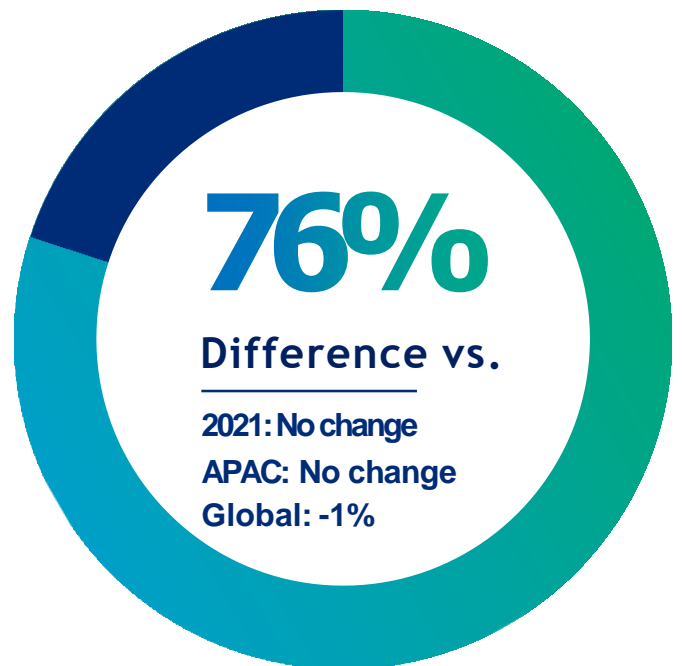
Engagement levels in Australia: 2022



Our analysis reveals that **76%** of employees in Australia are engaged at work, which is on par with the Asia-Pacific (APAC) region and 1% behind the global average. The 2022 score is the same as the preceding year.

While Australia did fare better compared with Singapore, Hong Kong and Japan, the overall Australian engagement level trails behind China and India.

The good news is that, despite challenges brought about by the pandemic, employee engagement has not declined in Australia.



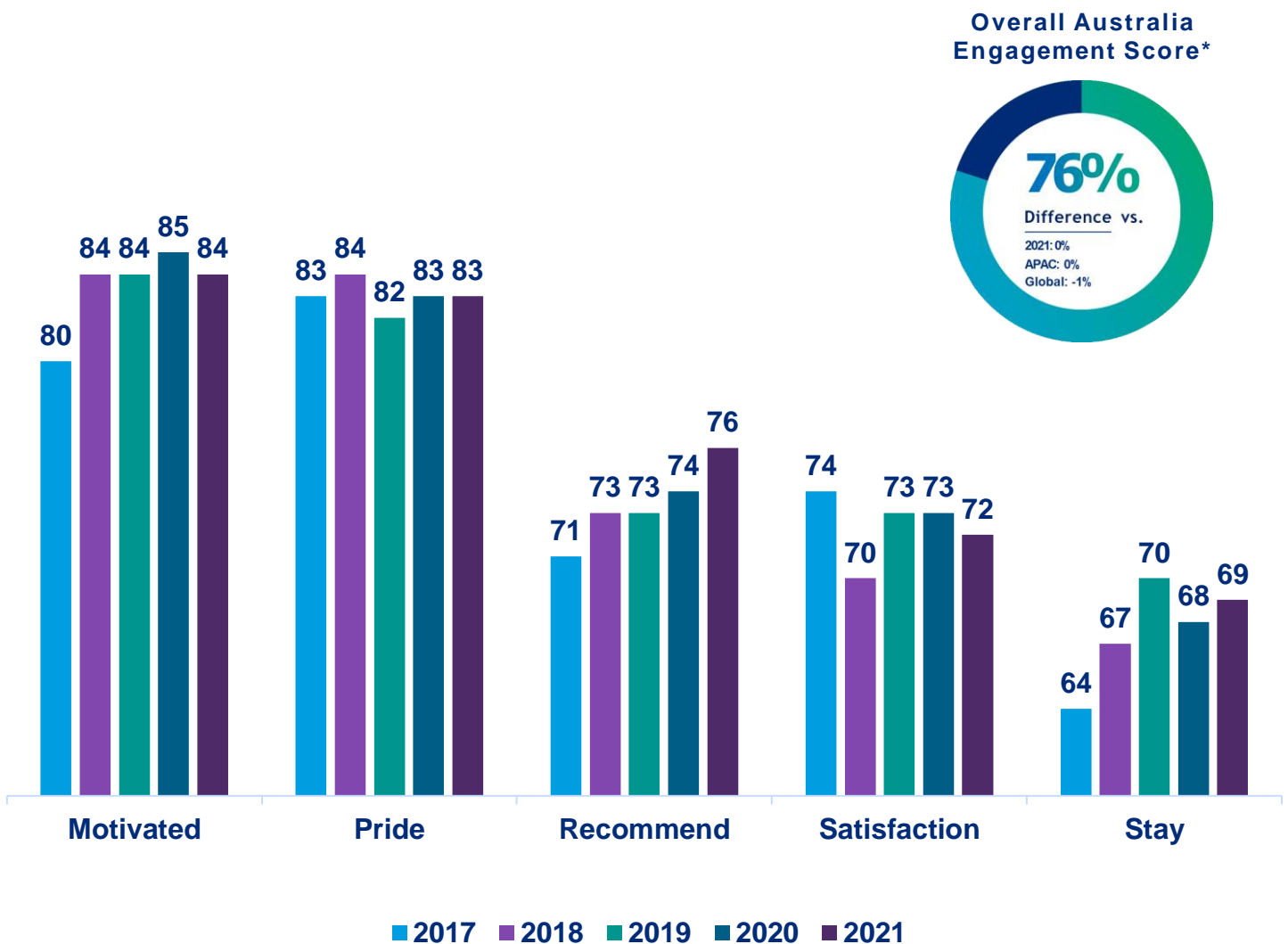
The impact of COVID-19 on engagement

Of the components which make up engagement, **motivation** peaked in 2020 but settled back to pre-COVID-19 levels in 2021. **Pride** in working for the company also remains high and has been stable for the past 5 years. Willingness to **recommend** working for the organisation has climbed steadily since 2017, peaking in 2021. **Satisfaction** dipped slightly in 2021, although remains relatively stable.

While scoring comparatively lower than the other components, employees' willingness to **stay** has been slowly improving since 2017.

The general trend reflects that employers are putting more effort into engaging, motivating and retaining their people and in turn, employees' sense of pride in the companies they work for continues to result in strong favorable scores.

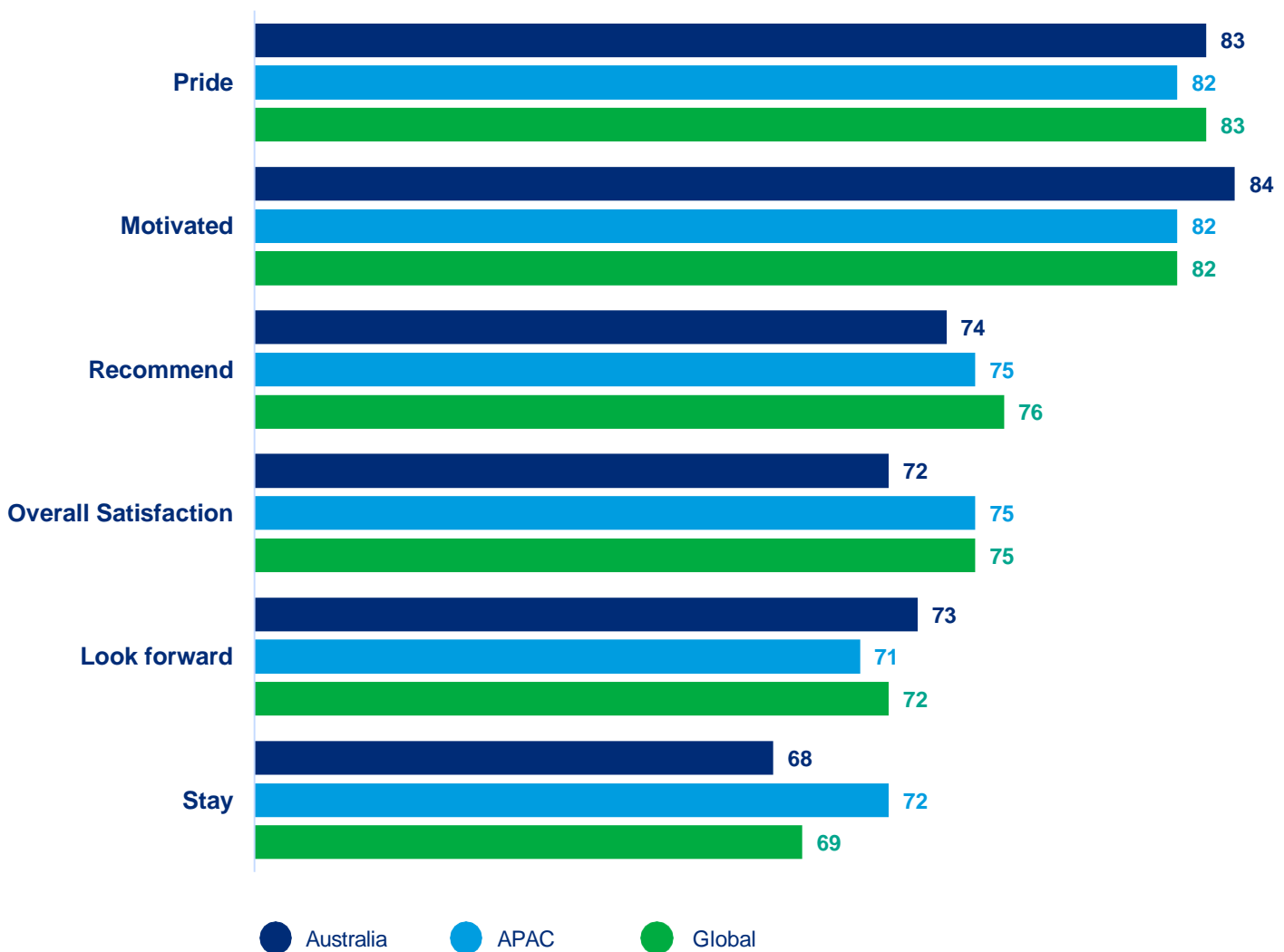
Engagement levels in Australia over a five-year period



*Overall engagement score is an average of the 5 components of Motivated, Pride, Recommend, Satisfaction and Stay.

Identifying the gaps between regional and global engagement levels

We have already observed that Australia's engagement score is on par with the APAC region and just 1% behind the global norm. A closer look shows **motivation** to help their company to succeed as the strongest engagement element for employees in Australia, followed by strong sense of **pride** working for the company.



Understanding what drives engagement

Beyond measuring engagement, it is important to understand the specific elements which **drive** an employee's engagement. This is critical information for an organisation because these drivers can act as "levers" to help boost engagement levels.

We observe that employees in Australia share some similar engagement drivers when compared to APAC and global data, i.e., being able to **reach their full potential** and **feeling valued** in the company are consistently important.

In keeping with the ability to **reach full potential**, we see a further emphasis in Australia, specifically on feeling **empowered at work** and able to **meet their career goals**, being the third and fourth drivers of engagement respectively.

Overall, these drivers highlight the importance of showing recognition and appreciation for employees' effort and work.

Organisations will need to have robust people strategies that actively look at enabling employees to grow and achieve their career goals with their companies, as well as recognising them for their effort and contribution.

	Australia	APAC	Global
I feel I can reach my full potential at my company.	1	4	2
I feel valued as an employee at my company.	2	5	3
I feel empowered to influence the way we do things at work.	3	-	-
I feel that my career goals can be met at my Company.	4	-	-
My company has effective senior leadership (i.e., senior leadership that knows what it wants to do, inspires confidence).	5	-	-
I am excited about my company's future.	-	1	1
Management is interested in my ideas on how operations can be improved.	-	2	-
I feel a strong sense of commitment to my organisation.	-	3	-
I believe I have a long-term future with my company.	-	-	4
Personally, I feel that I am treated fairly at my company.	-	-	5

How employees' views in Australia have changed over time

Looking more broadly across the employee experience, the past two years have seen companies in Australia struggling to manage the disruptions caused by the pandemic, although their efforts are making a positive difference in the employee experience.

Employees in Australia have a clear understanding of their company's values and they feel valued at work. They enjoy support from their manager in terms of their professional development and trust their managers. They also work in an environment where there is a strong understanding of their customers' needs.

However, the demands of managing business disruptions may have stretched some senior leaders as fewer employees agree that their senior leadership is effective. In addition, whilst dealing with the disruptions, organisations may be more focused on dealing with the immediate demands and therefore paying less attention to discussing how to improve the way things are done at work.

Employees reported a decline in terms of working in an environment that values different views and perspectives*, perceive fewer advancement opportunities and are not able to detach from work during non-work time. These point to the need to look into the career development and well-being needs of employees proactively.

All these aspects reflect the changing motivators and stresses experienced by the employees as we move into a different way of living post-peak pandemic.



*Note that this statement asks employees whether the working environment values different views and perspectives, while the statement on page 9 refers to whether the employee's manager values diverse ideas and perspectives. Employees are positive on their people managers valuing diverse ideas and perspectives but less so on the general working environment.

Australia’s bright spots and hot spots

Diving deeper into the employee experience in Australia and comparing these to views in the region reveals positive “bright spots” and less favorable “hot spots” in the employee experience.

Bright spots

Employees feel positive about safety issues being addressed at work. They enjoy a high level of openness from their managers towards diverse ideas and perspectives, as well as reporting that their senior management are able to explain reasons behind major decisions well.

88%

of employees say that they are confident that safety issues will be addressed at their workplace. (+8)

89%

of employees feel their managers value diverse ideas and perspectives. (+7)*

67%

of employees report that their senior leaders do a good job of explaining the reasons behind major decisions. (+7)

Mercer | Australia 2022 benchmark (compared to Global 2022 benchmark).

*Note that this statement asks whether the employee’s manager values diverse ideas and perspectives, while the statement on page 8 refers to the working environment. Employees are positive on their people managers valuing diverse ideas and perspectives but less so on the general working environment.

Hot spots

However, compared to their global peers, fewer employees in Australia agree that they have the opportunity for advancement at their company. Fewer employees also agree that their company take genuine interest in the well-being of the communities within which they operate. Satisfaction with benefits packages also scored lower than the global benchmark.

To maximise the full potential of employees in the organisation, employers need to focus on providing and communicating advancement opportunities, having competitive and relevant benefits, and having a strong commitment towards corporate social responsibility.

40%

of employees agree that they have the opportunity for advancement at their company. (-19)

65%

of employees agree that their company takes a genuine interest in the well-being of communities in which it does business. (-14)

57%

of employees are satisfied with their benefits package. (-13)

Engaging with your employees and enriching their experience within the workplace is fundamental to establishing a thriving environment for your workplace. Visit [mercer.com.au](https://www.mercer.com.au) for more details.

About the Mercer benchmarks

Analysis from this report is derived from the Mercer database of responses from client surveys. These responses are collected as part of employee survey programs that measure employee engagement along with other strategic areas which impact overall business performance.

The average survey uses 37 of the more than 600 items we track. These items fall into 30 areas, including:

					
Job challenge/ use of skills	Training/ performance development	Career development	Teamwork	Rewards and recognition	Employee engagement
					
Work environment/ safety	Communication	Workload	Resources	Diversity, equity and inclusion	Customer focus
					
Vision/ direction	Culture and values	Innovation	Risk management	Organisational change	Business performance



2022 Norm	Companies	Projects	Employees
Australia	76	143	39,406
APAC	224	357	1,011,794
Global	611	974	7,700,000

Unless stated otherwise, the data presented in this report is aggregated from company responses to multiple surveys over the past five years (2017–2021). Hence, comparison of data from previous years' index reports should be approached with the knowledge that scores in each specific year are moving averages of data over the past five years.

Taking a multi-method approach to listening

What’s the best way to listen to our employees? Organisations often assume the best way to listen to their workforce is to conduct a pulse survey, but that’s not always the case. Surveys are effective for measuring attitudes about topics that are well known and empirically established. But for new, emergent, or ambiguous events like the COVID-19 pandemic, exploratory research techniques using qualitative methods often generate better insights. Considering the complexity of current events, we think the best way to listen to your employees is to take a multi-method approach.

Listening Approach	Full-Census Survey	Pulse Surveys	Digital Focus Group	Total Rewards/EVP Research	360 Assessment
Description	Robust continuous listening to understand employee experiences and perceptions.	Agile, targeted continuous listening with strategic employee research programs.	Enable organisations to crowdsource people insights in a live, collective conversation.	Used to understand what issues and rewards/benefits are most pressing and/or preferred by your workforce.	Part of a leadership development program to assess behaviors and competency areas.
Recommended Use and Timing	Every year or 18 months for an organisation-wide snapshot and to reset priorities.	Quarterly to track priorities and/or on-demand for on-boarding, exit, role transition, etc.	Periodically as needed to deep dive on a specific challenge.	Every 12 to 24 months or as major shifts take place in the work environment. Redefining rewards/EVP.	Every 12 to 24 months to help leaders identify development focus areas and track progress.

This report has been prepared by members of the Mercer Regional Employee Engagement Solutions Center of Excellence team, Marieke van Raaij, Amanda Yap and Derek Teo, together with May Lee, Lyanne Coley and Emma Webb of the Mercer Australia Workforce Solutions team.

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