

State of the Australian and New Zealand Workplace

2023

Gallup is committed to bringing the voice of the employee to the decision-making table as we help global leaders solve their most pressing problems. In this report, we feature annual findings from the world's largest ongoing study of the employee experience. We examine how employees feel about their work and their lives, an important predictor of organizational resilience and performance.

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A Letter From Gallup

In the past three years, New South Wales, Western Australia, Tasmania and Queensland have all introduced codes of practice to address psychosocial hazards at work. These policies speak to a growing awareness that many workplaces in the region are harmful to the psychological health of their employees.

Gallup data bears this out:

Four in five employees in Australia and New Zealand are not thriving at work, and almost half of Australian workers say they experienced a lot of stress the previous day.

Low engagement costs Australia and New Zealand a combined AU\$245 billion each year. It also impacts the mental and physical health of workers outside of the workplace.

The good news is that we have the tools to fix the problem. By changing how leaders manage their employees, organizations can significantly reduce workers' stress, improving their productivity and wellbeing at the same time. This report outlines how.

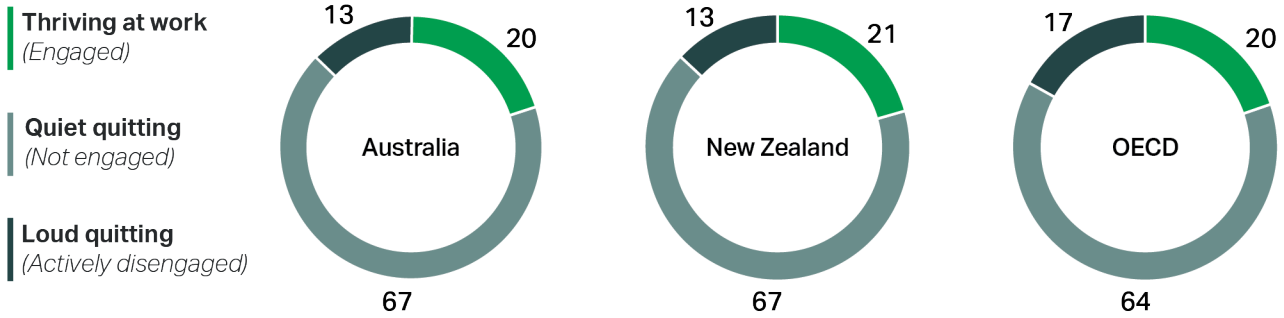


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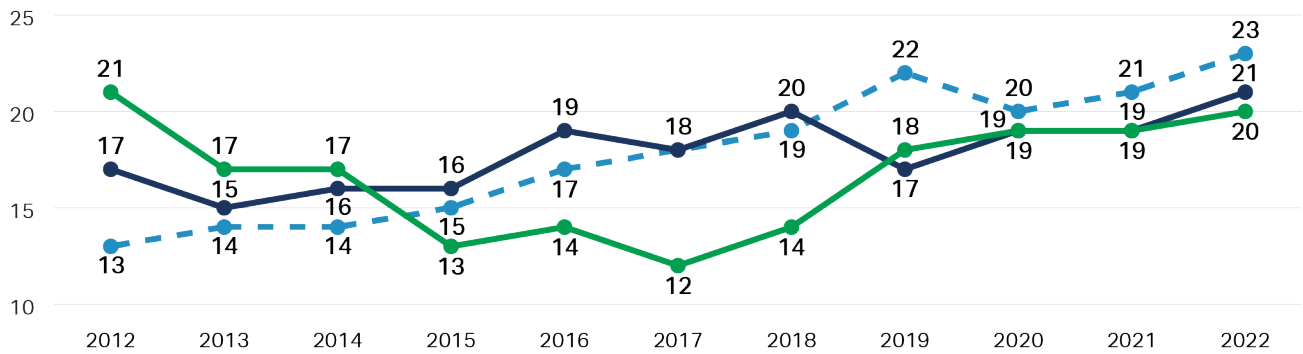


1 Most of Australia and New Zealand’s employees are “quiet quitting.”



% Engaged

— Australia — New Zealand — Global



Twenty percent of Australia’s employees were thriving at work in 2022, a near-record high. This places Australia three points below the global average (23%) and tied with its peer OECD countries (20%). New Zealand’s engagement was one percentage point higher at 21%, a record high for the country.

Low-engagement workers represent an opportunity for economic growth. Gallup estimates that low engagement costs the Australian economy AU\$211 billion, or 9% of Australia’s GDP. Low engagement costs New Zealand NZ\$36.5 billion, or 9% of New Zealand’s GDP.

Most employees in Australia (67%) and New Zealand (67%) are “quiet quitting.” These employees are filling a seat and watching the clock. They put in the minimum effort required, and they are psychologically disconnected from their employer. Although they are minimally productive, they are more likely to be stressed and burnt out than engaged workers because they feel lost and disconnected from their workplace.

For leaders and managers of organizations, quiet quitters are often your greatest opportunity for growth and change. These employees are waiting for a leader or a manager to have a conversation with them, encourage them, inspire them. A few changes to how they are managed could turn them into productive team members. In fact, the top quartile of Gallup clients in Australia are 67% engaged — as many engaged employees as the typical organization in Australia has quiet quitters.



2 Nearly five in 10 Australian employees and four in 10 New Zealand employees say they experienced a lot of stress the previous day.

Did you experience a LOT of stress the previous day?



Forty-eight percent of Australian employees say they experienced a lot of stress the previous day, above both the global average (44%) and their OECD peers (44%). New Zealand employees are below average.

In both Australia and New Zealand, workers under 40 experience significantly higher stress (52% and 50%, respectively) than older workers (44% and 34%). Women (50% in Australia and 44% in New Zealand) are also more likely than men (46% and 38%, respectively) to be stressed.

What is stressing out employees? Gallup’s survey does not ask for specifics. Work itself can be a source of stress, and low engagement is related to higher stress. But external factors, like inflation or family health issues, can also be sources of daily stress.

Although leaders and managers cannot change external sources of stress, they can make a difference in the overall stress in workers’ lives. Gallup’s analysis of workers globally finds that when employees are thriving at work, they report significantly lower stress in their lives.

Global Workplace Engagement Levels, by Life Experiences

Experiences	Engaged	Not Engaged	Actively Disengaged	Unemployed
Stress	30%	41%	56%	42%
Worry	33%	39%	55%	55%
Not Treated With Respect	6%	9%	22%	18%
Enjoyment	85%	77%	53%	61%
Anger	19%	21%	33%	32%



3 Four in 10 Australian and New Zealand employees are actively looking or watching for another job.

% Watching or actively looking for another job



Forty-three percent of employees in Australia and New Zealand say they are actively looking for another job or watching for job opportunities. This is lower than the global average (51%) but similar to OECD peers (42%).

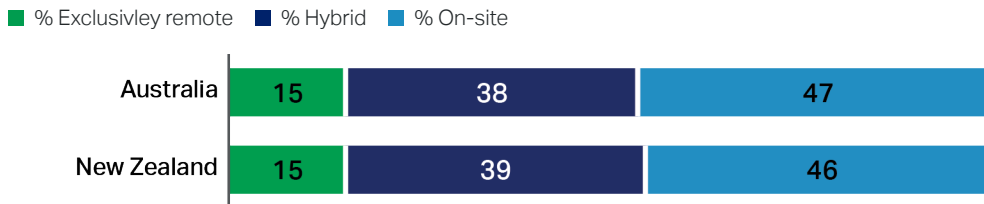
Looking for a new job is likely influenced by the perception of job opportunities. The number of employees who say now is a good time to find a job has risen sharply from the previous year. In 2021, 52% of Australian workers said it was a good time to find a job; in 2022, 61% said the same. New Zealand had a similar increase, from 62% in 2021 to 67% in 2022.

Gallup data consistently show that engaging employees can create a moat of protection around them. A recent Gallup analysis found that engaged employees require a 31% pay increase to consider taking a job with a different organization; not engaged and actively disengaged employees, on average, want a 22% pay increase to change jobs.





4 Over half of Australian and New Zealand employees are remote or hybrid workers.



Fifteen percent of employees in Australia and New Zealand report always working apart from their coworkers. Nearly 40% of employees in both countries say they work apart from their coworkers some of the time. In both countries, remote and hybrid workers make up a majority of those employed for an employer.

Some employees find working from home more conducive to focused work, while others find they focus better in the office. The office also remains a meaningful gathering place for social bonding, development and culture-building within organizations. But the flexibility of remote work allows for greater autonomy and wellbeing, which today's workers highly prize.

These dynamics present a challenge for organizational leaders who must consider productivity, employee wellbeing, team cohesiveness and talent development. Nevertheless, Gallup analysis finds that engagement has 3.8 times as much influence on employee stress as work location.

In other words, what people experience in their everyday work — their feelings of involvement and enthusiasm — matters more in reducing stress than where they are sitting.

No location can fix poor management, and the office alone has no magic to create a great organizational culture.



5 “Quiet quitters” can thrive at work with a better manager.

In the 2023 State of the Global Workplace Report, we asked quiet quitters,

What would you change about your workplace to make it better?

Some responses include:



- For everyone to get recognized for their contributions.
- I would like it if the managers were more approachable, and we could talk openly.
- They should grant more autonomy in the work to stimulate everyone’s creativity.
- I would like to learn more things, but the work I do is quite repetitive.
- I just wish they respected me more.
- Give everyone a fair chance to get promoted.
- Clearer goals and stronger guidance.

Quiet-quitting employees are not your most angry or most unhappy workers. They are doing work, but they aren’t *thriving at work*. They fill a seat, but they take no ownership or responsibility in outcomes. They may put in a good day’s work on occasion, but their performance is not consistent or sustainable.

Gallup’s decades of workplace research have found that these workers are winnable, if they have a manager who knows how to motivate them: *70% of team engagement is attributable to the manager.*

The best managers provide frequent, meaningful feedback that is individualized to each worker. They clarify expectations, recognize excellence and explain how individual work connects to the organization’s mission. They understand their team members as people, with talents, opinions and lives outside of the workplace. They provide a consistent, supportive team environment that enables long-term productivity and growth.

The good news is that this kind of science-based management can be taught. In the past three years, Gallup has provided coaching training to over 14,000 managers. Up to 18 months after their training, their own engagement is 10% to 22% higher, and their team’s engagement is 8% to 18% higher.

Boss to Coach Journey

The new workplace requires a different way of managing.

70%

Managers account for 70% of the variance in team employee engagement. Why risk low engagement and poor performance?

Enroll today and become a Gallup-Certified Manager.



Methodology

The primary data in this report come from the Gallup World Poll, through which Gallup has conducted surveys of the world's adult population, using randomly selected samples, since 2005. The survey is administered annually, face-to-face or by telephone, covering more than 160 countries and areas since its inception. The mode of interviewing may change from year to year in some countries or areas. In addition to the World Poll data, Gallup collected extensive random samples of working populations in Germany, Saudi Arabia, the United Arab Emirates and the United States of America; these samples were added to the dataset for this report. The total number of global employed respondents included in the full trend of data (2009 through 2022) is 2,208,292; for the 2022 data, the total is 122,416.

The target population of the World Poll is the entire civilian, noninstitutionalized, aged-15-and-older population. Gallup's data in this report reflect the responses of adults aged 15 and older who were employed for any number of hours by an employer.

With some exceptions, all samples are probability-based and nationally representative. Gallup uses data weighting to minimize bias in survey-based estimates; ensure samples are nationally representative for each country; and correct for unequal selection probability, nonresponse, and double coverage of landline and mobile phone users when using both mobile phone and landline frames. Gallup also weights its final samples to match the national demographics of each selected country.

Global findings in this report¹ include data obtained from April 2022 to March 2023 (reported as part of 2022 data). The 2022 data in New Zealand was collected between July 4 and Aug. 21, 2022 and in Australia from July 18 through Sept. 11, 2022. Data were collected in English by landline and mobile telephone.

To determine percentage-point changes at the regional and global levels, Gallup compares data from the same countries and areas in each region and globally, year-over-year. Country-specific findings in "Appendix 1: Country/Area Comparisons, by Region" are based on data aggregated from three years of polling. Percentage-point changes for countries and areas indicate the differences in percentage points when comparing the country's average from 2019, 2020 and 2021 with the average from 2020, 2021 and 2022, with several countries' data obtained in the early months of the following year and reported as part of the current year's results.

¹ In the 2021 and 2022 *State of the Global Workplace* reports, Gallup reported results for the Commonwealth of Independent States. In this 2023 report, that region is named Post-Soviet Eurasia.

Gallup typically surveys 1,000 individuals in each country or area using a standard set of core questions translated into the respective country's major languages. In some countries, Gallup collects oversamples in major cities or areas of special interest. Additionally, in some large countries, such as Russia, sample sizes include at least 2,000 adults. In a small number of countries, the sample size is fewer than 1,000. In this report, Gallup does not provide country-level data (three-year aggregate) or country-level percentage-point change data (three-year aggregate) for any country with an aggregate n size of fewer than 300. However, results from countries with a sample of any size during the 2022 World Poll collection year are included in regional and global results.

For results based on the total sample of employed adults globally, the margin of sampling error ranged from ± 0.4 percentage points to ± 0.6 percentage points at the 95% confidence level. For results based on the total sample of employed adults in each region, the margin of sampling error ranged from ± 0.6 percentage points to ± 4.8 percentage points at the 95% confidence level. For results based on the total sample of employed adults in each country, the margin of sampling error ranged from ± 0.4 percentage points to ± 8.5 percentage points at the 95% confidence level. All reported margins of sampling error include computed design effects for weighting.

Gallup is entirely responsible for the management, design and control of the Gallup World Poll. For more than 80 years, Gallup has been committed to the principle that accurately collecting and disseminating the opinions and aspirations of people around the globe is vital to understanding our world. Gallup's mission is to provide information in an objective, reliable and scientifically grounded manner. Gallup is not associated with any political orientation, party or advocacy group and does not accept partisan entities as clients. Any individual, institution or governmental agency may access the Gallup World Poll regardless of nationality. The identities of clients and all surveyed respondents remain confidential.

The World Poll monitors the issues that matter most to societies worldwide, such as personal safety, food and shelter, employment, wellbeing and confidence in national institutions. In addition to conducting our core polls, organizations worldwide turn to Gallup to conduct custom surveys using our rigorous research standards and scientifically proven methodologies to help them solve their most pressing problems.

Support Information

Employee Engagement

Employee engagement reflects the involvement and enthusiasm of employees in their work and workplace. Employees can become engaged when their basic needs are met and when they have a chance to contribute, a sense of belonging, and opportunities to learn and grow.

Gallup categorizes an organization's employees as engaged, not engaged or actively disengaged.

- **Engaged employees are thriving at work.** They are highly involved in and enthusiastic about their work and workplace. They are psychological "owners," drive performance and innovation, and move the organization forward.
- **Not engaged employees are quietly quitting.** They are psychologically unattached to their work and company. Because their engagement needs are not being fully met, they're putting time but not energy or passion into their work.
- **Actively disengaged employees are loudly quitting.** They aren't just unhappy at work. They are resentful that their needs aren't being met and are acting out their unhappiness. Every day, these workers potentially undermine what their engaged coworkers accomplish.

Measuring Employee Engagement

To determine the percentage of engaged, not engaged and actively disengaged employees, Gallup uses a proprietary formula founded on extensive research about how the engagement elements, as measured by the Gallup Q¹², relate to various workplace outcomes. For this reason, employee engagement is a much higher bar than merely satisfaction or metrics that combine "strongly agree" and "agree" responses into a "percent favorable" engagement index.

The current standard is to ask each employee to rate the Q¹² statements using six response options, from 5 = strongly agree to 1 = strongly disagree, and the sixth response option — don't know/does not apply — is unscored. Gallup's proprietary formula does not require perfect agreement with all Q¹² elements for employees to be classified as engaged.

Gallup Q¹² Items

- Q01.** I know what is expected of me at work.
- Q02.** I have the materials and equipment I need to do my work right.
- Q03.** At work, I have the opportunity to do what I do best every day.
- Q04.** In the last seven days, I have received recognition or praise for doing good work.
- Q05.** My supervisor, or someone at work, seems to care about me as a person.
- Q06.** There is someone at work who encourages my development.
- Q07.** At work, my opinions seem to count.

Q08. The mission or purpose of my company makes me feel my job is important.

Q09. My associates or fellow employees are committed to doing quality work.

Q10. I have a best friend at work.

Q11. In the last six months, someone at work has talked to me about my progress.

Q12. This last year, I have had opportunities at work to learn and grow.

To learn more about employee engagement worldwide, see the [Employee Engagement workplace indicator webpage](#).

Daily Negative Emotions

Gallup annually surveys around the world to determine people's day-to-day experiences of emotions by asking if they experienced certain feelings during a lot of the previous day. This report focuses on the emotional experiences of employed adults.

- **For details on employees' daily feelings of stress, worry, anger and sadness, as well as other wellbeing-related topics, view the [Employee Wellbeing workplace indicator webpage](#).**
- **For information on the emotions of all adults globally, please see our most recent [Gallup Global Emotions report](#).**

Job Market

As leaders seek to attract and retain talent, understanding more about employee perceptions of the job climate and why employees choose to join or leave an organization is critical. Employers can evaluate how these topics relate to their own organizational culture to create strategies for attracting top talent and keeping their star employees from being wooed away.

Learn more about Gallup's research on employee retention and attraction topics, as well as employee perceptions of their current job climate, on the [Employee Retention & Attraction workplace indicator webpage](#).

Gallup's Global Indicators

Gallup's global indicators of workplace performance and societal health track progress on what matters most in workplaces and to societies at large.

Visit Gallup's [Global Indicators webpage](#) for the latest indicators on employee engagement, wellbeing and daily negative emotions, employee retention and the job market, and other workplace topics to help leaders more effectively engage, manage and retain star employees.

[Sign up on Gallup.com](#) to receive updates when Gallup publishes new indicators.

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