



Gallagher

Insurance | Risk Management | Consulting

Workforce Trends Report

Workplace Wellbeing Index





Wellbeing in the Future of Work

Gallagher's workforce trends report explores the place of wellbeing in the future of work. Based on comprehensive research conducted with Australian employees using our Workplace Wellbeing Index, it explores key challenges faced by organisations seeking to boost their employee's wellbeing.

Are you prioritising your people to drive business performance?

Wellbeing is a priority for many, yet not experienced by all. There is a significant opportunity to support employee wellbeing. When organisations do, they will reap the rewards of improved business performance.

- Three quarters of the workforce consider their own wellbeing to be one of their highest priorities in the next month.
- One quarter of the workforce are experiencing low wellbeing, with just over half experiencing high wellbeing.
- Employees with high wellbeing are 2.5 times more engaged at work, have 1.7 times higher intentions to stay for the next 12 months, 1.4 times higher performance, and are 1.5 times more willing to go above and beyond.
- Organisations who take effective action in response to survey feedback have employees who report 1.6 times higher wellbeing, are 2.6 times more engaged at work, have 1.5 times higher intentions to stay and are 1.3 times more willing to go above and beyond.
- There are practical ways to improve wellbeing which are relevant to all industries. The top five areas of focus for organisations are improving mental health, physical health, cultivating a sense of purpose in both work and life, and fostering psychological safety.

Are you using the best benefits benchmark?

When seeking to design a benefits strategy to recruit, retain and boost employee wellbeing, organisations often look outwards; asking other leaders what works and analysing their competitors. However, only focusing on other employers can cause you to lose sight of what your employees actually value, resulting in low awareness and uptake. Looking outwards in combination with asking your employees what they value will ensure you are well placed to create an appealing benefits strategy that delivers a return on investment.

- The most valued benefits by employees include flexible working arrangements, professional training and development, and additional superannuation contributions.
- Employers are missing the mark on professional training and development, childcare, health insurance, financial education, and financial management resources. These are important to employees, yet not widely offered.

These findings reveal the state of wellbeing in the Australia workforce, the impact of wellbeing on employee and business performance, as well as what employees want in the future of work and how to deliver it. It is clear that our life, our work and our wellbeing are all linked, and that prioritising wellbeing will ensure both people and their organisations can thrive and flourish moving forwards.

Introducing the Workplace Wellbeing Index Research

The Importance of Workplace Wellbeing

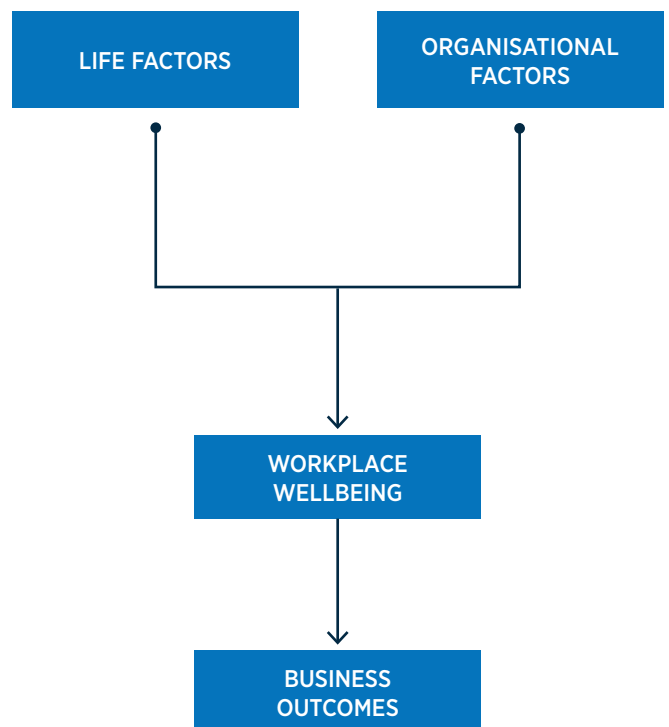
Organisations are increasingly recognising the importance of workplace wellbeing, and the role that this plays in creating a sustainable future where people can thrive and flourish at work. This change has been accelerated by several trends, such as increasing requirements for employers to ensure the psychological and physical health of their employees and the increasing cost of workers' compensation claims for work-related mental health conditions. There is also a social shift, where employees are demanding that their work fits with their life, rather than fitting their life around work.

For many, the global pandemic sparked a great reflection and ignited change in the way we live and work. Against this backdrop we saw an opportunity to explore wellbeing in the Australian workforce. Our research sheds light on the state of wellbeing, and illuminates key areas employers can focus on in 2022 and beyond, to positively impact their people. The insights are important for any organisation hoping to attract and retain top talent, to measure and optimise the return on investment of their wellbeing spend, and to enable their people to bring their best selves to work.



Wellbeing is feeling good and experiencing fulfilment and purpose at work

The Workplace Wellbeing Index was created by drawing on decades of evidence from industry and academic research. Wellbeing has been defined in academic literature as **“feeling good and / or experiencing fulfilment and purpose”**¹. Based on this definition and in consultation with industry and academic measures, we view employee wellbeing at work holistically. It includes the feel good factors of emotional health and physical health, as well as the sense of fulfilment that follows when we have a clear sense of purpose. Wellbeing depends on both the quality of our lives at work and outside of work. Experiencing wellbeing is not just good for individuals, it can be beneficial to organisations as well.



¹ Sonnentag, S. (2015). Dynamics of well-being. Annual Review of Organizational Psychology and Organizational Behaviour, 2(1), 261-293.

Who Responded?

The survey took place in December 2021 and more than 1,660 employees from across Australia responded. The representative sample included a roughly even split on several demographics. It includes those who were currently employed on a full time, part time or casual basis and excluded those who were currently unemployed.

Industry		
Heavy Industry (including Construction / Manufacturing / Transport, Postal and Warehousing / Mining and Energy)	282	17%
Education and Training	244	15%
Health Care and Social Assistance	355	21%
Professional Services	374	23%
Retail and Hospitality	266	16%
Other	139	8%
Size of Organisation		
0 - 19 employees	392	24%
20 - 199 employees	531	32%
200 - 999 employees	326	20%
1000+ employees	411	25%
Leadership		
Yes	700	42%
No	927	56%
Prefer not to say	33	2%
Leadership Level		
Senior Leader / Executive	119	17%
Manager	279	40%
Frontline Leader	260	37%
Prefer not to say	42	6%

Employment Status		
Full Time	1101	66%
Part Time	466	28%
Casual	93	6%
Current Working Arrangement		
On-site	909	55%
Hybrid	388	23%
Remote	363	22%
Age		
18 - 24	161	10%
25 - 34	449	27%
35 - 44	441	27%
45 - 54	278	17%
55 - 64	229	14%
65+	98	6%
Prefer not to say	4	0%
Gender Identity		
Female	871	52%
Male	774	47%
Transgender	5	0%
Non-Binary	9	1%
Prefer not to say	1	0%



The Opportunity to Support Wellbeing at Work

There is a significant opportunity for organisations to support employee's wellbeing at work. Just over half of the workforce reported high wellbeing, with a quarter reporting low wellbeing. When organisations take responsibility for employee wellbeing they can reap the rewards of higher engagement, increased performance, and reduced absenteeism.

Benefits Strategies to Boost Wellbeing

When seeking to boost wellbeing, organisations often start by creating an employee benefits program. Despite their best intentions, organisations often do not know which strategies will work best and sometimes this spend can be misguided. Traditionally popular benefits such as social events, free food, and shopping discounts can be superficial and not highly valued. Instead, employees are seeking flexible working arrangements, additional superannuation contributions and professional training and development. These benefits enable employees to fit work around their life, imagine a secure future, and strive for continuous growth.

The Way Forward

There is a way forward for workplace wellbeing, and one of the best places to start is by engaging in a conversation with your people. Employees are more favourable towards organisations that provide them with a platform to voice their feedback. However, voice without action can backfire. Organisations must ask, listen, seek to understand and respond with action. When this is done well, employees report higher wellbeing, engagement, intentions to stay and willingness to go above and beyond in their roles. Organisations that remain open to feedback and willing to change course when needed, can stay ahead of the curve in creating an environment where their people can thrive and flourish at work.

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Prioritise Wellbeing to Remain Relevant

75/100

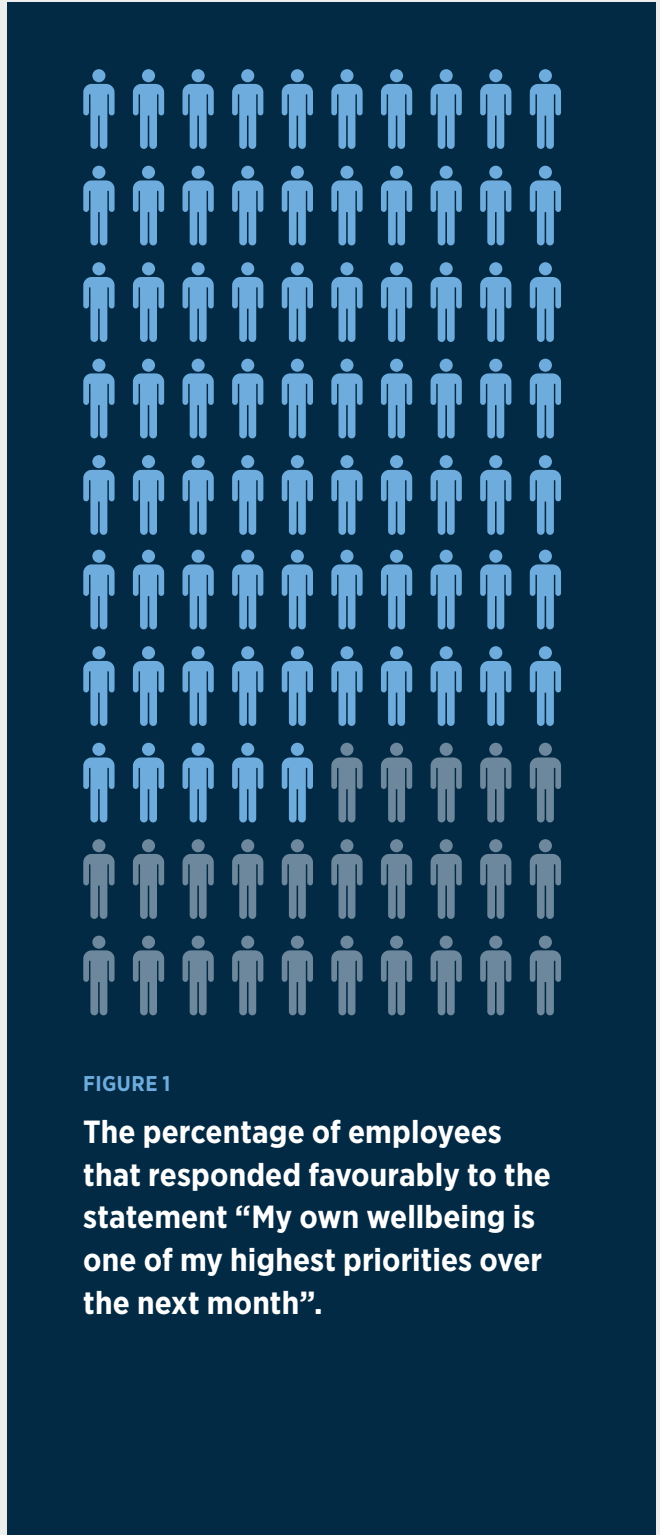
consider their own wellbeing to be one of their highest priorities over the next month.

Navigating a talent shortage driven by the reduced availability of skilled employees is no easy feat, and many employers are left wondering:

- What are job seekers looking for in a workplace?
- How do I support my team's performance?
- How do we keep our existing team?
- What are my industry competitors offering that we are not?

The answer is clear, with employees increasingly prioritising their personal wellbeing.

No longer fulfilled with fitting their lives around their work, employees are seeking to fit work around their life. Wellbeing is a priority, and employers that understand this will stand the best chance at retaining and attracting top talent.



Snapshot of Wellbeing in the Australian Workforce



Wellbeing is a priority for many, yet not experienced by all. There is a significant opportunity for employers to support their employee's wellbeing.

Neglecting your employee's wellbeing exposes individuals and organisations to risk. Mental stress claims result in an average of 27 working weeks lost, which is more than three times the median time loss of seven working weeks for all claims. Mental health claims are also expensive, costing an average of \$46,400, which is more than three times the median compensation of \$14,500 for all serious claims ².

² Safe Work Australia. (19 November, 2021) Australian Workers' Compensation Statistics 2019 - 20.

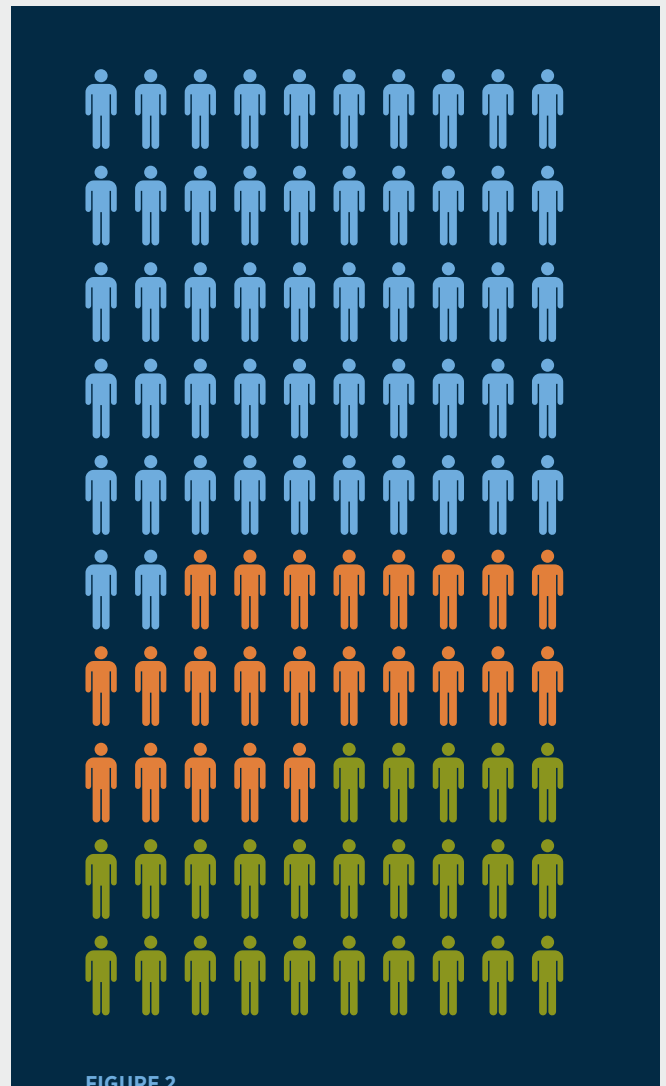


FIGURE 2

The percentage of employees reporting high, moderate and low levels of wellbeing.

The score derives from responses to the question "Please rate how often you have experienced each of the following over the last month: unhappy, anxious, alone, energised, relaxed, hopeful, physically healthy, physically active, and a sense of purpose in your work."

Wellbeing across key workforce segments

Measuring wellbeing across key workforce segments can help organisations to design targeted and tailored initiatives, rather than taking a one size fits all approach.

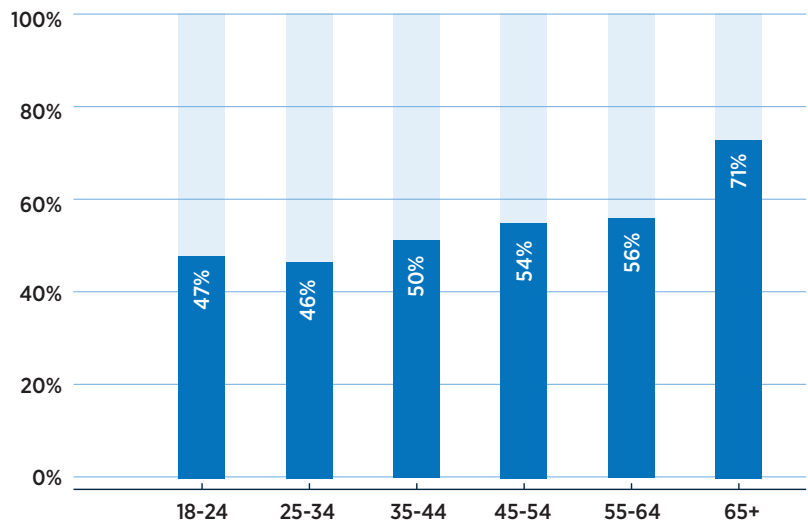
Employees over 55 year's old reported higher wellbeing than employees 18-24, 25-34, and 35-44. Employees greater than 65 years old reported significantly higher wellbeing than all other age groups.

These results can be potentially be explained by stage of career, with employees over 55 being more established in their career, if not moving towards retirement. In contrast, employees in the younger age brackets are likely commencing or building their careers and have arguably been more directly impacted by the uncertainty of the external environment over the last two years.

Employees over 55 year's old reported higher wellbeing than employees 18-24, 25-34, and 35-44.

FIGURE 3

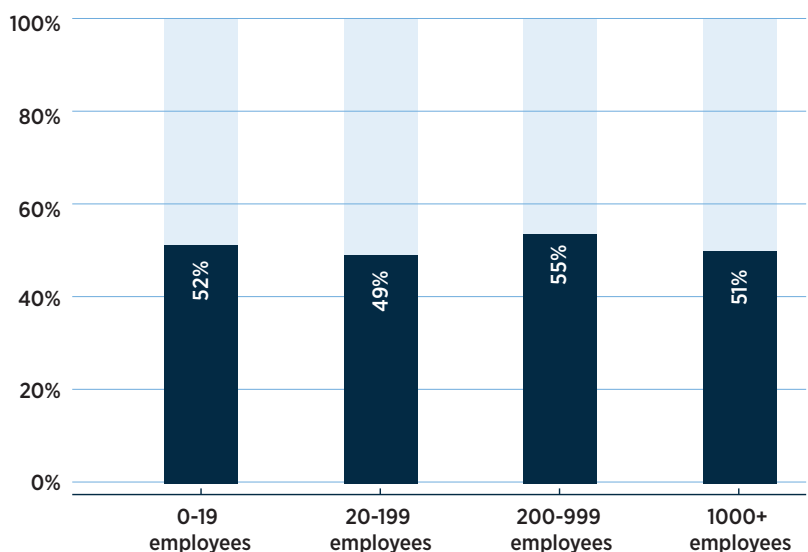
Wellbeing comparison of different age groups.



Employees over 55 year's old reported higher wellbeing than employees 18-24, 25-34, and 35-44.

FIGURE 4

Wellbeing comparison of different organisational sizes.



Overall no statistically significant difference in employee wellbeing was identified based on size of organisation.

FIGURE 5

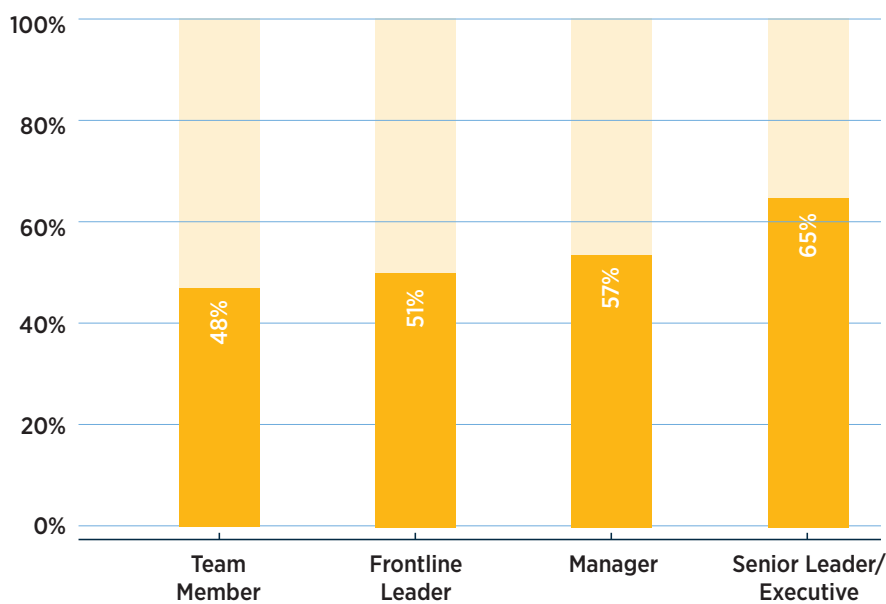
Wellbeing comparison of different leadership levels.



Those respondents who indicated they were currently in a leadership role (have employees formally reporting to them who they manage) reported significantly higher levels of wellbeing than respondents who indicated they were not in a leadership role.

FIGURE 6

Wellbeing comparison of different leadership roles.



Further to the previous finding, we also asked those respondents who identified as currently being in a leadership role, the level of their role. Employees currently in Senior Leadership or Executive roles reported significantly higher levels of wellbeing than all other levels of leadership.

Respondents were also asked what best described their current working arrangements, namely working remotely, in a hybrid model or on-site at their workplace. When comparing these three work arrangements, no significant difference in employee wellbeing was identified.



FIGURE 7

Wellbeing comparison of different working arrangements.

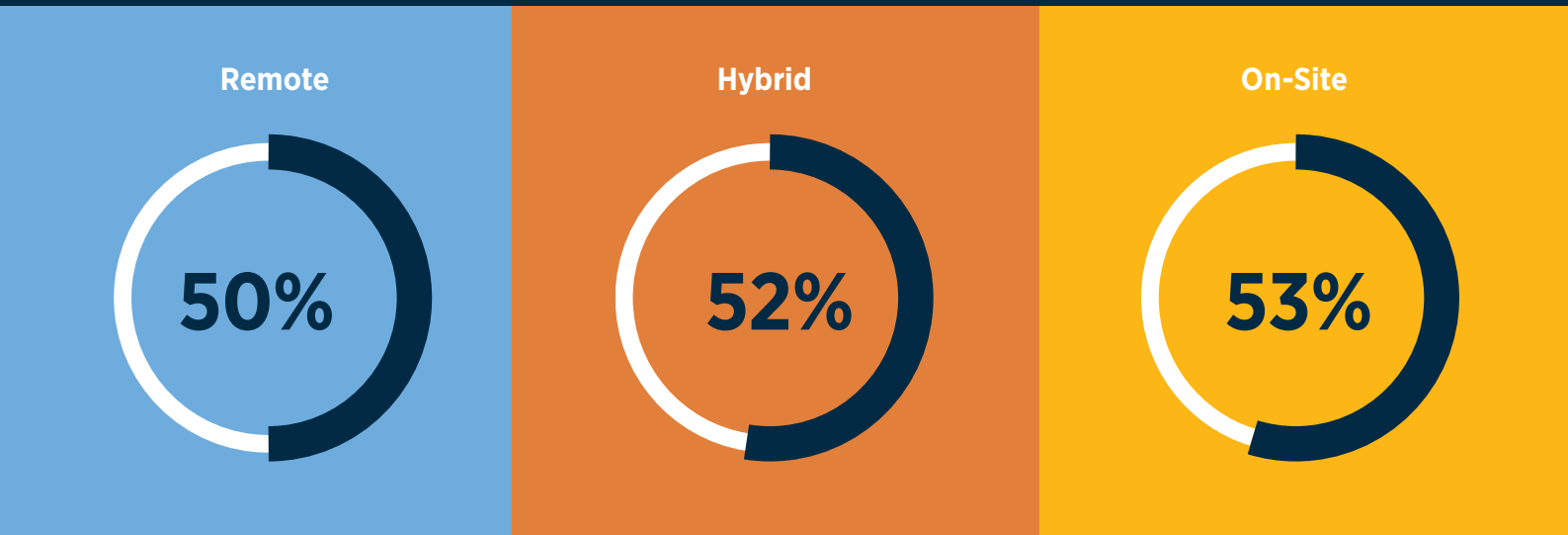
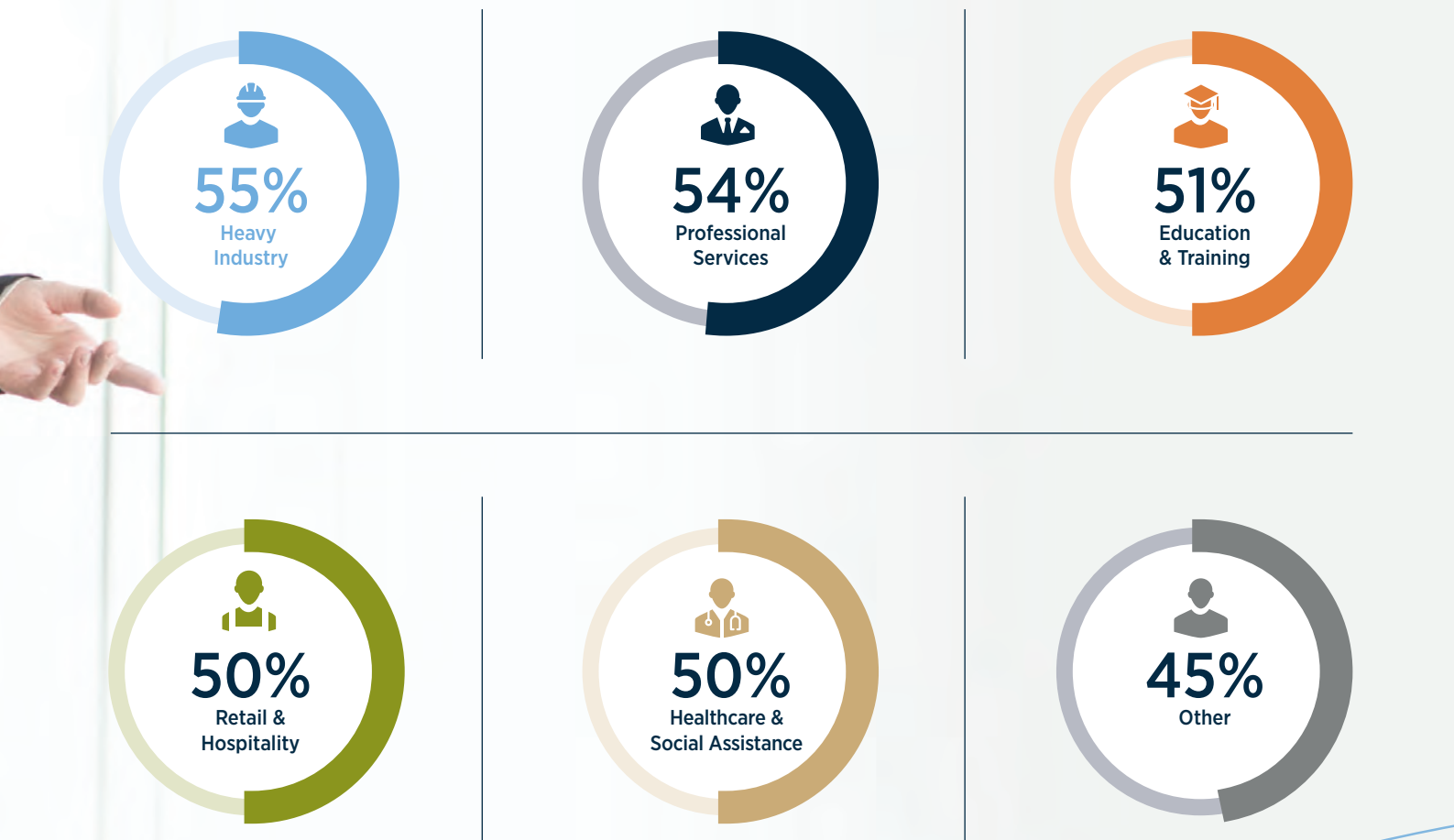


FIGURE 8

Wellbeing comparison of different industries.



Finding Fulfilment in Life and Work

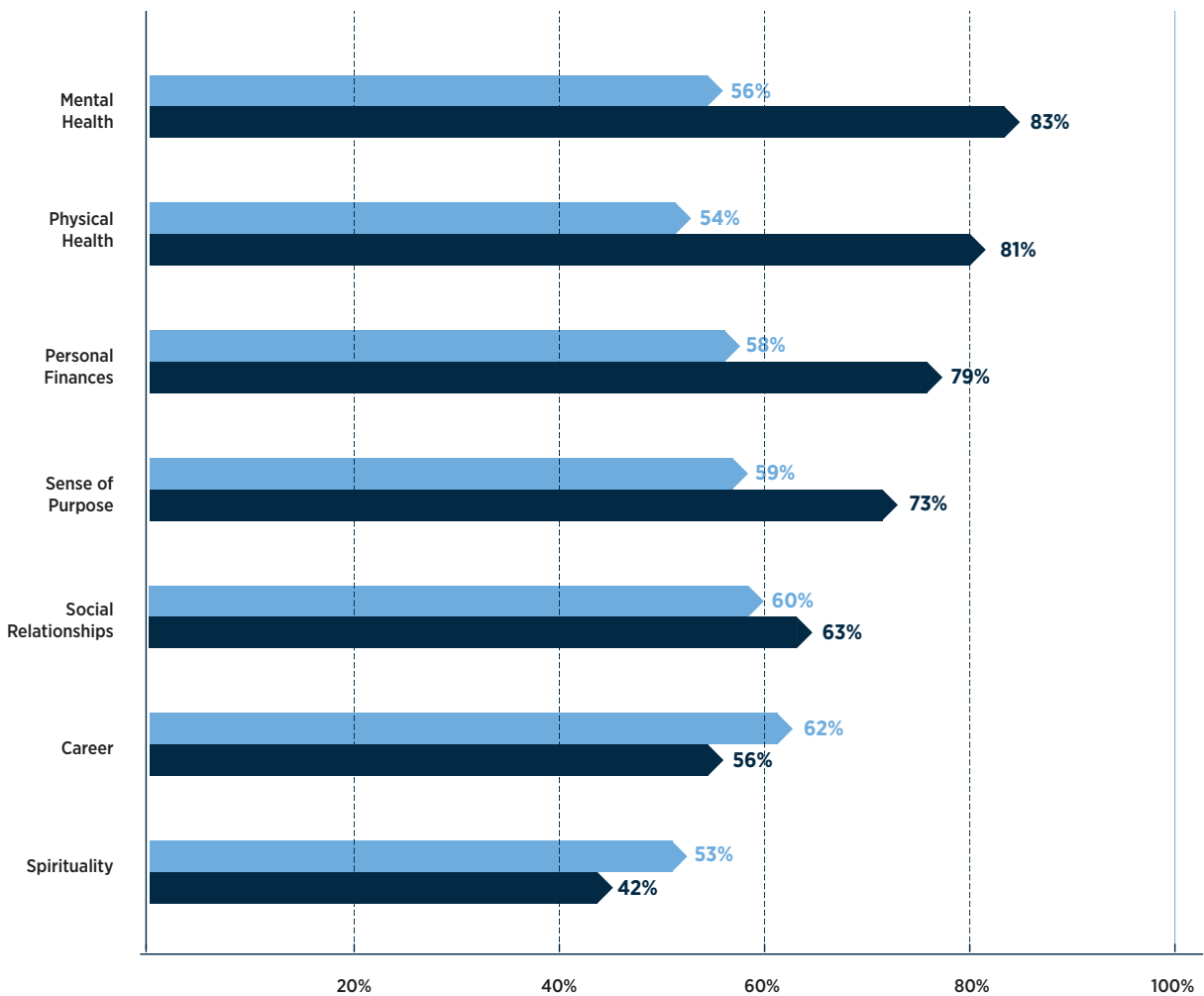
Life Factors

People thrive in life when they are highly satisfied in the domains that are important to them. With employees increasingly prioritising life above work, they will be looking for workplaces that pay attention to, and are supportive of, their wellbeing.

FIGURE 9

Please rate your satisfaction with and importance of each of the domains of your life.

The importance bars show the percentage of people who rated this life domain as important or highly important, whilst the satisfaction bars show the percentage of people who are satisfied or highly satisfied with this life domain.



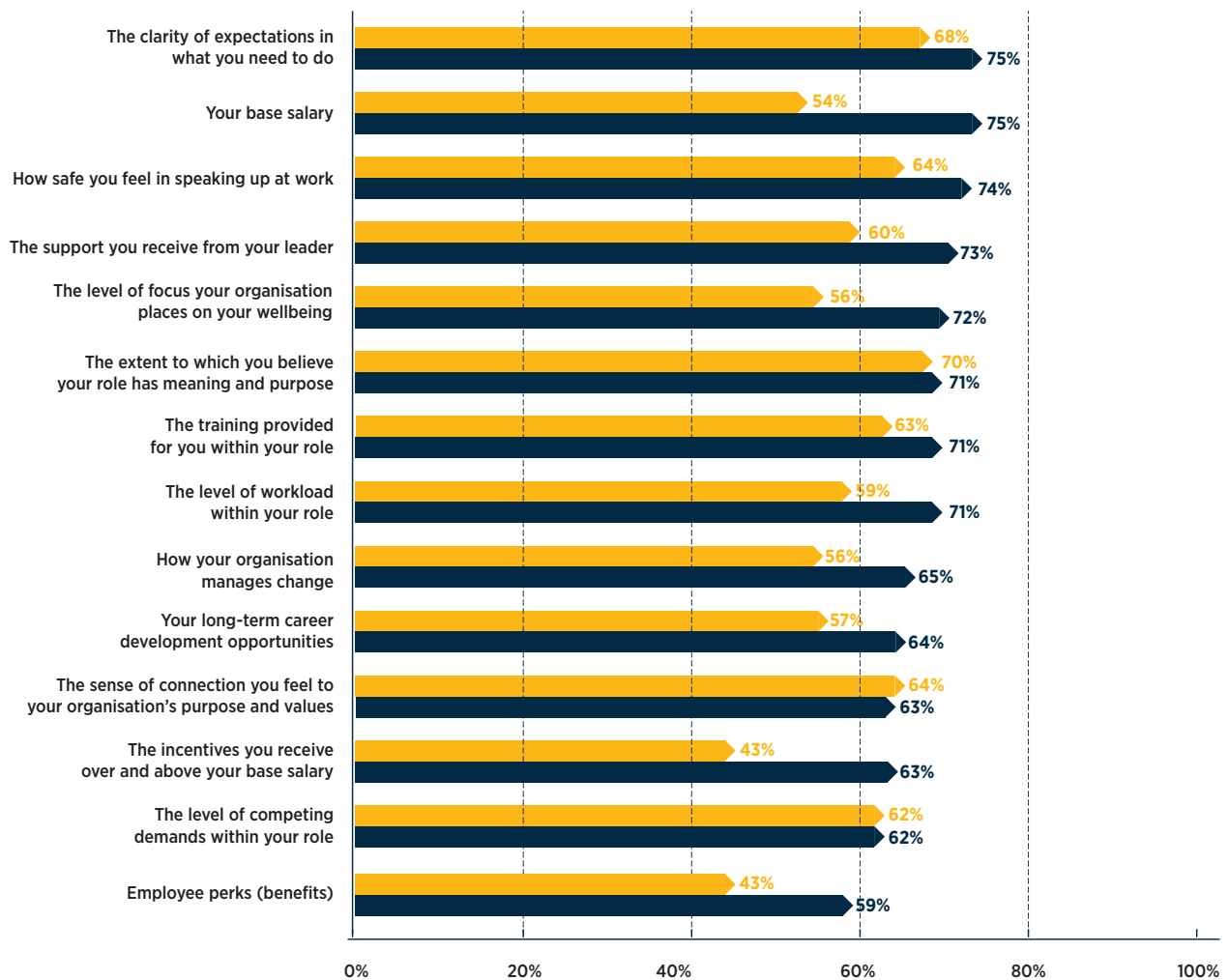
Organisational Factors

People thrive at work when they are highly satisfied with the areas of the workplace environment that are important to them. Closing the gap is important for organisations seeking to design a workplace environment that is supportive of employee wellbeing.

FIGURE 10

Please rate your satisfaction with and importance of each of the following organisational factors.

The importance bars show the percentage of people who rated this organisational factor as important or highly important, whilst the satisfaction bars show the percentage of people who were satisfied or highly satisfied with this organisational factor.



Top Drivers of Wellbeing

Wellbeing is feeling good and experiencing fulfilment and purpose at work and is defined using nine items that measure emotional health, physical health and sense of purpose in work.

Statistical analyses identified the below life and organisational factors as statistically significant drivers of wellbeing at work. The top drivers of wellbeing are ranked according to the strength of their relationship with wellbeing. Focusing on these areas will have the biggest impact on boosting wellbeing.

FIGURE 11

Top drivers of wellbeing listed by order of importance in driving wellbeing.



These results highlight the need for organisations to give attention to not only the workplace or organisation factors, but how they can support employee's mental and physical health. More specifically, the results demonstrate employees are seeking a sense of connection with the work they perform and alignment with the purpose and values of their employer. This is supported by the recent heightened focus on values based enterprises and strategies that speak directly to ethical approaches in managing Environmental, Social and Governance (ESG) by organisations. Employees are seeking clarity on what their employer stands for, and stands against, and feeling safe to voice their own opinions and views.

< The order on the left is based on regression and relative weights analysis that examines the proportion of explained variance in employee wellbeing that is accounted for by each area. Overall, the combination of the above predictors explained over half (51% of total variance) employees' perceptions of wellbeing at work.



The Impact of Wellbeing on People and Business Performance

Employee wellbeing is influenced by experiences in life and at work, and in turn, impacts how we behave at work. People with high (compared to low) wellbeing are able to function optimally. Organisations that deprioritise wellbeing are missing a big opportunity to boost their people performance.

People with high wellbeing report:

↑ 2.5 times

higher engagement at work

↑ 1.7 times

higher intentions to stay for the next 12 months

↑ 1.4 times

higher self-rated performance

↑ 1.5 times

more willing to go above and beyond

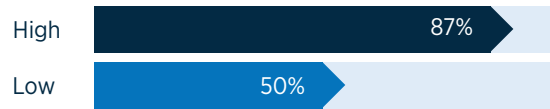
FIGURE 12

The impact of people experiencing high (compared to low) wellbeing on key organisational outcomes.

Engagement³



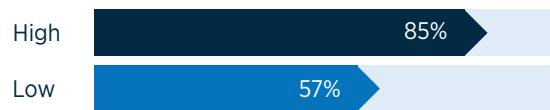
Intentions to stay



Self-rated Performance



Going Above and Beyond



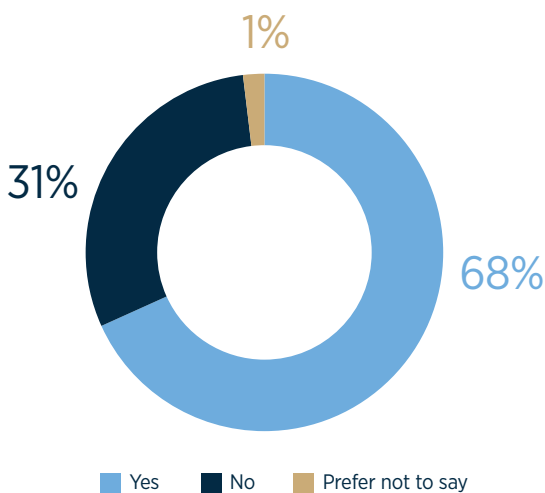
Hidden Costs of Low Wellbeing

Absenteeism and presenteeism can be costly consequences of low wellbeing. When experiencing low wellbeing employees may respond by taking time off work (absenteeism), or pushing through and continuing to work despite not being at their best (presenteeism). Presenteeism can be a hidden

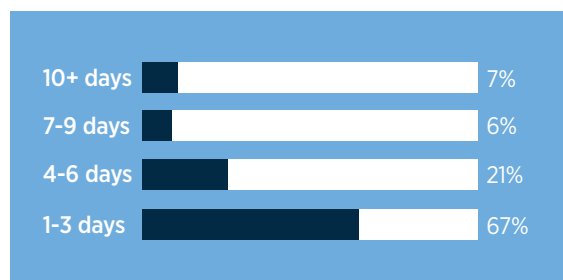
cost to organisations; although physically at work, employees will not be able to achieve the same level of on the job performance and may not necessarily be fit to work, which can increase risks for individuals and organisations. Bringing your whole self to work is critical to productivity.

FIGURE 13

In the last month, have you taken time off due to your wellbeing?



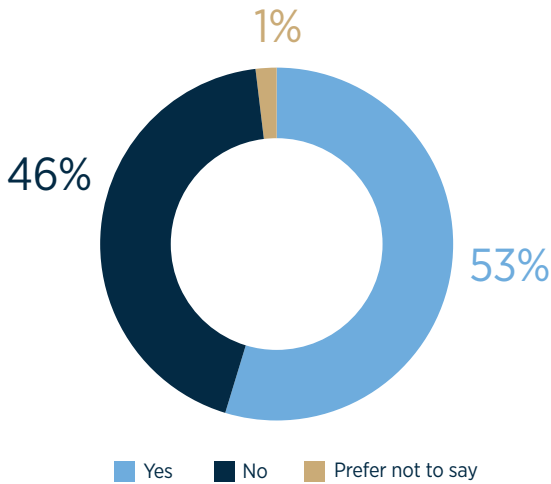
If yes, how many days have you taken off work in the last month due to your wellbeing?



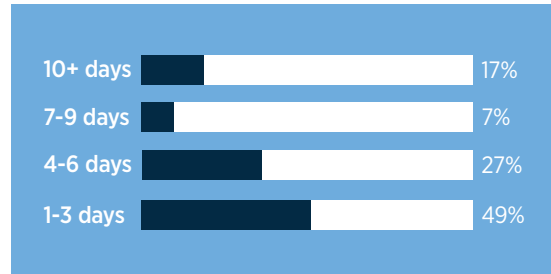
³ Engagement is the emotional connection that motivates employees to help their organisation achieve its goals

FIGURE 14

In the last month, have you continued to work despite feeling that you should have taken time off?



If yes, how many days have you continued to work despite feeling that you should have taken time off?



The Great Reflection

Amidst talks of the great resignation, the majority of Australian employees are surprisingly intending to stay right where they are. The majority of people are intending to stay with their current organisation for the next 12 months, with no significant differences across industries. The past two years

has had a profound impact on the way we work and live, which has resulted in people reflecting on what is important to them. To keep retaining their employees during the great reflection, organisations will need to continually refocus their wellbeing efforts.

71%

responded favourably to the statement “I intend to stay at my organisation for the next 12 months”.



The Importance of Listening and Taking Action

Creating a strategy to improve wellbeing starts with asking for feedback from those who matter most – your people.

Providing employees with a voice and the opportunity to give feedback on their wellbeing appears to have a significant and meaningful impact on key outcomes such as wellbeing, engagement, intention to stay and extra-role performance. However, we know that feedback without action often has the opposite effect. Not surprisingly, employees' confidence in their organisation taking action based on the feedback was equally critical.

Whilst the majority of organisations are running surveys on an ad-hoc basis, surveying employees on a quarterly or monthly basis has the most beneficial impact on key outcomes. When deciding how often to administer surveys, organisations should also consider several factors such as how frequently the outcomes of interest are likely to change, how often the feedback can be analysed and acted upon, and how often other important organisational outcomes are reported upon.

69%

have an opportunity to provide feedback on their wellbeing via a survey

48%

are confident in action being taken following providing feedback

When organisations take effective action in response to feedback their people report:

↑ **1.6 times**

higher wellbeing

↑ **2.6 times**

higher engagement at work

↑ **1.5 times**

higher intentions to stay

↑ **1.3 times**

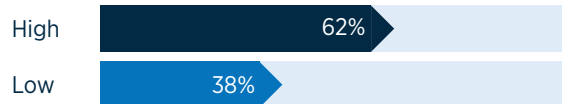
more willing to go above and beyond



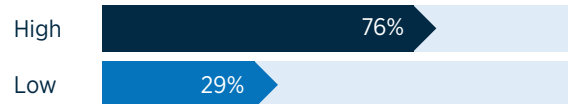
FIGURE 15

The impact of organisations rated as high versus low in taking action in response to feedback on key organisational outcomes.

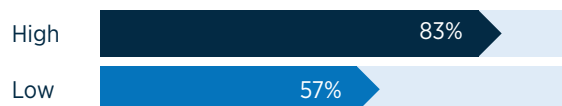
Wellbeing



Engagement



Intention to Stay



Going Above & Beyond



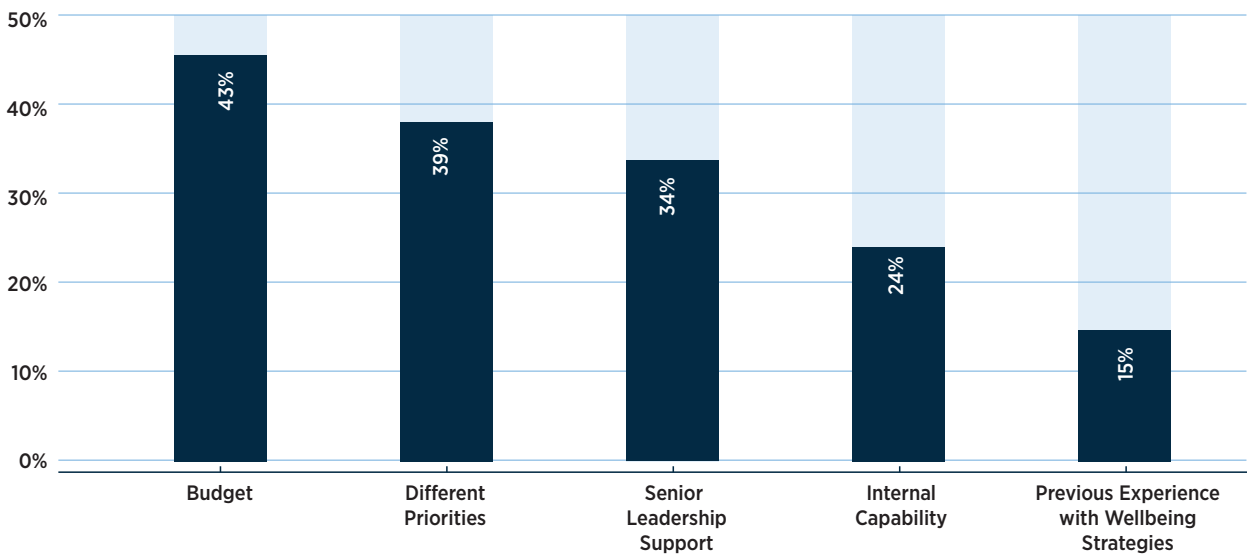
Creating a Benefit Strategy to Boost Wellbeing

When faced with multiple barriers to implementing a benefit strategy that boosts wellbeing, employers can often be hesitant to rethink what has worked in the past.

Obtaining budget is a significant challenge for organisations wanting to address their employee’s wellbeing. However, taking a data-led approach that identifies not only what employees need but also the impact of the current state of wellbeing and engagement can assist in providing a clear return for any investment.

FIGURE 16

Which of the following barriers have you faced when implementing wellbeing strategies within your organisation?



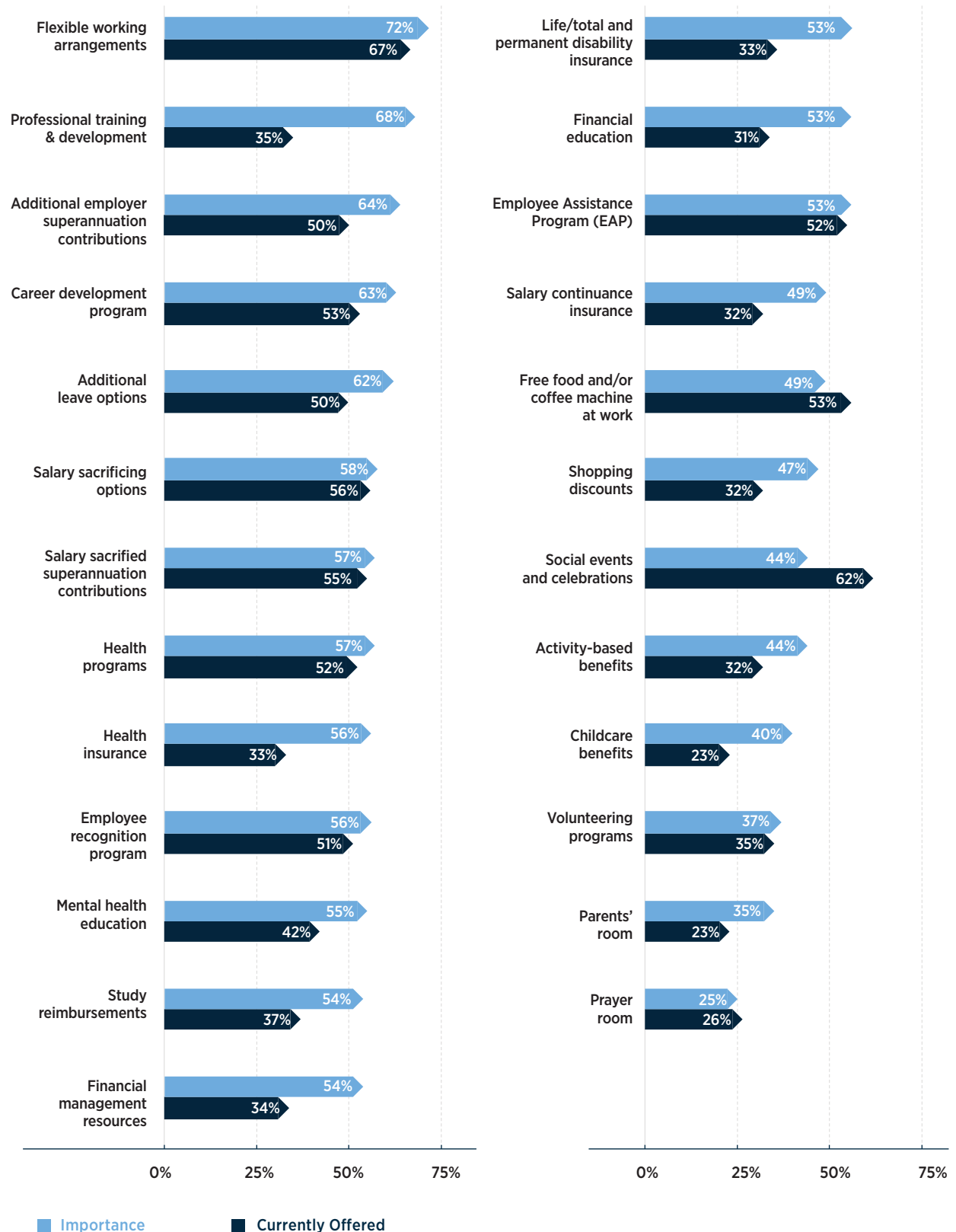
Overcoming these barriers is essential, as traditional benefits may no longer be hitting the mark. The top three benefits most valued by employees include flexible working arrangements, professional training and development, and additional superannuation contributions. The largest disconnects are related to professional training and development, childcare, health insurance, financial education, and financial management resources; these are important to employees, yet not widely offered by employers.

The highest rated benefit is flexible working. The working arrangements of many employees changed in 2020 due to the impacts of pandemic – including working from home, and changes to rosters, hours of work or duties. As the transition back to the workplace unfolds, employees may be seeking continued or more flexibility in their working arrangements,

enabling them to continue reaping the benefits of flexible work – reduced commute time, increased availability for family and other commitments, or to manage health risks. When designing your flexible working future, try to avoid assuming that that flexibility just means working from home, or that the same flexible working arrangements can apply to all. Flexibility can involve changing the hours of work, location of work, or even the patterns of work. It might be compressed hours, flexible start and finish times, working from another location, or a gradual increase or decrease in hours such as when transitioning a child into school. To design true flexibility, seek to understand what flexibility means to your individual employees – what their needs are and what options are suitable them – which will help you balance their and your business’ interests.

FIGURE 17

Please rate the importance of each of the following benefits offerings to improving your wellbeing, and whether your organisation currently offers this benefit.

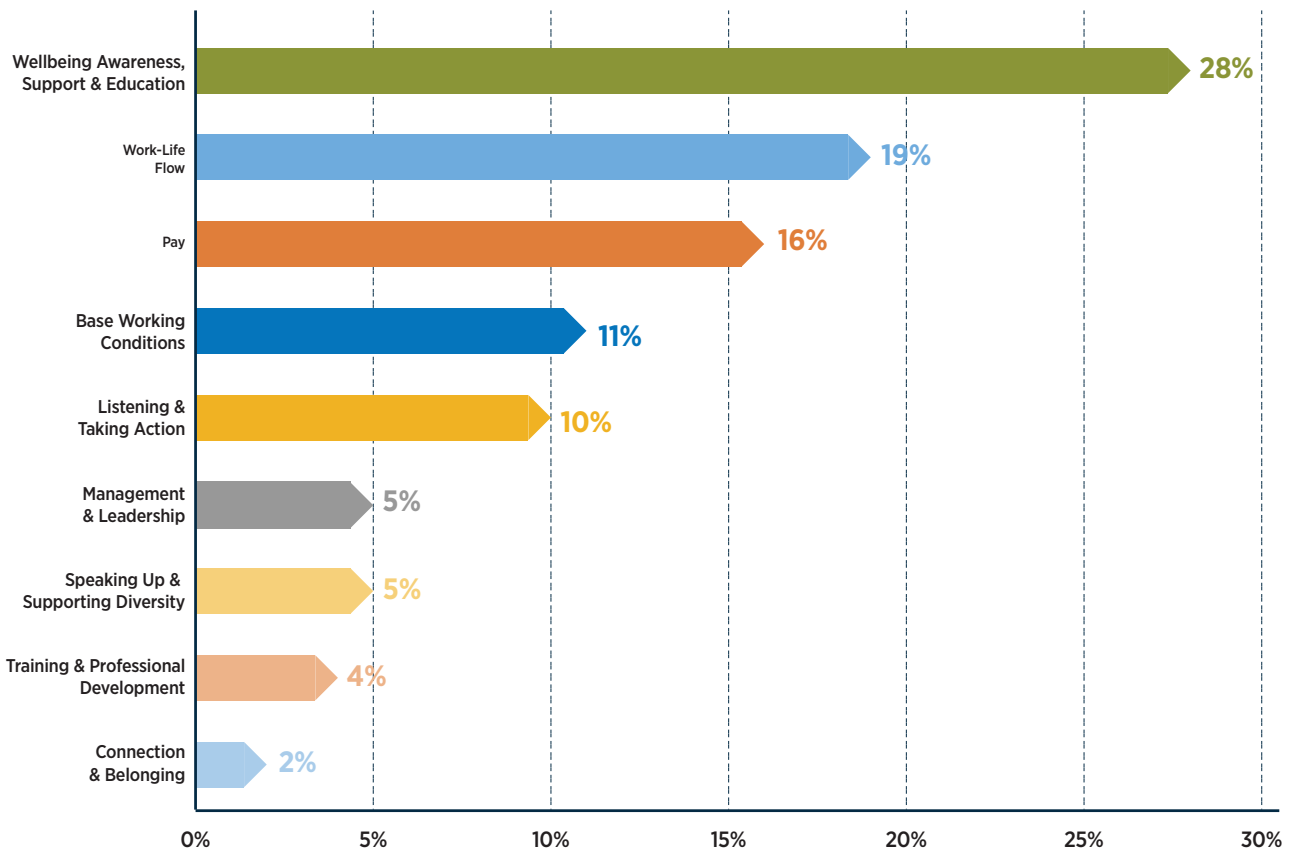


What else do employees want to support their wellbeing at work?

Understanding what employees are looking for and taking steps to support their wellbeing will help organisations to attract and retain top talent. When asked ‘What is one thing your organisation could do to support your wellbeing?’ employees shared that they are seeking improvements in nine key areas.

FIGURE 18

The frequency of themes mentioned in response to the question, ‘What is one thing your organisation could do to support your wellbeing?’



^ based on 1,117 valid responses

Wellbeing Awareness, Support & Education 28%

Wellbeing awareness, support, and education involved requests for general wellbeing programs that could shed light on topics including mental health, physical health and stress relief. In addition to general wellbeing programs, employees asked for organisations to advocate and provide support for their mental health. Examples included easier access to EAPs, free therapy sessions and making mental health information freely available at work. Physical wellbeing support was

also requested in the form of free health check-ups, gym memberships and free food in the break room.

At a baseline level, employees request that their employers support them, and treat them with respect and compassion. A way in which this could be achieved is by conducting more regular wellbeing check-ins – which was repeatedly asked for. Employees asked that these check-ins include discussions around their mental health, work-related issues, and successes.

Work-Life Flow**19%**

Work-Life Flow involved requests for organisations to not only offer options such as mental health leave, flexible working and adequate break times, but endorse it as a culture.

When Employees are Away from Work

Employees asked for 'mental health days' and 'mental health leave'. They requested that this be endorsed by their employer to be something that they can take without feeling 'guilty'. They also for mental health leave to be in addition to personal leave.

When employees are off the clock, they asked employers to let them 'mentally relax' and 'detach' from their workday. They advise employers to not encroach on their personal time.

When Employees are at Work

Unsurprisingly, given the pandemic, employees requested for continuing and more opportunities for flexible work. Lastly, employees asked for adequate break times, which included either increasing the frequency of breaks or length of breaks throughout the day, or at a baseline, provide an adequate length for their lunch time break.

Pay**16%**

Employees asked for better pay, and the opportunity to access monetary benefits, incentives, rewards, recognition and financial education at work.

Due to the recent impact of the pandemic many businesses have likely not increased employee's base salaries each year. This means there are many salaries that have remained stagnant. It is therefore unsurprising that many employee asked for their salaries to increase and at the very least, this occur each year. Others also requested that their organisation's pay them for their overtime hours.

Many employees asked for additional monetary benefits as a way for organisations to support their wellbeing. The examples they provided included access to discounts, health insurance, health care benefits and welfare benefits.

Employees also want to be motivated through incentives, rewards and bonuses. These act as a way to 'motivate' and to 'recognise' employees. Employees explained that if they were 'recognised' by their employer, it would help them feel valued as a worker.

Base Working Conditions**11%**

As a baseline, it is critical that employees have adequate working conditions. This requirement seems like common sense. However, our data shows that this is being neglected by some.

The types of requests included adequate and fit for purpose workspaces such as adequate lunch room facilities, more working area space, more furniture and better working conditions in general. Employees also noted the lack of adequate procedures, standards and regulations within their organisation. To make matters worse, there seemed to be a lack of transparency, where some regulations and procedures were not being consistently monitored or enforced.

Other employees were also mentioning workload concerns, and asked for their employer to have realistic expectations, distributing workload across the team appropriately. They also asked that there be enough staff and resources to meet workload expectations. This could come in the form of hiring the necessary amount of staff to meet the demand.

Listening & Taking Action**10%**

Employees want to be heard by their organisation, and feeling heard can come in many different forms. One form that employees requested was two-way communication with staff. A circumstance where two-way communication is effective is during organisational change. Many employees asked for their employers to manage change better, such as consulting them prior to a change occurring, and asking them to be more understanding during this process. Additional requests made by employees was for organisations to listen to staff when they give feedback, and for organisations to encourage and seek that feedback.

It does not stop here – employees want organisations to step beyond seeking and listening to feedback – they want them to action it. Many employees want their organisation's to walk the walk, not just talk the talk.

Management & Leadership

5%

Managers and leaders can have a big impact on employees' day to day work lives. Considering this, it is unsurprising that some employees asked that their organisations improve their management and leadership in order to support their wellbeing. This came in the form of suggestions such as for them to demonstrate more care and moral support toward employees, help and work with employees where required, have more regular 1:1s, acknowledge their achievements and regularly run performance management processes.

Training & Professional Development

4%

Employees requested more training and development as a way for organisations to support their wellbeing. For example, they asked for their employers to offer more than 'basic training', provide support to employees who do not feel confident with certain areas of work, provide tailored training/development plans, and provide mentoring to assist in personal and professional growth.

Connection and Belonging

2%

Employees asked for their organisations to provide more opportunities for social events and team building sessions. Employees explained this was to help them socialise more within their organisation and to facilitate trust and respect.

Speaking Up & Supporting Diversity

5%

The importance of accepting and supporting diversity is on businesses' radars – and so it should be. Our research suggests that employees understand the value that feeling safe to speak up and supporting diversity has on their wellbeing.

Employees ask that their employers support a culture where team members work through issues together (without finger pointing) and encourage people to speak up without negative consequences. This also includes not tolerating and addressing any workplace bullying that arises. Some examples of how, as provided by employees, include education and anti-bullying training sessions. Fair and unbiased treatment was also requested, such that employees get 'equal pay for equal work'.

Examples of how to support diversity included employers being accepting and accommodating of:

- ✓ Parents (for example, better parental leave options, have a parents room at work, provide miscarriage leave and childcare subsidy)
- ✓ Older generation of workers (for example, support their transition to retirement)
- ✓ Religious orientation (for example, provide a prayer room)
- ✓ Language barriers (for example, provide a language interpreter)
- ✓ Employees with a disability
- ✓ Different working styles

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