

Workplace Wellness 2023 – Summary

Kia ora koutou

We're delighted to share the sixth edition of the Southern Cross Health Insurance and BusinessNZ Workplace Wellness Survey. This report represents 12 years of invaluable data to help guide organisations and their health and wellbeing approach throughout Aotearoa New Zealand.

We have pulled out the key outtakes from the report to help you get to some key findings more quickly.

Key findings

Absence: *the highest rate ever at 5.5 days per employee, equivalent to nearly 10 million working days*

- Covid-19 continues to influence absence results, although it may not be the only influence for the 2022 findings, given a key change in sickness entitlements introduced in 2021.
- The average rate of absence in 2022 was the highest ever at 5.5 days per employee. This compares with a range of 4.2 to 4.7 days for 2012-2020.
- The average number of days off for manual workers (7.1 days) and non-manual workers (4.6 days) were the highest recorded for the survey. Also, the difference in average number of days off between manual and non-manual workers widened to its highest at 2.5 days.
- When projected across the entire New Zealand workforce, the sharp increase in average days lost per employee and the ongoing lift in total number of employers combined meant the time lost due to absence in 2022 was close to 10 million working days. This was significantly up from 7.3 million in 2020 and 7.4 million in 2018.
- Although turnover of permanent staff was at its lowest since the survey began, the largest share of employers believed their level of turnover was higher than they would like. This is perhaps due to the current challenging labour market conditions for finding replacement staff.

Costs, drivers, and factors around absence: *annual cost now stands at \$1,235 amounting to \$2.86 billion*

- Due to a number of factors including cost price pressures and labour shortages, the cost to an employer for a typical employee's absence in annual terms now stands at \$1,235.
- The direct costs of absence amounted to \$2.86 billion across the economy in 2022, up from \$1.85 billion in 2020. This was symptomatic of increased absence rates and rising costs of labour.
- Non work-related illness (including Covid-19) remains the most common cause of absence, followed by 'caring for an unwell family member or dependent.'

- The post Covid-19 landscape has seen an entrenchment of the notion of employees staying at home when sick. This again corresponds with businesses clearly encouraging their staff to stay home when they are ill.
- There are still mixed results around employees who are unwell continuing to work at home rather than take a sick day.

Working from home: *more than half of all organisations now offer working from home, usually 1 – 2 days per week*

- Working from home is now a standard feature of the working environment in organisations where it is a possibility, with more than half of organisations allowing more people to do so since 2021.
- One to two days per week continues to be the most common option for working from home, although three to four days is showing increased use. However, many small enterprises are simply unable to offer working from home.
- While enterprises believe working from home has been a positive move, employee feelings of isolation and a reduction in collaborative activities are still evident.
- Tight labour market conditions over 2022 led a number of enterprises to consider more options around flexible working arrangements.
- In addition to working from home, working remotely is also now a consideration for a sizeable proportion of organisations, particularly larger enterprises.

Stress, fatigue, and mental health in the workplace: *A net 49.7 per cent observed an increase in stress with financial concerns at the core, and 22 per cent reported 'quiet quitting'*

- The 2022 results saw organisations reporting greater stress/anxiety levels among their staff.
- When asked about the change in direction of general stress levels, a net 49.7 per cent of firms observed an increase in stress in 2022. Although this was down from 2020, it was still the second highest reading in the survey's history.
- Around one in five enterprises reported instances of quiet quitting, while a similar proportion of enterprises were unsure.
- General workload remained the biggest work-related stress issue reported by businesses of all sizes, while for non-work-related stress it was now financial concerns, with relationships outside work dropping to second place.
- The proportion of smaller enterprises without any practices in place to identify mental wellbeing/stress has dropped significantly over recent years.

Relationships and communication with staff: *large and small organisations offer benefits to improve wellbeing, and many extend this beyond work*

- Over a quarter of organisations take a clearly defined and coordinated approach to gathering non work-related data, although this was down slightly on 2020. However, for those with some form of approach, there was another noticeable lift in how proactive they were with the data in 2022.
- Larger enterprises focused on Employee Assistance Programmes and vaccinations as benefits to improve wellbeing, while smaller enterprises focused on education/training and flexible hours/working at home.

- The majority of enterprises take into account a duty of care for the wider family members of their employees, especially smaller enterprises where the relationship between employer and employee is often more personal.
- One in five private sector enterprises provide some form of process by which employees can own a stake in the business. By size of business, this was more weighted towards larger enterprises with over one in four having this option.
- For the first time since 2016, respondents were asked whether they provided health insurance for their staff. Overall, 60.9 per cent answered in the negative, which was up on 58.7 per cent in 2016.
- As in previous years when specific questions on health insurance were asked, larger businesses are more likely to have some form of health insurance for their staff, while smaller businesses do not and do not intend to in the future.
- Employers who do not provide health insurance were asked what would prompt them to consider providing it. A decrease in the cost of health insurance was the clear factor across enterprises, with 53.4 per cent selecting that option. This was followed by the removal of fringe benefit tax (FBT) on employer-subsidised health insurance at 38.8 per cent of all businesses and evidence that it assists in retaining staff, at just under 32 per cent.

Note: Respondents were asked to report their absence data for the 12-month period from 1 January to 31 December 2022, and to provide details of their policies and practices for supporting employee wellbeing and managing employee attendance.

In total, 137 responses were received from organisations in the private and public sectors, up from 116 responses in 2021 and 99 responses in 2019. Respondent organisations employed a total of 135,742 people, including 114,104 permanent staff. This was up from 95,488 and 77,238 employees respectively in 2021.

The 2023 dataset represents the highest number and per centage of total and permanent staff over the history of the survey. The 2023 sample represents 6.57 per cent of all employees in New Zealand. This is the highest representation of employees since the survey began; the next-highest was 6.52 per cent in 2015.

Overall, the 2023 survey represents the largest number of employees for any such survey in New Zealand.