



2016 Australian Employee Insights Report





Please note: Some of the survey questions for this report allowed for respondents to select from multiple responses while others were single response only. The content in this report that relates to survey data where respondents were able to select from multiple answers are marked with an asterisk*.

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sunsuper.com.au/employeeinsightsreport



Welcome to the Sunsuper 2016
Australian Employee Insights Report

Foreword from Scott Hartley, Sunsuper CEO

Sunsuper's sole purpose is to inspire and empower Australians to fulfil their retirement dreams. And, as with most companies, we have a well-defined strategy for how we as a business will achieve this purpose.

But I know that strategy alone is not enough for us to achieve our purpose. I believe strategy contributes just 5 per cent; while 95 per cent is the execution. And the execution of strategy is all about people.

In this year's report we have taken a closer look at three topics that are close to my heart; what employees want in a leader, how employees want to be measured and rewarded and what they want from their employer.

I strongly believe it's not just a CEO's job to lead, but rather it is everyone's job within an organisation to lead. Here at Sunsuper we've tried hard to remove hierarchies and silos. We want our employees to feel valued and that they each play an important role in helping Sunsuper achieve its objectives. We know that for our employees to feel this way, we need to provide them with not only a healthy and safe work environment, but one in which they are also engaged and happy. To this end, I have certainly found this year's insights interesting and informative in understanding what employees really want and value.

The results of this year's report are based on research conducted by Galaxy Research, on behalf of Sunsuper, over the last 12 months in which more than 1,000 Australian employees aged between 18-69 years who worked in businesses with at least 20 staff were surveyed.

To assist you in using these insights in your own organisation, the Australian Human Resource Institute (AHRI) has also provided some tips throughout the report.

I hope you find the report as informative as I did.

Scott Hartley
CEO, Sunsuper

make your dreams
more than dreams

A note from Lyn Goodear, CEO And Managing Director AHRI

AHRI is pleased to contribute to Sunsuper's 2016 Employee Insights Report.

The views expressed in this report on leadership, performance and what makes a good employer are particularly valuable because they come from employees.

The people who work in an organisation are very often the organisation's most vital asset. Listening to what they have to say about the products and customers of the business can therefore be of critical importance and is often a major contributor to the organisation's competitive advantage in the market. Listening also increases the likelihood that the business will engage and retain their employees.

That is no more true than when workplaces take note of employee insights gained through research. Such insights can assist greatly in determining solutions that work best for the business.

AHRI's contribution to this report is the provision of some useful tips and resources to assist in the leadership and management of people within organisations. The guidance provided is sourced from AHRI's online support centre, AHRI Assist (ahri.com.au/assist), and the articles referenced are from AHRI's magazine and digital publication HRM Media.



Lyn Goodear
CEO and Managing Director, AHRI

About AHRI

The Australian Human Resources Institute (AHRI) is the national association representing human resource and people management professionals. AHRI has around 20,000 members from Australia and across the globe.

AHRI sets the professional standard for HR in Australia through HR certification; provides formal education and training services in HR, people management and business skills; produces world-class conferences; and holds seminars and networking opportunities all over Australia - including its biggest annual event - the AHRI National Convention. Each year, AHRI commends excellence in HR practice across Australia through the highly regarded AHRI Awards.

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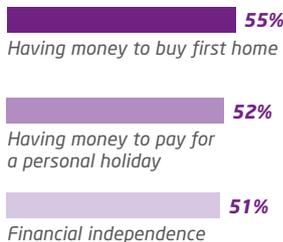
SNAPSHOT **Australians' views on retirement and money**

Sunsuper surveyed more than 1,000 Australians about their dreams and fears in relation to all things money, finances, budgeting and retirement. Here is what we found out...

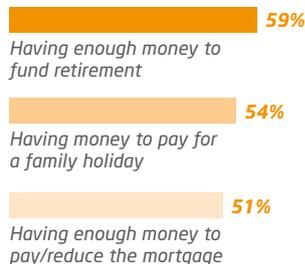
Top three financial dreams*



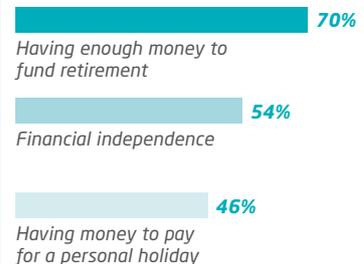
Gen Y



Gen X



Baby Boomers



Women and super

Only 15% of Aussies know that women retire with about 50% less on average than men.



Retirement

Australians' most common dream for retirement is to travel overseas (58%).

If money wasn't an object, one in six Australians would like to retire at age 40.

One third of Australians are unsure if they'll have enough super when they retire as they don't know how much they'll need.

19% of Australians say when they retire they want to grow old disgracefully.

A third of Aussies don't know what age they can access their super.

Where do Australians want to travel to in retirement?



- 34% New York
- 29% Perth
- 19% Prague
- 8% Bali
- 7% Rio de Janeiro
- 3% New Delhi

Retirement makes people feel...



- 46% Relieved/free
- 33% Happy/excited
- 21% Scared/sad

Top three things keeping Australians up at night...



- 24% Not having enough to pay for the household living expenses
- 21% Them or their partner losing their jobs
- 20% Financial independence

Top three worst financial decisions Australians have ever made...

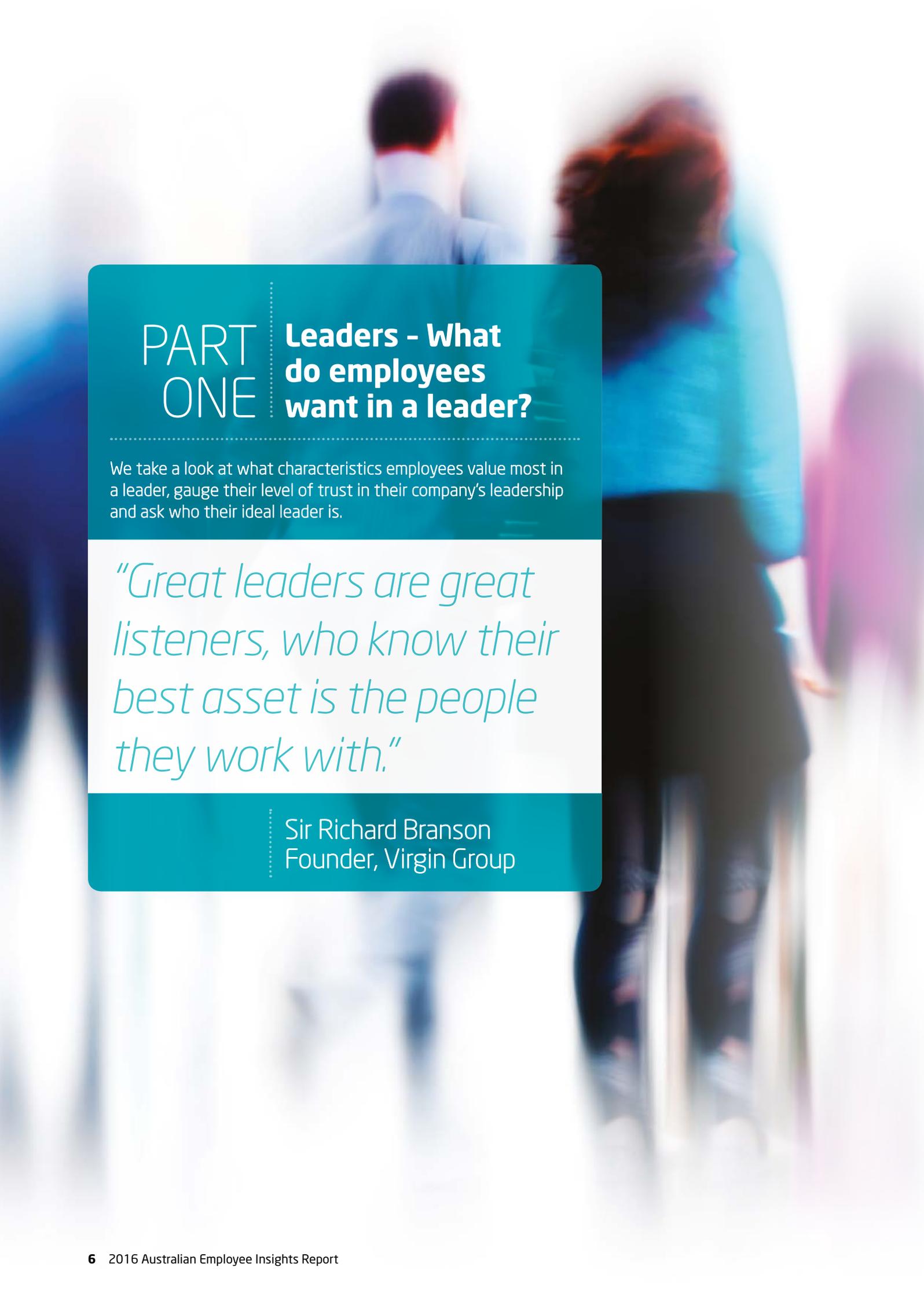


- 27% Not keeping a budget
- 27% Not putting money regularly into savings
- 21% Not investing in super earlier

Top three financial dreams Australians have for their children are...



- 41% Find a job/career that they love
- 26% That they have enough money for a comfortable lifestyle
- 12% That they are good at handling money matters



PART ONE

Leaders - What do employees want in a leader?

We take a look at what characteristics employees value most in a leader, gauge their level of trust in their company's leadership and ask who their ideal leader is.

"Great leaders are great listeners, who know their best asset is the people they work with."

Sir Richard Branson
Founder, Virgin Group

Leadership characteristics

Surprisingly, when it comes to the characteristic Australian workers most value in a leader, education, qualifications and previous experience have very little to do with it.

The most important quality employees want in their leader is integrity (27%), followed closely by trust (23%) and being good with people (19%).



Women and part-time/casual workers are more likely to value 'being good with people' over 'trust' in a business leader.



Gen Y is the only generation to rate 'trust' (22%) and 'being good with people' (21%) over 'integrity' (20%).

Most valued leadership qualities



Trust in leadership

With trust rating as the second most valued characteristic valued in a leader, it is noteworthy that 7% of people still say they don't have any trust in their leader.

In fact, there is still a large amount of room for improvement when it comes to Australian employees' trust in their immediate manager and senior management:

Less than half (46%) of people said they 'always' trust their immediate manager and less than a quarter (24%) said they 'always' trust senior management. And interestingly trust in both immediate manager and senior management declines as age and company size increases.

When broken down by industry, agriculture, mining and manufacturing employees are the most likely to not trust their immediate manager, and also the most likely to always trust senior management.



Women are more likely to trust their immediate manager in comparison to men, but less likely to trust senior management.



Only 10% of government workers admitted to 'always' trusting senior management.

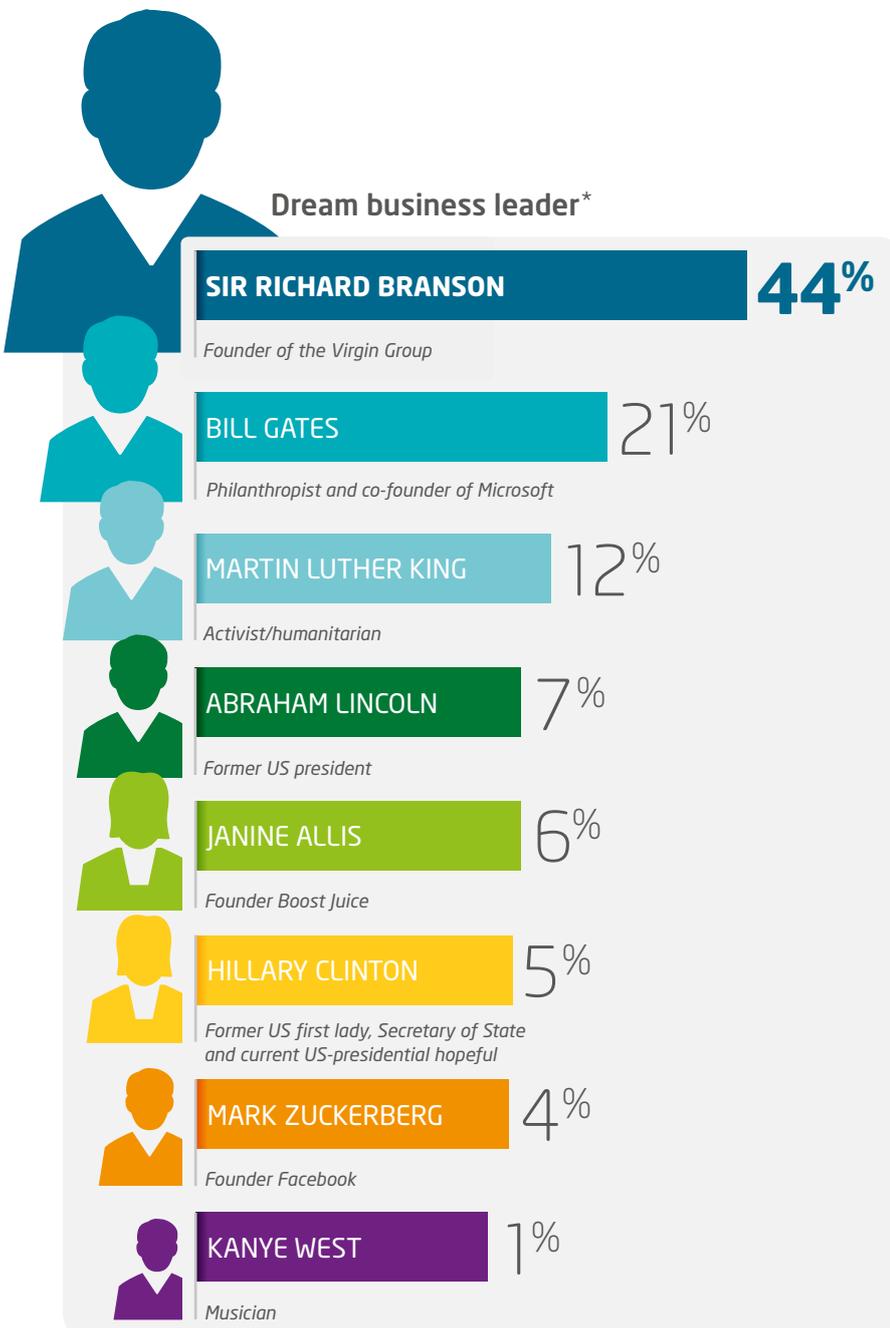
Trust in immediate manager and senior management



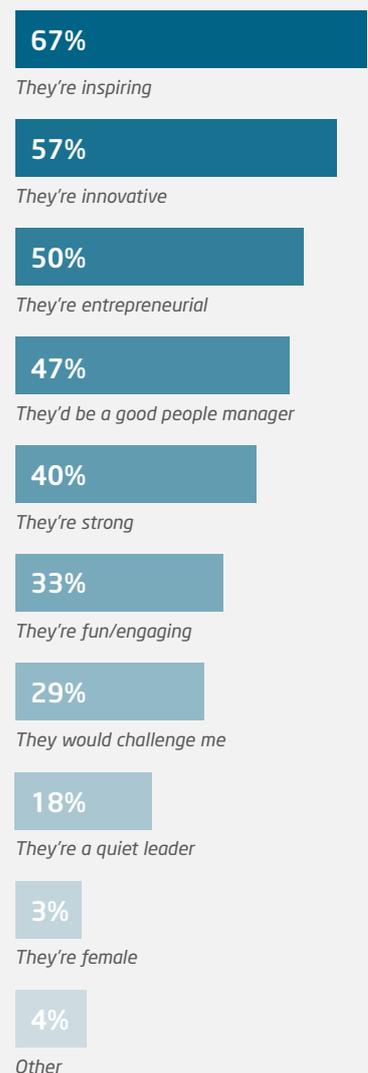
Dream business leader

When Australian employees were presented with the below options as to who their ideal business leader would be, **the preferred leader was Sir Richard Branson (44%)**. He was the preferred leader across all respondent groups, no matter the age, sex, work status, company size, household income or state.

The main reason people selected Richard Branson as their ideal business leader is because they believed he was 'innovative' (73%), 'entrepreneurial' (68%), 'inspiring' (67%) and 'a good manager of people' (62%).



Drivers for selecting ideal business leader*



Tips from AHRI

There are many different views on what constitutes management and what is required for leadership. Management involves managing and controlling a group to accomplish a goal. Leadership refers to an individual's ability to influence, motivate, and enable others to contribute towards organisational success. It is important that individuals are able to demonstrate both management and leadership qualities if long-term business objectives are to be achieved.

Leadership involves setting the vision and direction to move forward. Great leadership skills can increase retention and productivity as people are more motivated and engaged to give more to their roles. A capable leader may:

- Ensure productive two way communication within the team so everyone knows what is required and expected.
- Involve others in the decision making process, so that employees contribute and feel valued.
- Provide encouragement, and recognise and reward good performance.

The style of leadership may depend on the personality, the situation and experience of the leader, but interpersonal skills, emotional intelligence and the ability to inspire trust and confidence are vital.

Management involves directing people and resources to make the vision a reality. Managers need to be effective and have a positive working relationship with their employees. A successful manager requires numerous skills;

- Strong organising and planning skills.
- Ability to communicate with staff and explain work requirements and tasks clearly.
- Effective delegation.
- Interpersonal skills that enable them to act as a leader, motivator, coach and figure of authority.
- Financial awareness and how to manage budgets effectively.

In general, people respond well to managers who are consistent, clear, fair, firm but understanding and flexible. When employees feel trusted, respected and valued by their manager it encourages them to perform well and they are less likely to leave their roles.



Further readings:

- *What turns good leadership into great* - hrmonline.com.au/section/featured/the-four-traits-of-a-great-leader
- *The skills modern leadership needs* - hrmonline.com.au/section/opinion/the-skills-modern-leadership-needs

PART TWO

Performance - how to measure and reward

An important element of employee satisfaction is making sure as an employer you recognise and reward your employees appropriately. We take a look at how employees want to be rewarded, as well as how effective they find their company's performance review process.

"Start with good people, lay out the rules, communicate with your employees, motivate them and reward them. If you do all those things effectively, you can't miss."

Lee Iacocca
Former Chrysler Chairman
and Ford President

Performance reviews

Performance reviews can be a valuable tool to help drive high performance in an organisation. However, only **48% of Australian workers said they found the performance review process and the feedback they received useful.**

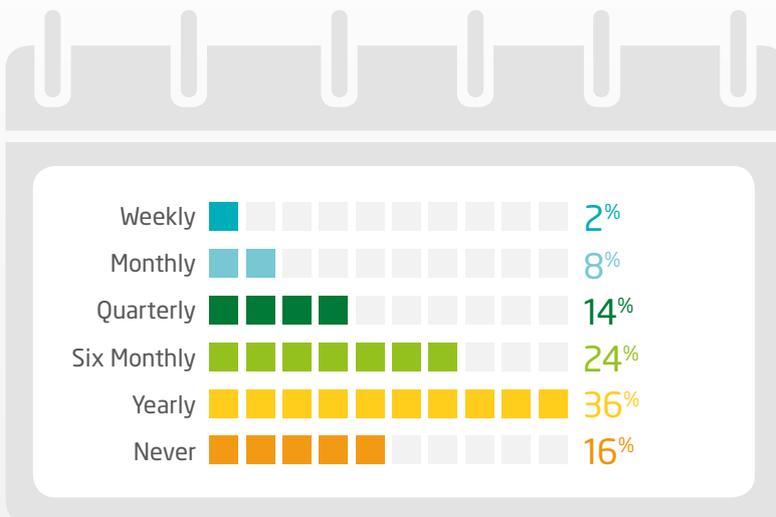
The biggest reason people don't find their performance review useful is because they're not 'directly rewarded based on their review' (47%), followed by their company 'isn't prepared to pay more for above average performance' (34%) and 'my manager doesn't recognise the value I add' (27%).

Of the 84% of people who have regular performance reviews, most only have them yearly (36%). However, **employees who have a performance review at least every six months are the most likely to find the process useful.**



Business services and government workers are nearly four times more likely to have a performance review than retail and hospitality workers.

Current frequency of performance reviews:

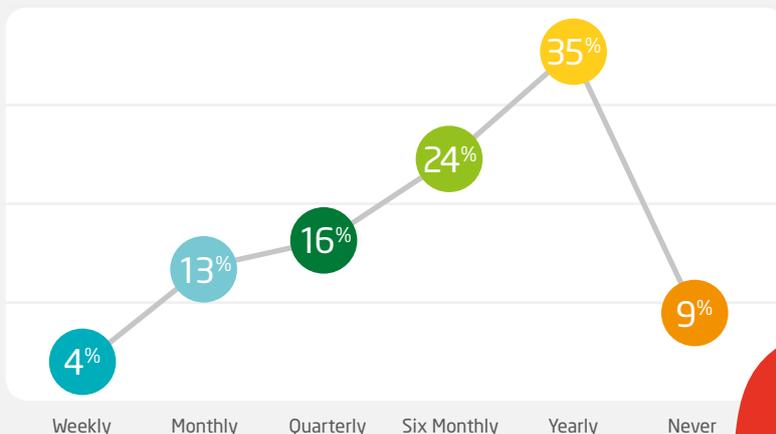


Breakdown of respondents*

COMPANY SIZE



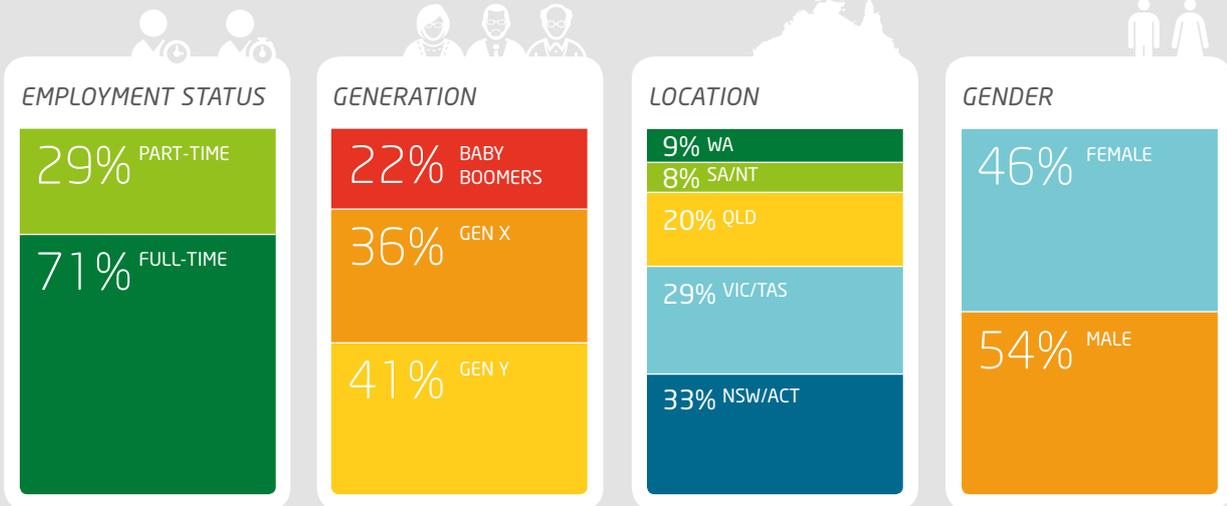
Frequency employees find performance reviews most useful





Employees in the agriculture, mining and manufacturing industries are the only group to say the biggest reason they don't find performance reviews useful is because their employer 'isn't prepared to pay for above average performance'.

...who find the performance review process useful.



Reward and recognition

Although most companies have some kind of formal or informal reward and recognition program, **more than two thirds (71%) of employees said that they're not regularly rewarded and recognised for their performance.**

People in smaller companies are more likely to feel that they're regularly recognised for their work than those in larger companies.

When broken down by industry, agriculture, mining and manufacturing workers (38%) are the most likely to be regularly rewarded for performance, and retail and hospitality (25%) and government (25%) workers are least likely.

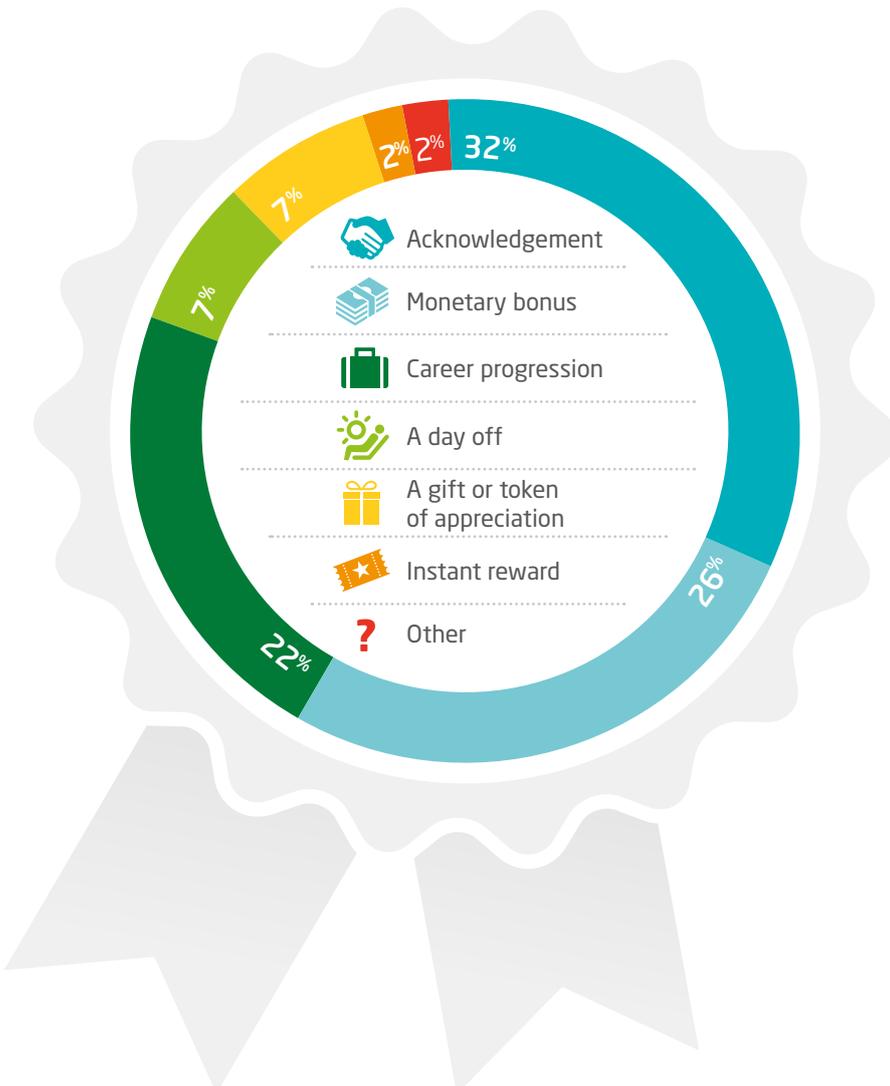


QLD is the only state to say they'd most like to be rewarded via a monetary bonus rather than a simple thanks and acknowledgement.

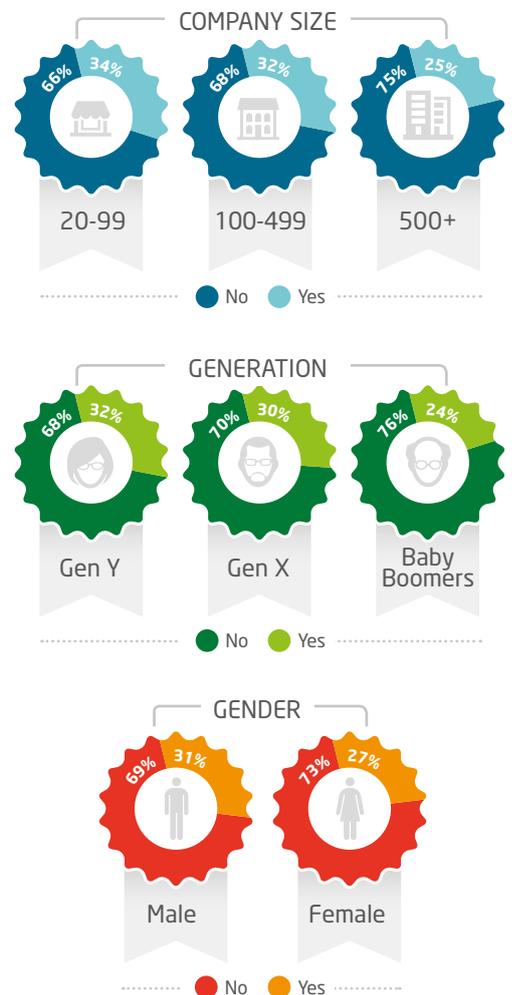


Gen Ys said 'career progression' was the way they most want to be rewarded for good performance.

How Australian workers want to be rewarded



Who feels regularly rewarded and recognised for their performance?



Tips from AHRI

The performance appraisal

Effective performance appraisals rely on clear performance standards being established and discussed with employees. Using these standards, appraisal involves:

- Observing the employee's work behaviour and results, and comparing them against the agreed standards.
- Evaluating job performance and the employee's development potential.
- Providing feedback to the employee.
- Acting on the results of the appraisal process, for example through promotion, reward and recognition, counselling, training, or in some cases termination.

Incentive and reward programs

Incentive and reward programs are intended to reinforce the process of performance improvement by constantly reminding everyone how much the organisation appreciates an employee's and/or team's efforts and contributions.

Incentive and reward programs can achieve the following:

- Provide a competitive reward structure.
- Celebrate organisational objectives.
- Reinforce activities and contributions.
- Reinforce desired and demonstrated performance and outcomes.
- Recognise the aspirations of employees.

When designing an incentive and reward program look to select the reward plan design and elements that best suit your circumstances. Typical variable reward plans include:

- Incentive Plans (Short Term Incentive STI and Long Term Incentive LTI).
- Sales Plans.
- Bonus Payments.
- Performance Pay.
- Profit Share.
- Commissions.
- Recognition Plans.

Plans are only as good as their implementation and operation. Variable reward plans can often fail, not because of the design but because of poor planning, implementation and operation. Plan participants need to understand the details of the plan and be in agreement with its design. If participants feel that the objectives of the plan are too hard to achieve then they are unlikely to be motivated to participate.



Further readings:

- *The last gasp for the performance review*
hrmonline.com.au/section/featured/is-this-the-end-of-the-performance-review
- *Can performance reviews add value*
hrmonline.com.au/section/opinion/can-performance-reviews-add-value/

PART THREE

Employer of choice - What do employees really want?

Attracting and retaining the right staff for your business is key – but what do employees value from their employer? We take a look at the company benefits employees value most and the role superannuation may play.

“Always treat your employees exactly as you want them to treat your best customers”

Stephen R Covey
Author of best-selling book,
The Seven Habits of Highly Effective People

Company benefits

With more than a quarter of Australians saying that corporate benefits are one of the most important things when considering a prospective employer, there are a variety of incentives businesses can use to attract and retain staff.

When asked what company benefits they'd value most, 'flexible work hours/options' (53%), 'financial bonuses' (51%) and 'higher superannuation contributions' (43%) were the top three. However this changed when split by gender. Men were most likely to rate 'financial bonuses' as the best incentive (51%), and women were most likely to rate 'flexible work hours/options' (59%).

In terms of biggest differences between benefits currently offered and the benefits most preferred by staff, the biggest areas for improvements for Australian businesses are 'higher super contributions', 'financial bonuses' and 'free onsite gym'.



Employees in SA and NT are the only ones to rate 'financial bonuses' above 'flexible work hours/options' as their most valued benefit.



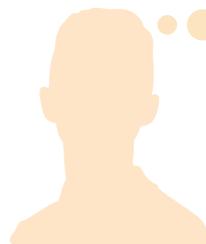
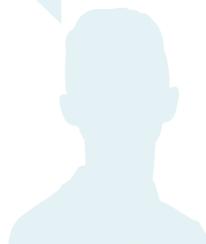
Only 18% of Australian workers get higher superannuation contributions as a corporate benefit when 43% said it was the benefit they'd most value.

Benefits currently offered*

- 1 Flexible work hours/options (41%)
- 2 Training & personal development opportunities (41%)
- 3 Salary packaging (37%)
- 4 Social events/activities (30%)
- 5 Leadership development programs (24%)
- 6 Financial bonuses (22%)
- 7 Discounts on company-offered products (21%)
- 8 Higher super contributions (18%)
- 9 Employee health & wellbeing initiatives (17%)
- 10 Corporate private health insurance packages (16%)
- 11 Discounted memberships and store discounts (16%)
- 12 Additional paid parental leave (14%)
- 13 Volunteer day (13%)
- 14 Onsite education seminars on super and finances (13%)
- 15 Discounted food, drink or meals (9%)
- 16 Access to free financial advice (9%)
- 17 Free onsite gym (8%)
- 18 Onsite childcare (4%)

Benefits most preferred*

- 1 Flexible work hours/options (53%)
- 2 Financial bonuses (51%)
- 3 Higher super contributions (43%)
- 4 Training & personal development opportunities (38%)
- 5 Salary packaging (34%)
- 6 Employee health & wellbeing initiatives (25%)
- 7 Corporate private health insurance packages (24%)
- 8 Leadership development programs (21%)
- 9 Social events/activities (17%)
- 10 Free onsite gym (15%)
- 11 Discounted food, drink or meals (13%)
- 12 Discounted memberships and store discounts (13%)
- 13 Access to free financial advice (12%)
- 14 Additional paid parental leave (11%)
- 15 Discounts on company-offered products (11%)
- 16 Volunteer day (8%)
- 17 Onsite childcare (7%)
- 18 Onsite education seminars on super and finances (6%)



Superannuation

With nearly half of people saying that higher superannuation contribution rates would be one of the most valued benefits a company could offer, Australian employees definitely see how important their employers' super contributions are to helping them save for retirement.

Higher income earners (\$130k+) were three times more likely to know the standard super rate than lower income earners (<\$40k). When broken down by industry, retail and hospitality workers are the least likely to know the rate (20%), and business services workers are the most likely (39%).

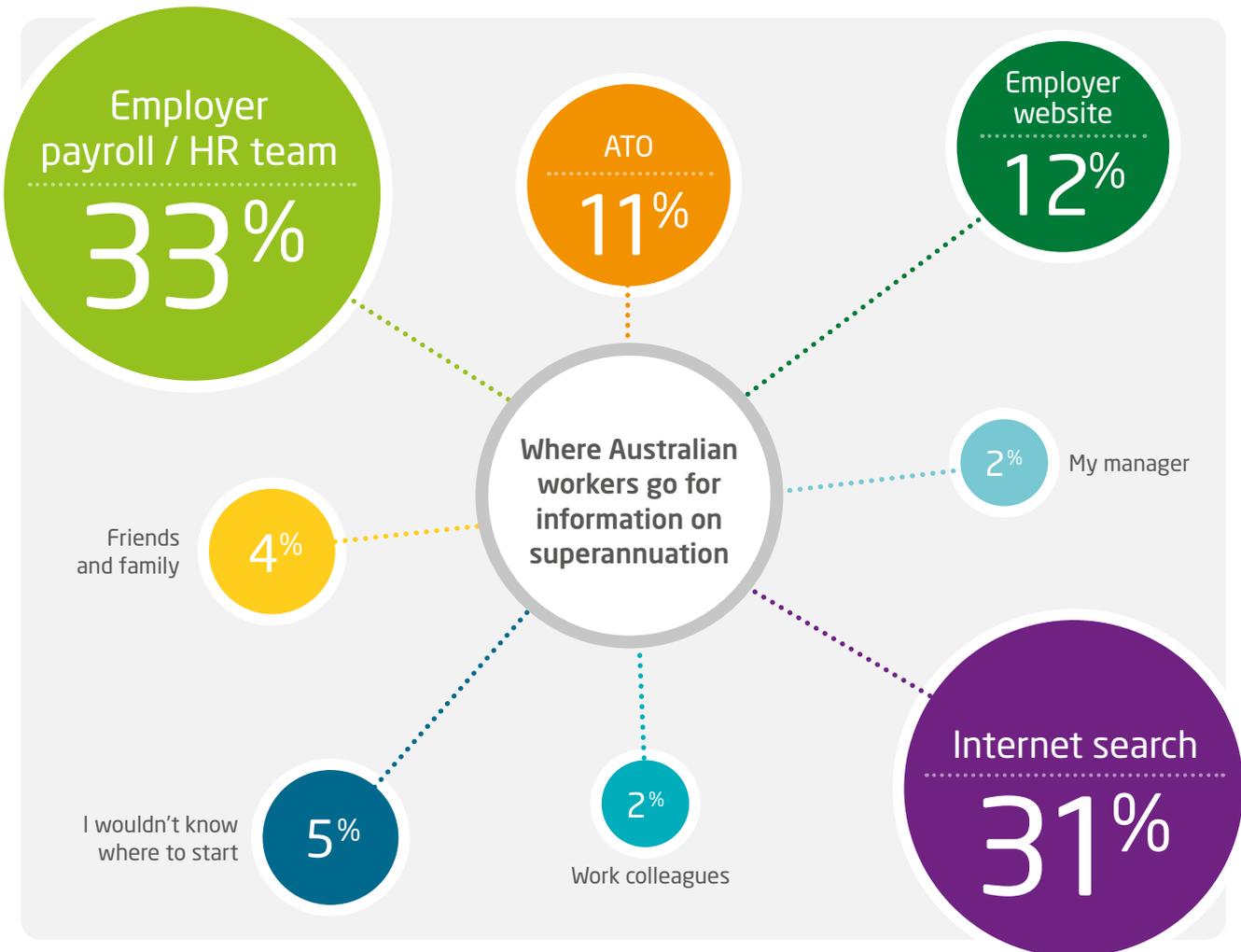
When looking for information about their super, 49% of Australians would first turn to their place of employment.



Nearly three quarters of Australian workers (72%) didn't know that the current standard superannuation guarantee (SG) rate is 9.5%.



WA workers are the most likely to know their standard SG rate (33%), and workers in QLD, NSW and the ACT were the least likely (26%).



Tips from AHRI

The difficulty with knowing how to engage and motivate employees is that often the strategies that will work for individual employees are as individual and unique as they are. Highlighted below are some common approaches to improving engagement and motivation in the workplace:

- **Improve communication:** provide information to staff frequently, with a clearly stated purpose and through a variety of mediums taking account of individual preferences (e.g. hold a staff meeting, and back up with key points in an email). Offer opportunities for feedback and questions - if employees know why they are doing something, they are more likely to be engaged and motivated.
- **Lead by example:** show employees what you expect from them and 'walk the talk' - if employees see and believe that their managers and leaders are committed to the organisation, they are more likely to show commitment themselves.
- **Empower employees:** ask for employee input on their work and how they can improve their performance, then follow-up and implement where you can - if employees feel like they are been listened to and their views are acted upon, they are more likely to speak and care about the outcome.
- **Offer opportunities:** for career advancement or for personal/professional development (training, shadowing, etc) - this is valuable to employees as they know they are working towards something, and the organisation gains because employees gain new skills, competencies and enthusiasm. It also assists in succession planning.
- **Provide rewards and recognition:** offer incentives such as rostered days off, vouchers, team lunches, to boost motivation and celebrate successes - if employees see that the effort will be rewarded, they are more likely to put more into their work.

About Sunsuper

Sunsuper is one of the largest and fastest growing superannuation and retirement businesses in Australia. As at 31 March 2016 we had more than one million members across the country and \$34 billion in funds under management.

Our purpose is to inspire and empower Australians to fulfil their retirement dreams.

Recently our dedication to delivering the best for members and employers was recognised at the Chant West Fund Awards 2016, where Sunsuper took home both the Best Fund: Integrity and Corporate Solutions Fund of the year awards.



Led by Chief Executive Officer Scott Hartley, Sunsuper is changing the superannuation game by combining a high performance commercial business framework, with a fierce focus on the end customer - our members.

Every interaction with our members is driven by our desire to help them achieve financial freedom. Some of the services we can offer your employees are:



targeted and relevant communications



insurance



low fees



advice



solid investments



education

We are also committed to helping make managing employer super obligations as easy as possible. We offer a range of benefits for employers including:



easy administration



industry news updates



access to our clearing house



support from our dedicated employer team



super education for your employees



assistance with employee wellbeing

If you want to know more about how Sunsuper can add value to your business and help your employees fulfil their retirement dreams, please visit [sunsuper.com.au/employers](https://www.sunsuper.com.au/employers) or contact our employer team today on **13 11 84**.



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