Employers who have retention difficulty

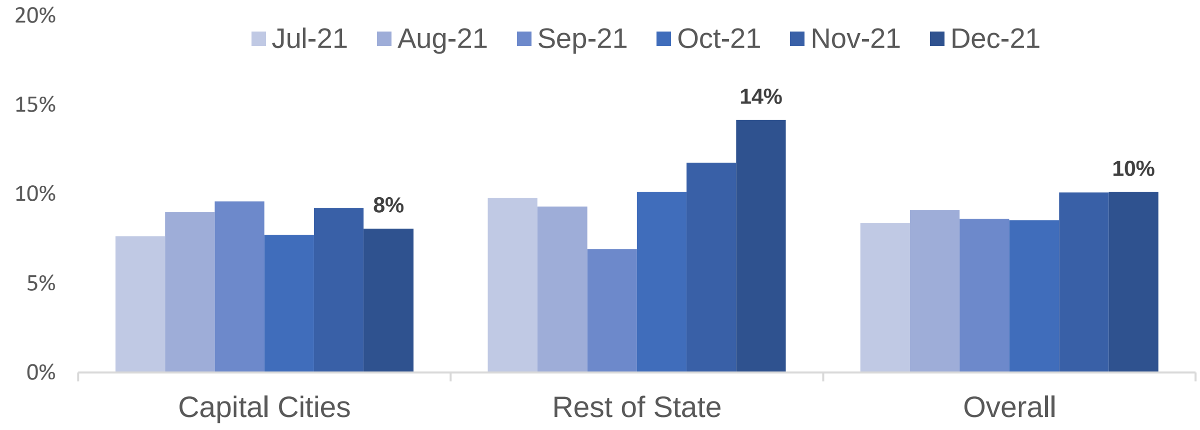
December 2021 Spotlight

As part of the *Recruitment Experiences and Outlook Survey*, employers are asked whether they had difficulty keeping staff over the past 3 months (referred to in this Spotlight as ‘retention difficulty’). Some preliminary results from this question were reported in the July 2021 Recruitment Insights Report. This month’s Spotlight provides some further results on this topic.

Retention difficulty over the past 6 months

The proportion of employers reporting retention difficulty has increased slightly over the past 6 months, from 8% in July 2021 to 10% in December 2021. In Rest of State areas, it has increased from 10% to 14% over this period, while in Capital Cities there has been little change.

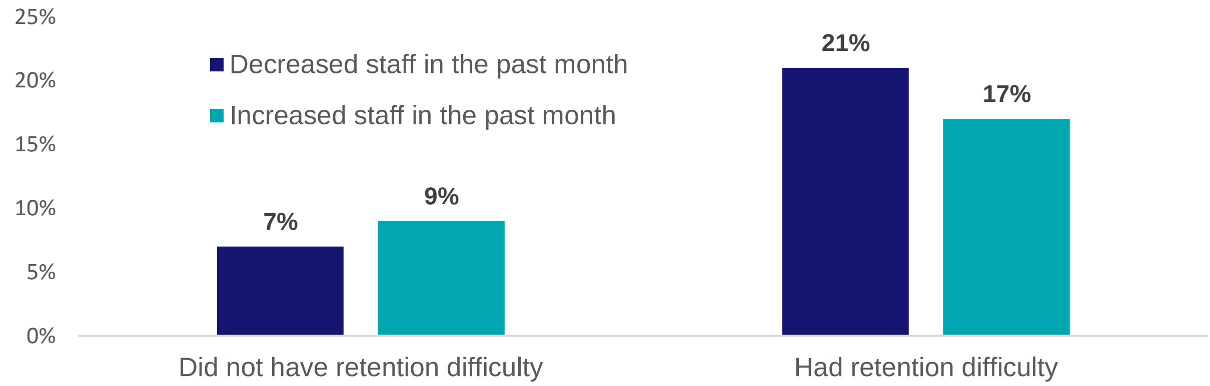
Employers who had retention difficulty in the past 3 months
Proportion of all employers



Staffing changes for employers with retention difficulty

Employers with retention difficulty experience more frequent changes to their staff numbers. Across July to December 2021, these employers were both more likely to have decreased staff (21%) and more likely to have increased staff (17%) in the previous month compared with employers without retention difficulties (7% and 9% respectively). In addition, employers with retention difficulties were more likely to have decreased staff than increased staff, whereas the opposite is true for employers without retention difficulties.

Employers who had retention difficulty in the past 3 months
Proportion of all employers, July 2021 to December 2021



Recruitment experiences of employers with retention difficulties

Employers who had retention difficulty in the past 3 months are far more likely to have attempted to recently recruit (70%) than those without retention issues (40%). Nearly three quarters (73%) of employers who had retention difficulty and recently attempted to recruit said that recruitment was difficult, and around a third (32%) had long-term unfilled vacancies at the time of the survey. These results show that employers who have trouble keeping staff also often have difficulty replacing them.

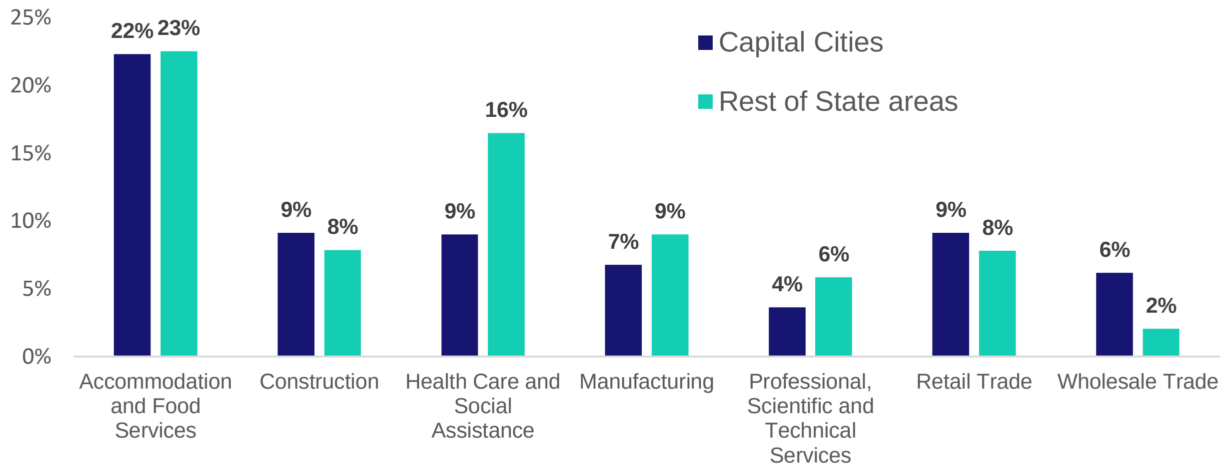
Table 1: Recruitment experiences and retention difficulty (July 2021 to December 2021)

	Attempted to recruit in the past month (% of all employers)	**Recruitment was to replace staff** (% of recruiting employers)	**Had recruitment difficulty** (% of recruiting employers)	**Had long-term unfilled vacancies**[1] (% of recruiting employers)
Had retention difficulty[2]	70%	85%	73%	32%
Did not have retention difficulty	40%	65%	52%	21%

Accommodation and Food Services is still most affected by retention issues

The Accommodation and Food Services industry has by far been the most affected by retention difficulties, reported by over a fifth of employers in both Capital Cities and Rest of State areas. In Health Care and Social Assistance, the incidence of retention difficulty differed notably by region type; 16% of employers reported having retention difficulty in Rest of State areas, compared with only 9% in Capital Cities. The differences in retention difficulty across region types was generally small for most other industries.

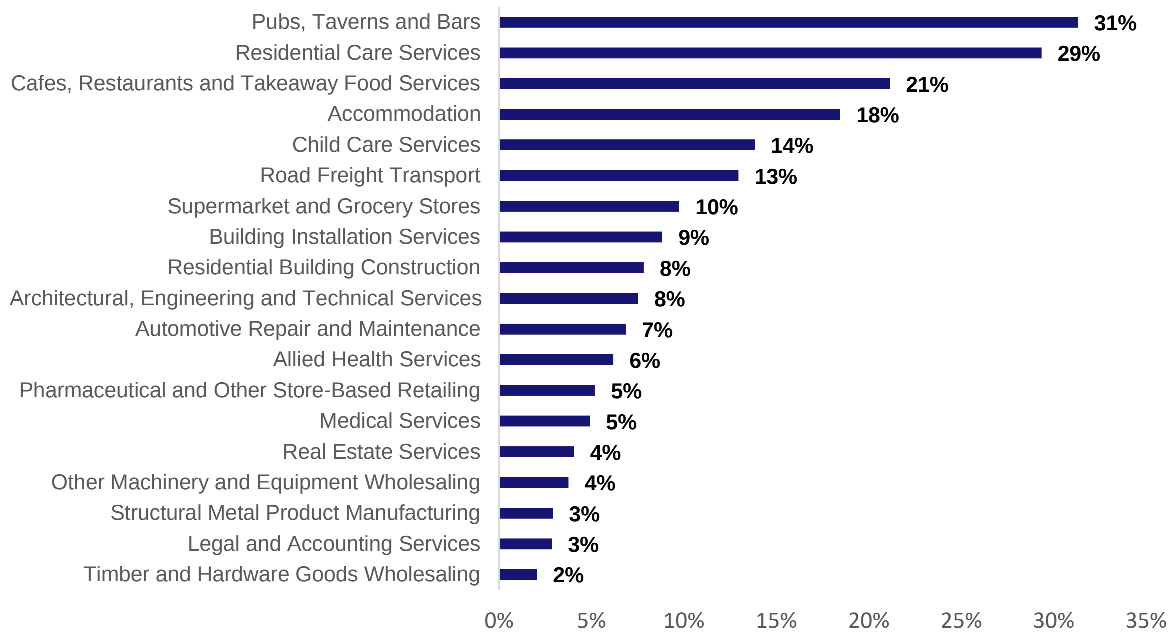
Employers who had retention difficulty in the past 3 months – by industry and region type
Proportion of all employers



[1] Refers to employers who had unfilled vacancies, that had been unfilled for more than 1 month, at the time of the survey.
[2] Retention difficulty in the past 3 months.

The chart below shows retention difficulty by selected industry sub-sectors[3]. From July to December 2021, Pubs, Taverns and Bars most commonly reported having retention difficulty in the previous 3 months (31%) followed by Residential Care Services (29%), Cafes, Restaurants and Takeaway Food Services (21%) and Accommodation (18%).

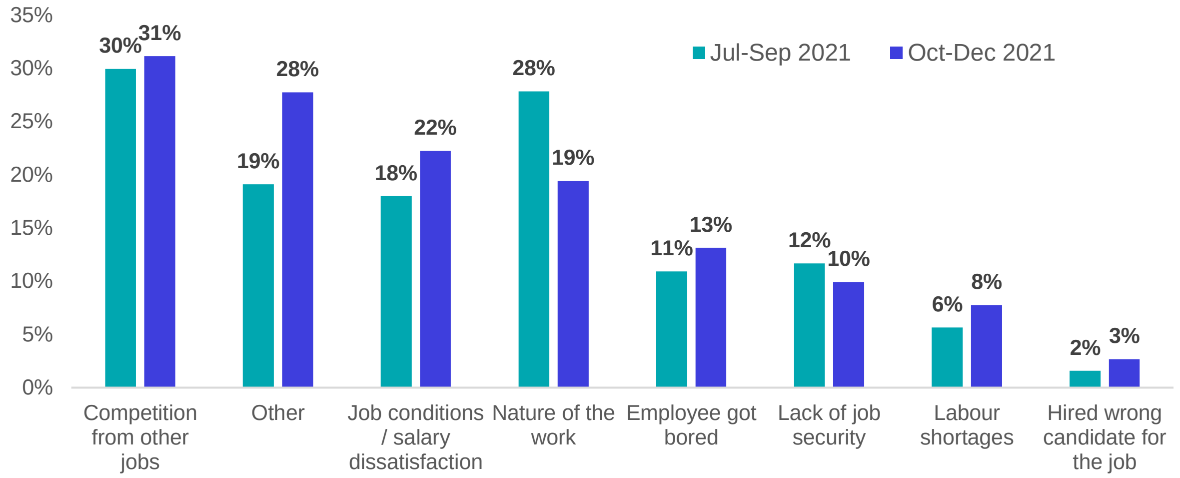
Retention difficulty by selected industry sub-sectors
Proportion of all employers, July to December 2021



Have the reasons for retention difficulty changed?

The reasons for employers' retention difficulty have changed somewhat over the past 6 months. 'Competition from other jobs' was the most common reason for employers' retention difficulty across both quarters. The main shift that occurred over the quarter is that 'Nature of the work/industry' decreased from 28% to 19% over the quarter, while employers reporting 'Other' reasons increased from 19% to 28%. 'Other' includes a variety of COVID-19 related reasons, including stress and low morale due to COVID-19, and vaccine requirements. The increase in this category may reflect the easing of restrictions and ending of lockdowns that occurred in October 2021.

Reasons for employers' retention difficulty
as a proportion of employers with retention difficulty



[3] In this report industry sub-sectors refer to the 3-digit industry groups defined by the ABS' ANZSIC classification. Industry sub-sectors presented in the chart were selected based on sample size.

Background

Information in this report is based on the *Recruitment Experiences and Outlook Survey* (REOS), which is an ongoing survey of employers across Australia. Approximately 1,200 employers are surveyed each month, with data published on the Labour Market Insights website. While the data are indicative of recruitment activity, they may be subject to seasonal factors and other volatility and should therefore be used with caution. In addition, the survey is targeted towards employers with 5 or more employees, and excludes many government organisations.

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