

June 2022
Recruitment activity¹

58%

Monthly change: ▼ 1% pt
Yearly change: ▲ 10% pts

June 2022
Recruitment difficulty rate

67%

Monthly change: ▼ 1% pt
Yearly change: ▲ 15% pts

June 2022
Expect to increase staff

28%

Monthly change: ▼ 4% pts
Yearly change: ▲ 8% pts

Key findings from the Recruitment Experiences and Outlook Survey (REOS)

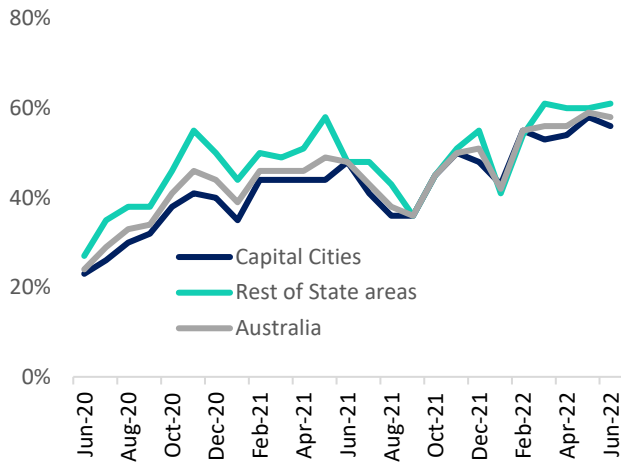
- REOS results for June 2022 point to a continued tight labour market. Recruitment activity is just below the peak recorded last month, as is the level of recruitment difficulty. Expectations to increase staff have eased for the second consecutive month but still remain higher than a year ago.
- Some 58% of employers reported recruitment activity, which is 1 percentage point lower than the record high recorded last month.
 - In Capital Cities, the recruitment rate fell by 2 percentage points from last month's peak to stand at 56%. Meanwhile, the recruitment rate in Rest of State areas edged up to 61%, an increase of 1 percentage point over the month.
 - The share of recruitment that was due to turnover alone remained high at 61%, however the proportion of employers recruiting due to both turnover *and* new positions fell to 12% (from 16%) while the proportion recruiting only for new positions increased to 27% (from 23%).
- The recruitment difficulty rate remains high at 67% of recruiting employers (representing 39% of all employers), down 1 percentage point from last month's peak.
 - In Rest of State areas, the recruitment difficulty rate fell by 4 percentage points to 67%, while in Capital Cities it fell by 1 percentage point to 66%.
 - Recruitment difficulty for Higher Skilled vacancies (ANZSCO Skill Levels 1-3) eased from last month's peak to stand at 71% (still the second highest level on record) while for Lower Skilled vacancies (ANZSCO Skill Levels 4-5) the recruitment difficulty rate remained at 63%.
 - Recruitment difficulty for non-casual positions fell from 74% to 69% over the month, while for casual positions the rate of difficulty increased from 55% to 61%.
- In June 2022, 15% of employers had increased staffing levels over the past month (an equal high with May and March 2022), while 8% had decreased staffing levels.
- Some 28% of employers expected to increase staffing levels over the next 3 months, a decline on May 2022 (32%) and April (36%, the record high). The June 2022 result is 8 percentage points higher compared with June 2021.
- This month's Spotlight provides an overview of recruitment methods used by employers in 2021.

¹ Note: Recruitment activity (also referred to as the 'recruitment rate') refers to the proportion of all employers who are either currently recruiting or who had recruited in the previous month. The recruitment difficulty rate is the proportion of recruiting employers who experienced difficulty hiring staff. The 'expect to increase staff' figure is the proportion of all employers who expect to increase staff numbers over the next three months.

Recruitment indicators – key charts

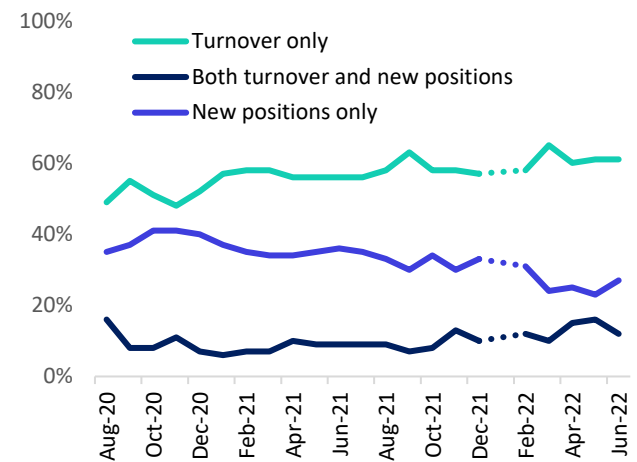
Recruitment activity

Proportion of employers



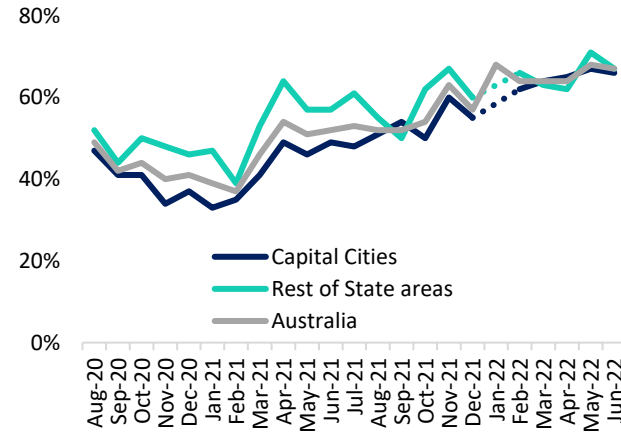
Reasons for recruitment

Proportion of recruiting employers



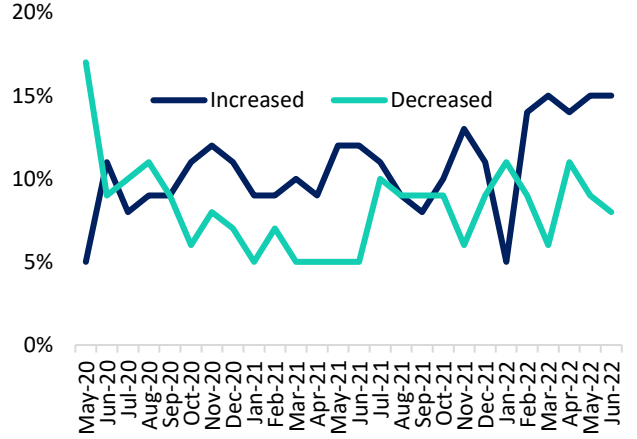
Recruitment difficulty

Proportion of recruiting employers



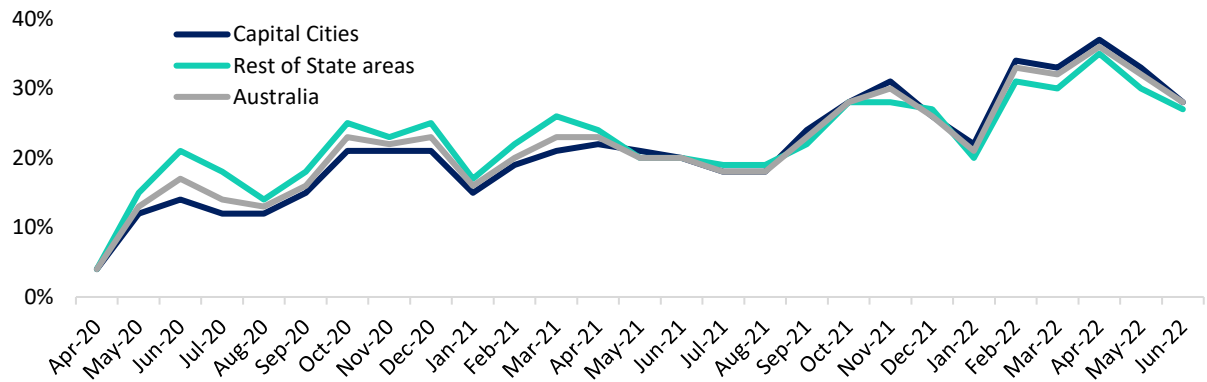
Increased / decreased staff over the past month

Proportion of employers



Employers who expect to increase staff numbers over the next 3 months

Proportion of employers



Note: Some disaggregated data was not publishable in January 2022; hence in some of the above charts data points from December 2021 to February 2022 have been joined by a dotted line.

Spotlight: Recruitment methods used by employers

This month's Spotlight provides an overview of the recruitment methods used by employers in 2021, and how methods have changed compared to 2020.

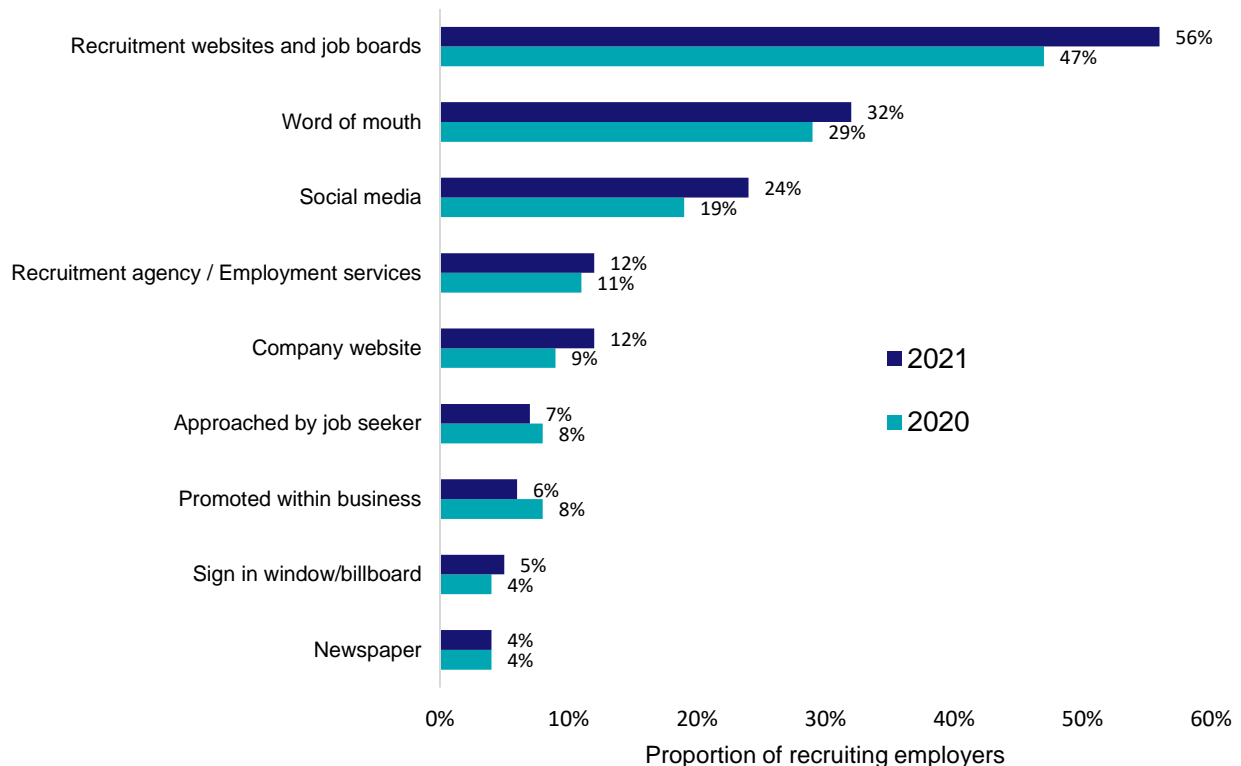
Key shifts from 2020 to 2021

The most notable shift from 2020 to 2021 was an increase in the use of online methods of advertising vacancies. More than one in two (56%) recruiting employers advertised vacancies on recruitment websites and job boards, a notable increase on 2020 (47%). There was a significant rise in the use of social media for recruitment, from 19% in 2020 to 24% in 2021 – a continuation of a long-term trend, as shown later in this Spotlight. The use of company websites also increased from 9% to 12%.

Despite the increase in online methods, there were no significant declines in other methods. In 2021 around 32% of recruiting employers used word of mouth to promote their positions, an increase from 29% in 2020. The use of recruitment or employment agencies moved from 11% to 12% over the year, while the use of newspapers for recruitment remained at 4%.

Methods of recruitment used by employers

(Proportion of recruiting employers, 2020 and 2021)



Industry

Recruitment methods differ significantly by industry. Recruitment websites and job boards were the most commonly used recruitment method in all industries, but this ranged from 70% of recruiting employers in Health Care and Social Assistance to 45% of recruiting employers in Accommodation and Food Services.

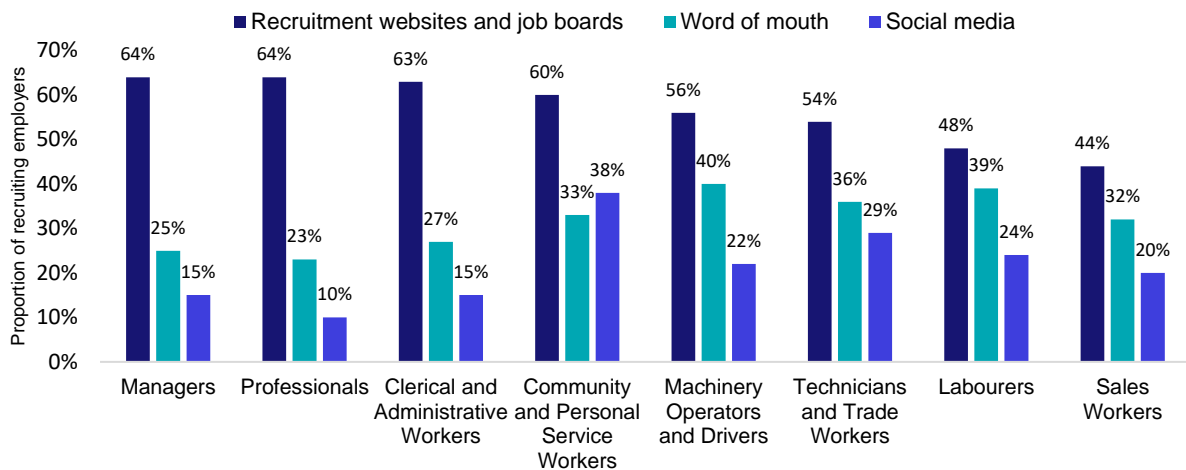
Word of mouth was most commonly used in Construction (38% of recruiting employers), Manufacturing (36%) and Accommodation and Food Services (36%). One in five employers (22%) recruiting in the Professional, Scientific and Technical Services industry used recruitment agencies or employment services providers, more than any other reported industry. Social media was used most commonly in the Accommodation and Food Services industry (40%), followed by the Health Care and Social Assistance industry (25%).

Occupation

Recruitment websites and job boards were also the most commonly used method for each major occupation group, however their usage varied from 64% of employers recruiting for Managers and Professionals, to 44% of employers recruiting for Sales Workers. The use of word of mouth was most common in recruitment for Machinery Operators and Drivers (40%) and Labourers (39%) and least common in recruitment for Professionals (23%). Social media was most commonly used when recruiting for Community and Personal Service Workers (38%), Technicians and Trades Workers (29%), and Labourers (24%).

Use of major recruitment methods by occupation group

(Proportion of recruiting employers, 2021)



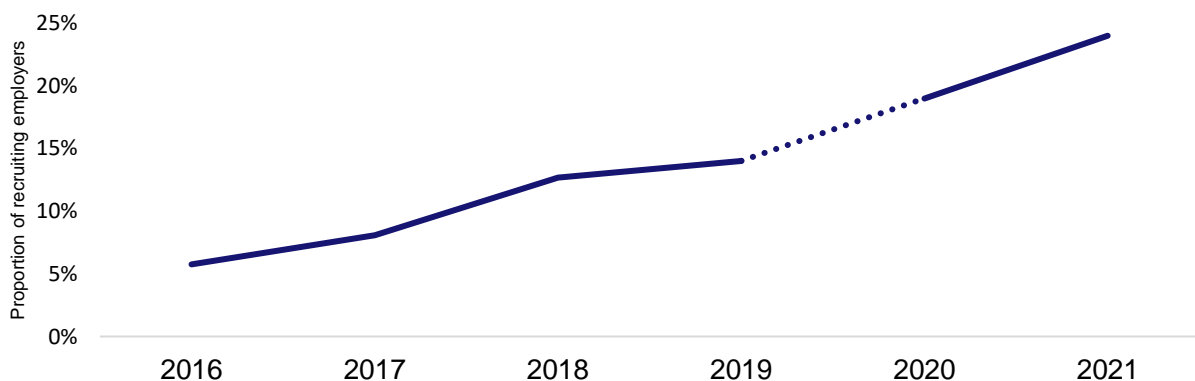
Social media continues to rise

An emerging trend over the past few years has been the increasing use of social media for recruitment. This is when employers advertise a vacant position on a social media platform, including advertising in Facebook job groups and on Instagram. The proportion of recruiting employers using social media as a method of recruitment increased from 6% in 2016 to 14% in 2019, then had a sharper rise to 24% in 2021.

The rise in the use of social media for recruiting is an ongoing trend which may have been accelerated by the impacts of COVID-19 as some businesses were forced to use online methods of recruitment rather than relying solely on in-person methods such as word of mouth. Employers use social media for recruitment because it is inexpensive, fast, and allows job ads to have wide exposure amongst local job seekers.²

Employers using social media for recruitment

(Proportion of recruiting employers, 2016 to 2021)



Note: Comparisons to 2019 and prior should be treated with some caution due to changes in methodology between the SERE survey (2016 – 2019) and REOS survey (2020 - 2021).

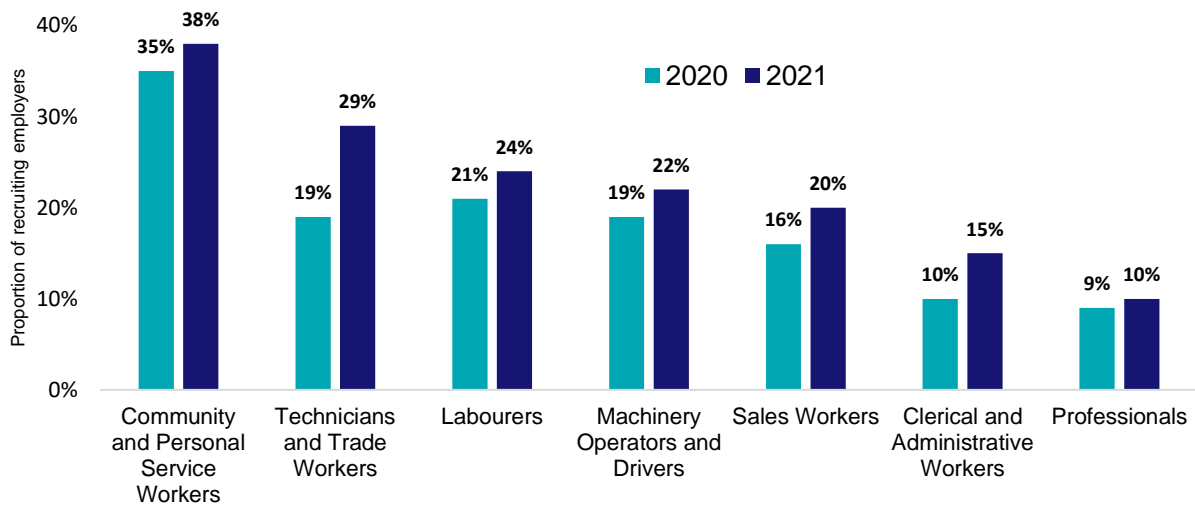
² The research paper on [Facebook job groups for recruiting and job seeking](https://labourmarketinsights.gov.au) on the Labour Market Insight (LMI) website (labourmarketinsights.gov.au) provides more information on the use of social media in the recruitment process.

In 2021, social media was used more often for recruitment in Rest of State areas (where 33% of recruiting employers used it) compared with Capital Cities (18%). The Northern Territory (35%) and Tasmania (30%) were areas where social media recruitment was particularly common. Of the reportable industries, social media was most common in the Accommodation and Food Services industry (40%) followed by the Health Care and Social Assistance industry (25%), as previously mentioned.

Of the major occupation groups, social media recruitment was most common when recruiting for Community and Personal Service Workers (38%) and Technicians and Trades Workers (29%). For Technicians and Trades Workers, usage of social media increased notably over the year by 10 percentage points. Social media recruitment was least common amongst employers recruiting for Professionals (10%) and Clerical and Administrative Workers (15%).

Employers using social media for recruitment, by occupation group

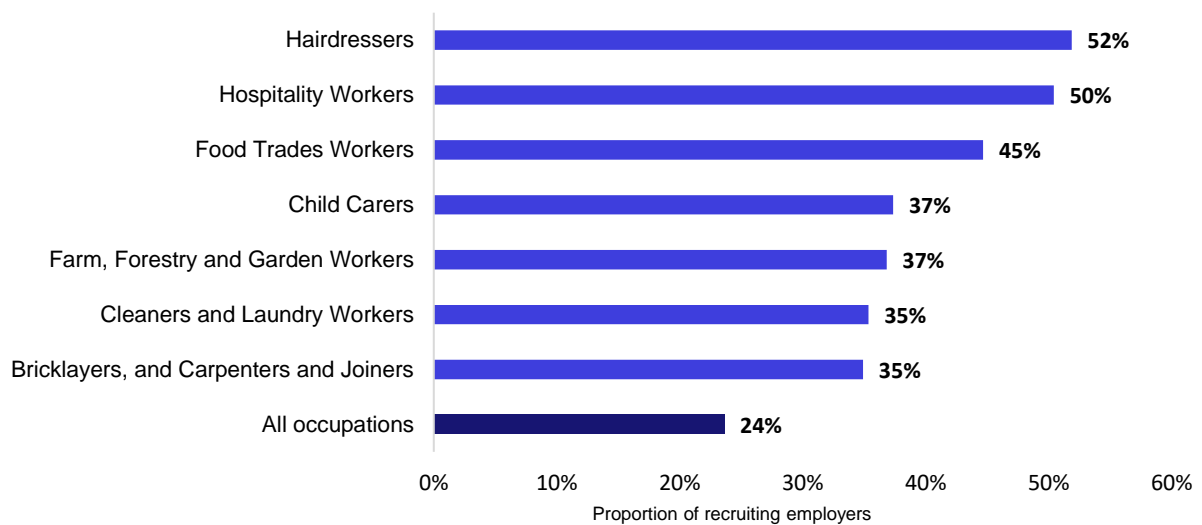
(Proportion of recruiting employers, 2020 and 2021)



The chart below shows the detailed occupation groups for which social media was most common in 2021 (of the categories for which there is sufficient data). Social media was most commonly used in recruitment for Hairdressers (used by 52% of employers recruiting for this occupation), Hospitality Workers (50%), and Food Trades Workers (45%).

Specific occupation groups most commonly advertised on social media

(Proportion of recruiting employers, 2021)



Note: Data for Hairdressers; Bricklayers, and Carpenters and Joiners; and Farm, Forestry and Garden Workers are based on low numbers of records and should be used with caution.

Employers that did not advertise

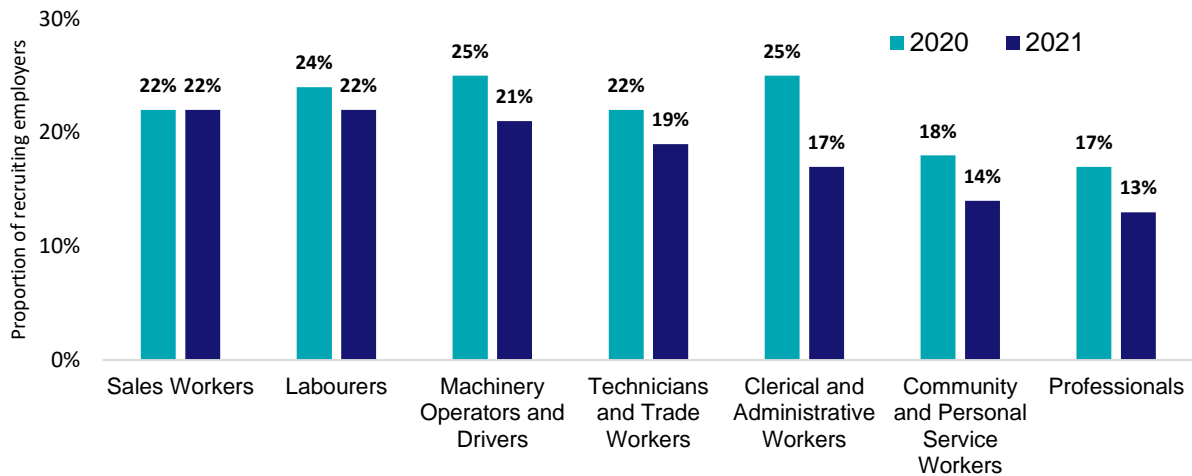
Employers sometimes do not advertise their vacancies, instead relying on word of mouth or recruiting the job seekers that approach the business looking for work. In 2021, just under one fifth of recruiting employers (18%) did not advertise their recent vacancies. This proportion was a decline on 2020 (22%).

Employers in the Retail Trade (24%), Manufacturing (23%), and Construction (22%) industries were the most likely to not advertise when recruiting. It may be harder for job seekers to find opportunities in these industries without previous connections.

Sales Workers (22%), Labourers (22%) and Machinery Operators and Drivers (21%) were the occupation groups for which employers were most likely to not advertise.

Employers who did not advertise, by occupation group

(Proportion of recruiting employers, 2020 and 2021)



Background

Information in the monthly Recruitment Insight Reports 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 (labourmarketinsights.gov.au). 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.

REOS results may not reflect the full impact that outbreaks of COVID-19 and associated restrictions have had on employers and their recruitment experiences since the survey is unable to gather data from employers who have closed down (even temporarily) and response rates can vary significantly by industry in areas under lockdown restrictions.

Please note that data collection paused over the Christmas and New Year period from 21 December 2020 until 8 January 2021, and 18 December 2021 to 7 January 2022.

Data in this release should be referenced as – National Skills Commission, Recruitment Insights Report, June 2022.

For additional information email RecruitmentAnalysis@skillscommission.gov.au.