

This month's Spotlight focuses on the difficulty that employers have in hiring Hospitality Workers. With low overseas migration and an increase in job advertisements leading to higher competition for workers, employers recruiting for Hospitality Workers have been reporting having recruitment difficulty more frequently when compared with other occupation groups.

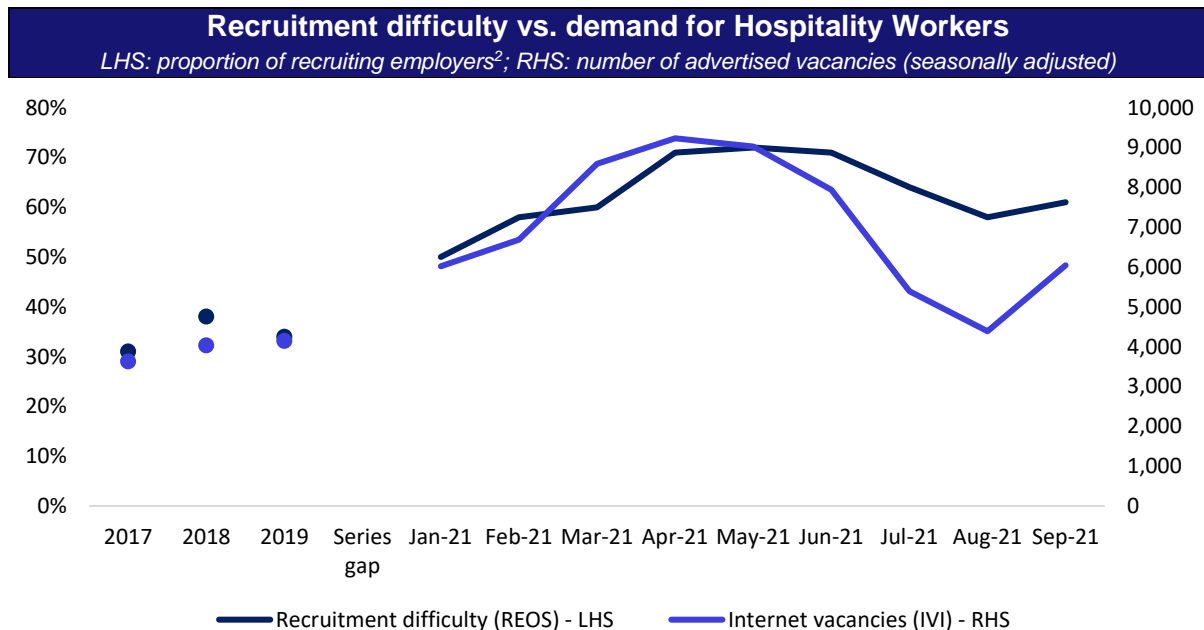
Hospitality Workers are defined by ANZSCO as an occupation group¹ that provides services to customers of hotels, bars, cafes, restaurants, casinos and similar establishments. Occupations that fall under the Hospitality Worker umbrella include:

- Bar Attendants and Baristas, Café Workers, Gaming Workers, Hotel Service Managers, Waiters and Other Hospitality Workers.

The demand for Hospitality Workers in 2021, and the subsequent difficulty recruiting for them has been at markedly higher levels than in previous years. The number of vacancies advertised on the internet for this occupation group (as recorded in the National Skills Commission's Internet Vacancy Index) peaked at 9,230 advertisements in April 2021, well above the 2019 average of 4,140 per month.

The frequency at which employers have reported difficulty filling vacancies for Hospitality Workers is also much more common in 2021 than previous years, aligning with increased demand. In May 2021 (the most recent peak of recruitment difficulty recorded), 72% of employers reported that they had found it difficult to fill their vacancies for Hospitality Workers, well above the average of 34% across 2019.

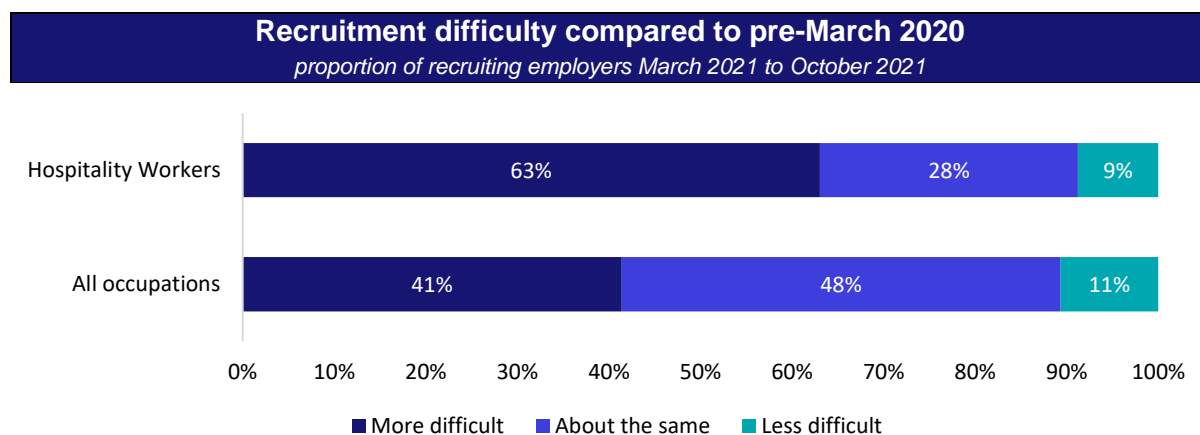
As shown in the chart below, more recently there has been a decrease in both vacancies and recruitment difficulty for Hospitality Workers, primarily due to the recent lockdowns imposed across NSW and Victoria. As lockdowns ease and the seasonal recruitment in the leadup to Christmas and summer holidays takes place over the next few months, it is expected that both demand and recruitment difficulty will once again increase for Hospitality Workers.



¹ Hospitality Workers are a 3-digit ANZSCO group.

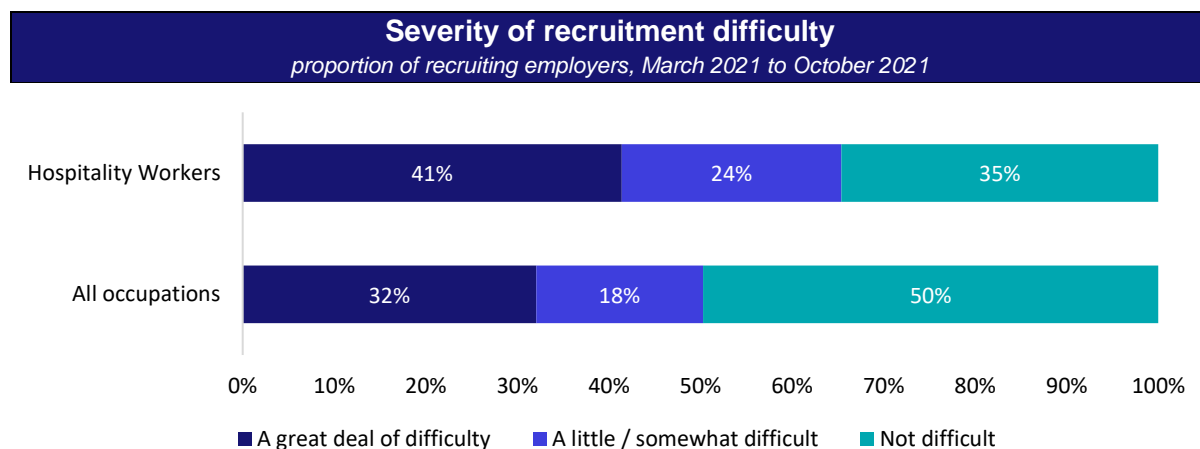
² Proportions are 3-month averages, recorded as middle month for each 3-month period.

Recent results from the REOS have also shown that employers recruiting for Hospitality Workers found it harder finding staff than before the pandemic. Almost two thirds (63%) of employers surveyed between March and October 2021 reported they had more difficulty compared with before March 2020 (i.e. prior to the COVID-19 pandemic), with only 9% reporting that recruitment was easier. In comparison, around 41% of employers recruiting across all occupations reported finding it more difficult than prior to COVID, while 11% reported that it was less difficult.



With difficulty filling vacancies for Hospitality Workers becoming much more common since the onset of COVID-19, the rate of recruitment difficulty in 2021 has been higher for Hospitality Workers compared with the average for all occupations.

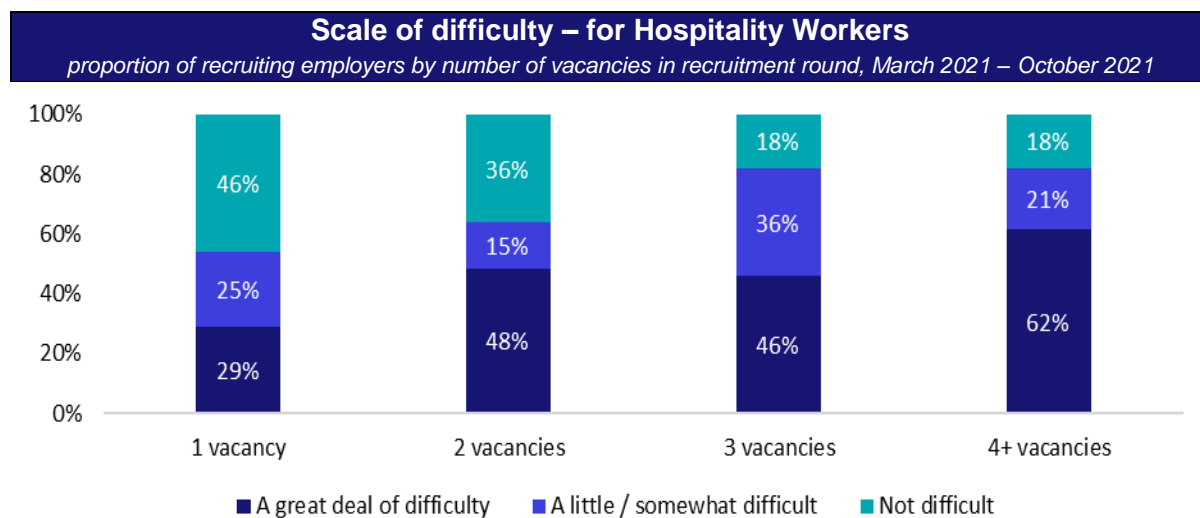
Consistent with this, employers recruiting for Hospitality Workers were also more likely to experience “a great deal of difficulty” compared with the average for all occupations (41% compared with 32%). Additionally, the proportion of employers who did not experience any difficulty recruiting was considerably lower for employers recruiting for Hospitality Workers than other occupations (35% compared to 50%).



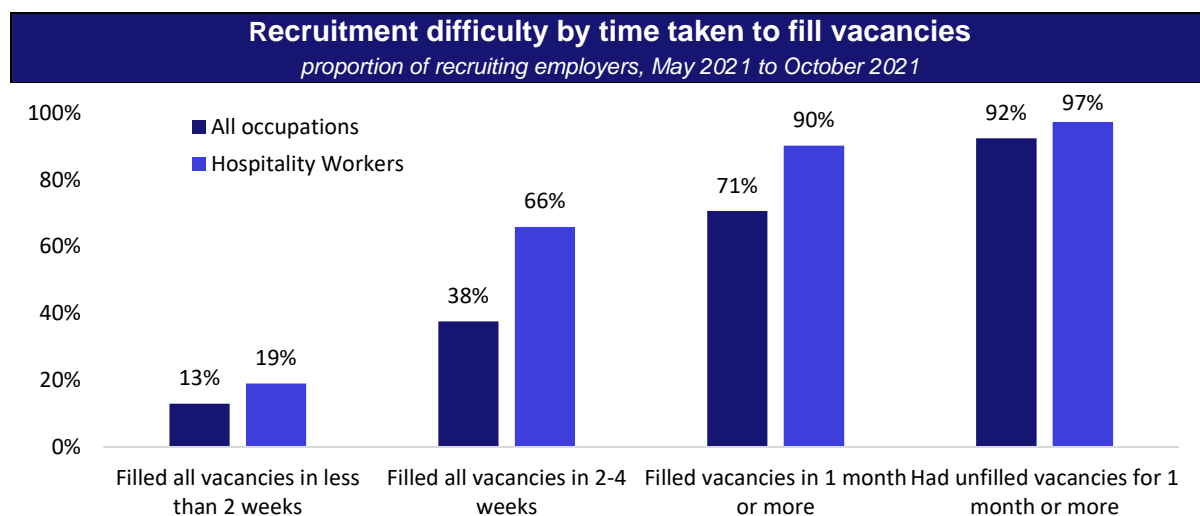
The reasons why employers are recruiting for Hospitality Workers in 2021 has also changed since 2019. For example:

- Recruitment is now more likely to be due to a new position being created (39% in 2021 compared with 15% in 2019); and
- Recruitment rounds are more likely to have more than one vacancy (60% in 2021 compared with 37% in 2019).

Difficulty finding staff also increased as the number of vacancies in an employer’s recruitment round rose. Between March and October 2021, just over a quarter (29%) of employers looking to fill one vacancy experienced a great deal of difficulty, rising to over three in five (62%) for those who were looking to fill 4 or more vacancies.



Analysis of REOS data also found that recruitment difficulty for employers looking to fill vacancies for Hospitality Workers was also closely linked to the length of the recruitment process. The rate of recruitment difficulty increased sharply when employers reported that vacancies had taken more than 2 weeks to fill. About two thirds (66%) of employers recruiting for Hospitality Workers who filled their vacancies between 2 and 4 weeks reported difficulty in the process, with this proportion increasing to over 90% if the process took more than a month.



Recruitment difficulty is typically due to employers being unable to attract sufficient applicants with the skills and attributes that they are looking for. Between January and October 2021, the most common reason reported for recruitment difficulty was a lack of applicants (47% of those reporting difficulty), closely followed by the lack of suitable applicants (43%). Other common reasons were a shortage of temporary visa holders (14%) and applicants lacking experience (12%). The impact of COVID-19 on the recruitment of Hospitality Workers was also more commonly cited by employers as a reason for recruitment difficulty (13%) compared with employers recruiting for all occupations (5%).

Reasons for recruitment difficulty

Proportion of recruiting employers who reported difficulty in their most recent recruitment round – January 2021 to October 2021

