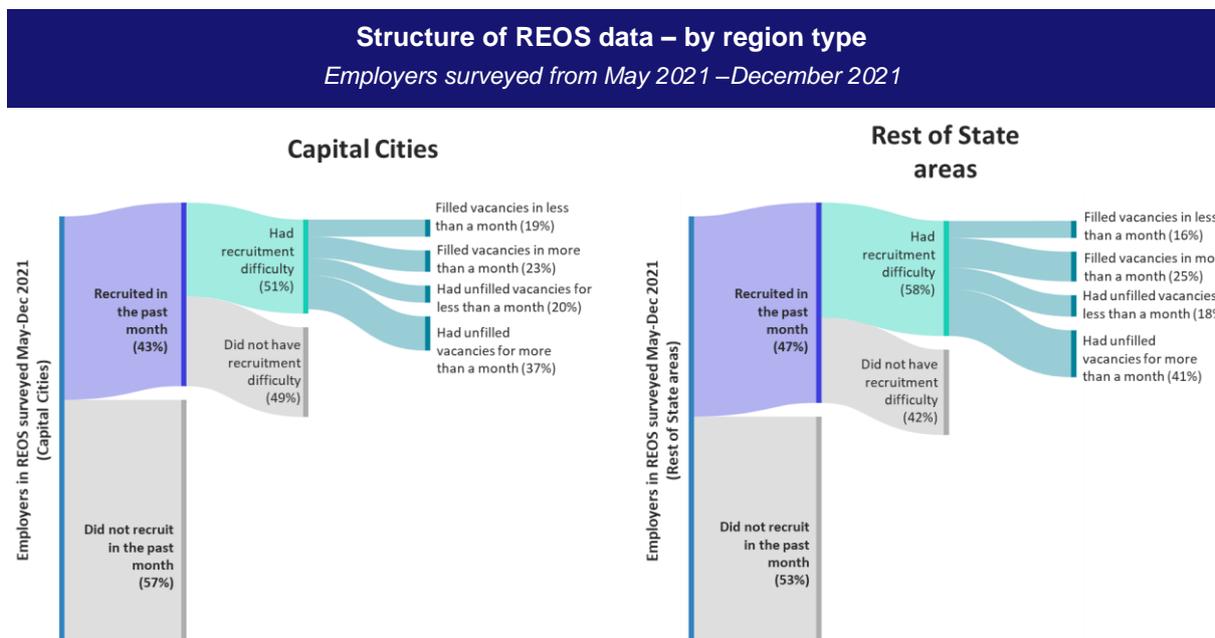


One of the most cited outputs from the Recruitment Experiences and Outlook Survey (REOS) is the 'recruitment difficulty' rate. However, this measure can also be one of the least understood outputs from the survey.

This Spotlight therefore steps through some REOS data to help explain what the survey is measuring and how recruitment difficulty can be interpreted.

The 'recruitment difficulty rate' is the proportion of *recruiting* employers who experienced difficulty hiring. Importantly, the recruitment difficulty rate doesn't relate to *all employers*, just those currently recruiting or who had recruited in the previous month.

This graphic provides more insight into the REOS data from May to December 2021.



Employers are asked if they are currently recruiting or had recruited in the previous month – those that answer 'yes' are identified as "recruiting employers".

- As shown in the graphic above, over May to December 2021 an average of 43% of employers in Capital Cities were currently recruiting or had recruited in the previous month, while in Rest of State areas 47% of employers were currently recruiting or had recruited in the previous month.

Recruiting employers are asked if they had difficulty filling their most recent vacancies. Some (very busy) employers can recruit more than once in a single month, but the REOS only collects data from their most recent recruitment.

- From the graphic above, of those employers that were recruiting over May to December 2021, 51% of employers in Capital Cities experienced difficulty in their most recent recruitment, while in Rest of State areas it was 58%.
- That then corresponds to an average of 22% of *all employers* in Capital Cities who experienced recruitment difficulty (43% of employers in Capital Cities were currently recruiting and of those, 51% of employers experienced difficulty in their most recent recruitment) versus 27% of *all employers* in Rest of State areas that experienced recruitment difficulty.

The REOS also records the time taken to fill vacancies and the time since employers started trying to fill vacancies. This gives an indication of employers having difficulty, but still managing to fill their vacancies.

As the graphic shows, of those employers that cited recruitment difficulty in Capital Cities:

- 19% of employers nonetheless filled vacancies within a month;
- 23% filled vacancies but it took longer than a month;
- 20% had not yet filled vacancies but had been looking for less than a month; and
- 37% had unfilled vacancies for more than a month.

In Rest of State areas of those employers that cited recruitment difficulty:

- 16% of employers nonetheless filled vacancies within a month;
- 25% filled vacancies but it took longer than a month;
- 18% had not yet filled vacancies but had been looking for less than a month; and
- 41% had unfilled vacancies for more than a month.

Putting all this together means that for Capital Cities, over May to December 2021, an average of 43% of employers recruited in a given month, with 51% of those experiencing difficulty in their most recent recruitment, and 37% of those being unable to fill their vacancies for more than a month. All up that corresponds to 8% of *all employers*. In Rest of State areas this rises to 11%.

Recruitment difficulty doesn't mean that positions go unfilled. That said, some employers who fill jobs within a few weeks do indicate that they found it difficult to recruit staff with the right skills. This may mean employers have had to comprise or be more flexible in who they hire – such as hiring less experienced applicants and training on the job, or changing the nature of a role to suit those applicants that are available.

The REOS also asks employers *why* they think they are experiencing recruitment difficulty. Here the most common reasons employers give when asked about hiring difficulties include not enough applicants, or a lack of suitable applicants, a lack of technical skills or a lack of experience. In regional areas a relatively high proportion of employers cited their location as a barrier.

Reasons for recruitment difficulty – by region type
As a proportion of employers with difficulty, May 2021 –December 2021

