

Spotlight: Difficulty recruiting Hospitality Workers

This Spotlight focuses on recent trends in recruitment for Hospitality Workers and is an update of a previous Spotlight article published in October 2021. The occupations in this spotlight are based on the ANZSCO¹ sub-major group 43 Hospitality Workers, which incorporates the ANZSCO unit-group occupations of Bar Attendants and Baristas, Café Workers, Waiters, Gaming Workers, Hotel Service Managers and Other Hospitality Workers.

Key findings²

Employers are continuing to experience a high level of difficulty recruiting for Hospitality Workers, with this trend now in its third year, commencing when the COVID-19 pandemic began.

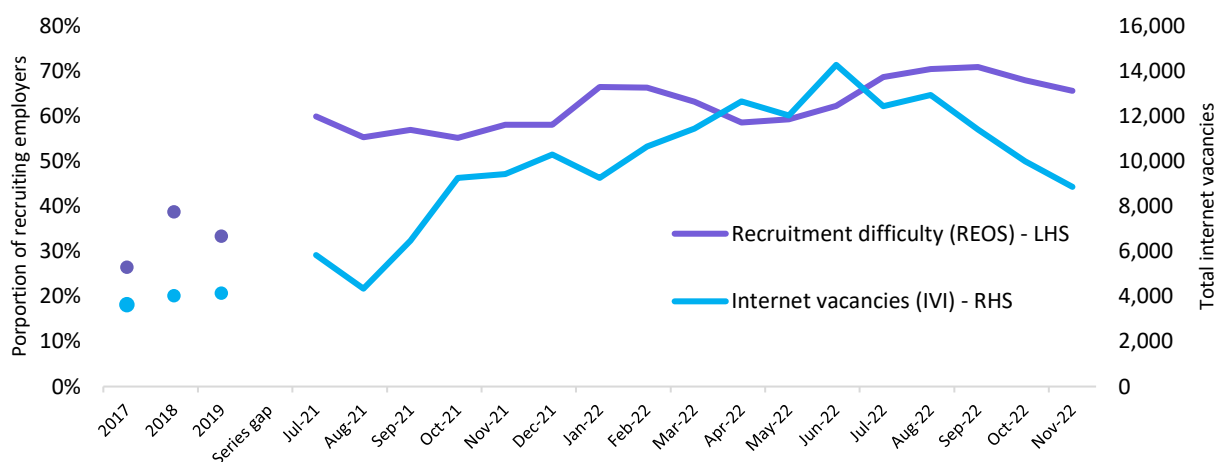
- Many employers are now reporting more severe levels of difficulty.
- As a result, many employers are reporting an impact on existing staff.
- More employers are also now seeing their vacancies go unfilled for long periods of time – another indicator of tightness in the labour market.
- Employers cite a lack of applicants as the most common reason for their difficulties recruiting Hospitality Workers.

Overall rise in vacancies for Hospitality Workers

The level of Hospitality Worker vacancies as measured by Jobs and Skills Australia’s Internet Vacancy Index (IVI) continues to be well above levels seen prior to the onset of the COVID-19 pandemic. The number of vacancies advertised on the internet for this occupation group reached around 8,900 advertisements in November 2022, a decline of 1,100 from the month prior, but well above the 2019 average of 4,100 per month. Interestingly, despite a fall in vacancies since June 2022, the recruitment difficulty for Hospitality Workers has remained at a high level, averaging 69% over the period June 2022 to November 2022 and well above the 33% in 2019.

With a high level of vacancies (relative to 2019 and earlier) and continued high level of recruitment difficulty experienced by employers, the labour market for this occupation group remains tight.

Chart 1: Hospitality workers: recruitment difficulty compared with internet vacancies 2017 - 2022



Sources: Recruitment difficulty: 2021 onwards: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey. Proportions are 3-month averages, reported as the middle month of each quarter (i.e., Nov 2022 is the average of Oct, Nov and Dec 2022 data). 2017-2019: Survey of Employers' Recruitment Experiences, annual data. Internet vacancies: Jobs and Skills Australia, Internet Vacancy Index, seasonally adjusted.

¹ Occupation data in the REOS is classified to the Australian and New Zealand Standard Classification of Occupations (ANZSCO).

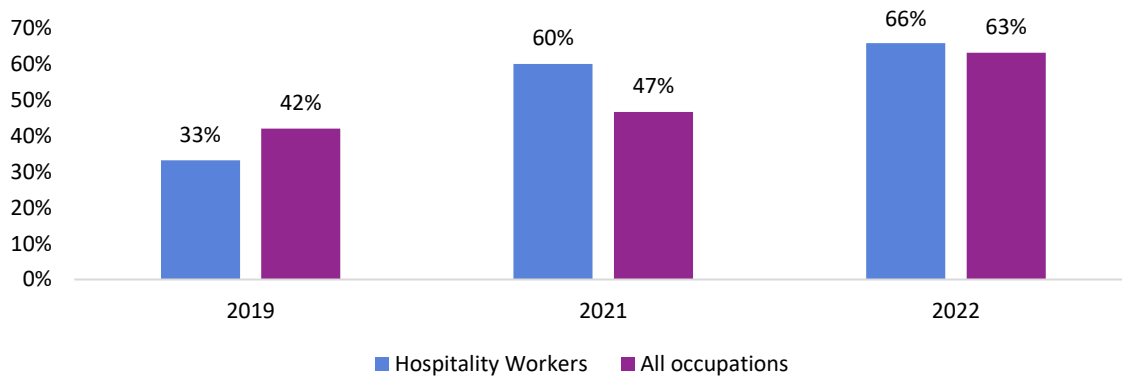
² Note: For this analysis, results are from employers who recruited in the past 3 months (rather than in the past month, which is normally used for regular REOS reporting). In some instances, such as for recruitment difficulty, analysis excludes employers who had unfilled vacancies for up to a month to allow for comparability to results from 2019 and earlier. Annual results shown here may differ from those in the '2022 Year in Review' published in the January 2023 Recruitment Insights Report.

Recruitment difficulty has become more common and more severe

In line with the increased demand for Hospitality Workers, employers also reported increased difficulty filling Hospitality Worker vacancies. In 2022, 66% of employers reported that they had found it difficult to fill their vacancies for Hospitality Workers, an increase of 6 percentage points from 2021, well above the 33% recorded in 2019 (see Chart 2, below).

When compared with recruitment for all occupations in 2019, fewer employers were experiencing difficulty recruiting Hospitality Workers. In 2021 however, recruiting for Hospitality Workers became more challenging, with almost double the proportion of employers finding it difficult, compared with only a 5 percentage point increase for all occupations. In 2022, there was a sharp increase in recruitment difficulty for all occupations, while recruitment difficulty for Hospitality Workers increased marginally, signalling that Hospitality Worker occupations were impacted more significantly, and earlier, than other occupations following the onset of the pandemic.

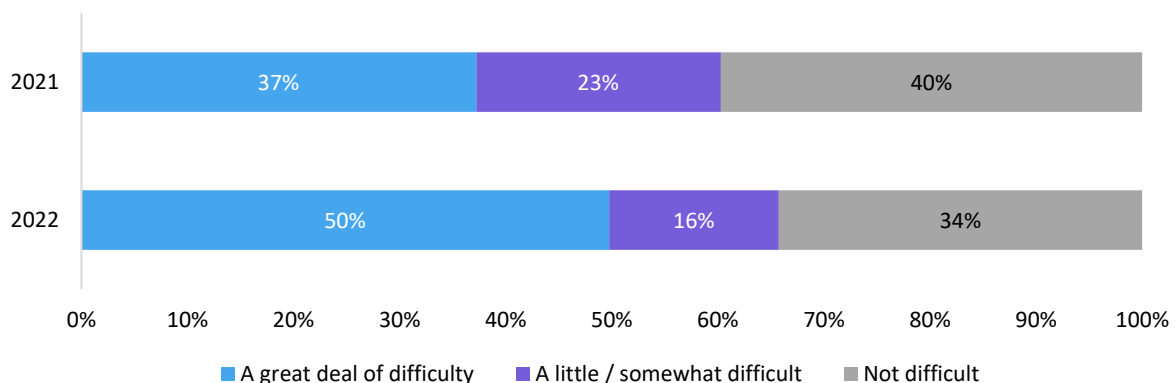
Chart 2: Recruitment difficulty for Hospitality Workers versus all occupations
Proportion of recruiting employers



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey.

Employers recruiting for Hospitality Workers were also much more likely to experience “a great deal of difficulty” in 2022 compared with 2021, 50% compared with 37% (see Chart 3, below). This was slightly higher than the average for employers recruiting for all occupations (47%).

Chart 3: Severity of difficulty for employers recruiting for Hospitality Workers
Proportion of recruiting employers



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey.

Employers recruiting for Hospitality Worker positions are facing retention issues, and high turnover

More than a quarter (27%) of employers recruiting for Hospitality Workers in 2022 said that they were having retention issues, compared with 13% for all occupations. Employers said they were most commonly experiencing retention issues due to staff leaving to pursue other job opportunities or being poached (33%); employees' dissatisfaction with their job conditions or salary (22%); a perception their employees were losing interest in the job (21%); and the nature of the job/industry (19%).

Chart 4: Reasons for retention issues among employers

Proportion of employers reporting retention difficulties, 2022



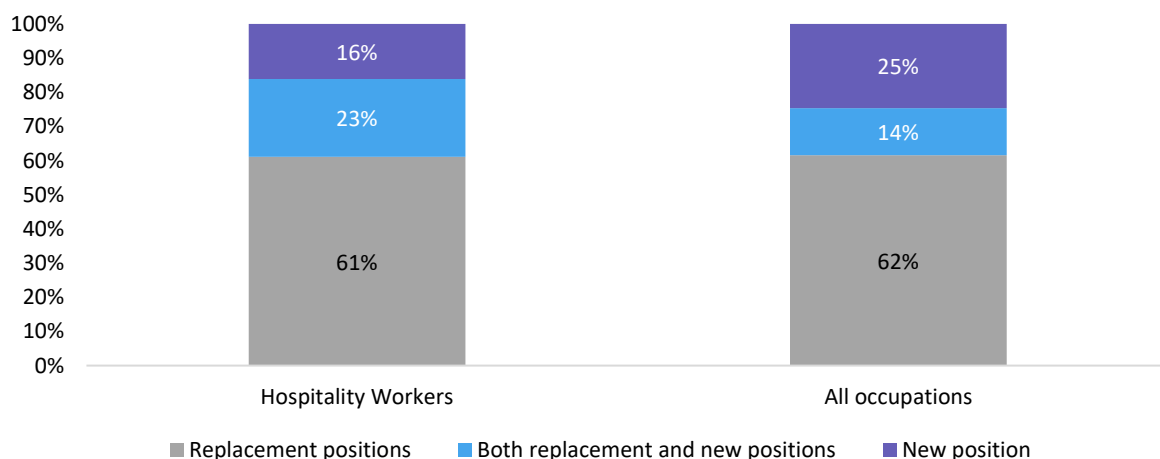
Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey. Notes: Employers can report more than one reason. Almost all the employers recruiting for Hospitality Workers are in the Accommodation and Food Services industry, which has the highest level of retention difficulty (25%) of all industries.

Recruitment for these occupations is also more likely to be due to turnover, with 84% of employers recruiting for Hospitality Workers in 2022 seeking staff to replace those that had recently left the business (compared to 76% for all occupations). The 84% is comprised of:

- 61% recruiting solely to replace staff who had left, which is similar for all occupations, and
- 23% recruiting for both new positions and to replace staff, which is much higher than for all occupations.

Chart 5: Turnover for Hospitality Workers

Proportion of recruiting employers, 2022

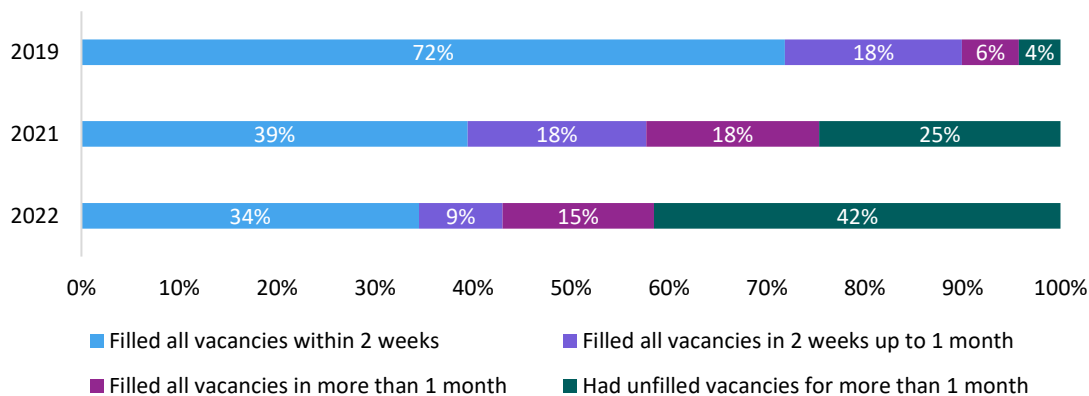


Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey.

Many vacancies are left unfilled for more than a month

Analysis of REOS data also finds that many employers looking to fill vacancies for Hospitality Workers were taking an increasingly long time to fill their vacancies. In 2022, more than two in five (42%) employers who recruited for Hospitality Workers (had unfilled vacancies for more than one month (see Chart 6, below). This is a notable change from 2019, where only 4% had unfilled vacancies for longer than one month. Furthermore, 72% of employers recruiting for Hospitality Workers were able to fill their positions within 2 weeks in 2019, compared with just 34% in 2022.

Chart 6: Share of recruitment activity by time taken to fill vacancies for Hospitality Workers
Proportion of recruiting employers



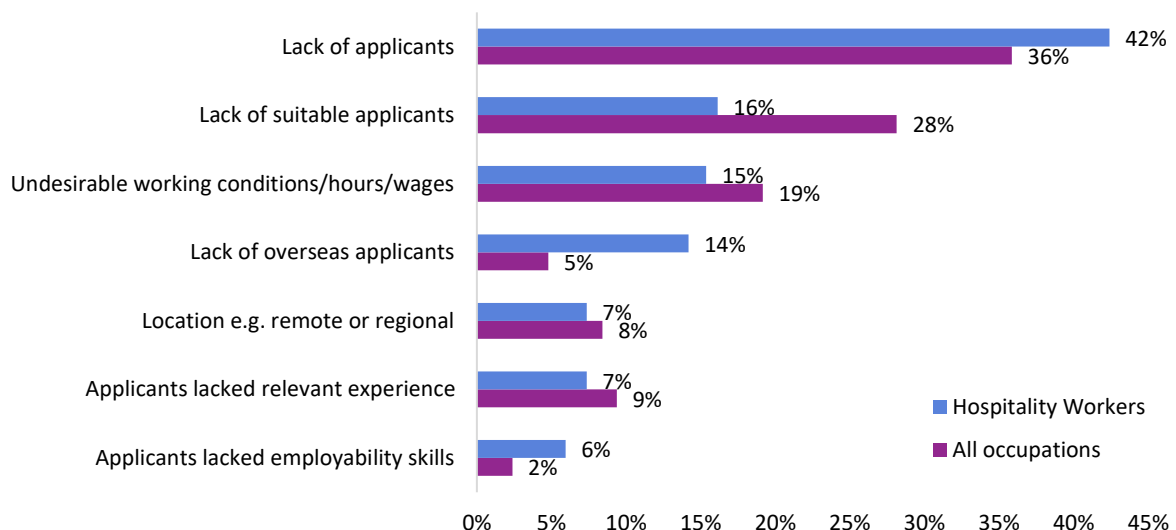
Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey.

'Lack of applicants' is the main reason for recruitment difficulty

In 2022, employers who found it difficult recruiting for Hospitality Workers most commonly reported a lack of applicants as the main reason for difficulty (42%), followed by a lack of suitable applicants (16%), see Chart 7 below. Other common reasons mentioned included the undesirable working conditions of the job (15%) as well as the lack of overseas applicants (14%).

Chart 7: Reasons for recruitment difficulty

Proportion of recruiting employers who reported difficulty in their most recent recruitment round, 2022

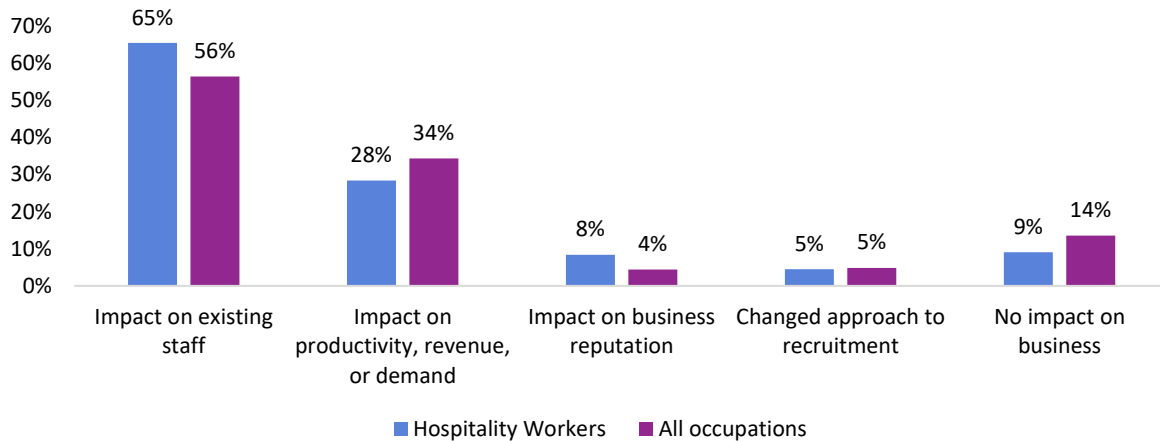


Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey.

Recruitment difficulty impacts on existing staff

Employers were asked how their difficulty recruiting for Hospitality Workers was impacting their business (see Chart 8, below). The majority (65%) mentioned an impact on their existing staff which was often in the form of staff working overtime/longer hours, and the associated negative impacts, such as feeling tired or stressed. This was much higher than for all occupations (56%). This next common impact was upon the productivity of the business, revenue, or demand for products and services (28%).

Chart 8: Impacts of recruitment difficulty
Proportion of employers with difficulty, August 2021 – December 2022

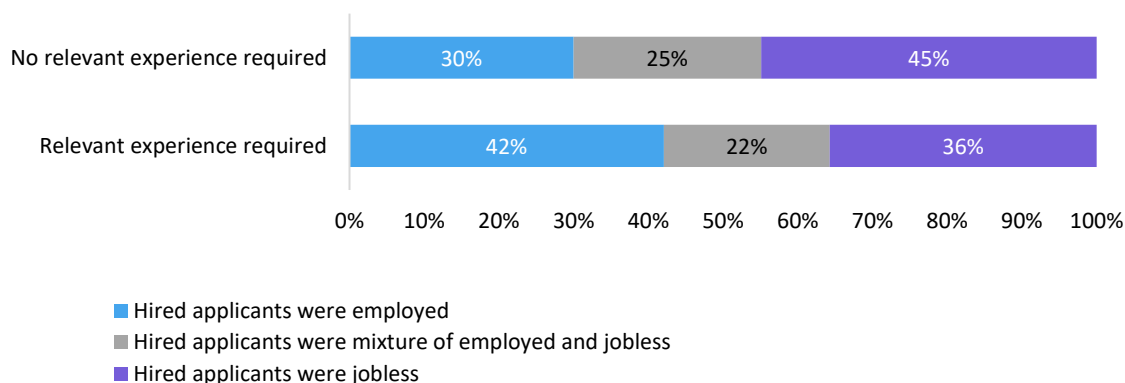


Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey.

Many employers are filling their Hospitality Worker vacancies with people who did not previously have a job

From November 2021, a temporary question in the REOS asked recruiting employers whether new staff were employed or not prior to being hired. Results for employers hiring Hospitality Workers show that even when they said they required previous work experience in the role, just over a third (36%) of employers hired someone who most recently was without a job. In fact, the majority of employers (58%) who claimed that they required relevant experience for the job filled their Hospitality Worker positions with someone who was previously without a job or hired a mixture of jobless and employed people. This was significantly higher compared to 29% for all occupations. Clearly, jobs in Hospitality offer an entry into the workforce after a period of joblessness.

Chart 9: Experience requirements and job status of recently hired applicants
Proportion of employers who recruited for Hospitality Workers, November 2021 to December 2022



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey.

Recruitment Experiences and Outlook Survey - Background

Jobs and Skills Australia conducts the *Recruitment Experiences and Outlook Survey* (REOS), a telephone administered survey with the business owner or other person in the business responsible for recruitment. Approximately 1200 employers are surveyed each month, with data published on the [Jobs and Skills Australia website](https://jobsandskills.gov.au) (jobsandskills.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 of COVID-19 and the associated restrictions on employers and their recruitment experiences, as the survey was unable to gather data from employers who closed down (even temporarily). During the height of the pandemic, response rates varied significantly by industry, and by area, as different lockdown restrictions were applied.

Note that data collection pauses over the Christmas and holiday period as follows:

- 21 December 2020 until 8 January 2021
- 18 December 2021 to 7 January 2022
- 17 December 2022 to 9 January 2023.

Data in this release should be referenced as: *Jobs and Skills Australia, Recruitment Insights Report, February 2023*.

For additional information email REOS@jobsandskills.gov.au

Technical Notes

All figures presented in this report have been weighted by location and workplace size, according to the Australian Bureau of Statistics [Counts of Australian Businesses, including Entries and Exits](#) (June 2018 to June 2022) publication. The weighted figures are intended to create nationally representative results by correcting for the oversampling of smaller regions compared with larger regions.

Data collected in the survey have been coded and reported according to the following ABS classifications:

- Industry is defined by the [Australian and New Zealand Standard Industrial Classification \(ANZSIC\)](#), 2006, Version 2.0.
- Occupation is defined by the [Australian and New Zealand Standard Classification of Occupations \(ANZSCO\)](#), 2013, Version 1.3.
- Capital City and Rest of State areas are defined by the [Australian Statistical Geography Standard \(ASGS\): Volume 1 - Main Structure and Greater Capital City Statistical Areas](#), July 2016.