

Recruitment methods used by employers

Findings from the Recruitment Experiences and Outlook Survey, 2021-2022

Australia



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Recruitment methods for Australia

Background

This paper is the first in a series reporting on methods of recruitment data collected as part of Jobs and Skills Australia's Recruitment Experiences and Outlook Survey. This report provides a short summary of recruitment activity during 2021 and 2022 for Australia, followed by an analysis of the different recruitment methods used by employers over the same period. Separate reports are available for each state and territory.

Jobs and Skills Australia (JSA) conducts the Recruitment Experiences and Outlook Survey (REOS) to monitor recruitment activity and conditions across Australia. Approximately 1,000 employers are surveyed each month to collect information on recruitment activity, recruitment difficulty and staffing outlook. Data are released as close to collection as possible, providing a current view of recruitment activity across Australia.

The REOS covers a core set of questions asked each month, including:

- Current staff levels and recent changes
- Recruitment and retention difficulties
- · Recruitment methods used; and
- Future staffing expectations.

The REOS provides insights about labour market conditions to help policy makers and analysts monitor and understand current and emerging labour market conditions, and to develop resources to help job seekers understand what employers are looking for. More information on the REOS questionnaire, methodology and key concepts can be found here.

The <u>Recruitment Experiences and Outlook Survey (REOS)</u> is one of a number of JSA sources of labour market information. Others include the <u>Internet Vacancy Index (IVI)</u>, <u>Small Area Labour Markets (SALM)</u>, the <u>Monthly Labour Market Dashboards</u>, the <u>Nowcast of Employment by Region and Occupation (NERO)</u>, and Five-Year Employment Projections.

Any data in this report should be referenced as: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey. For any queries about the findings in this paper or the REOS, please contact reos@jobsandskills.gov.au.

Key findings from the Recruitment Experiences and Outlook Survey¹

During the period January 2021 to December 2022, REOS results point to a continuing tight labour market. Recruitment activity across Australia in December 2022 was above the level recorded in January 2021, as was the level of recruitment difficulty. Some 52% of employers reported recruiting in December 2022, which was 13 percentage points higher than in January 2021.

Figure 1. Recruitment Activity, June 2020 to December 2022*

*Note: Disaggregated data (in original terms) for January 2021 and January 2022 are not available.

The recruitment difficulty rate in December 2022 was 65%, 26 percentage points above the level recorded in January 2021 (39%). Recruitment difficulty across higher skilled, lower skilled, casual and non-casual vacancies has also been trending upwards.



Figure 2. Recruitment difficulty, August 2020 to December 2022*

*Note: Disaggregated data (in original terms) for January 2021 and January 2022 are not available.

¹ Unless otherwise stated, REOS data is for the period January 2021 to December 2022.

Methods of recruitment - definitions

Recruitment methods reflect the steps employers took to fill their vacancies. The recruitment methods most often reported by employers include advertising on the internet, promoting jobs by 'word of mouth', social media, use of recruitment agencies, company websites, and newspapers. The survey does not take into account the role that other parties (such as recruitment agencies or job aggregating websites) may have played in promoting the vacancy.

For their most recent recruitment round, we ask employers "What occupation have you most recently hired or replaced new staff for?". Employers can provide multiple responses and often use multiple recruitment methods. Where multiple methods are used, the successful method of recruitment used by recruiting employers is not currently collected.

Employers that advertised and didn't advertise

Recruitment methods can be broadly defined as 'advertised' or 'not advertised':

- advertised recruitment methods include using the internet (job boards, company websites), newspapers, employment agencies, social media, sign in window, internally advertised/promoted, and 'other' formal methods.
- not advertised recruitment methods include word of mouth and job seekers who have directly approached employers.

The JSA defines recruiting employers as 'not advertising' if they only use word of mouth and/or consider job seekers who approached the business directly.

The data about these employers have important implications for job seekers seeking looking to maximise their job opportunities: that developing and maintaining social connections is beneficial to the job-search process, and being proactive by calling or approaching employers for work is likely to help to find vacancies that aren't advertised.

In 2022, around one in seven recruiting employers (14%) did not advertise their most recent vacancies. As shown in Figure 3 below, this was most common in Tasmania, Northern Territory and Australian Capital Territory (each recording 18%).

Victorian employers used advertised recruitment methods most frequently (89%) followed by 87% of Western Australian employers and 87% in Queensland. Non-advertised recruitment methods were most commonly used in Tasmania, Northern Territory and the Australian Capital Territory (18% each).

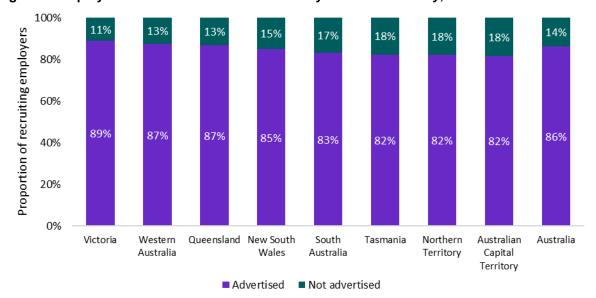


Figure 3. Employers that did or did not advertise by state and territory, 2022

Methods of Recruitment: National Overview 2022

Employers use a wide range of methods to find workers they need. Advertising on internet job boards is the most common method of finding staff. Almost two-thirds of recruiting employers used this method in 2022. Internet job boards are popular as they allow job seekers to access substantial number of vacancies advertised; while employers use these sites to attract a large pool of potential candidates.

Nearly one-third of recruiting employers used word of mouth to promote their positions in 2022. Some employers approach people directly about job opportunities, while others ask existing employees, friends, or family members if they know anyone who may be interested in the position.

Social media was used by 25% of recruiting employers in 2022. This continues an increased use of social media for recruitment in recent years. A growing trend in social media recruitment is through region-based or industry-based Facebook 'job groups', which are an inexpensive way for employers to post vacancies and allow interactions between employers and local job seekers, especially for lower skilled positions. LinkedIn is also popular, especially for more highly skilled positions.

The use of newspapers for recruitment was used by only 4% of employers in 2022, unchanged from 2021. Unsurprisingly, previous employer surveys suggest newspaper usage has declined significantly in the last decade or so. For many employers, internet job boards and social media sites have replaced the use of newspapers as the most effective way to reach job seekers in the local community.

Across the country, the use of formal methods for advertising vacancies is prevalent. In 2021, 56% of recruiting employers advertised vacancies on internet jobs boards, compared with 63% in 2022. The use of word of mouth (31% in 2021 and 30% in 2022) and social media (24% in 2021 and 25% in 2022) was also significant. The least common recruitment methods used were job seeker directly approaching employer (7% in 2021 and 6% in 2022) and newspaper (4% in both years).

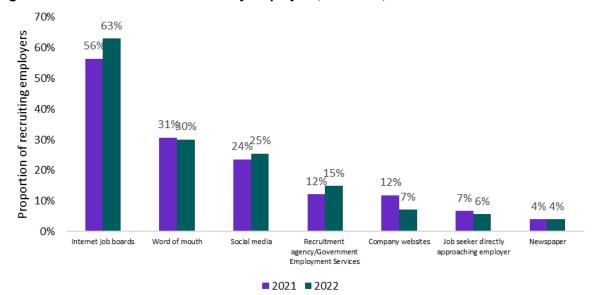


Figure 4. Recruitment methods used by employers, Australia, 2021 and 2022*

*Note: Employers can report multiple methods so numbers may not add to 100%.

Methods of recruitment differ between city and regional areas

Recruitment methods can differ significantly depending on the location of the employer or vacancy. In Australia's major cities, 68% of recruiting employers used internet job boards in 2022, far more than in regional areas, where usage sits at just over half of recruiting employers.

The use of social media and word of mouth increases with remoteness:

- in regional areas, 36% of employers used social media and 34% used word of mouth
- in major cities, 20% used social media and 28% used word of mouth.

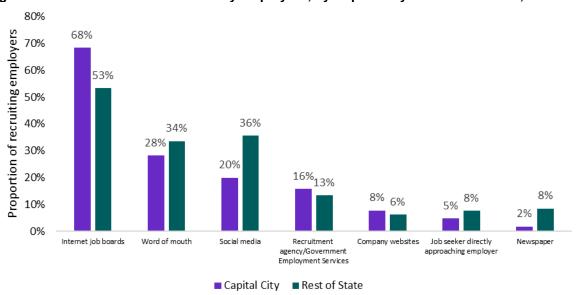


Figure 5. Recruitment methods used by employers, by Capital City and Rest of State, 2022*

*Note: Employers can report multiple methods so numbers may not add to 100%.