



Australian Government

Department of Education, Employment and Workplace Relations

Survey of Employers' Recruitment Experiences

South East Employment Service Area –

April 2011

This report was prepared by the Labour Market Research and Analysis Branch and is based on research conducted by the branch.

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The Australian Labour Market

- Prior to the onset of the Global Financial Crisis in September 2008, economic and labour market conditions in Australia had been reasonably strong, although the unemployment rate had already troughed at 4.1 per cent in March 2008 and the pace of employment growth had begun to ease. However, in September 2008 world growth weakened dramatically and economic and labour market conditions in Australia deteriorated sharply.
- Between July 2009 and March 2011, the Australian labour market showed significant signs of recovery, with a fall in the unemployment rate of 0.9 percentage points to 4.9 per cent and a rise in employment of 496 700 people to 11 433 400. However, between March and September 2011 employment growth has slowed considerably (rising by only 8,300) and the unemployment rate has increased to 5.2 per cent.¹

The South East Employment Service Area

- The South East Employment Service Area (ESA) is located in South Australia and consists of seven Local Government Areas; Grant, Kingston, Mount Gambier, Naracoorte and Lucindale, Robe, Tatiara and Wattle Range. In June 2011,² the unemployment rate for the South East ESA was 5.0 per cent, slightly lower than the comparable national unemployment rate at the time (5.1 per cent).
- The top two employing industries in the South East ESA are Agriculture, Forestry and Fishing (employing 17.8 per cent of the working age population) and Manufacturing (17.1 per cent).³

Survey of Employers' Recruitment Experiences

- In order to gain a better understanding of labour market conditions in the South East ESA, the Department of Education, Employment and Workplace Relations (DEEWR) conducted a Survey of Employers' Recruitment Experiences in April 2011. The survey was conducted by telephone interview with 246 businesses.
- The survey collected information on:
 - the recruitment of employees in the 12 months preceding the survey;
 - the experience employers had recruiting for their most recent vacancy; and
 - recruitment expectations for the 12 months following the survey.

Key Findings

- The survey results indicate that demand for labour in the South East ESA was moderate, with weaker recruitment activity over the 12 months preceding the survey than for all regions surveyed in the 12 months to March 2011. However, for their most recent recruitment round, employers in the South East ESA were relatively less successful filling vacancies.
- Consistent with a higher unfill rate, employers in the South East ESA had, on average, fewer applicants and suitable applicants per vacancy than all regions surveyed.
- Recruitment in the 12 months following the survey is also likely to be below average in the South East ESA as a smaller proportion of employers expected to recruit when compared with all regions surveyed.

¹ ABS, *Labour Force, Australia, August 2011, cat. no. 6202.0 (trend)*.

² *Small Area Labour Markets data June 2011*.

³ *ABS 2006 Census of Population and Housing*.

Recruitment Experiences in the 12 Months Preceding the Survey

- A smaller proportion of employers in the South East ESA recruited in the 12 months preceding the survey (61 per cent) compared with all regions surveyed in the 12 months to March 2011 (71 per cent).
 - Of those employers who had recruited in the South East ESA, less than half (46 per cent) recruited to increase staff numbers compared with more than half for all regions surveyed (54 per cent).
 - Just over four-fifths (81 per cent) of employers in the South East ESA who had recruited did so to replace staff, compared with 84 per cent for all regions surveyed (84 per cent).
 - The overall recruitment rate (16 vacancies per 100 staff) was well below that for all regions surveyed (22 vacancies per 100 staff), although recruitment was relatively strong in the Accommodation and Food Services industry (28 vacancies per 100 staff) and Manufacturing industry (21 vacancies per 100 staff).
 - A lower proportion of employers in the South East ESA reported difficulty recruiting staff compared with all regions surveyed (47 and 54 per cent respectively). However, a larger proportion of vacancies over the preceding 12 months remained unfilled (11.4 per cent) compared with all regions surveyed (7.3 per cent).
 - Unfill rates were particularly high in the Construction (31.3 per cent), Other Services (30.0 per cent) and Manufacturing (19.6 per cent) industries.

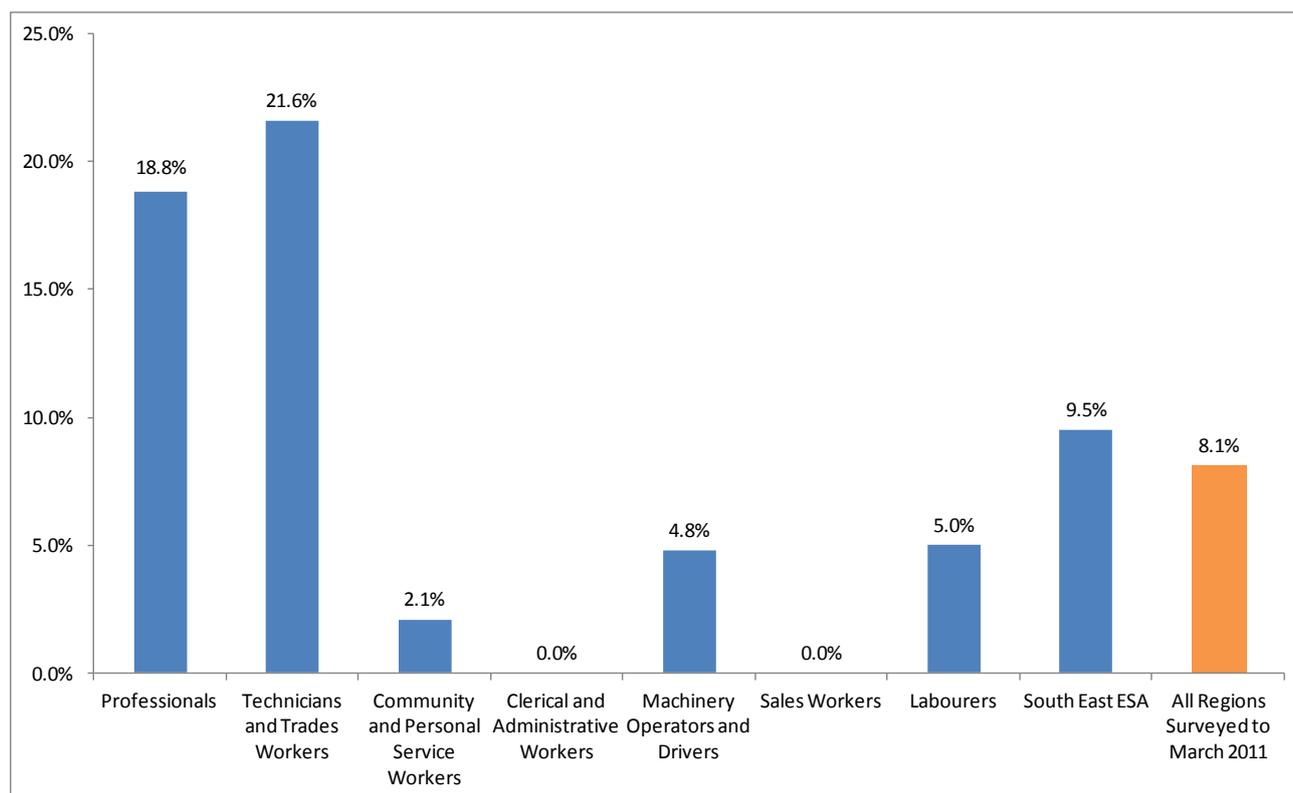
Table 1. Recruitment experiences in the 12 months preceding the survey

	South East Employment Service Area (April 2011)	All Regions (12 months to March 2011)
Proportion of employers who recruited	61%	71%
- to increase staff	46%	54%
- to replace staff	81%	84%
Vacancies per 100 staff	16	22
Proportion of recruiting employers who experienced difficulty	47%	54%
Proportion of vacancies unfilled	11.4%	7.3%

Most Recent Recruitment Activity

- Overall, employers in the South East ESA had a slightly larger proportion of their recent vacancies remaining unfilled when compared with all regions surveyed in the 12 months to March 2011 (9.5 and 8.1 per cent respectively).
 - Higher and medium skilled occupations were more likely to be difficult to fill, with the highest unfill rates reported for Technicians and Trades Workers occupations (primarily Metal Fitters and Machinists) and Professionals (primarily Civil Engineering Professionals) (21.6 and 18.8 per cent respectively).
 - Although the majority of vacancies (69 per cent) were for lower skilled occupations, only 2.6 per cent of these remained unfilled. No unfilled vacancies were reported for Sales Workers or Clerical and Administrative Workers.

Figure 1. Proportion of unfilled vacancies in the most recent recruitment round



- Despite employers in the South East ESA being less successful filling vacancies in their most recent round, a smaller proportion of employers (37 per cent) reported recruitment difficulty compared with all regions surveyed (41 per cent).
 - Employers recruiting for higher and medium skilled occupations were far more likely to report recruitment difficulty (50 per cent of employers) than employers recruiting for lower skilled occupations (30 per cent).
 - A lack of people with the necessary technical skills was the most commonly reported reason for recruitment difficulty (36 per cent). A tight labour market (22 per cent), location (20 per cent) and the nature of the work required (16 per cent) were other common reasons given for difficulty.
- While employers were more likely to experience difficulty when recruiting for higher and medium skilled occupations, some lower skilled occupations were also frequently reported as being difficult to fill (see Table 2).
 - Sales Assistants (General), Chefs, Metal Fitters and Machinists, Truck Drivers and Waiters were the occupations most commonly mentioned as being difficult to fill.

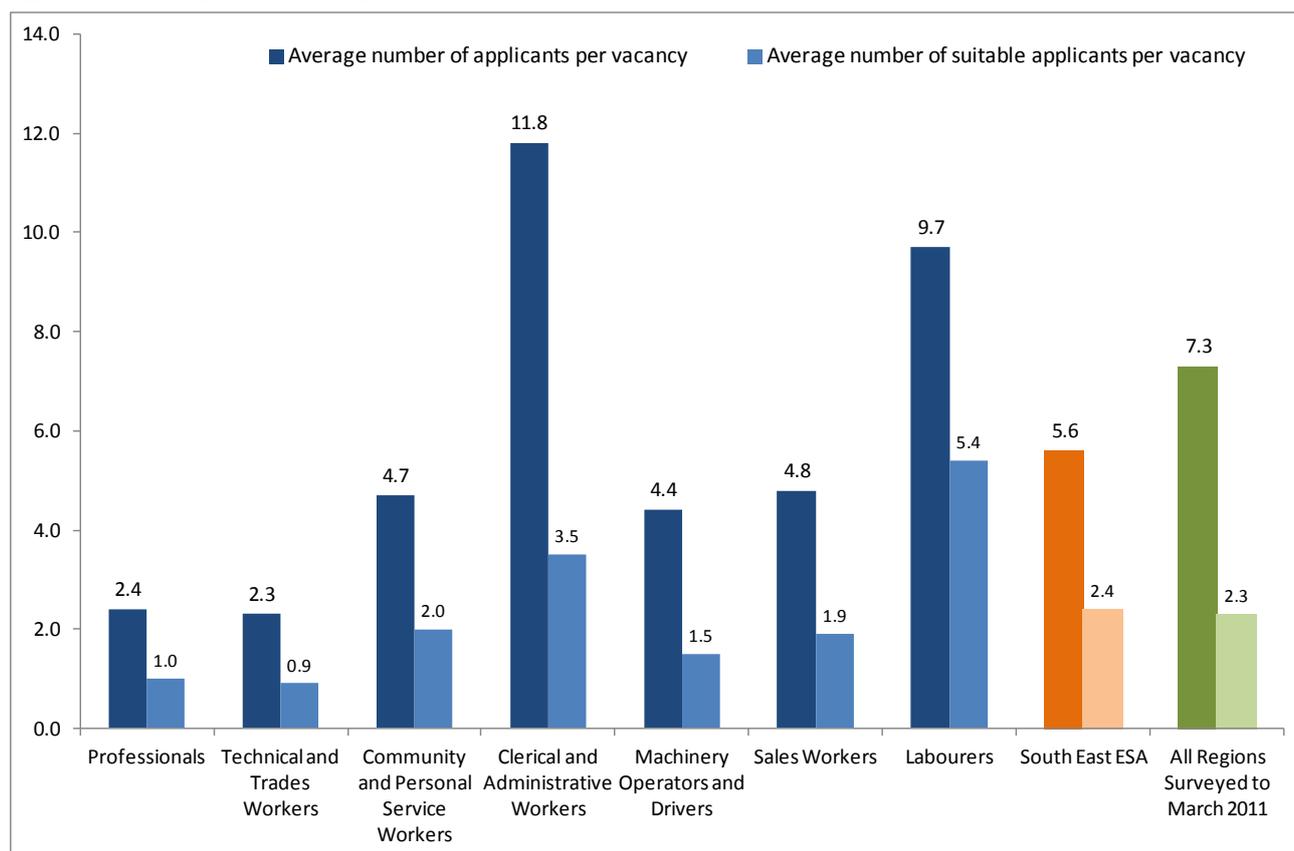
Table 2. Occupations most commonly reported as difficult to fill by skill level

Bachelor Degree or Higher VET Qualifications	
Chefs	Metal Fitters and Machinists
Motor Mechanics	Structural Steel and Welding Trades Workers
Other occupations	
Sales Assistants (General)	Truck Drivers
Waiters	Child Carers
Receptionists	

Applicants and Suitability

- Consistent with a larger proportion of vacancies remaining unfilled, employers in the South East ESA also experienced a lower level of competition for vacancies than was the case for all regions surveyed.
 - Across the region there were on average fewer applicants per vacancy than reported for all regions surveyed (5.6 applicants compared with 7.3 applicants). On the other hand, the average number of suitable applicants per vacancy was similar (2.4 applicants compared with 2.3 applicants).
 - The number of applicants and suitable applicants per vacancy varied across occupations (see Figure 2). In line with the high unfill rates for Technicians and Trades Workers and Professionals, employers recruiting for these occupations experienced limited competition for their vacancies, with an average of 0.9 and 1.0 suitable applicant per vacancy respectively.
 - The most common reasons employers considered applicants unsuitable were lack of experience (49 per cent of employers who had unsuitable applicants), insufficient qualifications or training (19 per cent) and poor attitude/lacking basic work readiness skills (19 per cent).

Figure 2. Average number of applicants and suitable applicants per vacancy



Apprentices and Trainees

- The proportion of employers with an apprentices or trainees on staff in the South East ESA was similar to all regions surveyed, although expectations for the recruitment of apprentices and trainees in the 12 months following the survey were more subdued.
 - A similar proportion of employers in the South East ESA employed an apprentice or trainee (37 per cent) compared with all regions surveyed (36 per cent).
 - A notably high proportion of employers in the Construction industry employed an apprentice or trainee (62 per cent).
 - The proportion of employers who anticipated recruiting an apprentice or trainee in the following 12 months was lower than for all regions surveyed (16 per cent compared with 22 per cent). The main reason employers gave for not recruiting apprentices or trainees was that they were not hiring any staff (41 per cent).

Staff Training

- Less than two-fifths of employers (38 per cent) in the South East ESA had staff undertake recognised training in the 12 months prior to the survey. This was considerably lower than the figure for all regions (46 per cent of employers).
 - More than one quarter (29 per cent) of employers whose staff had undertaken training reported challenges in providing the training, a figure similar to that for all regions surveyed (25 per cent).
 - The most commonly reported challenges were the location of training services (66 per cent) and the high cost of training (34 per cent).

Job Services Australia (JSA)

- Only a small proportion of employers (4 per cent) in the South East ESA had used a JSA provider in their most recent recruitment round, although this figure is likely to understate JSA usage as employers sometimes are not aware their recruitment agency is a JSA provider. On the whole, employers that used JSA providers were satisfied with the service (91 per cent of employers).
- Employers were more likely to recruit using informal means than employers across all regions surveyed (50 and 43 per cent of employers respectively). The most commonly used informal method was word of mouth (35 per cent).
- Despite the relatively high use of informal methods, formal methods were still the most common recruitment method in the South East ESA (54 per cent). The preferred formal method was advertising through newspapers (32 per cent). Employers were less likely to recruit through the internet (14 per cent) compared with all regions (22 per cent).

Future Recruitment Expectations

- Recruitment expectations in the South East ESA were more subdued than for all regions surveyed.
 - A lower proportion (35 per cent) of employers expected to recruit in the 12 months following the survey compared with all regions surveyed (48 per cent).
 - Only 16 per cent of employers anticipated increasing staff numbers compared with 27 per cent for all regions.
- A larger proportion (63 per cent) of employers also expected challenges to their business in the 12 months following the survey compared with all regions surveyed (54 per cent).
 - The most commonly anticipated challenges were business regulations or government policy (50 per cent), such as the proposed sale of Forestry South Australia plantations, and reduced business activity (34 per cent).
- Although recruitment expectations were somewhat subdued, a similar proportion of employers (42 per cent) anticipated difficulty recruiting compared with all regions surveyed (43 per cent).
 - In particular, a relatively high proportion of employers in the Manufacturing and Construction industries expected to experience difficulty when recruiting (71 and 60 per cent of employers respectively).

Table 3. Recruitment expectations for the 12 months following the survey

	South East Employment Service Area (April 2011)	All Regions (12 Months to March 2011)
Expects to recruit	35%	48%
Expects future recruitment difficulty	42%	43%
Expects to increase staff numbers	16%	27%
Expects to reduce staff numbers	4%	3%

Opportunities for Job Seekers

- The relatively high unfill rates and low competition for vacancies demonstrate that job opportunities exist in the South East ESA.
 - In particular, opportunities exist for job seekers willing to undertake apprenticeships in Technicians and Trades Workers occupations, such as Chefs, Motor Mechanics and Metal Fitters and Machinists.
 - Opportunities for job seekers also exist in entry-level occupations such as Sales Assistants (General) and Kitchenhands.
 - The high proportion of employers reporting that applicants were unsuitable due to lack of experience suggests that job seekers willing to gain work experience will increase their chances of finding employment.
 - The survey results also indicate that job seekers with a positive attitude and basic work-readiness skills will be well placed to find work within the region.

Employer Strategies

- The high unfill rates and low number of suitable applicants indicate that employers may need to consider a range of strategies to attract and secure the workers they require, including:
 - Targeting underutilised sources of labour, such as mature aged and Aboriginal and Torres Strait Islander workers;
 - Attracting job seekers from regions experiencing high unemployment;
 - Offering flexible working arrangements, such as job sharing, work from home, and adaptable working hours, to reduce staff turnover, retain older workers, and attract job seekers with family and carer responsibilities;
 - Employing apprentices and initiating on-the-job training and work experience programs; and
 - Clearly communicating their expectations regarding skills and experience when advertising vacancies. Job Services Australia providers have a role to play in managing employer expectations regarding skills and experience, especially for lower skilled vacancies.



For more information:

– **Labour Market Information Portal:**

www.deewr.gov.au/lmip

– **Skill Shortages**

www.deewr.gov.au/skillshortages

– **Survey of Employers' Recruitment Experiences**

www.deewr.gov.au/regionalreports

– **Job Outlook**

www.joboutlook.deewr.gov.au

– **SkillsInfo**

www.skillsinfo.gov.au

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