

# TACKLING THE TALENT SHORTAGE IN AUSTRALIA.

*What can we do?*

2022



# A note from Lynne...

Back in September 2021, I hosted a webinar entitled, “Tackling the Talent Shortage... Attracting & retaining good people in these crazy times”.

There were no exciting guest speakers, no engaging panel of thought leaders... It was just me... with a few slides, talking from my personal experience on what I and my team had been experiencing as recruitment professionals for the previous 18 months in the Australian employment market. I knew the topic was of great interest to many, and one that didn't have an immediate resolution on the horizon...

What I didn't realise was how many conversations it would spark amongst our connections who attended. So at the request of a few clients, I decided to turn it into a white paper, to be shared by HR and Talent professionals, business owners and leaders, and anyone who is keen to understand why they are struggling to find good people, what they can do about it, and importantly, how they can retain the great team they already have.

A lot of the information comes from my own experience of what myself and my team have observed in the market and the research we've completed with the talent community. I was also kindly offered insights into the current immigration situation by our immigration lawyer, and some valuable candidate behaviour insights from our quality assurance partner.

I hope you enjoy the read – I'd love to hear any feedback, and learn about your experience of what's working, and not working, for you as you tackle the talent shortage.



**LYNNE JOHNSTON**

Chief Executive Officer  
MAYDAY Recruitment Group

“  
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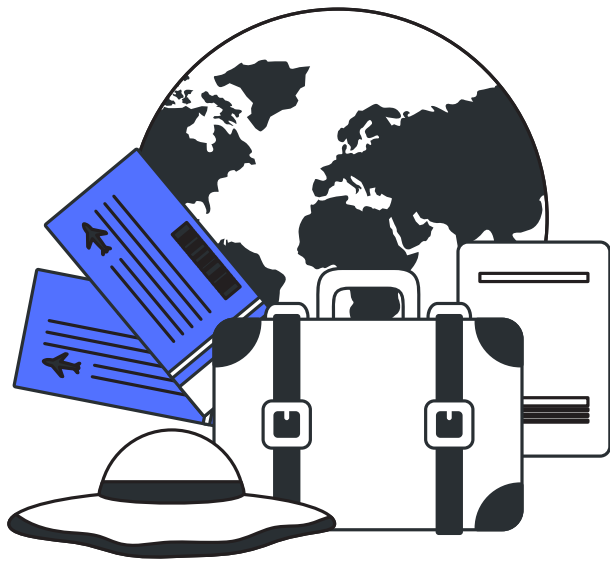
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# Let's start from the beginning

It's commonly known that Australia is heavily dependent on immigration...



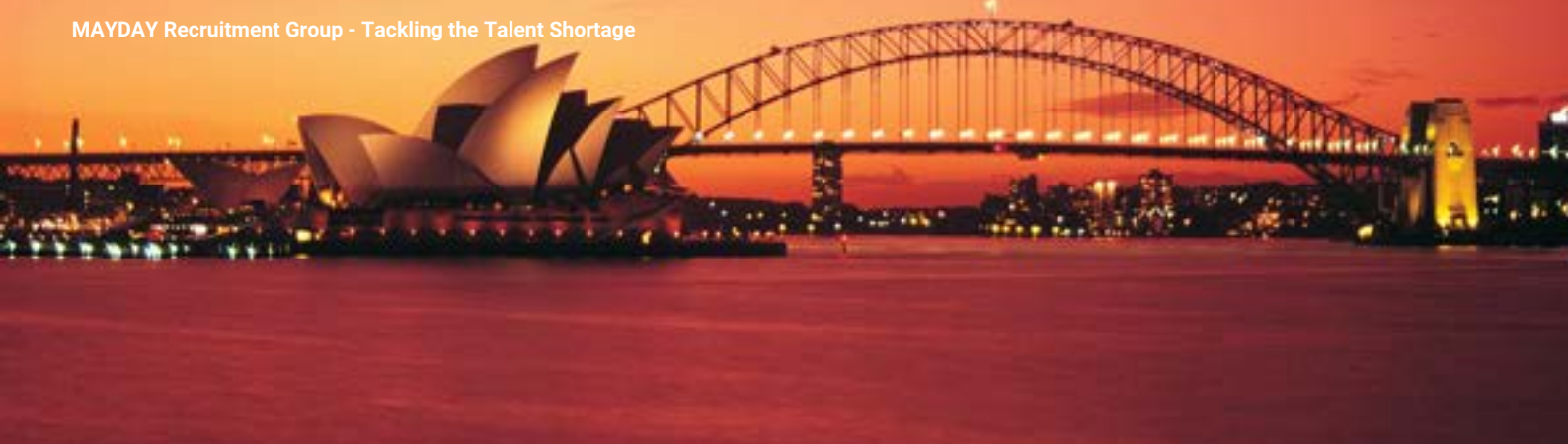
**Migrants have aided the growth of small, medium and large businesses across the country for hundreds of years.** From farming communities in rural areas to global corporates in state capitals, not only do migrants contribute to the social and cultural make-up of the country, the country relies on them to help our economy thrive.

In March 2020 when COVID-19 had officially hit our shores, Australia shut its borders; something that surprised many, however was a necessity at the time to help control further spread of the virus.

## So what did this mean for businesses?

Immigration lawyer, Cathal Lynch from Agile Visas provided us with some pandemic immigration insights to help us understand the impact.





# The pandemic & immigration



Since March 2020, the pandemic and Australia's ongoing travel restrictions have significantly reduced demand for most visas.

In 2020-21, the number of non-humanitarian visa applications lodged fell by nearly 6 million, or 81 per cent compared to the previous year.

Australia's population is projected to be 4.4 per cent smaller (1.1 million fewer people) by 2030-31 than it would have been had it not been for the global pandemic.

It is now estimated to reach 28.8 million by 2028-29, three years later than in the absence of COVID-19.

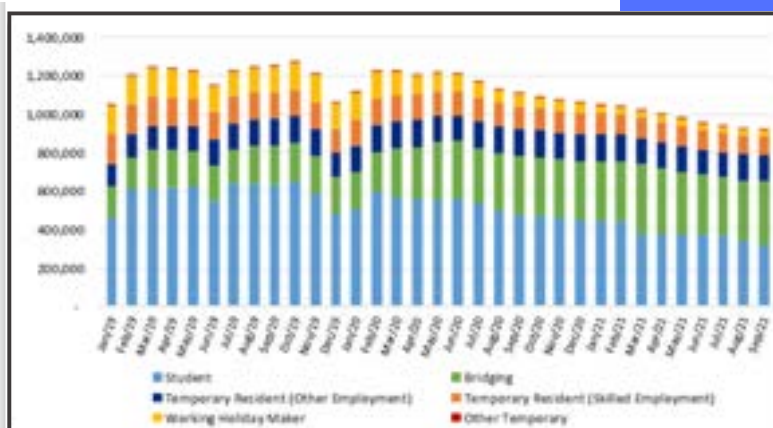
## Employer sponsored visas

Data published by the Department of Home Affairs indicates that there was a 25% drop in the number of temporary skilled employment (primary) visa applications lodged in the 12 months to 30 September 2021 when compared with the previous year.

Visa Category	2019-20	2020-21
Temporary Resident (Skilled Employment)	36,334	27,190

Whilst fewer new applications for visas have been submitted, many existing visa holders have departed Australia's shores too. As of 30 September 2021, the number of people in Australia on temporary skilled employment visas was 95,035. A year earlier, the number was 117,316.

Agile Visas advises on employer-sponsored visas across a range of industries, and in 2021 we noticed a recurring issue of employers being unable to source talent in almost every industry.

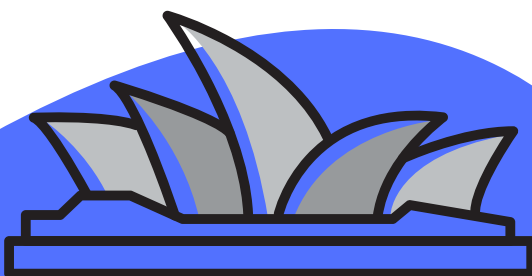


## The future looks bright

For the majority, sponsoring skilled personnel from overseas simply wasn't possible due to Australia's border restrictions. However, following a provisional opening of borders in late 2021, Australia has fully opened its borders to all vaccinated visa holders as of **21 February 2022**. It is also apparent that Australia is shifting its migration policies to assist employers struggling with skills shortages.

### 3 Important recent concessions

1. Relaxation of the 6-month work limitation on working holiday visas. WHV holders can now work with the same employer longer than 6 months. This will remain policy at least until the end of 2022.
2. Student visa holders are currently being permitted full-time working rights. This policy will be reviewed again in April 2022
3. Certain cohorts (graduate visa holders, employer-sponsored and working holiday visa holders) who were offshore and unable to enter Australia during to the pandemic will be afforded the opportunity for new visa without charge (subject to conditions).



Author: Cathal Lynch is a Solicitor and Registered Migration Agent who previously worked in the recruitment sector for several years. He is director at Agile Visas, a Sydney CBD migration agency that predominantly deals in employer sponsored visas.



## Prospect of permanent residency for all.

Perhaps most notably, there is the prospect of a revised skilled migration program in 2022 which is widely expected to encourage skilled migration to meet Australia's current deficits.

A parliamentary report on the skilled migration program in late 2021 **recommended abolishing the distinction between** what people commonly refer to as **'short term' and 'medium term' occupations** for employer-sponsored visas.

In recent years, any 'short term' occupations have not been afforded the opportunity to apply for permanent residency – and this has often disincentivised skilled workers in making the move from overseas.

**Recent ministerial announcements** have further fuelled speculation that there will be favourable changes for prospective migrants, but as yet nothing is confirmed. It is hoped we might see legislation in **June or July 2022**.

#### Source of information:

Australian Department of Home Affairs

<https://immi.homeaffairs.gov.au/programs-subsite/files/administration-immigration-program-8th-edition.pdf>

<https://immi.homeaffairs.gov.au/programs-subsite/files/addendum-october-21.pdf>

Parliament of Australia

[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Joint/Migration/SkilledMigrationProgram/Report\\_2](https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Migration/SkilledMigrationProgram/Report_2)

# The current state of the market.

**What we as an agency have been experiencing**, what we hear and see our clients and candidates go through, and what the data is telling us is happening in the market.



## Fewer job applications

With fewer candidates, comes fewer job applications.

SEEK stated that October 2021 saw the highest number of job ads posted in a one month period in their 23+ year history. In the same month they noticed another decline of applications per job ad by 5.4%.



## Lack of quality candidates

We hear it from clients every day when they call asking for help...

*"I put up an ad, but the response was terrible. This time last year I was getting some amazing applications for the same role!"*



## Counter offers are on the up

Businesses know how difficult it is to find great talent, so they'll move mountains when someone tries to resign. We're heard extravagant offers to stay...

*50% pay increases, company shares, big promotions... whatever it takes to keep them!*

The trouble is, money often wasn't the driver behind the resignation, so if their reasons for wanting to leave aren't addressed, the employee may again feel the need to move within the next 6 months; after the glow of a pay increase wears off.



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## The dreaded ghosting phenomenon

Sorry folks, it isn't just limited to dating... ghosting in recruitment is real! One MAYDAY client who was recruiting directly for their team told us of their astonishment that only 3 out of their 4 interviewees turned up for their virtual meet that day.

They'd never experienced "candidate ghosting" before so contacted us to see if we could help find them some (more reliable) candidates.

It's not just happening to direct employers... it happens to us too. That's why we put candidates through 2 stages of interviews before sending them to a client – we need to know they are engaged in the process and want the role.



## Inflated salary expectations

We've seen candidate salary expectations rise significantly in the last year, with some candidates asking (and getting!) up to 40% higher than they were requesting in 2019.

This inflated expectation has also been fuelled by some companies paying far above market rates in order to secure talent. For our clients, particularly smaller organisations, this has made it incredibly difficult to compete with the big players.

Even if a company does want to pay a higher salary to attract a new hire, it's not always that straight forward... the salaries of current employees at the same/similar level need to be taken into consideration.



## HR and Recruitment teams are under the pump

You know... we know... internal talent and HR teams have been under incredible pressure over the last couple of years. At the start of the pandemic, we saw many Talent professionals let go as businesses were fearful of what the future held, as recruitment came to a standstill for many companies. This meant when the upturn happened and hiring started to increase, HR teams were under even greater pressure to execute aggressive recruitment plans.

At MAYDAY, two role types we've seen a significant increase in, particularly in the last year, are Recruiters and HR Business Partners. With a large percentage of the TA talent pool originating from agencies, and with many of those candidates sourced from overseas, the market for great Recruiters is tighter than it's ever been.



## Multiple Job Offers

It's tough to lock in that new hire when they've got 3 other offers on the table!

What can you do to be the one they choose?







## Teams under stress with increased workload

Business leaders - you're working with reduced headcount and while you're trying to fill multiple vacancies, the team you do have are doing more with less, stressed out, and potentially burning out.

*What else can you do to support your people?*



## Some businesses are hemorrhaging talent

We talk to businesses who are not only trying to hold on to their people, they are also struggling to attract new hires. It can feel like an uphill battle...

"The Great Resignation" is a topic of much recent debate and early signs from the US and UK, who are usually around 6-12 months ahead of Australia in labour trends show, yes, resignation levels are up post-pandemic.

*Perhaps it's more of a "great re-shuffle"?*



## Changes to employee motivations

The employment landscape has changed dramatically over the last two years. Many employees have been exposed to a working from home environment that they may not have had prior to the pandemic. This has led to factors like flexibility now being at the top of the "wanted" lists.

Remuneration will always be an important consideration, however, there are many other bargaining tools that will help you secure new talent, or retain your current team members.



## Current staff constantly being head hunted

Let's be honest, most good recruiters are using every method available to them to find great talent, and headhunting is massively on the up.

Our people do it... your people do it... and there's a good chance you have also been headhunted recently.

I know at MAYDAY my consultants are regularly "tapped on the shoulder"; it's inevitable.

*What are you doing to ensure your employee's heads don't turn?!*

*....more on that later.*

The truth is... *the struggle is real...*



# Our Experience.

 Open roles on Linked In

**342k**

"Software Engineer"  
Jobs world wide

vs

**365k**

"Recruiters"  
Jobs world wide

Amy Schultz, the global head of talent acquisition for the Australian software maker Canva, wrote in a recent post: "As of right now, there are 364,970 'Recruiter' jobs advertised on LinkedIn worldwide." That's higher than the number of open vacancies for Software Engineers...

**6.8x**

more Recruiter jobs  
posted in June 2021  
vs June 2020

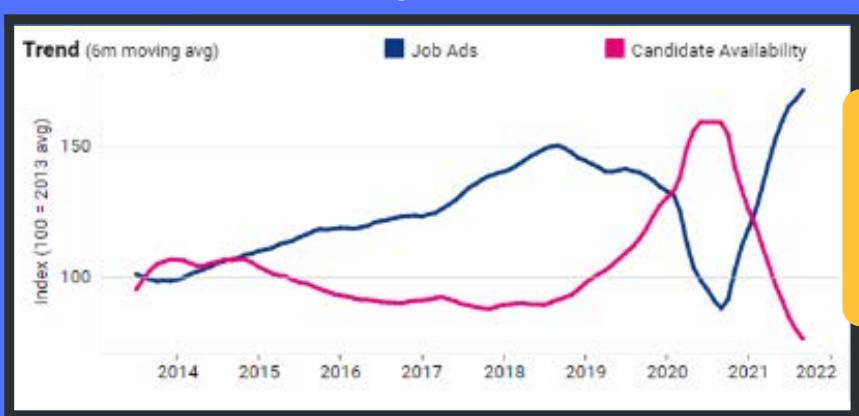
While all jobs on Linked In have seen incredible growth this year, Recruiter vacancies have grown faster than the job market overall.

*LinkedIn Article: New Data Shows a Soaring Demand for Recruiters and Where You Can Find More of Them*  
<https://www.linkedin.com/business/talent/blog/talent-strategy/data-shows-soaring-demand-for-recruiters>



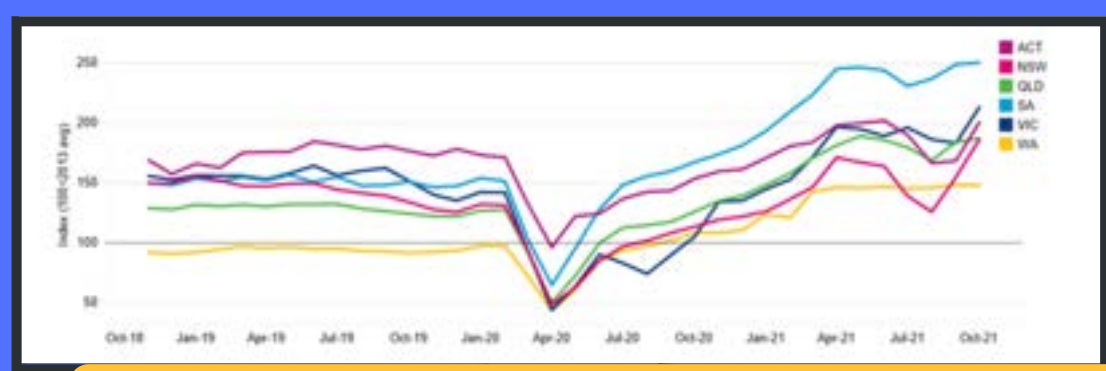
# What SEEK is telling us...

## Job adverts vs job applications



Job ads are up 71.49% compared to 2013 and candidate availability is down 23.6%

## State and territory job ad volumes – October 2019 to October 2021



The latest SEEK job ad data shows that most states have experienced month-on-month growth, with a slight decline in Western Australia and Tasmania.

Information provided by SEEK.

Collated and produced from Andy Maxey, Snr PR Specialist & Hannah Black, Snr Account Executive, Adhesive PR



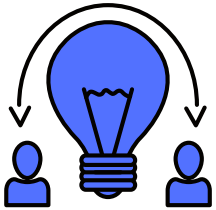
# How are MAYDAY finding candidates?

Jan 2021 - Jan 2022



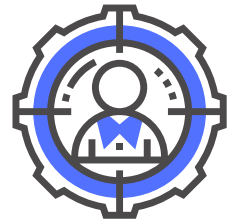
Database  
**35%**

Advertising  
**32%**



Network referrals  
**16%**

Headhunting  
**17%**



# Our research.

In late 2020 and throughout 2021 we surveyed the talent community to find out what makes them tick...

What they look for in their next role, next company, and next leader. We want to know their motivations so we can find them the best opportunities, and so we can help our clients adapt in order to secure great talent.



## Who did we ask?

Aligned to the majority of the roles we recruit, most candidates are from;

Sales, Marketing, Account Management, HR, Recruitment, Finance, Logistics, Business Support and Customer Service.

## Findings from our survey

**40%**

of candidates expect **career progression** within 12-18 months

**57%**

of candidates are now looking **flexibility** to work from home

**73%**

of candidates would like to receive **formal in-house training** at least once a month

\*with 25% of those wanting it once a week

## What are the top 3 most important \*factors for candidates seeking a new role?

Career Progression

**57%**

Company Values & Purpose

**46%**

Company Culture

**42%**



Our research in 2020 and 2021 saw **Company Culture** hit number one in both years, however **Career Progression** has increased by 15% year on year and **Company Values & Purpose** moved up the ladder to second spot

\*Candidates were offered 15 factors to choose from



# What action can you take?



## Put the candidate first

Tell me about your candidate experience. If we were to ask a candidate who'd been through a recruitment process with your company, what would they say about the experience? Their answers are fundamental to keeping candidates engaged during your hiring process.

We use an independent QA platform, Recruiter Insider, to assess the candidate experience with MAYDAY, and with our clients, at every stage of the recruitment process, including post-placement care. The platform gathers vast amounts of data that we utilise to improve our processes, and to advise our clients on how they can improve theirs.

Founder and CEO, Justin Hillier, provided us with some insights on candidates' feedback on the client-interview experience...



### Client-Interview Insights: July 2021 - Sept 2021

**The volume of candidates submitted by an agency per company has increased, however, conversion from interview to hires has dropped**

**"Candidate Experience" scores during the client-interview process have significantly declined in the last 12 months; feedback suggests explaining your company's culture, business benefits, and clear responsibilities of the role during the interview process will increase candidate engagement**

#### What will this mean in the coming months?

With candidates accepting roles where responsibilities, benefits and culture haven't been explained in-depth by the hiring manager, we could see a large increase in drop outs post placement, with even greater challenges to backfill roles already placed. The Great Resignation could be very real in Australia.



## What's your brand?

As a business, and as an individual? If I looked you up on LinkedIn right now, what impression would I have about you, if any?

Potential candidates will do this... so think about the content of your bio, what information you share on the platform, and what your profile says about who you are as a person... is it sending the best message to the market to reflect what you are like as a leader?



## When was the last time you reviewed your EVP?

What's your company's current Employee Value Proposition? If you can't answer that question you have some work to do. Last year MAYDAY completed a large piece of work re-modeling our EVP, based on feedback from our people.

Find out what your team LOVE about working there, what they value, and what improvements they'd like to see. The best way to know, is to ASK!



# What action can you take? cont.



## Tell me about your culture?

I'm not talking about "we have free lunches on a Friday"... that's great! But I want to know what it feels like to work there. If you can't describe your culture in a way that strikes a chord, makes someone relate to you and your business, then you may have just lost an opportunity to win over a prospective new hire.



## Proactive sourcing

If prior to the talent shortage you relied on ad response to find talent, unfortunately, you cannot any longer. Recruiters and hiring managers must be proactive in their search and use multiple channels to nurture and source great candidates.

As an agency, we are fortunate to have a large database, built over time, we can reach out to as soon as we take a job brief. We also utilise LinkedIn and Seek search for headhunting, referral schemes and extensive networks of passive candidates.

How is your business currently going out to market? Do you have the same reach as a specialist recruitment agency to tap into passive talent pools?



## Think outside the box

Recently we had a client contact us asking for six Claims Consultants for three month temporary contracts, based in Sydney. The Recruitment Consultant dealing with the client knew immediately, those candidates are like gold dust right now. With specific claims experience, they are most likely in a job, and won't be tempted to leave it for a three month temp role. Usually the candidates suited to those types of roles are from overseas and here on visas, however right now with no new talent coming into the country, the available talent pools in Sydney are in short supply.

Once we explained this to the client, we offered the solution of finding remote workers and interstate candidates. Although not the client's first preference, particularly for temporary employees, they trusted our advice, and filled the urgent roles within two days, with excellent candidates located in the NT, WA and VIC.

Open minded client +  
Skilled & committed candidates =  
Successful recruit!



# What action can you take? cont.



## Learning and Development is VITAL

In our most recent research 40% of our candidates surveyed expect regular on the job training, once established in role (5 - 12 times/year)

If you are struggling to find talent, are you looking at the transferable skills of either your current employees or of potential new hires? Are you focused on training, upskilling and career development?

At MAYDAY we identified a gap in our industry of experienced recruiters, so we started a training program, Future Recruiter, where we identify talent with the right attitude and customer service skills to succeed, then teach them the recruitment fundamentals.

And for more experienced team members - they still want to learn and develop... Whether it's in-house training, external courses or mentor programs, you must ensure their career development is on the agenda, or risk losing them to someone who will invest in them.

One of our favourite quotes on training...



**CFO asks CEO:**

*"What happens if we invest in developing our people and then they leave us?"*



## Retention strategies

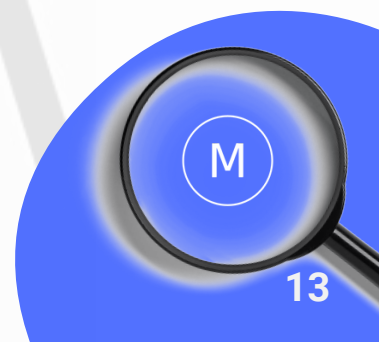
With a lack of talent in the market, more than ever business leaders should be focused on how to retain their current employees. We know it can be tough to compete with the big players offering amazing benefits from day one in the role, so make sure you are in touch with what matters to your people. And if you are unsure, ask.

In 2021 we completed a large piece of research to find out what our team members cared about most, and we developed our EVP to align to their main motivators.

One of the most valuable retention strategies we have at MAYDAY is our annual leave policy which rewards tenure with up to six weeks annual leave every year from their third year at MAYDAY. Time is something you can't put a price on, and it's a retention strategy and reward for tenure that our employees really value.

**CEO replies:**

*"What happens if we don't. and they stay?"*





# What action can you take? cont.



## Speed up or miss out! Please... as Recruiters, we beg of you!

So, you meet a great candidate on a Tuesday and you let the Recruiter know, "We'd love to take them to second stage... can you check their availability for next Monday afternoon please?"

Sure, we'll check their availability, and we'll also advise you, if you wait that long, you may miss out. With candidates receiving multiple contracts and some hiring managers moving mountains to make offers happen quickly, if you slow things down with a lengthy process, be prepared to miss out.

When we're hiring for MAYDAY, no matter how busy we are, we make time for internal interviews. The leadership team prioritises progressing a great candidate to second or third stage, and try to never leave it more than a couple of days between stages, unless of course the candidate isn't available. The competition is fierce so we make our own recruitment a top priority - you should too.



## Has anything changed? Ask this question of candidates...

It may seem simple but it's often missed... Asking the question, "has anything changed since we last spoke?" may save you some heartache down the track. Never underestimate what can change in a day or two. Some companies are moving fast and in the space of a few hours, your ideal candidate whom you think is super engaged may have a new opportunity presents itself.

*If you know what other interviews and potential offers candidates have in the mix you can start to mitigate risk, and potentially save the placement!*



## Get expert help

We know recruiting for your teams is difficult right now... We do this all the time, so if you do need help please reach out.

If it's an area of expertise we don't cover, we can recommend other excellent agency partners to help solve your recruitment challenges.



# In Conclusion...

Finding and retaining great people is tough right now. The labour shortage isn't going to be solved overnight, and despite borders opening, it's impacts will be long and far-reaching.

We hope you found some useful information and helpful tips in this report to better equip you to retain the people you have, and attract new talent.

Our friendly MAYDAY team are always available to answer questions, share experiences and offer advice - just reach out.

## Get in touch...

For more information or to arrange a meeting with Lynne Johnston, please contact us.

☎ 02 8377 5600

✉ [lynne@maydayrecruitment.com](mailto:lynne@maydayrecruitment.com)

✉ [info@maydayrecruitment.com](mailto:info@maydayrecruitment.com)

🌐 [maydayrecruitment.com](http://maydayrecruitment.com)



# About MAYDAY Recruitment Group.

MAYDAY Recruitment Group are a national agency, successfully supporting local Australian and global businesses with total talent solutions.

Our leadership team boasts over 60 years experience in both Australian and UK markets, and our business has built a reputation of consistent delivery, innovation, and the highest service levels in the industry.



**M**

**MAYDAY RECRUITMENT**  
 MAYDAY Recruitment are a national, multi-award winning corporate services agency, supplying temporary, contract and permanent placements across all industries

**M**

**MAYDAY CONSULTING**  
 MAYDAY Consulting are experts in volume and project recruitment, and payroll services; utilising the latest in AI powered technology to revolutionise the hiring process

**M**

**MAYDAY BLUE**  
 MAYDAY Blue specialise in all levels of construction, manufacturing and logistics recruitment. They bring the MAYDAY service delivery standards to every client and candidate interaction

## Awards & Recognition

