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# Australian Employment Trends

JUNE 2023

# Employment Trends Australia

As we approach the end of June, significant changes loom over the Australian economy. While the term "recession" remains a subject of debate, there is a noticeable cooling of the labour market, resulting in a slight decline in demand. As a result, organisations, when feasible, are increasingly turning to contingent workforces as a means to mitigate risk.

The Australian Bureau of Statistics (ABS) Labour Force data points to a continuing tight labour market for some time to come. They report an unchanged unemployment rate (trend data), strong growth in hours worked, and elevated employment to population ratio. In contrast to this, Indeed has reported a clear downward trend in job posts that is evidence of the cooling effect that we and many other businesses' are witnessing.

Despite the multitude of positive workforce and cultural shifts on the horizon in Australia, including the Workplace Gender Equality Amendment Bill 2023 and the impending National Voice Referendum, diversity, equity, inclusion and belonging (DEIB) continues to be a challenge for businesses. We see this in the data this month with a record percentage of women working in 2023, but the gender pay gap continuing to persist at pre-pandemic levels.

During challenging economic times, organisations often face difficulties in maintaining their DEIB objectives but it's important not to let your hard-earned progress slip away and to instead focus on integrating DEIB into your overall organisational and talent management strategy.

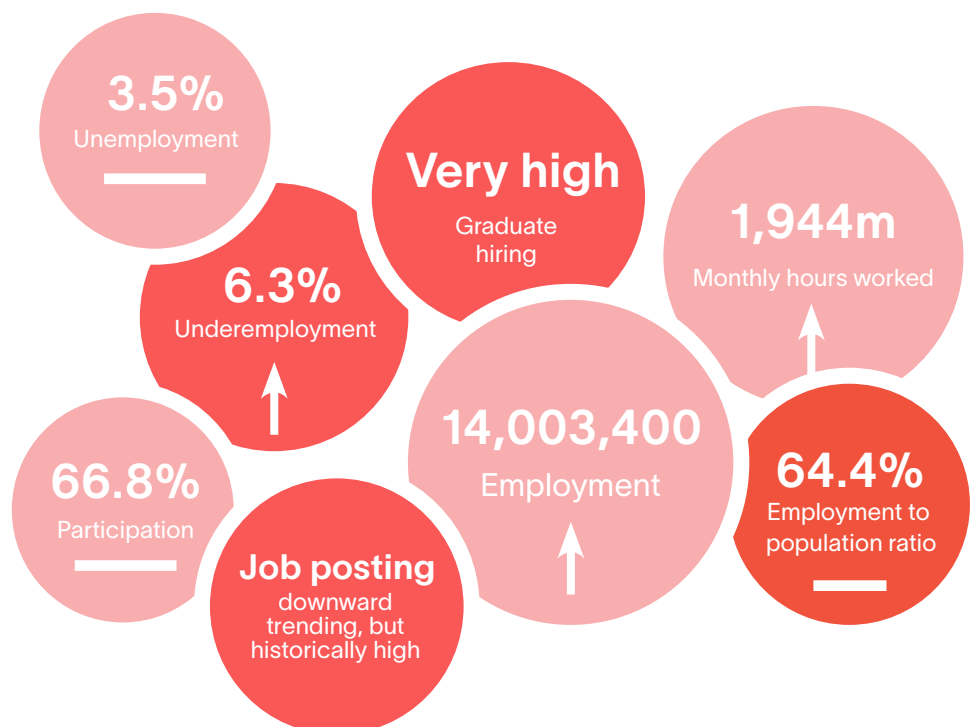
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I have seen the importance of diversity, equity, and inclusion in building a successful and innovative workforce remain at the forefront of discussions so far, in 2023. Diversity and Inclusion is not only a moral imperative, but also a strategic advantage for any organisation that wants to attract and retain the best talent today's tight market.

Nick Gabrielidis, Executive General Manager, Chandler Macleod



## Key Indicators



# NSW/ACT Highlight

## What we are seeing on the ground



Margo Shand, General Manager of NSW and ACT for Chandler Macleod shared that despite gloomy market predictions suggesting that permanent recruitment might dip in the April to June quarter, in NSW/ACT permanent recruitment is still holding up well with a strong pipeline into July.



**Margo, Shand, General Manager ACT/NSW**

Moreover, temporary recruitment did not pick up as quickly as we would have expected with most Clients opting for permanent over temporary placements. This trend is just beginning to change outside of ACT.

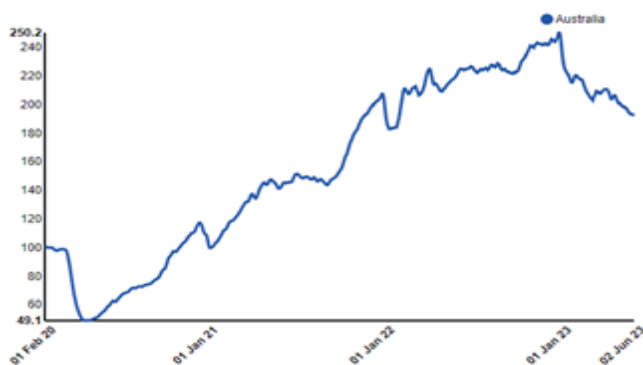
However, changes in the appetite for Federal Government to secure labour hire in favour of ongoing internal positions has also seen temporary placements slow down considerably in ACT but with an uptick in both permanent and project recruitment.

With the pressure on mortgage repayments and less available spending money for families, employees are looking for either higher salaries or new higher paying jobs and this seems to have freed up the candidate market somewhat.

## Unemployment remains at 3.5% but job postings trending downwards



**Indeed Job Posting Data Graph**



Source: Indeed - Last Updated: 02 Jun 2023

In May, there was a slight decrease in the seasonally adjusted unemployment rate, dropping by 0.1 percentage point to 3.6%. However, the trend adjusted rate remained stable. Despite the official rates remaining unchanged, our business has observed a noticeable cooling of the market, characterised by employers exhibiting hesitancy in posting new roles compared to six months ago. This observation aligns with real-time job posting data from Indeed, which indicates a significant downward trend, although still higher than previous years. Although labour shortages persist, highly sought-after positions continue to be filled relatively quickly. Conversely, roles that are challenging to fill due to either skill shortages or lower desirability experience prolonged vacancies.



## Monthly hours worked in all jobs increased

Bjorn Jarvis, Head of Labour Statistics ABS states

“The growth in hours worked continues to be particularly pronounced. In trend terms, they increased around 0.4% in May 2023, which is around double the longer-term average of 0.2% and also faster than the 0.3% growth in employment.”

It stands to reason if employers are increasingly nervous about increasing their workforce or unable to do so due to skill shortages, we will see current employed workers taking on a greater share.



Looking across the range of indicators – strong growth in hours worked, the elevated employment-to-population ratio and participation rate, along with the low unemployment and underemployment rates – they all point to a continuing tight labour market.

Bjorn Jarvis, ABS Head of Labour Statistics

## Employment to population ratio on the rise

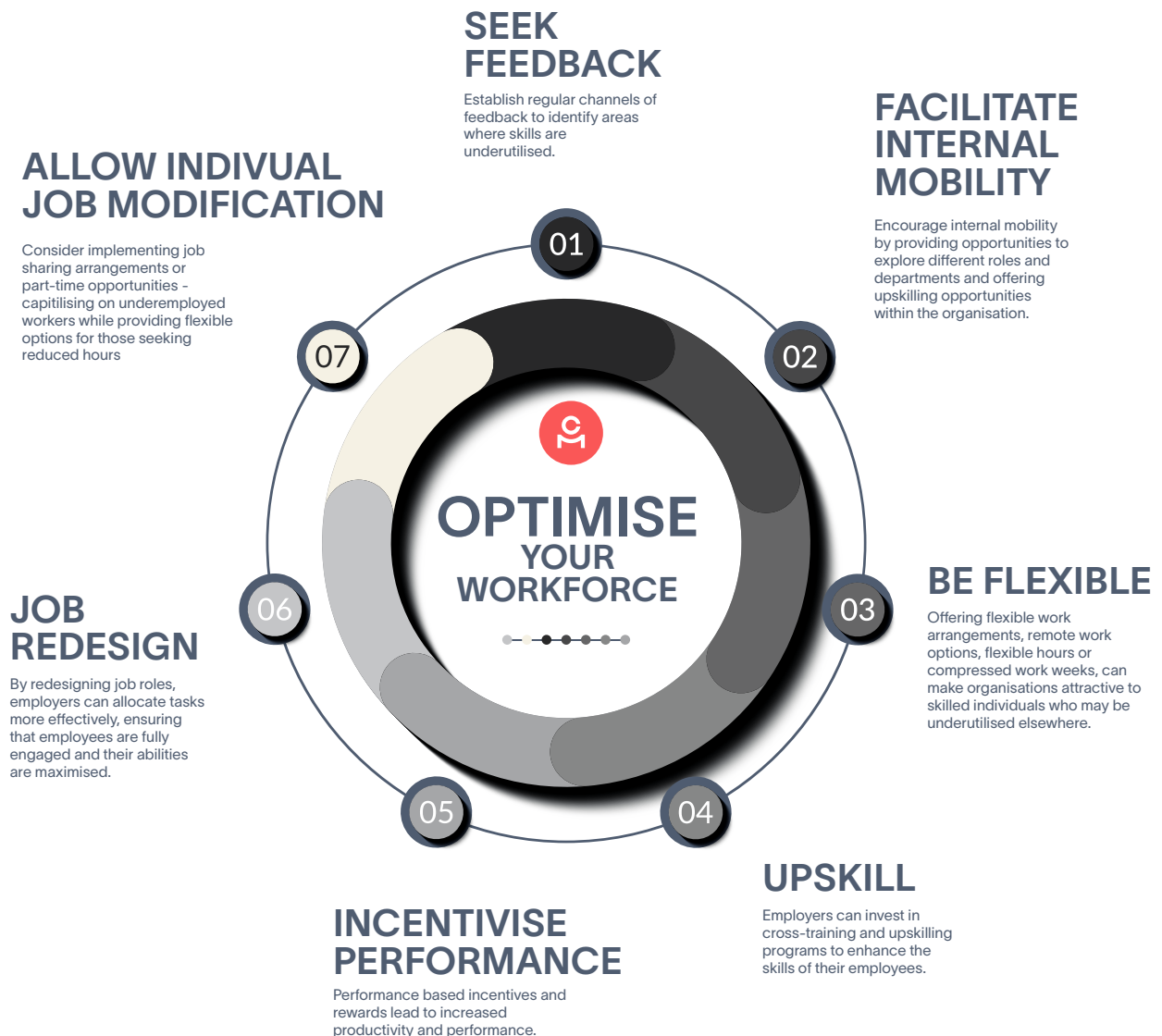
In trend terms, the employment-to-population ratio remained at 64.4% however in May, the number of employed people in Australia reached 14 million for the first time ([Labour Force, ABS](#)) and the seasonally adjusted employment-to-population ratio rose 0.2 percentage points to 64.5%, a record high. Essentially, a much higher share of the population is employed than before the pandemic, including a greater share of women than ever before (up 0.2 percentage points).

# Underemployment and underutilisation increases making optimising workforces imperative



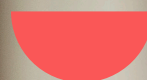
Underemployment and underutilisation rates have shown a slight increase, with underemployment rising by 0.3 to reach 6.4%, still relatively low compared to historical levels, according to the Australian Bureau of Statistics (ABS). Additionally, the underutilisation rate, which combines both unemployment and underemployment, rose by 0.2 percentage points, reaching 10%. However, this rate remains 3.9 percentage points lower than the figures recorded in March 2020.

These trends in underemployment and underutilisation pose an intriguing challenge in the job market, as workers often find themselves lacking the time to take on a second job while not being given enough hours in their current positions. In light of this situation, it is advisable for organisations to examine their internal dynamics and explore ways to capitalise on underemployment by leveraging the skills and potential of their existing workforce. The infographic below presents some alternative approaches to optimising the current workforce.





# Graduates in high demand



The demand for Australian graduates is not only high but also steadily increasing. Recent graduates have emerged as a clear beneficiary in the current tight labour market. In fact, job postings specifically targeting graduates have witnessed a significant surge during the post-pandemic recovery phase. According to data from Indeed, there were over 2.2 times more job postings for graduates in comparison to 2018.

Our Graduate & Project recruitment team, part of Chandler Macleod XPO Talent Solutions have had the same experience, with clients increasing their intake in numbers across the board at an average of 20%.



We have seen all clients increase their intake numbers for the 2024 graduate commencements at an average of 20% more than 2023. The largest jump being one client looking to bring on 700 graduates in 2024, up from 500 in 2023.

Clinton Bolst, General Manager, Graduate & Project Recruitment at Chandler Macleod



Moreover, there has been a notable shift in the hiring pattern for graduates. Unlike in the past, where job postings would typically peak in March, the demand for graduates has remained consistently high throughout the year. This sustained level of job postings further highlights the challenge employers face in filling these positions.

An interesting trend worth mentioning is the decline in job searches for graduate roles, despite the continuous high volume of job postings. This decline could potentially be attributed to the fact that graduates are now able to directly enter the workforce. Previously, such positions were typically reserved for experienced candidates with qualifications in the relevant field. As a result, graduates now have a greater opportunity to secure employment, and this trend is expected to persist in the foreseeable future.

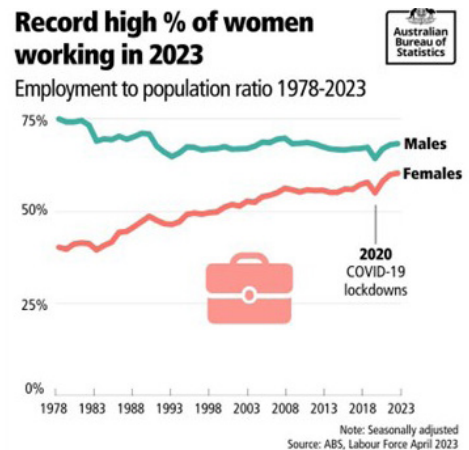
# Record high % of women working in 2023, but earning less



Employers who don't make gender equality a priority will fail to attract and retain female talent and won't benefit from the increased productivity, innovation and profitability that flows from embracing diversity in your workforce.

Mary Wooldridge, WGEA Director

In May 2023, the participation rate of women in the workforce rose to 62.2%, the highest it has ever been (ABS). Unfortunately, women only earn, on average, 87 cents for every \$1 earned by a man. It's true that the National gender pay gap dropped to 13.3% in February 2023 as reported by the Australian Bureau of Statistics however, this is only a return to where we were three years ago after a bumpy ride through the pandemic where women were disproportionately affected by conditions imposed on the workforce. Additionally, the gender pay gap is not a true reflection of current state, given it does not include bonuses, overtime payments, superannuation OR the income of part-time or casual workers (many of whom are lower paid and also women).



## We welcome WGEA reporting reforms



Every single industry in Australia has a pay gap that favours men. And the gender pay gap increased in eight industries in 2022. If you're an employer like us who embraces wholeheartedly the value of diversity, equity and inclusion in the workplace you'll welcome the WGEA reforms which will help speed up the journey of gender parity. However, with any change comes challenge and teams will need to be up to date with reporting requirements by April 2024. Key changes include:

- From late 2023, employers must share their WGEA Executive Summary and Industry Benchmark Reports with their Board
- From early 2024, WGEA will publish private sector employer gender pay gaps
- From April 2024, employers must provide additional information on employees including age, primary workplace location, CEO, head of business and casual manager remuneration
- From April 2024 Reporting on sexual harassment, harassment on the ground of sex or discrimination will be mandatory
- From April 2024, employers with 500 or more staff must have a policy or strategy for each of the six gender equality indicators and
- From late 2024 WGEA will publish Commonwealth public sector gender pay gaps



## Diversity and Inclusion a 'non-negotiable' for Australian workers

Recently [Indeed](#) reported that 8 out of 10 workers say it's important that the organisation they are applying for promotes Diversity, Equity, Inclusion and Belonging (DEIB) however cost and budget constraints were cited as the biggest barrier to an organisations D&I programs (34%) followed by a lack of awareness of DEIB by leadership.

We recognise that short sighted decisions about DEIB programs based on economic uncertainty can have profound and lasting consequences on a company's reputation and competitive advantage. By neglecting or undermining DEIB initiatives, employers risk alienating their diverse workforce, as well as potential customers and partners who prioritise inclusive practices.

## Job postings citing wellbeing, flexibility and culture get more views

We don't recommend heading to your job posts and adding these as buzz words just to get more views. But the data is clear according to the [LinkedIn Future of Recruiting Report \(2023\)](#). Job postings that cite well-being, flexibility and company culture get +46% greater increase in views and +49% greater increase in applications compared those that don't ([Global LinkedIn data as of Feb](#)) So, if you can authentically advertise your company's commitment to wellbeing, flexibility or culture in job posts, you should strongly consider doing so.

While there are growing calls from business leaders for employees to return to offices more of the time, employees have made it clear that flexibility is often a key consideration when it comes to their career decisions. In a post-COVID world many employees regard these benefits as baseline requirements when making career decisions. Best-practice leadership in this area recommends beginning conversations around flexibility with two questions: Firstly, what is most important to you in the context of flexibility? Secondly, do you know what is required to be successful in your role? The first question is designed to eliminate false assumptions around flexibility requests and assist employee's with communicating their values to their manager. The second is effectively a mirror image of the first, allowing for organisations to express their values in the context of the role requirements and to help set the employee up for success in a hybrid (or remote) work context.



# Maintaining Diversity, Equity, Inclusion and Belonging in an uncertain economy

Maintaining DEIB in an uncertain economy requires a proactive and adaptive approach from employers but it's clear from the data that candidates and employees are focusing more on these initiatives than ever. While economic uncertainties may create challenges, it is crucial for organisations to continue to prioritise DEIB initiatives to foster resilience, employee engagement, and long-term success.

## Commitment from leadership

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At Chandler Macleod (part of RGF Staffing group) it is now ingrained as a core mindset that we prioritise social value. This requires a continuous commitment and a holistic approach that involves every level of the organisation, from the leadership to the frontline employees. It also requires a clear vision with true purpose and a set of measurable goals that align with the organisation's social values.

Nick Gabrielidis, Executive General Manager, Chandler Macleod

## Transparency

Open and honest communication is essential during uncertain times. Employers should communicate their commitment to maintaining DEIB, explain the importance of diversity in problem-solving and innovation, and emphasise the value of an inclusive culture.



Recruiters, talent managers, and leaders need to be aware of the potential biases and barriers that may prevent them from accessing a diverse pool of candidates. They need to adopt inclusive hiring practices that ensure fair and objective evaluation of every applicant, regardless of their background, identity, or experience. They also need to foster a culture of belonging and respect that welcomes and supports new hires from different backgrounds.

Nick Gabrielidis, Executive General Manager, Chandler Macleod

### Don't glitter coat

Employees are less positive than recruitment decision makers about the efforts to support DEIB and 42% of workers say DEIB is just a buzzword in their organisation ([Indeed, 2023](#)), it's important to be transparent about what you're doing, but don't over-state the impact.

### Embrace flexibility and make everyone visible

The pandemic has created a once in a lifetime opportunity to redesign the way we work. Historically, flexibility has been categorised as a female issue – with mothers being forced to ask permission to work remotely to care for sick children or release pressure on the family unit. But research from [Bain & Company](#) and [Chief Executive Women](#) states that implemented properly, flexibility creates equal opportunity for women and men to flourish. However, they says it is imperative that equitable flexibility is:

- Practiced at scale
- Encouraged without preconditions
- Adopted by men and women at all levels of the company and
- Without impediments to workplace participation, progression, learning/coaching or effectiveness.

[Equitable Flexibility: Reshaping Our Workforce, CEW, Bain & Company, Inc](#)

### Build Diversity, Equity, Inclusion and Belonging into your recruitment strategy

Creating equal opportunity creates more than simply saying you are unbiased. The reality is that unchecked, unconscious bias means we are more likely to want to hire someone who is already similar to us. To ensure fair and equal opportunities for all employees, review hiring and promotion processes to eliminate biases and ensure a level playing field. Consider diverse talent pools, including underrepresented groups, and provide mentorship and sponsorship programs to support their professional growth.

By fostering a diverse and inclusive workplace, organisations can tap into the benefits of varied perspectives, creativity, and innovation, ultimately enhancing your competitive advantage.

This report is based on [ABS Trend Estimates](#)

"The ABS considers that trend estimates provide a more reliable guide to the underlying direction of the data, and are more suitable than either the seasonally adjusted or original estimates for most business decisions and policy advice."

# About us

Chandler Macleod is one of the region's largest recruitment agencies, so we know quite a bit about what it takes to recruit, select, and retain the best people.

With almost 1000 staff across 25 offices Chandler Macleod supports more than 3,500 clients with blue collar / white collar, traditional recruitment and RPO / MSP services everyday.

We're in the business of understanding how people tick because we've been digging deep into people's needs and motivations since 1959. We uncover the 'BestFit™' for employers and job hunters alike by looking beyond the CV's and JD's. This allows us to match candidates to jobs that bring out their best and discover people that can make businesses boom. We're a team of flexible thinkers and detail obsessors, who believe that the right fit can lead to a happier life. Because when you really get people, you really open up a world of opportunity.

## Locations



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