



CANDIDATE-DRIVEN MARKET

What job seekers in the private sector look for in their ideal role

#BuildingTrust



As Australia and the rest of the world recover from the economic challenges left in the wake of the COVID-19 pandemic, many businesses face the stark reality that the employment market has drastically changed.

Things are different; The pandemic and economic and social environment have profoundly impacted how companies source and hire. As labour shortages span the country and disruptions to employment wreak havoc on numerous industries, hiring managers must reassess how they attract and retain top talent.

In this report, we aim to explore Australia's candidate-driven market in 2023, why it exists and what it means for hiring managers for the year ahead.

What is a candidate-driven market?

A candidate-driven market is one in which **job candidates have more power and control in the hiring process**, as there are more job openings available than qualified candidates.

A candidate-driven market often means candidates, or job seekers, have the upper hand when it comes to demanding better pay and conditions from their employers.

Companies are, in some examples, desperate to fill roles, and when competing with other companies for top talent, must foresee and focus on the values candidates place on jobs today to attract and retain the best talent for their organisation. For example, offer a more attractive compensation and benefits packages, as well as better working conditions and company perks.



What's caused Australia's candidate-driven market?

Several factors have contributed to the development of a candidate-driven market in Australia.

Some reasons include:

Skills shortages: there is a shortage of qualified candidates to fill available job openings in some industries due to immigration limitations imposed by the Australian government during the pandemic and changes in our working population, as the country's ageing workforce has impacted the supply and demand for labour.



Labour market disruptions: The uncertainty of the pandemic forced many companies to make staff redundant and halt hiring new employees. As a result, certain industries, such as tourism and hospitality, and education, have been particularly hard-hit by the pandemic, which may have led to a decline in the supply of skilled labour in these sectors.



Now that businesses are reopening and on the road to recovery, these companies are looking to fill these vacancies again.

But candidates have become selective regarding what companies they work for and under what conditions, with many prioritising flexible working hours, hybrid working arrangements or remote working conditions in their job search.

Those businesses that can't negotiate on these terms may struggle to rise above the competition in their search for top talent.



What are Australian professionals looking for in their ideal role?

We put the questions to our network of thousands of professionals to find out what they look for in an ideal job.



If offered a 20% pay rise or a four-day working week, 53% of job seekers would prefer a four-day working week.

For job seekers, a four-day working week can make your workplace more attractive to potential hires, ultimately improving employee satisfaction and retention and leading to significantly improved work-life balance. A shorter working week may also be more appealing to those candidates with families or other commitments outside of work.

A four-day working week is also beneficial for organisations. New research from Henley Business School indicates companies that adopted a four-day week found that 78% of staff were happier, less stressed (70%) and took fewer days off (62%). This working arrangement has been shown to increase productivity, reduce organisational carbon footprint, decrease business overheads and attract and retain top talent.

There is evidence that companies that offer four-day working weeks are also attracting more talent than those that don't. One UK trial has seen companies like Tyler Grange see visits to their recruitment page go up by 60%, and enquiries to the companies increase by over 500%.



Reasons job seekers left their previous job

42%

say it was lack of career growth potential

22%

say it was poor leadership

27%

say it was salary

Career development is the connection between an individual's motivation to succeed and develop professionally and an organisation's career growth management strategy. To have an engaged workforce with a repertoire of skilled leaders, a company must offer career development opportunities mutually beneficial for their workers and organisation.

Developing solid career development programs within your organisation will give employees a sense of stability within their role and help to boost employee engagement across the board.

Does your human resources department work with individual staff members to create their Personal Development Plan (PDP)? How is this monitored, managed and worked towards? When developing your job description, be sure to include ways in which your organisation will assist in developing new skills, knowledge and responsibility for individual employees.

How job seekers consider their current working environment

57%

well
diversified

20%

say not much
(and it bothers me)

22%

say not much
(but I don't care)



Workplace diversity means accepting and including individuals from all backgrounds. A diverse workplace acknowledges the attributes and potential of each employee.

Having a diverse workforce can lead to a range of benefits for an organisation, including increased creativity and innovation, improved problem-solving and decision-making, and better representation of and responsiveness to the needs of a diverse customer base. Additionally, diversity in the workplace can help to create a more inclusive and respectful culture, which can lead to increased employee satisfaction and retention.

However, it appears that workplace diversity isn't necessarily a factor candidates look for in a company when deciding what roles they wish to apply for. This could indicate that workplace diversity is more an organisational value than an individual's professional value. While it's important to maintain organisational diversification, it won't necessarily attract top talent.



Favourite remuneration perk

46%say health and
dental insurance**17%**

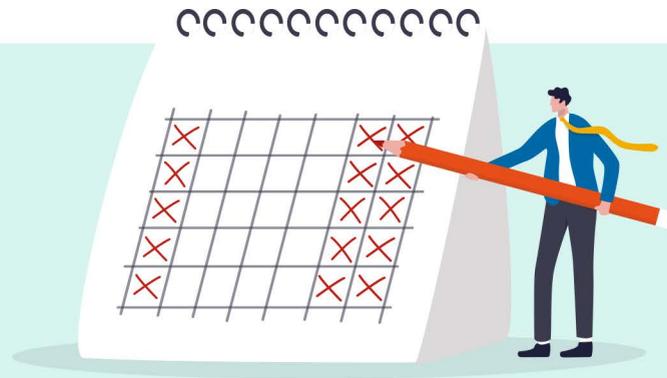
say childcare

16%say retirement
planning**22%**say education
scholarships)

While Medicare has made the cost of medical treatment lower in Australia compared to other developed countries, it can still be an important consideration for job seekers, particularly because dental isn't covered under the Medicare scheme.

Additionally, having health and dental insurance can be particularly important for those with pre-existing medical conditions or those who may be at higher risk for certain health issues, as it can provide access to the necessary medical care not covered under Medicare.

Not only can offering health and dental insurance be a valuable tool in attracting the right people for your open roles, but it can also increase employee retention and boost employee satisfaction.



Favourite company perk

75%early finish on
Fridays**12%**day off on
birthdays**05%**

games room

08%

pets allowed

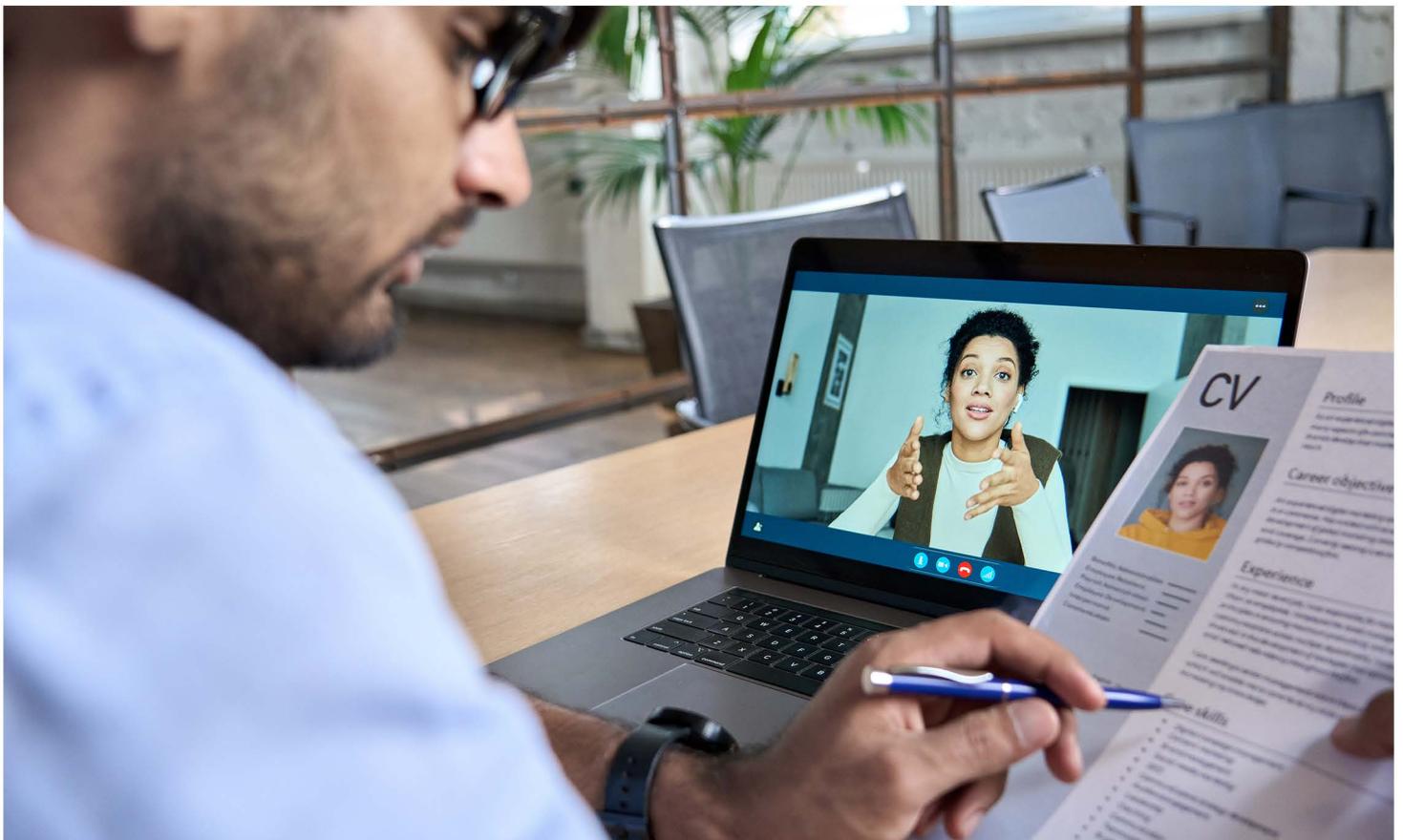
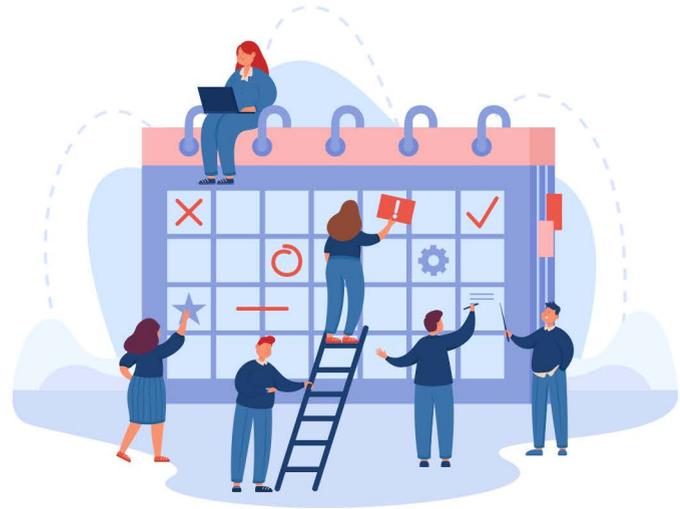
Three-quarters of poll respondents said they would prefer to finish early on Fridays over a day off on their birthday, an office games room and the ability to bring their pets to work.

There is often a lot of pressure placed on workers to meet strict deadlines and hit targets, so offering the flexibility for employees to finish early on Fridays will support a healthy work-life balance.

Some of the key benefits for organisations of allowing employees to finish early on Fridays are a boost in morale, better work quality, overall performance, focus and engagement and the ability to meet deadlines. There is also strong evidence to suggest that companies that offer early finishes on Fridays will see employee retention rates increase as a result.

It's also important to consider whether a four-day workweek would be feasible for your business and how it might impact productivity and operations.

It may be necessary to make adjustments to compensate for the shorter work week, such as requiring employees to work longer hours on their designated workdays or adjusting the company's operations to be more efficient.

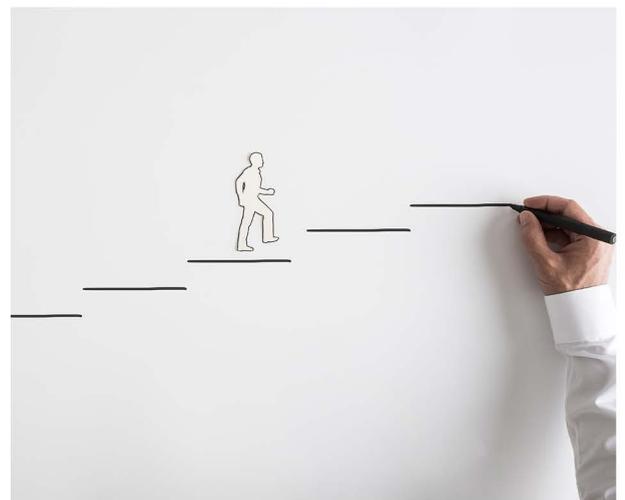


Biggest driver in pursuing a new opportunity**37%**a better
salary**31%**career growth
opportunities**29%**working flexibility/
working from home

Just over a third of job seekers see a better salary as the main driver in their job hunt, with roughly the same looking for career growth opportunities and more flexible working arrangements.

Candidates want to feel like they get paid fairly for the expertise they deliver and the experience they have, but they also want to feel like they're not going to be stuck in the same role for years without any promise of career progression.

They'll likely do their own research about your company to ensure that you promote from within your organisation and to learn about your company's career development plans. Make sure you include this information in your job descriptions and make it readily available on your website.



64%say hybrid working
arrangement suits them best**29%**full-time working
from home**07%**full-time
on-site

Hybrid working arrangements, which involve a combination of remote and in-office work, are an appealing factor for candidates.

These arrangements can offer a greater degree of flexibility, allowing employees to work from home or other locations on certain days and come into the office on other days. This can be especially appealing to employees who value a good work-life balance or have caring responsibilities that make it difficult for them to work a traditional 9-to-5 schedule.

Many organisations have adapted to these newfound values of flexible working conditions. For example, implementing a hybrid work policy allows all employees to work from home on certain days of the week or permanently allows employees to work from home. And it doesn't only benefit employees - companies that adapt can see cost savings in several areas:



1. Reduced overhead costs: Companies can save money on office space and utilities when employees work from home.



2. Increased productivity: Employees who work from home are often more productive and take fewer sick days.

3. Lowered employee turnover: Companies that offer remote work options may have lower employee turnover rates, which can save money on recruitment and training costs.

4. Lower absenteeism: Those who feel well enough to work from the comfort of their home but not in an office environment can still carry out their tasks without having to take personal leave.

5. Better employee retention: Companies that provide remote working options tend to have more satisfied and engaged employees, which can improve employee retention.





We know it's a tough time to hire and retain the right professionals for your organisation; the jobs market in Australia is going through a harsh but necessary reset in the post-pandemic world. Ultimately, businesses that are aware of what candidates value the most in their ideal role and are upfront with them from the beginning about what they can and can't offer will do well in attracting top talent for their organisation.

In such a competitive market, it is important to consider working with a specialist recruitment agency, such as Design & Build, to make sure you will find the best talent available to join your company. Learn more about us by clicking on the link below.

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