

Annual Job Market Insights Report 2024



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Welcome to our 2024 Annual Job Market Insights Report, our seventh edition, where we share with you what's driving job hunters, and how to attract the best candidates to your roles.

Foreword

The Trade Me Jobs team are seriously passionate about getting people into the right roles. It's at the heart of every decision we make, and honestly, we spend far too much time out of hours thinking about it too.

I'm always so excited about this report, because the insights that it contains are designed to help businesses to put their best foot forward in the recruitment space.

This year, there are some marked changes year-on-year that indicate a shift in the psyche of New Zealand job hunters - and showcase the economic impact on the business landscape.

We hope that this deep dive into the push/pull driving job hunters to seek new opportunities, and the effective ways businesses can attract them, guides you to success for the year ahead.



Matt Tolich
Trade Me Jobs Sales Director

Job Market Overview

A look at the economy, and the impact it's having on the job market in Aotearoa.



A flooded market is causing frustration

This year's Trade Me Jobs' Employer and Job Hunters surveys clearly evidenced the impact of a flooded job market.

Job hunters were struggling to stand out in the market.

Unemployment rates were up to 4% in December 2023 (stats.govt.nz). A crowded market meant significantly higher numbers of candidates were applying for each listing.

For employers, there was an issue with market fit, indicating that skill shortages remain in New Zealand.

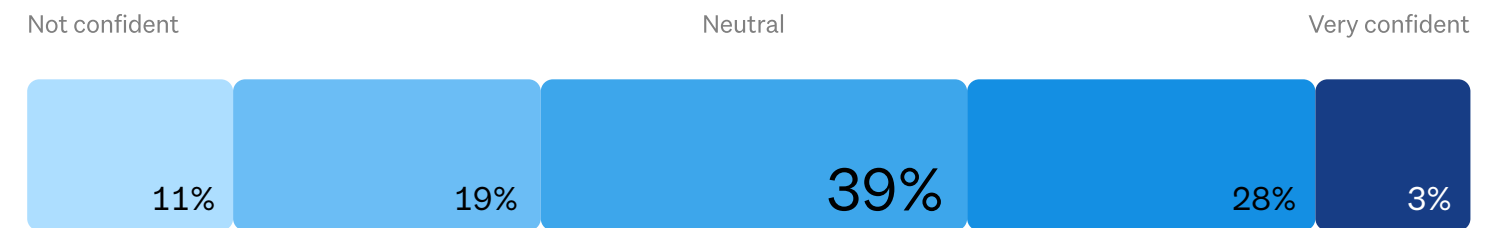
While 95% of employers surveyed were planning on hiring one or more staff; only 26% were able to successfully fill all their roles. Backing this up,

83% of employers surveyed cited "Finding good quality candidates" as the top business challenge they faced in 2023.

With the cost of inflation hitting multiple areas of business (including minimum wage, which was cited by many employers as having an impact on their business); companies looked to scale back in other areas such as benefits.

Employees felt the stretch they're feeling in their personal lives in their professional space too. 40% of employees say burn out is one of the reasons they are looking to leave their current job; which is up 16% from the same time last year.

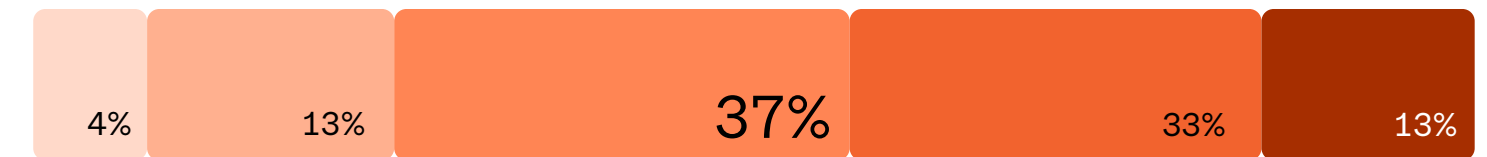
This year, there are some green shoots appearing - employers and job hunters are feeling mostly neutral about the impact the economy will have on their sector, but slightly more positive about their sectors' likelihood of growth.



How confident employers are about New Zealand's economy and the impact it will have on their sector



How confident employees and job hunters are about New Zealand's economy and the impact it will have on their sector



How confident employees/job hunters are that their sector will grow over the next year

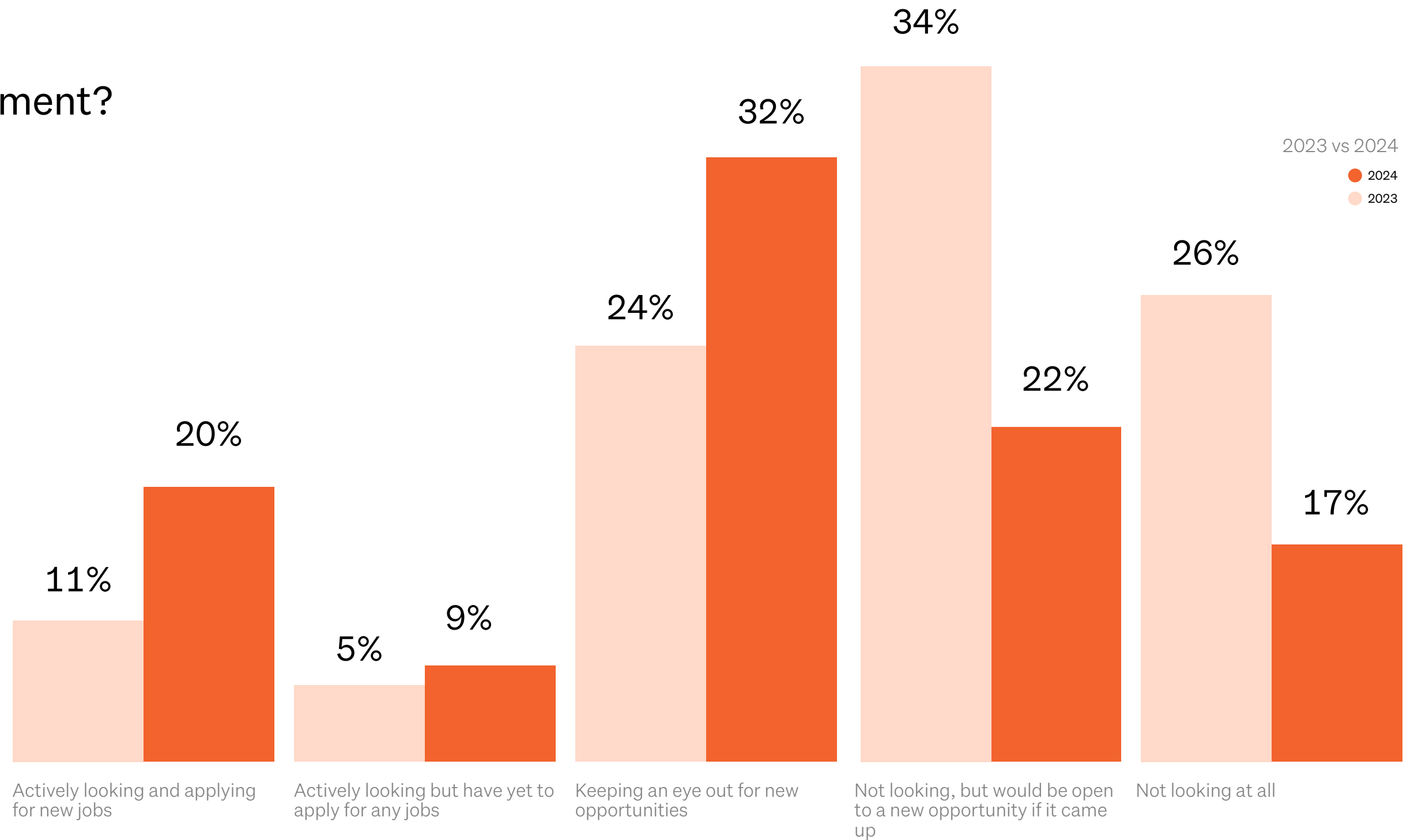
Inside the Mind of the 2024 Job Hunter

Exactly what's driving and motivating people
to look for new opportunities.



Who is looking for employment?

We are a nation on the hunt - a huge 83% of Kiwi are open to new employment opportunities.



What is motivating them?

Better pay and better career prospects reign supreme as job hunter motivators.

There has been a year-on-year shift in the market mindset, says Trade Me Jobs Sales Director Matt Tolich.

"Compared to last year, we are seeing some shifts in motivations, which speak to a change in employee and job hunter mindsets:

Better career prospects has jumped from third biggest motivation to number one - this is up 8% year-on-year.

"This is an interesting indicator that - while salary remains incredibly important - given the wider economy, salary are perhaps being seen as something an employee has limited control over. Career prospects on the other hand, could be feeling like a more tangible way of getting ahead - and will likely lead to greater long-term earning potential too.

"Speaking to opportunities to grow and shape roles may make your position even more attractive to job hunters."

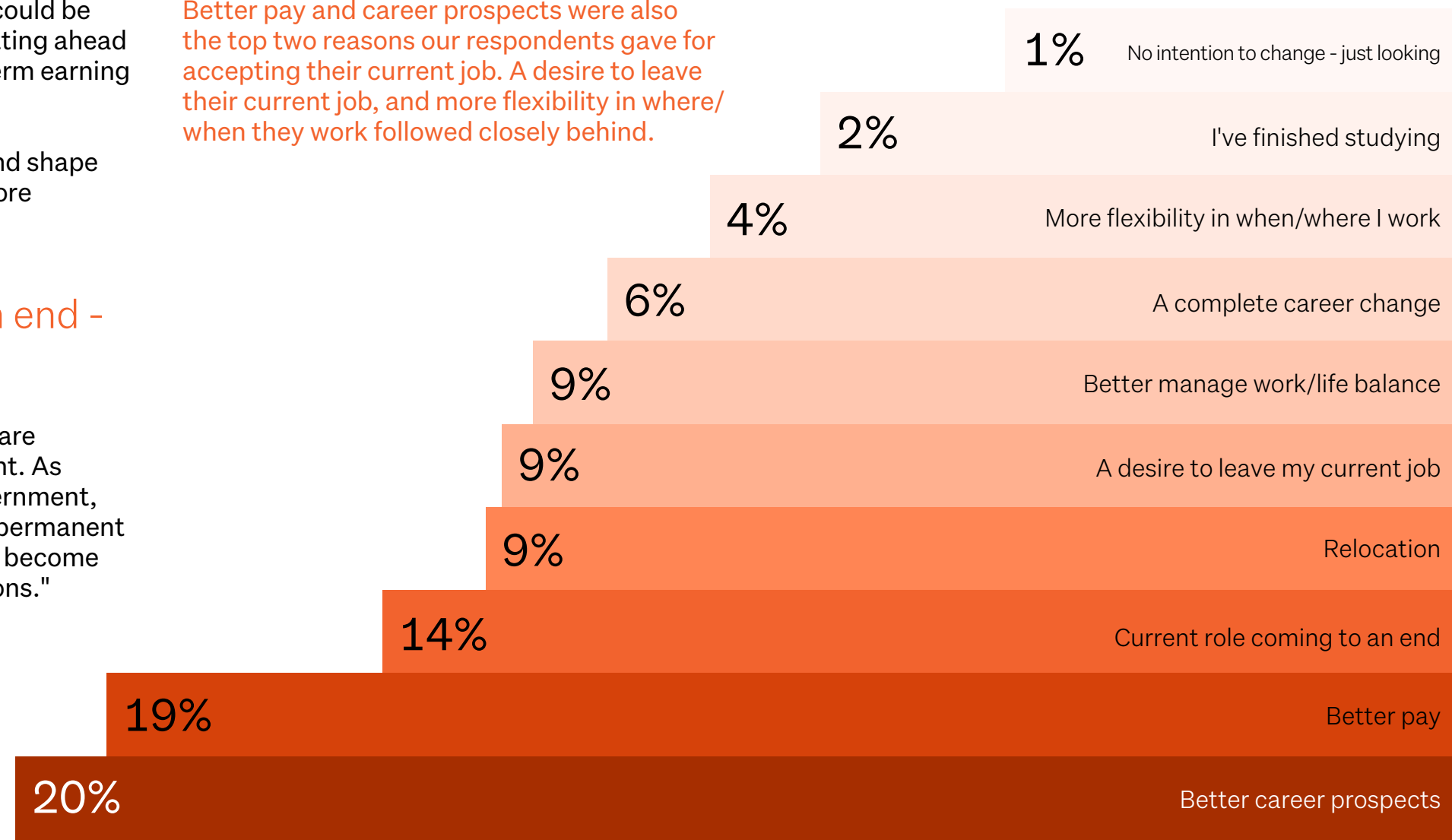
Current role coming to an end - up 11% from last year.

"In the current economy, contractors are experiencing a less stable environment. As companies, and in particular the government, continue to cut back on contractors, permanent positions or long-term contracts may become more attractive than short-term options."

Why did people accept their current role?

Better pay and career prospects were also the top two reasons our respondents gave for accepting their current job. A desire to leave their current job, and more flexibility in where/when they work followed closely behind.

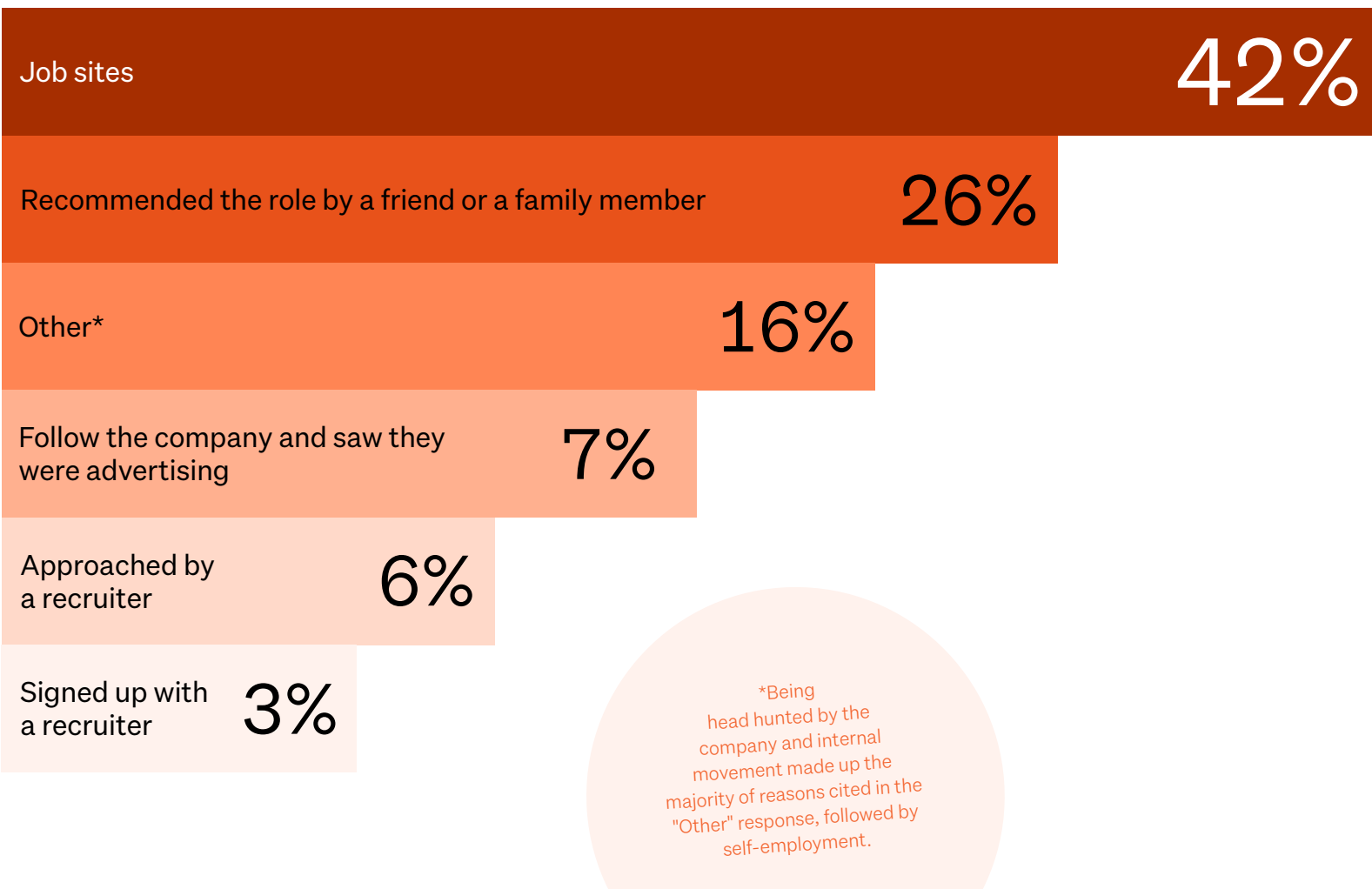
Main motivation for job hunting



Where are they looking?

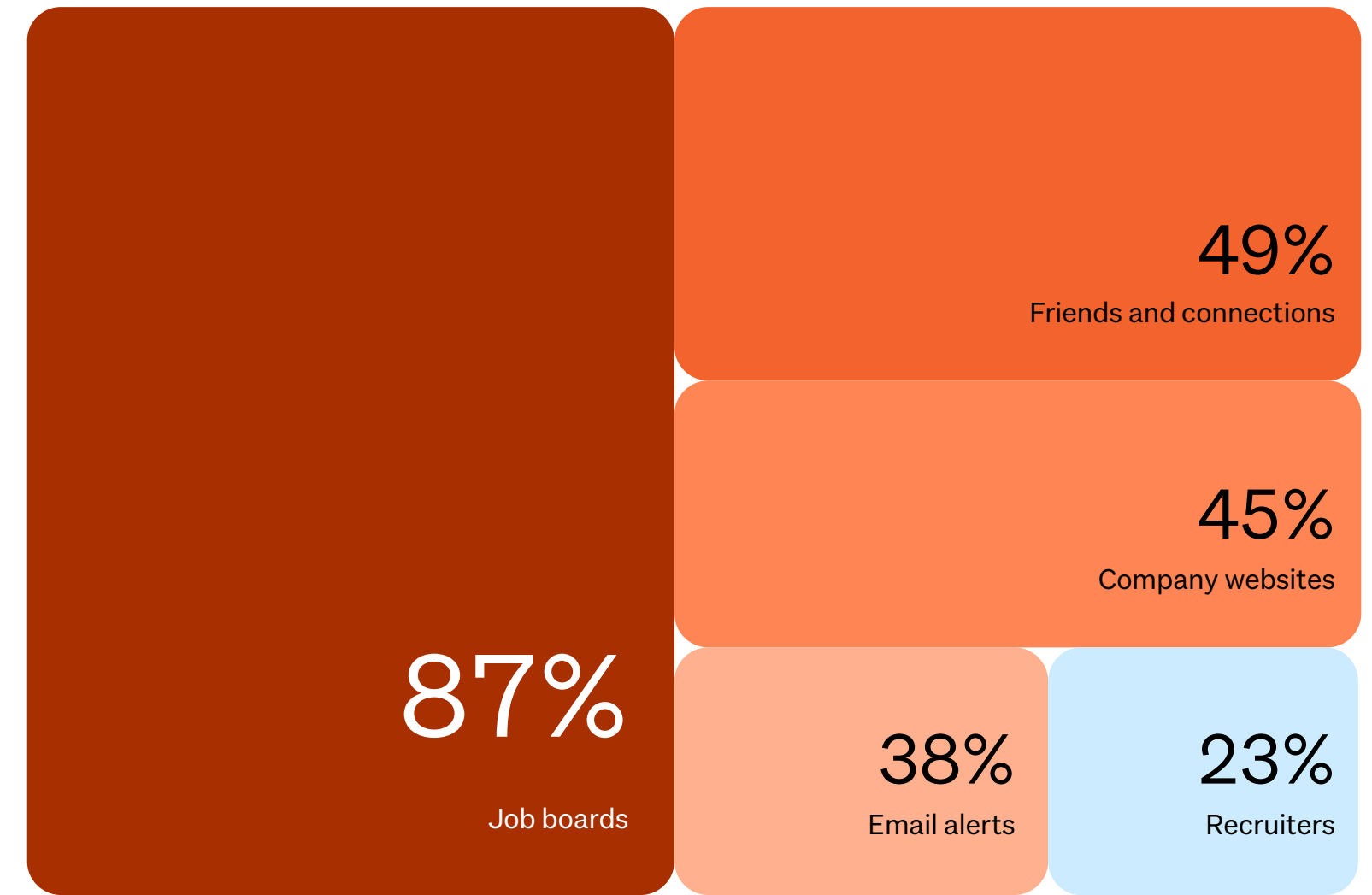
Job sites remain the number one place job hunters look, so listing all your vacancies online will ensure you are reaching the widest pool of talent.

How Kiwi found their current role



How they're looking for new opportunities

Both active and passive hunters utilise the same top two methods of search.



What are their biggest frustrations in the recruitment process?

The recruitment process remains an intensive one for job hunters, and lack of clarity around details leads to further frustration. In particular, transparency around salary was consistently cited as a point of contention.

As job hunters are having to apply for more roles as part of their search; they're likely writing more cover letters, and effort and frustration are building.

Is asking for a cover letter necessary for your role? Are there other options, such as video, that could be considered?

Could your application requirements be a barrier for entry for the right candidates?

Compared to our 2023 report the top 5 frustrations remain consistent - but there is a shuffle in order.

'A lack of suitable roles' is first (up from 5)

'Writing a cover letter' is second (up from 4)

*Trade Me Jobs try to help alleviate this with a focus on creating profiles; which allow advertisers to approach potential candidates directly.

1 in 3 candidates found the following frustrating:

01

A lack of suitable roles*

"There are not many jobs going in my field"
"Finding a role with great company culture and flexibility at the same time"

02

Writing a cover letter

"[Not] being able to successfully communicate what I can do and how the skills I have relate to different positions"

03

Lack of recruiter /employer feedback

"Preparing for interviews only to get ghosted by interviewers afterwards wastes a lot of time"
"Receipt of CV/application not acknowledged by many employers"

04

The time it takes

"References - one should be enough, asking a former employer from years back is annoying"
"Having to do tests before even getting an interview"

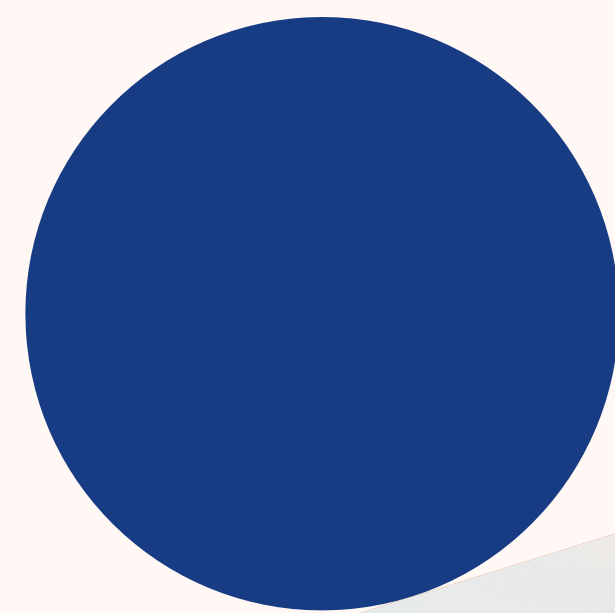
05

Missing or inaccurate information within job adverts

"Clarity over pay and benefits"
"I find it annoying when salary information isn't shared"

Attracting Candidates

What a business can do to land great
employees - and keep them.



What drives employee exits?

A personal sense of unhappiness or lack of motivation drives the majority of exits. The good news? This is a solvable problem.

The way to make people stay: Trade Me Jobs Sales Director Matt Tolich says the top four reasons cited for leaving are actually often intertwined. "People feeling overworked and undervalued may be laddering up into disillusionment around the culture and what their leaders and the business is prioritising.

"With a stretched economy, it's easy, and sometimes necessary, for businesses to ask more from staff - but staff are also feeling the weight of the economy in their personal lives as well; so this pressure can really take a toll.

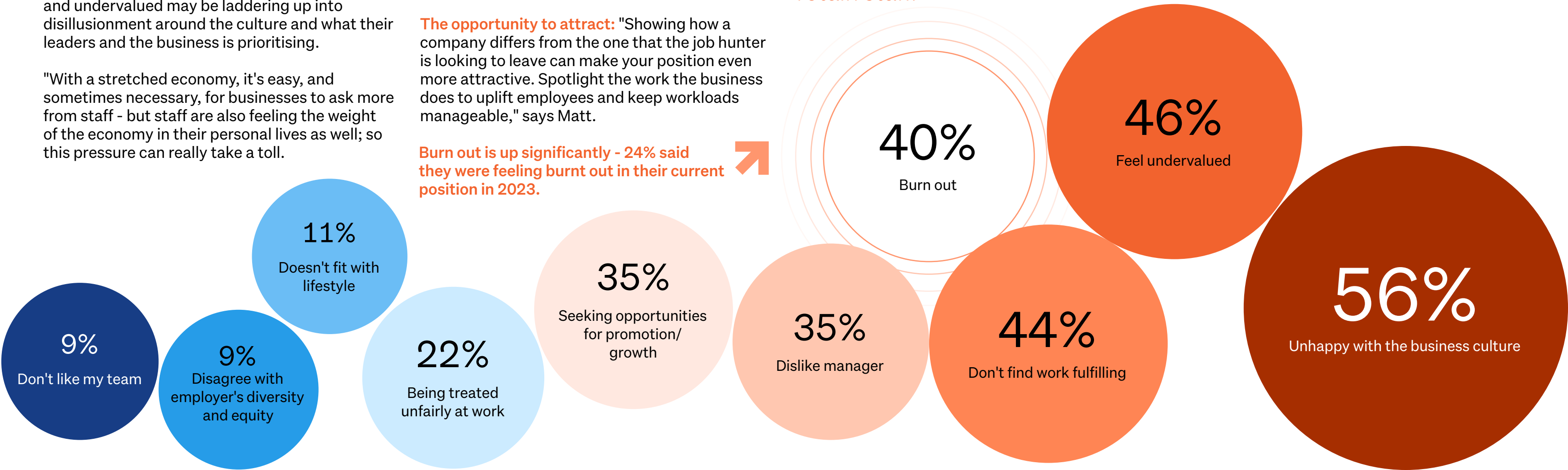
We see this in the huge 16% increase in employees saying they're feeling burnt out.

"If your company has been seeing higher numbers of exits than usual, anonymous surveys can be a good way of identifying holes that can be filled in company culture and a team's work practices."

The opportunity to attract: "Showing how a company differs from the one that the job hunter is looking to leave can make your position even more attractive. Spotlight the work the business does to uplift employees and keep workloads manageable," says Matt.

Burn out is up significantly - 24% said they were feeling burnt out in their current position in 2023. 

Many employers are aware of the importance of creating a strong culture - 84% of those surveyed said they are prioritising workplace culture in order to retain staff.



What do job hunters see as the most valuable role offerings?

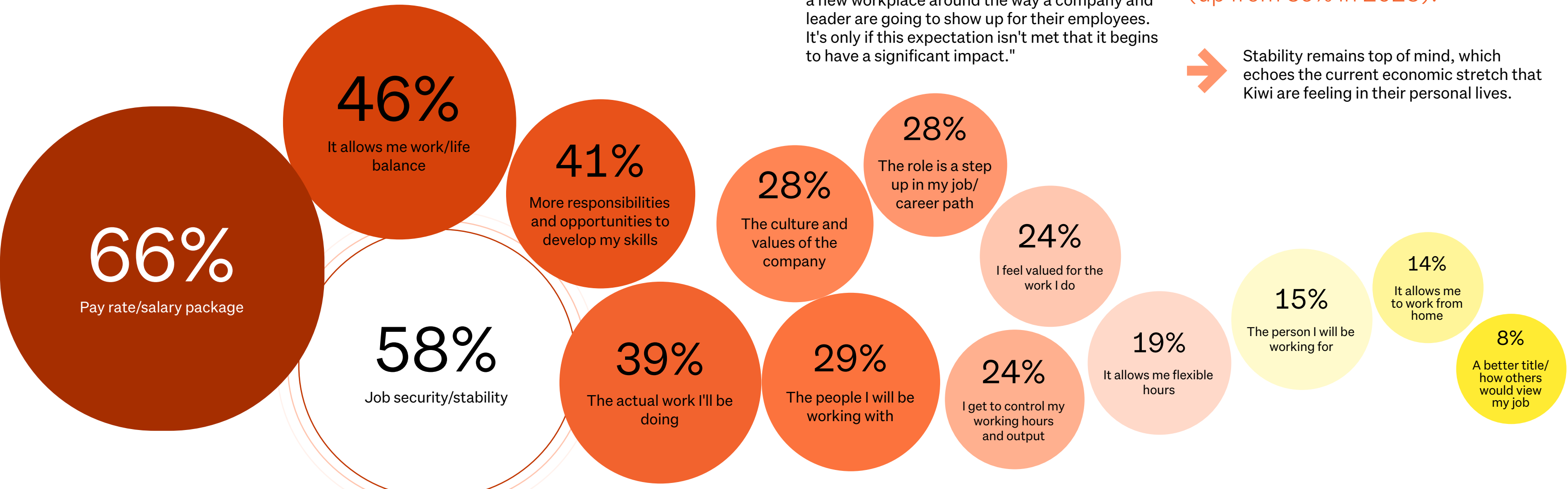
Day-to-day job satisfaction still remains a big part of decision making.

Taken for granted until it's really bad: Unpacking the importance of business culture and feeling valued with Trade Me Jobs Sales Director Matt Tolich:

"Business culture and feeling valued appear very prominently in the reasons people want to leave their current job, as opposed to what makes a new role appealing. This likely showcases a sense of high expectation that a person has going into a new workplace around the way a company and leader are going to show up for their employees. It's only if this expectation isn't met that it begins to have a significant impact."

52% of employers said they're willing to offer salaries above market rate to attract talent (up from 39% in 2023).

➔ Stability remains top of mind, which echoes the current economic stretch that Kiwi are feeling in their personal lives.



What other businesses are offering

Employers continue to lean in on flexibility around hours (how many, and which ones) to attract staff.

While flexible hours still ranks as the number two benefit on offer; compared to 2023, we've seen a huge decrease in the number of businesses making this option available. This is down from 60% to 45%. In part, a cultural 'return to office' mindset may be leading this - with emphasis placed on the importance of in-person connections, differing schedules can be harder to accommodate.

The economic pinch also appears to be having an impact on company benefits. The number of companies offering no benefits is up 3% year-on-year. For the businesses still offering benefits, the overall variety has significantly lowered year-on-year.

Changes include:

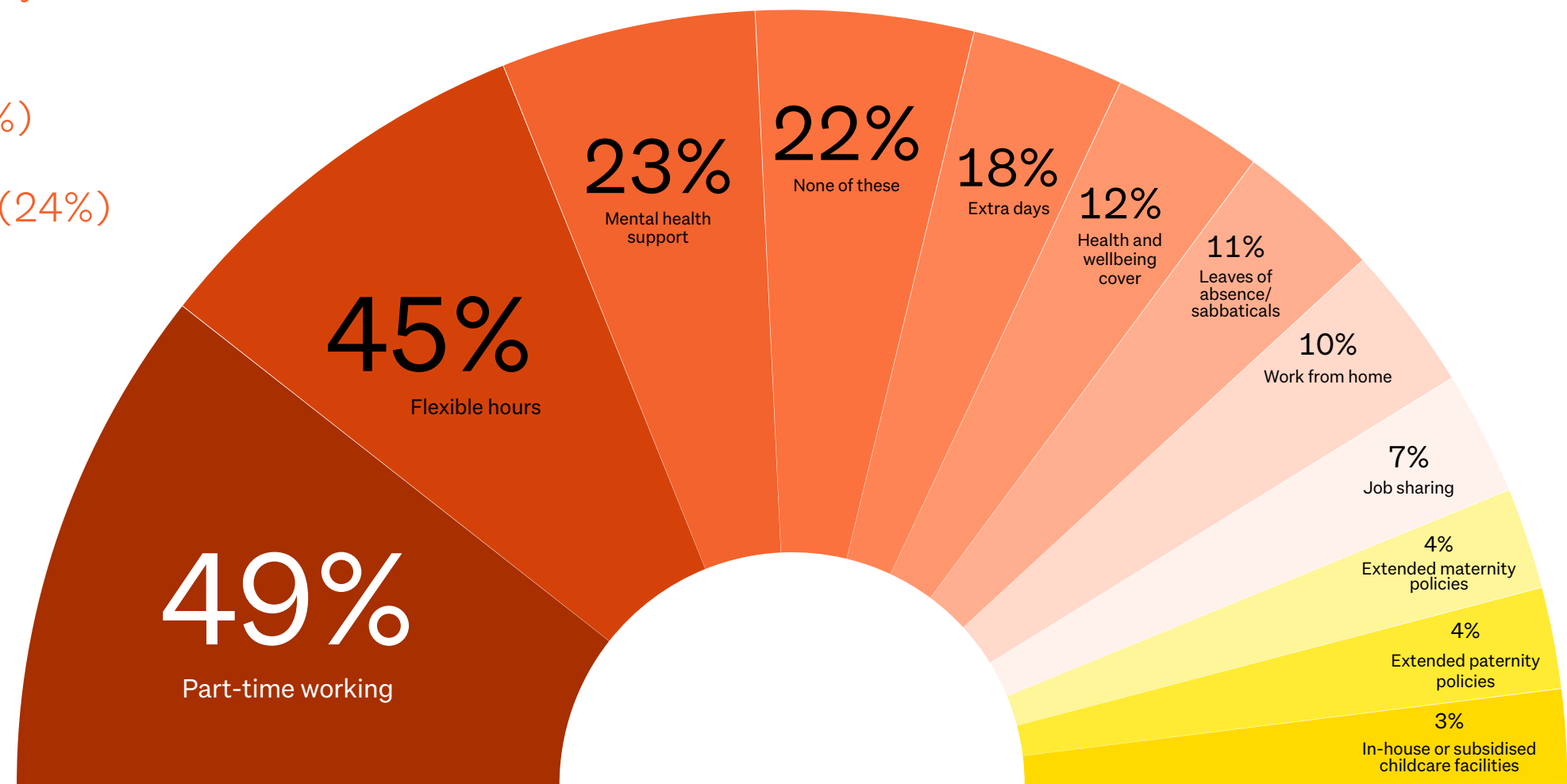
Mental health support - down 9%
Leaves of absence/sabbaticals - down 4%

Employer opinion

Fellow employers said that, out of all the benefits they offer, the top things their employees value are:

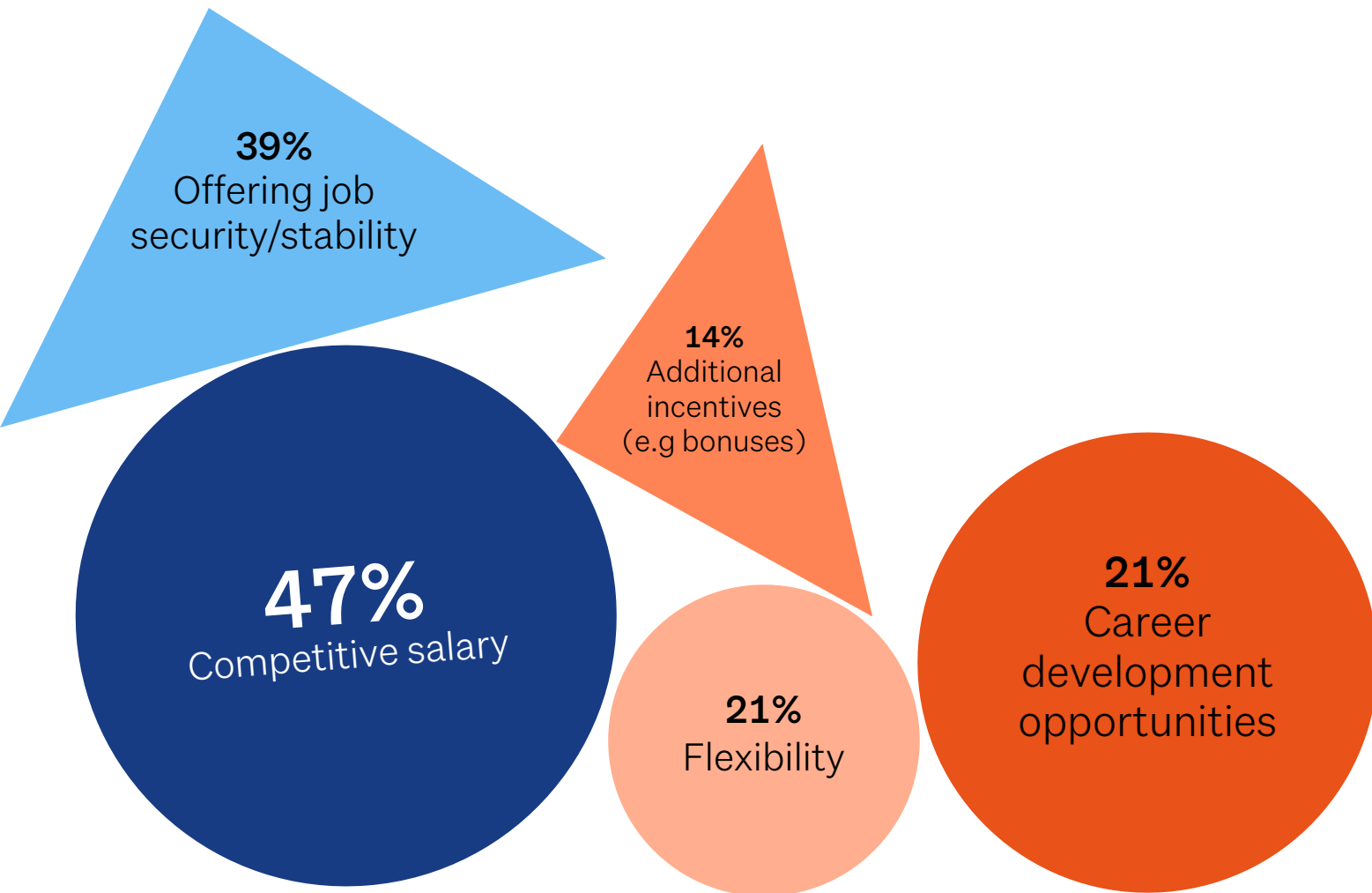
1. Flexible hours (44%)
2. Part-time working (24%)
3. Extra days (9%)

Support/flexibility policies employers are offering in 2024:



What worked to attract candidates last year

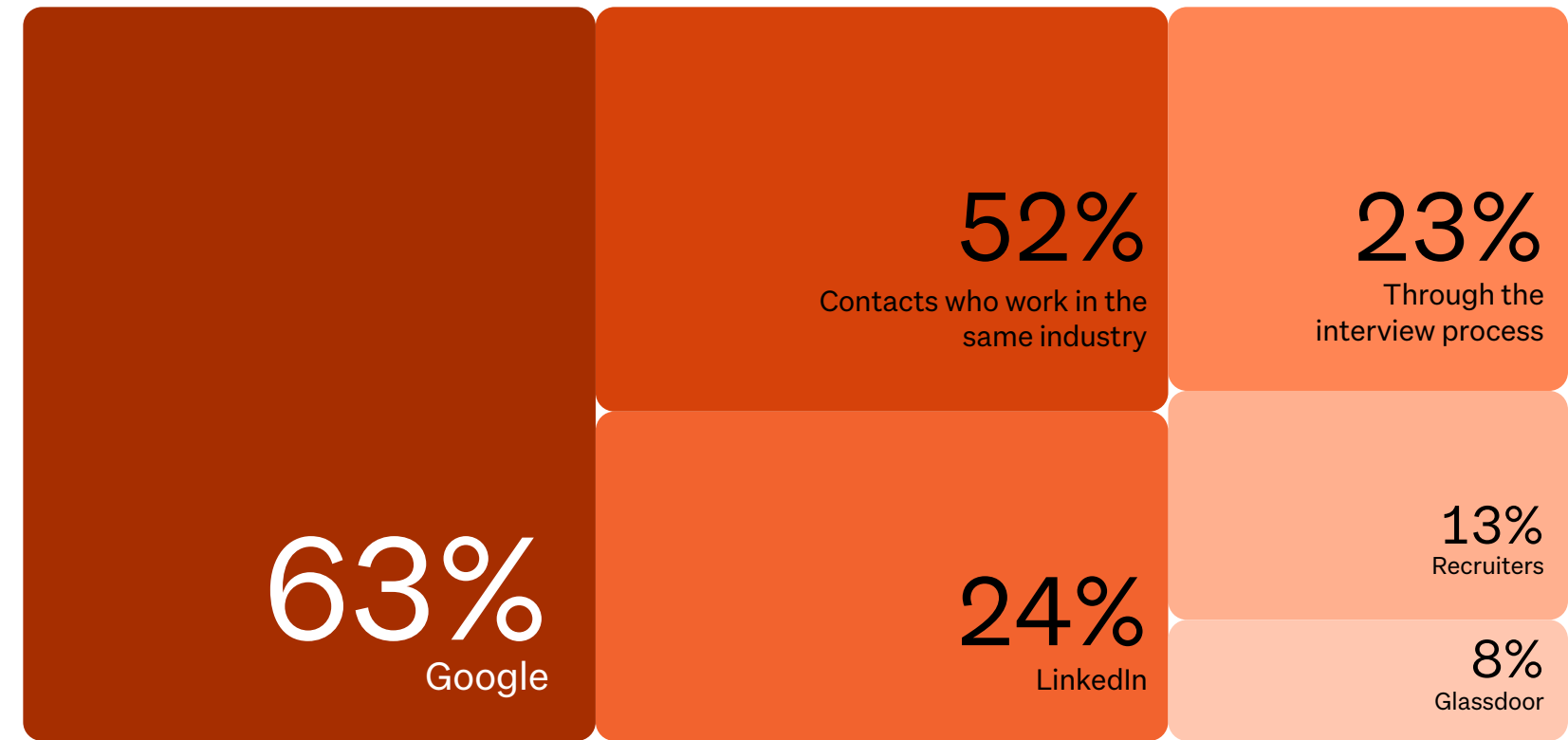
Employer opinion



Strong brand presence counts

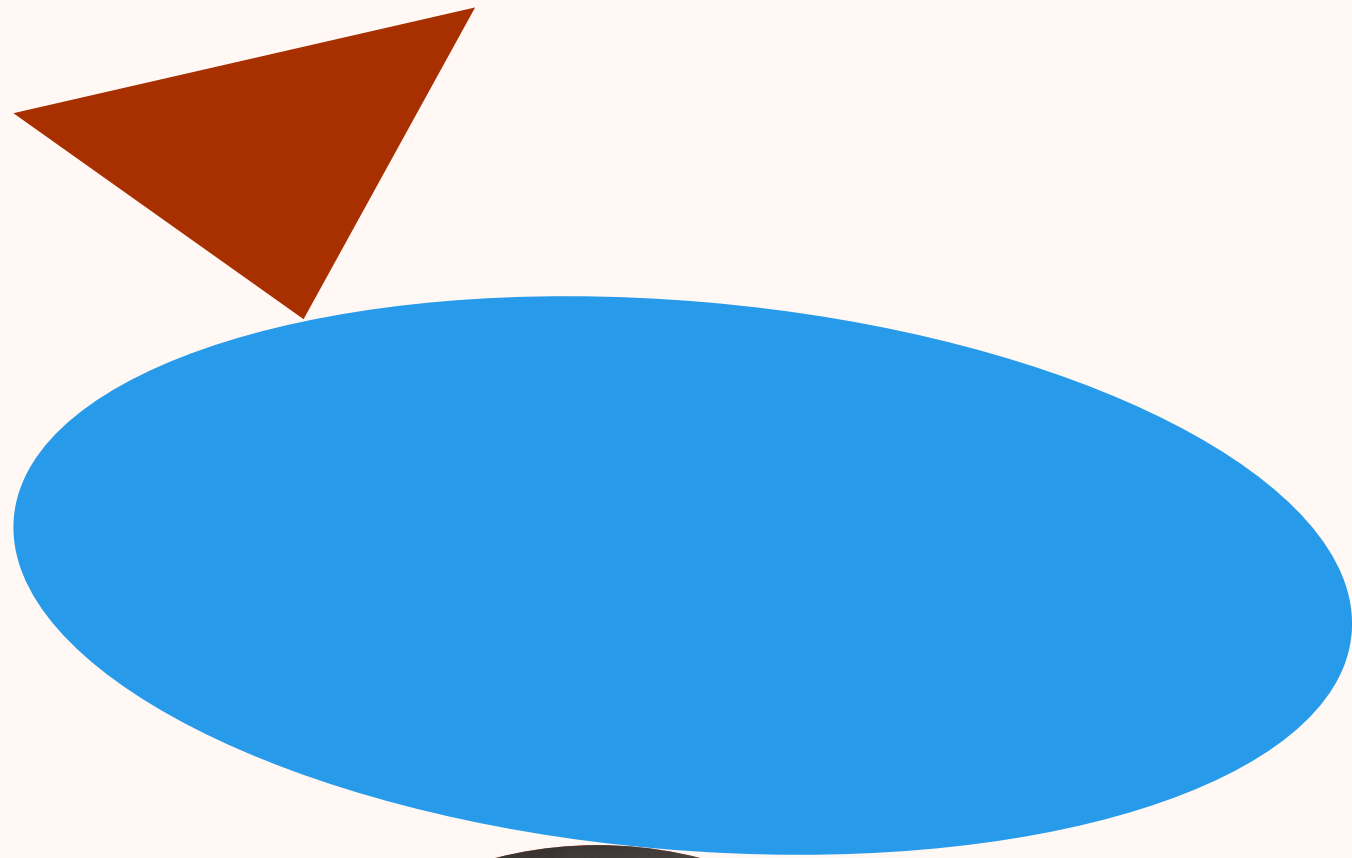
Candidates are Googling you - what are the search results saying about your brand?

Top tip: "Google, LinkedIn and the interview process are three key elements that a business has some, or complete control over. Knowing company culture is a key push factor, using these platforms and opportunities to highlight key employee benefits and aspects of company culture can help sell a workplace to job hunters."
- Trade Me Sales Director Matt Tolich.



The Employer Landscape

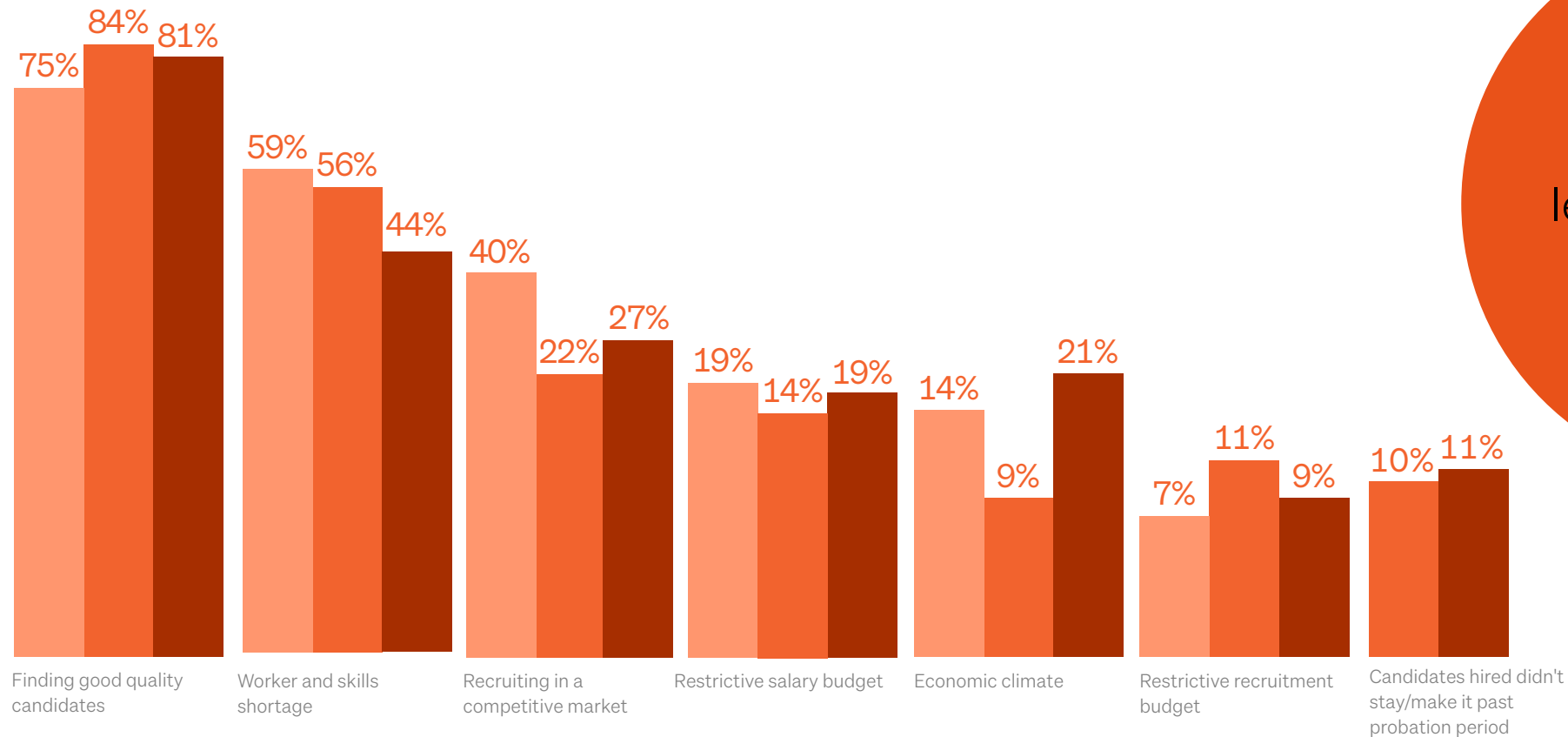
An overview of current market conditions for employers, and what's to come in the year ahead.



Hiring challenges to overcome

This year, employers are predicting that finding the right candidate will be the biggest challenge they face in the hiring process.

● 2022 ● 2023 ● 2024 (expected)



Economic challenges to overcome

Inflation

Inflation continues to take its toll - it is consistently cited as the biggest challenge employers believe their business will face this year.

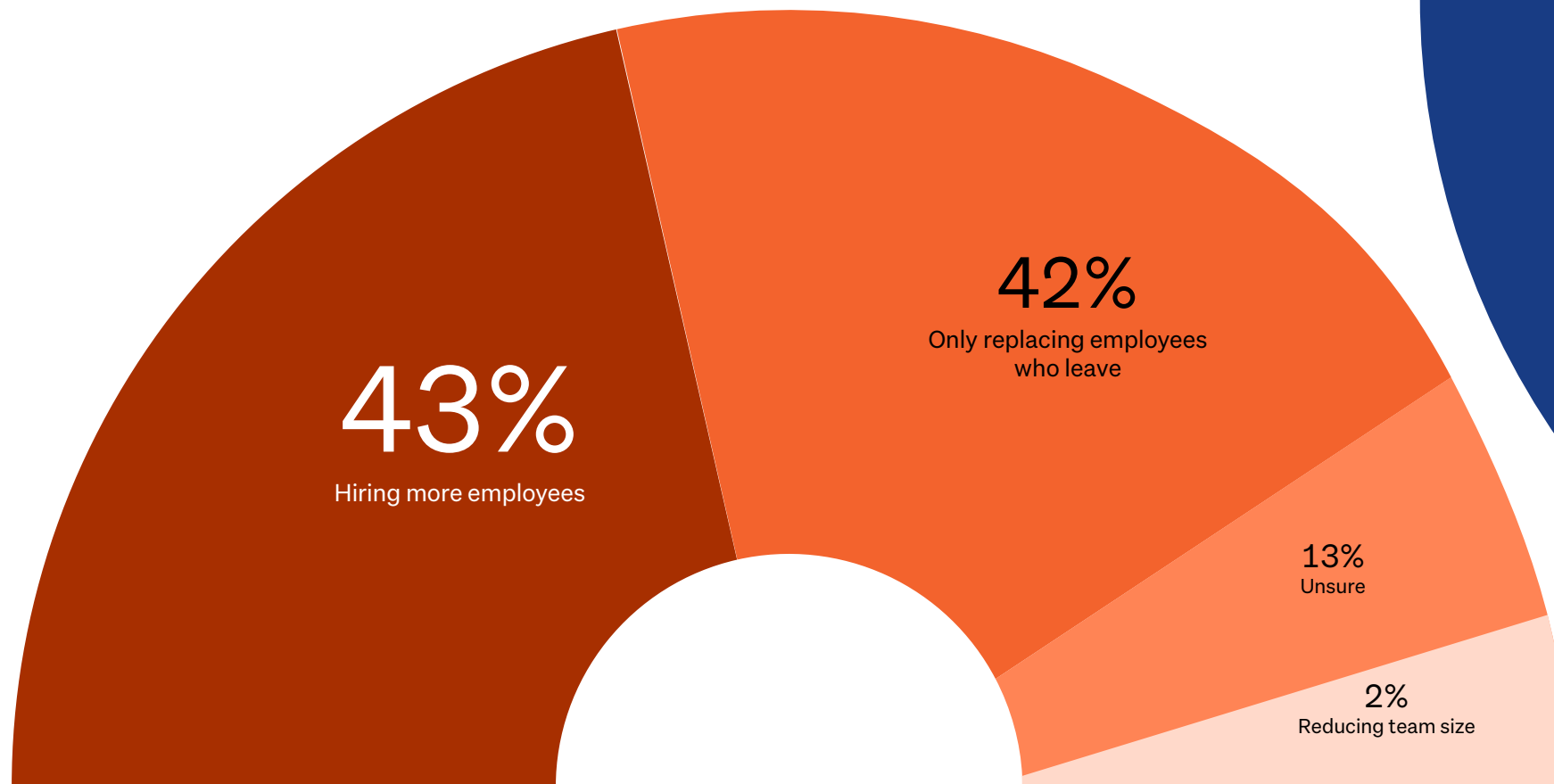
Year-on-year minimum wage increases

The minimum wage increase was the government policy that had the biggest impact for our surveyed employers in the last year. With another increase due in April, it can be expected that this will be a big pain point in the year ahead too.



Hiring intent for the year ahead

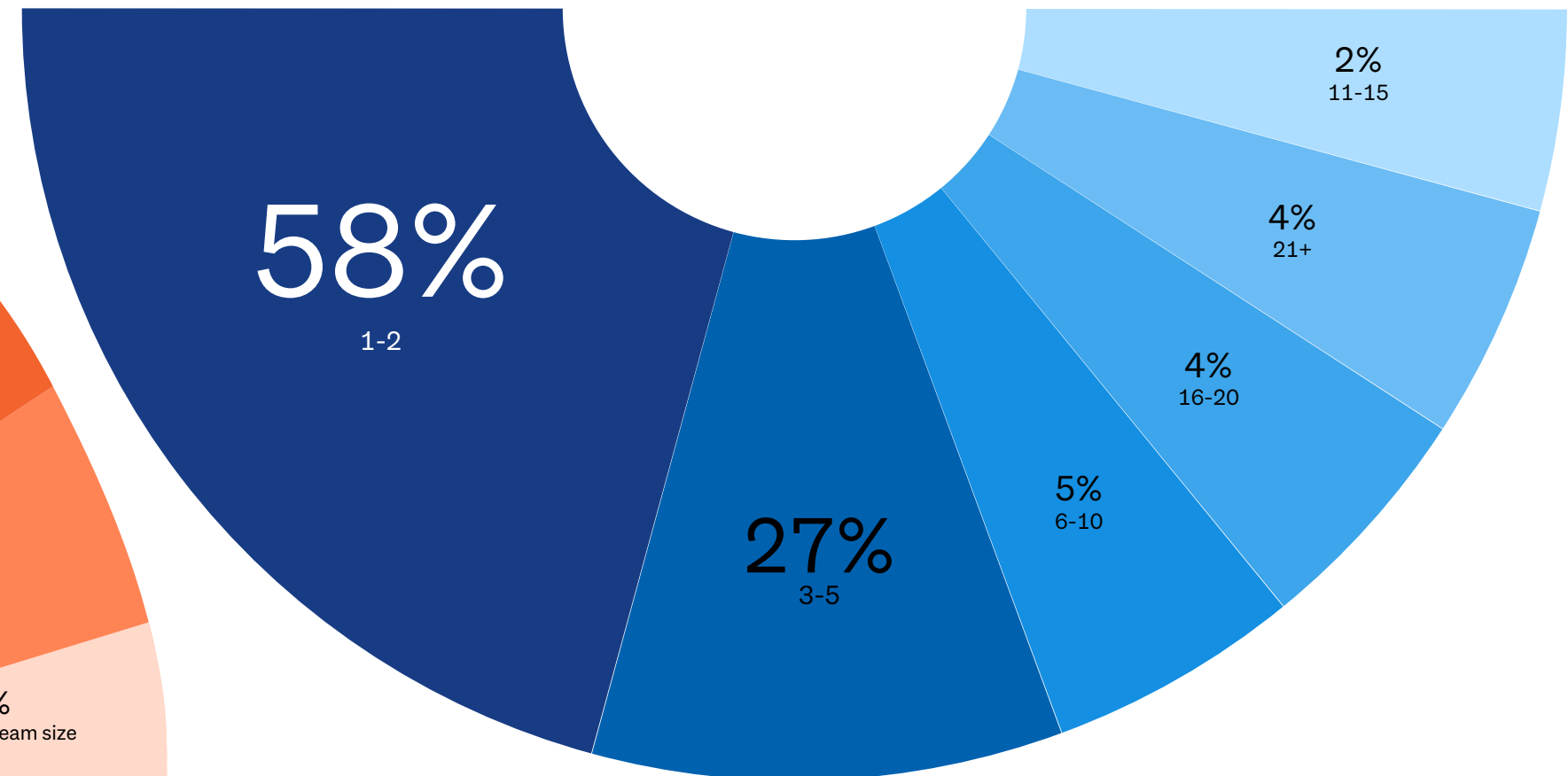
Slow and steady seems to be the hiring motto of 2024. 43% of employers are looking to expand their teams in the next year - but only 14% are looking to hire more than five new staff.



Number of employees a business is looking to grow by

The top three reasons people aren't looking to hire are:

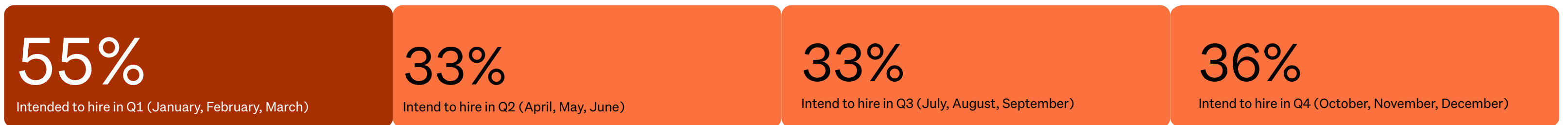
- Adequate staffing levels already achieved
- Uncertainty in the economy
- Difficulty finding suitable candidates



The hiring heat map

After a hot first quarter of the year, employers say their hiring will likely remain consistent for the rest of the year. With one in three businesses looking to advertise at any time, a consistent presence in market will help set you up for success.

Hiring intent each quarter

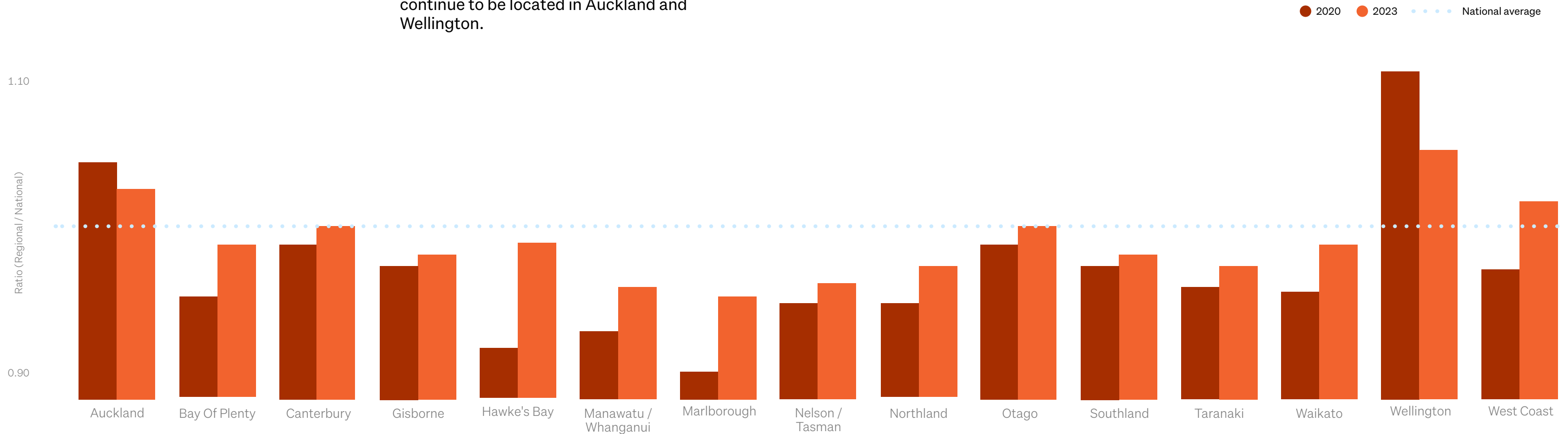


The shrinking regional salary divide

Trend to watch

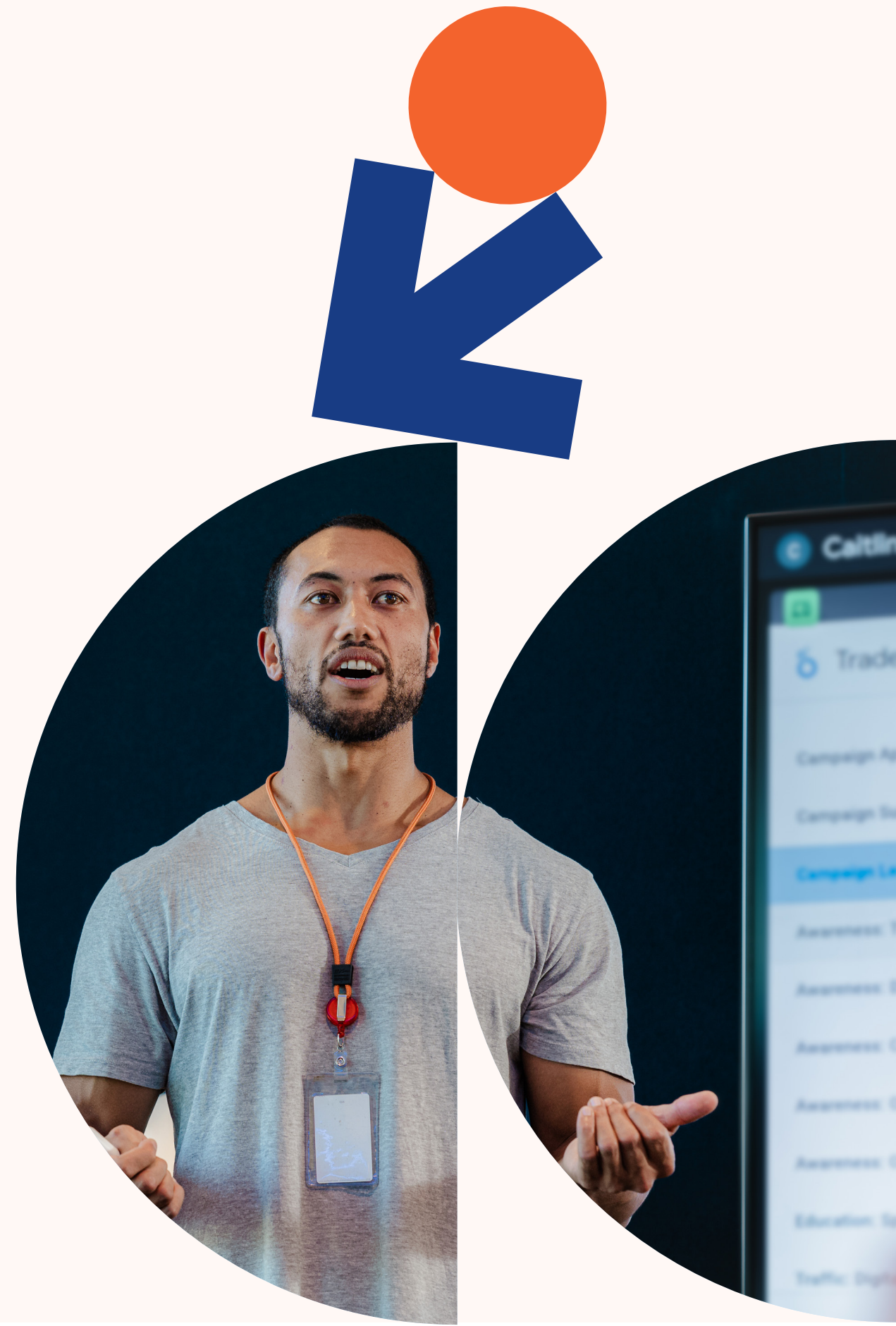
The gap between the average salaries in Auckland and Wellington vs the rest of the regions has significantly reduced over the last three years.

While the narrowing of this gap may help regions attract more experienced candidates; the previously mentioned return to offices will likely limit the number of workers who don't need to at least be within commuting distance from their offices. And as we know, many businesses continue to be located in Auckland and Wellington.



2024 Job Industry Forecast

With Economist Shamubeel Eaqub



Shamubeel Eaqub shares his forecast for the year ahead.

Navigating the economic landscape

The New Zealand economy has started 2024 on a weak footing. The economy was contracting in late 2023, and the outlook remains challenging.

Some bright spots like improving business confidence, moderating inflation globally and surging immigration are offset by high interest rates still working through the economy, reduced government spending, and slowing economic activity in our major trading partners, particularly China.

Business confidence is slowly returning, after a slump in mid 2023. But this improvement hasn't yet been mirrored among consumers, or in business behaviour in terms of investing and advertising to hire more workers.

Inflation was the dominant story of 2023, but it is slowing as Covid and war cost shocks dissipate, and higher interest rates slow economic activity and pricing power around the world. Supply disruptions remain a risk, especially with geopolitical tensions in the Middle East and South China Sea.

Immigration is running at record levels. This boosts economic activity through sheer number of people, but on a per person basis, economic prosperity has stalled. Immigration also helps to meet severe and persistent labour shortages, which means more choice when recruiting.

The headwinds to the economy are partly homegrown, and partly international. The RBNZ has raised interest rates from Covid-era low of 0.25%, to 5.5%. Households and businesses are paying much higher borrowing costs. These costs haven't yet fully bitten, because there are still fixed mortgages rolling over to higher rates. This will continue to make it harder for borrowers in 2024, as they will have less money available for other things.

The newly elected government is looking to reduce government spending. Spending cuts are likely to come before tax cuts have meaningful impact on the economy. This will mean the government will lean against the economy.

The immediate policy priorities are to undo the previous government's policies, and are unlikely to create significant economic opportunities in the near future.

The global economy has also slowed. The Covid bounce is fading, and China – our largest trading partner – has been stuck in a rut since Covid. China had been a sure source of export and tourism growth for New Zealand since around 2009 – it is now a drag instead.

The outlook for the labour market is mixed. Business optimism is helpful, meaning when consumers start spending and the economy picks up, they will advertise, hire and invest in their businesses. Elevated immigration means there are workers available to hire, and some job losses in the coming months will boost supply further. As supply of workers improves and inflationary pressures ease, wage demands will moderate. The balance of power has shifted from employees to employers.



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Methodology

For our Employee/Job Hunters data, we surveyed 2235 Trade Me members. For our Employer data, we surveyed 262 recruiters and business owners who had listed one or more jobs on Trade Me in the past 12 months. Surveys took place in January 2024.