

SEEK Economist Insight

Hirers are working harder:

The SEEK recruitment intensity signal

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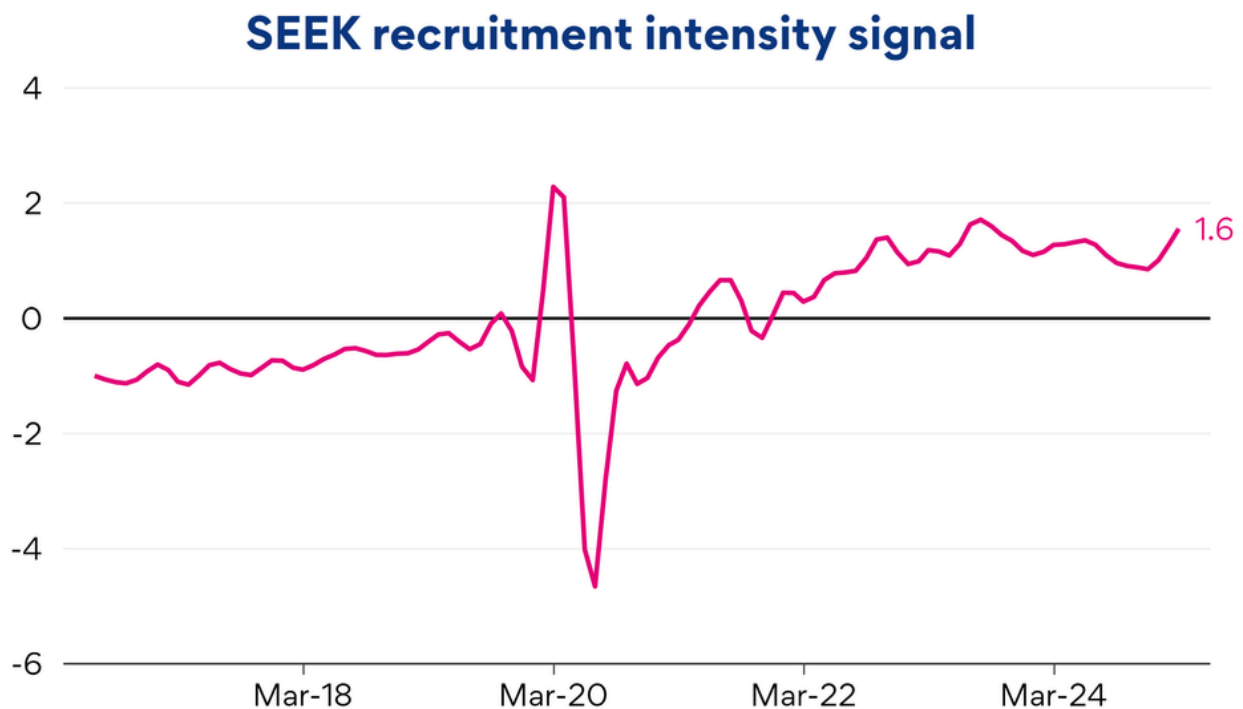
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In Short

There are various indicators measured by SEEK that paint a picture of how hard hirers are working to fill a role at any given point in time. These include the number of ads being posted, growth in advertised salaries, desired work experience and applications per ad.

Separately they tell part of the story, but when combined, the common movement highlights the relative activity levels within the jobs market.

Introducing the Recruitment Intensity Signal.



Source: SEEK

Overview

Recruitment intensity is the overall effort made by employers to attract and hire suitable candidates and can impact how quickly they are able to fill an open role.

RECRUITMENT INTENSITY INDICATORS

- Ads per hirer
- Advertised salary growth
- Desired work experience
- Applications per ad



SEEK job ad data provides several indicators of recruitment intensity.

Trends in these indicators, including slightly stronger growth in advertised salaries, an increase in no-experience job ads and an uptick in ads per hirer, point to a recent rise in recruitment intensity.

These indicators show recruitment intensity plunged at the start of COVID-19, surged as the economy reopened, before peaking in 2023.

For employers looking for staff, understanding when and where recruitment intensity is changing will help them understand when they are likely to face more competition for staff, when it will take a little longer to find the right staff and where there might be opportunities to attract staff from other regions.

For education and training providers knowing that employers are changing salary offers and the qualifications that a role requires should help them adjust their courses to ensure students are obtaining in-demand skills.

Understanding the drivers of recruitment intensity can help policymakers develop better policy which can boost employment.

Introduction

The hiring process does not begin or end with the posting of a job ad.

Before an employer posts a job ad they must have an open position. A position can become open if an organisation is looking to expand its headcount or if there is a need to replace an employee that has left. Then consideration must be given to how likely the employer will be able to find a suitable candidate to fill the role — some employees may simply be irreplaceable — and the relative cost of filling the role. If the probability of filling the role is too low or the relative cost is too high, then the employer is unlikely to post an ad.

The internal deliberations around opening a new position, or not replacing someone when they leave, can be hard to observe from outside an organisation but we can generally observe the outcomes: a new job ad or a decline in headcount. We know that macroeconomic conditions and uncertainty can impact the decision to post a job ad, while individual business performance also influences the decision. Businesses that are growing their head count faster not only post more ads but also fill positions faster¹.

Once an employer posts an ad, there are several ways they can influence the number of applications they receive (e.g. number of job ads, required experience and qualifications listed in a job ad, use of proactive search tools and recruiters), how quickly these are processed (e.g. hr system efficiency and time devoted to the recruitment process) and how likely a candidate is to accept a job offer (e.g. salary and benefits offered).

In this way, employers have several ways to vary how quickly the role is filled, or their recruitment intensity. Recruitment intensity could even vary from role to role, depending on the importance of the role within the organisation.

Aggregate recruitment intensity for the economy brings together how these individual firms behave and respond to current, and expected future, economic conditions. In addition, it will also respond to compositional change in the economy, with recruitment intensity usually varying across industries. An increase in recruitment intensity typically increases the job-filling rate. When the job-filling rate increases we don't necessarily see an increase in the number of job ads from month to month because open roles are filled faster.

SEEK job ad data can help us to understand how aggregate recruitment intensity has changed in Australia in recent years by providing several gauges of recruitment intensity, which are discussed below. These measures can be combined to make the Recruitment Intensity Signal.

Overall, the Recruitment Intensity Signal suggests that organisations are still working harder to fill roles than they were prior to the onset of COVID-19. Although recruitment intensity peaked in 2023, it has picked up again recently.

¹Davis, Fabermen, & Haltiwanger, 2012.

Of course, there are aspects to recruitment intensity that aren't captured by the above indicators that could also contribute to faster job filling, like talent acquisition teams upping their tempo or doing more proactive outreach to potential candidates.

Similarly, improvements in online employment marketplaces, like SEEK, that help match hirers and candidates faster could also result in faster job filling without an observable increase in recruitment intensity. If these improvements also increase the probability of finding the right candidate, then it is possible that organisations will be more likely to invest in job ads more often.

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“Recruitment intensity remains elevated, even with activity easing since the 2023 peak. Businesses continue to struggle with talent shortages, which is pushing up salaries and incentives, stretching out hiring timelines, and making flexibility and employer brand decisive factors for candidates.”



“Employers now expect faster delivery, stronger shortlists, and deeper advisory support from the recruitment process, while candidates are more selective than ever. They are weighing culture, flexibility, and purpose just as heavily as compensation, which means the hiring process has pressure points on both sides.”

“In today's market, blurred boundaries of communication and an always-on hiring environment are the norm. Recruitment has become more technology-enabled, with broader sourcing through AI, global networks, and contractors. Yet the real differentiator is the ability to provide market intelligence and long-term guidance — helping organisations navigate an increasingly complex and competitive talent landscape.”

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Damien Miller - Partner, Sharp & Carter

Ads per hirer

One of the simplest ways for organisations to attract more workers, and recruit more intensely, is to simply post more ads, which results in an increase in ads per hirer.

Prior to the onset of COVID-19, ads per hirer on SEEK had increased slightly between 2016 and 2019. Ads per hirer then spiked temporarily at the beginning of 2020, reflecting fewer hirers, before ads per hirer troughed alongside COVID-19 stay-at-home orders and border closures.

As the economy reopened, the number of ads per hirer began to climb. The second round of lockdowns on the east coast in 2021 saw a notable decline in ads per hirer before they began to climb again through to late 2022, around the same time as the unemployment rate reached its trough. A relatively looser labour market – following increases in interest rates which slowed economic demand and the reopening of borders – has seen ads per hirer decline since 2022.



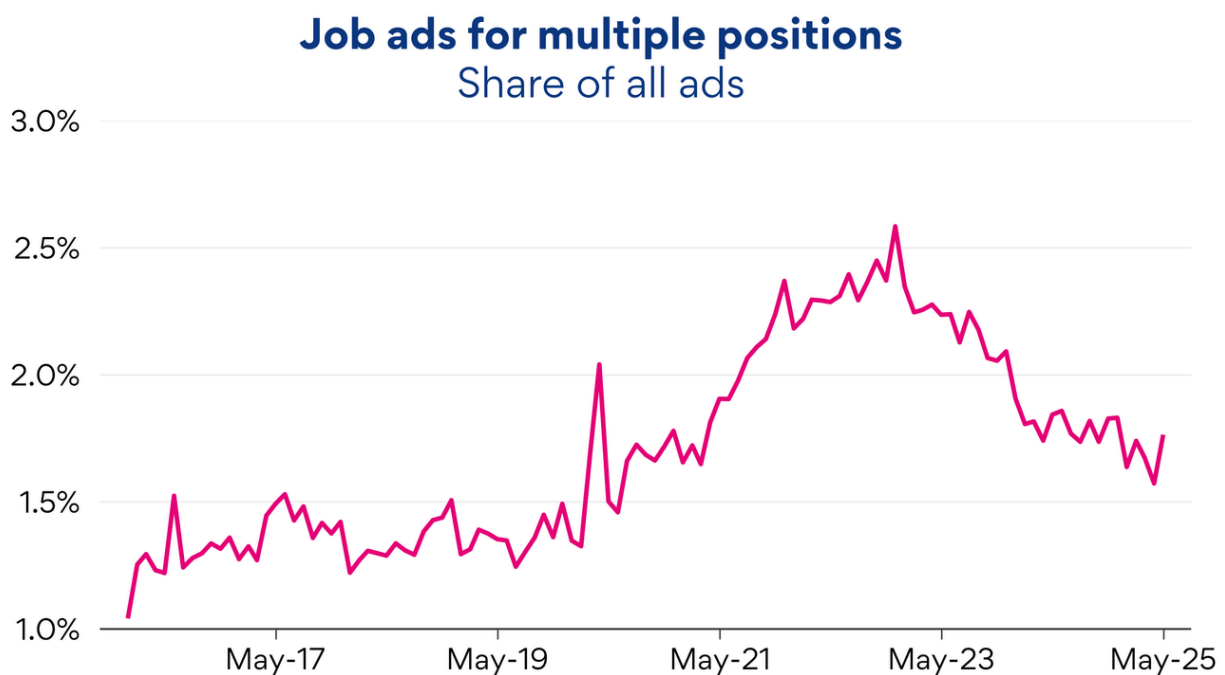
Source: SEEK

Ads mentioning multiple positions

In addition to posting more ads, hirers can change the language in their ad to highlight they are looking for more than one individual. This highlights to candidates that there is a greater chance they could land the role and should attract more candidates, but is likely to be less effective than simply posting more ads because a single ad mentioning multiple positions only appears once when candidates are searching.

Job ads for multiple positions were broadly constant as a share of all ads until the onset of COVID-19. Following an initial spike alongside the onset of COVID-19, job ads for multiple positions grew as a share of all ads, through to the end of 2022 before steadily declining.

Despite recent declines, job ads for multiple positions remain above their pre-COVID average.



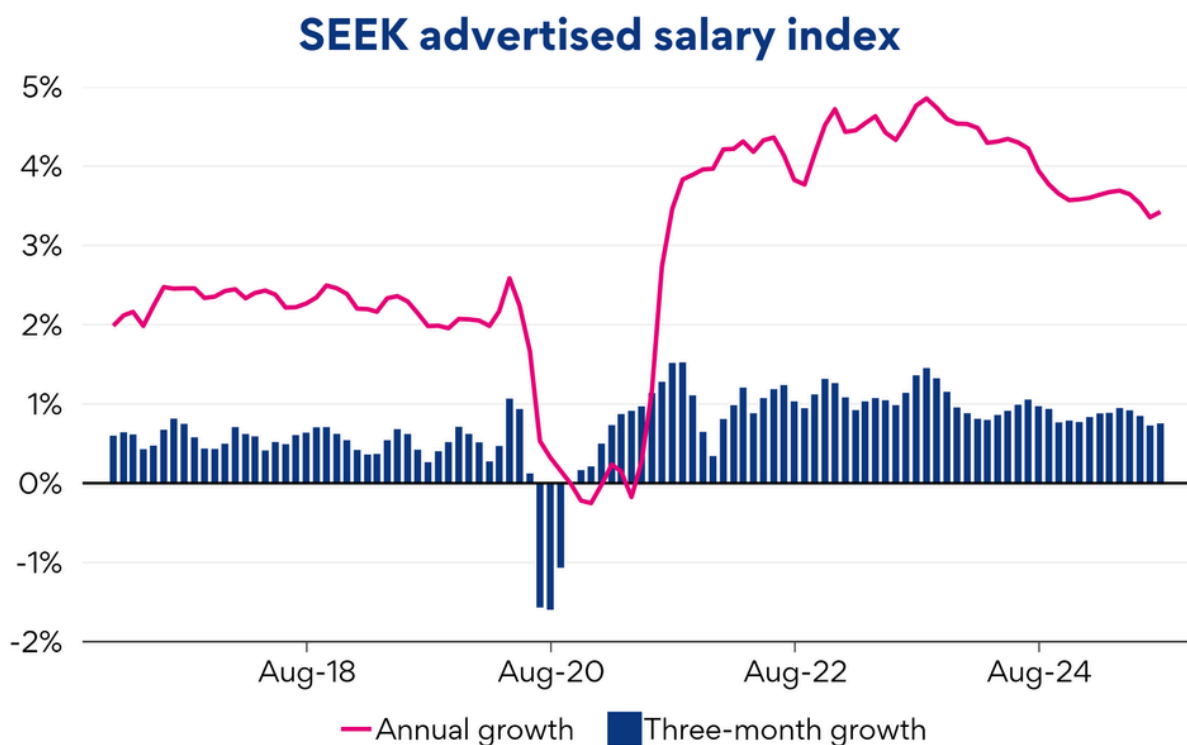
Source: SEEK

Advertised salary offers

Another lever that employers can use to recruit more intensely is to display the salary range in a job ad, as this generally leads to more applications, or to increase the salary offered.

Prior to the onset of COVID-19 the average advertised salary on SEEK was broadly growing at around 2.3% year-ended, with little change year to year. Average advertised salary growth then dropped notably with the onset of COVID-19 before increasing to well over 4% as the Australian economy reopened and the labour market tightened.

Average advertised salary growth peaked at 4.9% year-ended in September 2023 before beginning to slow alongside the loosening labour market. This suggests that employers increased their salary offers as the market tightened, reflecting increased recruitment intensity before they reduced their intensity as market conditions eased a little.



Source: SEEK

Desired experience and qualifications

When hirers open a role, they have a job description which includes the mandatory and desired attributes of a candidate. A hirer can change their recruitment intensity by changing these attributes for a role. While some attributes of a role are not flexible, like holding a forklift licence for a forklift driver, other attributes like years of experience or qualifications held can be more flexible.²

“When hirers are in less of a hurry to fill a position, or are less certain about the future, they may increase the desired experience and qualifications for a role.”



The discretion that hirers can exercise around the attributes a candidate holds allows them to influence the number of applicants they are likely to receive and how quickly they are able to fill the role. For example, in the case of a forklift driver a hirer may offer to sponsor a candidate to obtain the licence to attract more candidates and fill the role quickly.³

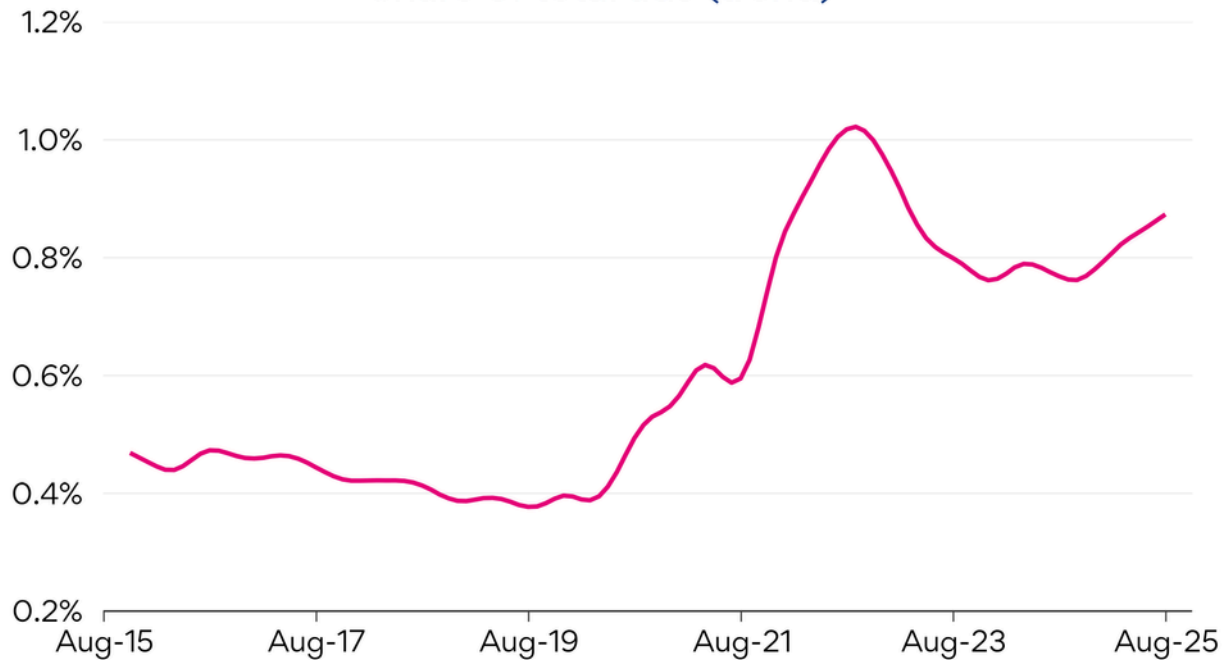
When hirers are in less of a hurry to fill a position, or are less certain about the future, they may increase the desired experience and qualifications for a role. This is likely to slow the recruitment process down but more likely to ensure that they find a high-fit, high-productivity candidate.

One simple way to assess how hirers are changing the minimum level of experience required in their recruitment process is to look at the share of ads that mention ‘no experience’. It can be done very quickly and does not depend on the same role existing in the past for comparison purposes.⁴ In addition, ‘no experience’ roles are likely to be at the lower end of the job ladder and so set a benchmark experience requirement that is likely to flow to roles higher up the ladder.

Prior to the onset of COVID-19, the share of ads mentioning that ‘no experience’ was required had been declining. Following the end of stay-at-home orders in 2020, the no experience share of ads began increasing and broadly increased through to late 2022. The share then declined alongside the cooling labour market in 2023 before broadly moving sideways over 2024. More recently the share of no experience ads has increased.

"No experience" job ads

Share of total ads (trend)



Source: SEEK

² For example, only around half of all economists in Australia have studied economics at a post-graduate level, with only around 15% holding a PhD, and some don't even hold an undergraduate degree in economics.

³ Training for an LF (forklift truck) or LO (order-picking forklift) licence takes 3 days.

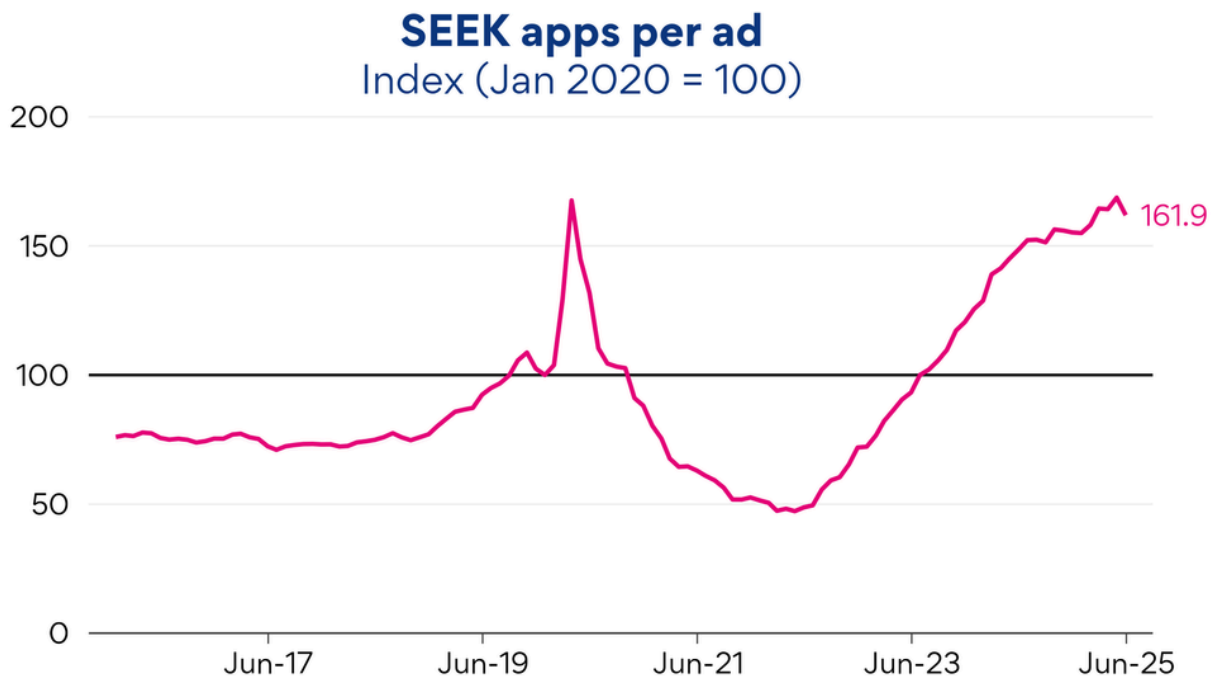
⁴ A weakness of using 'no experience' mentions is that it may reflect a change in the composition of jobs being advertised.

Applications per ad

An important consideration for hirers when opening a position and placing a job ad is the number of applications they are likely to receive. The above indicators help hirers influence that number, but if hirers are receiving enough applications per ad, then they may not need to change their recruitment intensity or may even reduce it. Movements in the number of applications per ad on SEEK over time is likely to capture both the efforts of job seekers and hirers, so does not purely reflect recruitment intensity. That said, applications per ad is still likely to be a good (inverse) proxy for recruitment intensity, with firms needing to recruit less intensely when applications per ad are elevated.⁵

Applications per ad spiked during the COVID-19 lockdowns, with few job ads but relative more job seekers. Once the economy began to open again this quickly reversed as labour demand increased, and the labour market tightened. Since applications per ad troughed in 2022 it has been increasing again, driven by an increase in unique applicants per ad over time.

The increase in applications per ad since mid-2022 primarily reflects more Australians applying for roles. The participation rate and labour force are growing and more people are taking on second jobs to offset the rising cost-of-living. This suggests hirers have potentially been able to decrease their recruitment intensity since late 2022. This is broadly at odds with the other indicators, which suggest recruitment intensity has been increasing.



Source: SEEK

⁵ Gavazza, Mongey, & Violante (2018), studying the US, highlight that firms changed their recruitment intensity in response to the number of available job seekers per vacancy.

Bringing the indicators together – the SEEK Recruitment Intensity Signal

None of these indicators are likely to capture recruitment intensity perfectly, however combining some of these measures using dynamic factor analysis allows us to extract a measure of recruitment intensity that reflects the common movement in the indicators over time.

The resulting recruitment intensity signal suggests recruitment intensity was increasing slowly prior to the onset of COVID-19, consistent with a labour market on the loose side but tightening, requiring hirers to increase their efforts slightly to recruit new workers. The recruitment intensity signal jumped temporarily at the onset of COVID-19 in March and April 2020, driven by a jump in ads per hirer with advertised salaries still growing despite a drop in total ads on SEEK. Recruitment intensity then troughs with the institution of stay-at-home orders before growing sharply as the economy reopened. It continued increasing through to mid-2023 before beginning to slow.

The SEEK Recruitment Intensity Signal suggests recruitment intensity has picked up again recently, as reflected by slightly stronger growth in advertised salaries, an increase in no-experience job ads and an uptick in ads per hirer.



Source: SEEK

Why understanding recruitment intensity and its drivers is important

Although we have brought the different measures of recruitment intensity together, understanding when recruitment intensity is changing and the drivers of the change can be important for hirers, government and education and training providers.

For employers, it is important to understand when recruitment intensity is increasing for several reasons. If recruitment intensity is increasing then it indicates that market wage offers are likely growing, which is important to consider in remuneration reviews and will likely have implications for staff retention. If staff do leave, when recruitment intensity is higher it suggests that finding the right new hire may be harder, take longer, or require more effort.



If recruitment intensity is increasing, then market wage offers may be growing, which will likely have implications for staff retention.

If the qualification requirements for a role are changing this could reflect a change in the technologies being used, a change in the tasks being undertaken in a particular role, or a change in recruitment intensity. Knowing that there are changing requirements within a role should help educators adjust their courses and ensure they are providing the appropriate education and training. However, an increase in desired qualifications could also represent an increase in economic uncertainty and organisations being more hesitant to hire anyone but exceptional candidates. Therefore, the prevailing circumstances for the industry and broader economy are important to consider for education providers and government policy makers thinking about education funding when observing changes in qualification requirements.

In addition, by knowing the level and growth of advertised salaries alongside the Wage Price Index and other research, government bodies like the Fair Work Commission can better understand where their decisions are influencing wage-setting in the near term. It may be able to induce employers to offer wages that job seekers are willing to accept, resulting in a better calibration of its wage-setting decisions.

References

Davis, S., Faberman, R. J., & Haltiwanger, J. (2012). Recruiting intensity during and after the Great Recession. *American Economic Review, Papers & Proceedings*, 584-88.

Gavazza, A., Mongey, S., & Violante, G. (2018). Aggregate Recruiting Intensity. *American Economic Review*, 2088-2127.

About Blair Chapman, PhD

Dr Blair Chapman is SEEK's Senior Economist. Blair undertakes economic analysis and forecasting of the Australian and New Zealand economies and labour markets. He leverages SEEK's data to develop unique insights about the economies SEEK operates in.

Blair's economic analysis and forecasting skills have been honed across both private and public organisations including ANZ, Deloitte Access Economics, the Reserve Bank of Australia (RBA) and the Australian Bureau of Statistics (ABS). While at the RBA, he was their representative on the ABS's Labour Statistics Advisory Group for several years.

Blair holds a PhD in Economics from Johns Hopkins University where his studies concentrated on macroeconomics and labour. He completed his undergraduate studies at Monash University, where he majored in Economics, Econometrics and Accounting.

About SEEK Economist Insights

These insights aim to inform hirers, candidates and the broader public about the economy, and particularly the labour market. The insights draw on SEEK's unique data, at times combined with other data from trusted sources, to provide a unique perspective on the labour market.

More of SEEK's Economist Insights for Australia can be viewed [here](#).

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