



National Survey of Employment Intentions

A REPORT ON CHANGES IN WORKFORCE SIZE AND COMPOSITION, AND
WORKPLACE ARRANGEMENTS, SINCE 22 MARCH 2020



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Te Kāwanatanga o Aotearoa
New Zealand Government

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Introduction

PURPOSE

The National Survey of Employment Intentions (NSEI) reports on changes in workforce size and composition, and workplace arrangements, specifically since 22 March 2020. This timeframe was immediately after the government announced the 4-tiered alert level system to help combat COVID-19. On 23 March 2020 the Prime Minister announced that New Zealand had moved to Alert Level 3 and would shortly move to Alert Level 4.

The NSEI is a survey of employers, not of individuals. This differentiates it from surveys that have been conducted among individuals and households, and it provides information from business owners and partners, and managers responsible for employment decisions. The NSEI aims to shed light on what might be happening at workplaces rather than in the economy as a whole, where the official statistics report data at a national or aggregate level.

There are two waves of the survey:

- Fieldwork for the first wave was undertaken in September and October 2020, six months after the announcement about the COVID-19 alert levels. During this time New Zealand, with the exception of Auckland, was at Alert Level 1. Auckland was at Alert Level 2 for the first half of the fieldwork and moved to Alert Level 1 in October.
- Fieldwork for the second wave was undertaken in March and April 2021, six months after the first wave and a year after the original announcement. During this time all of New Zealand was at Alert Level 1.

RESEARCH QUESTIONS

The two waves of the NSEI address the following research questions, covering the two time periods.

1. What impact has COVID-19 had on staffing levels?
 - a. What changes have there been in staff numbers by employment category¹ since 22 March 2020?
 - b. What proportion of changes have been due to COVID-19?
 - c. How many staff and contractors have left the business and for what reasons?
 - d. How many businesses intend to hire staff?
2. Which occupations and skill sets are recruitment difficulties anticipated for?
 - a. What occupations and roles are businesses looking to employ?
 - b. Do employers anticipate that roles will be hard to recruit, and if so, what will they do about this?
 - c. What skills are businesses looking to hire?
 - d. Do employers anticipate that there will be a shortage of workers with the skills they require, and if so, why they anticipate a shortage?
3. What changes have there been in workplace arrangements?
 - a. What changes have there been in workplace arrangements and are the changes intended to be temporary or permanent?
 - b. Have the changes that were anticipated during the first wave been implemented by the time of the second wave, and if not, what are the reasons for this?
 - c. What changes have there been in flexible working arrangements, and have flexible working patterns been introduced or extended as a result of COVID-19?

SURVEY COVERAGE

The NSEI is a survey of employers, not of individuals. The survey covers businesses that employ one or more staff in addition to the owner. The sample was sourced from Stats NZ's New Zealand Business Register and a probability sample was drawn, based on targets for industry groups and number of employees. Businesses with larger numbers of employees (over 20) were oversampled so that there are sufficient numbers to make valid comparisons between business sizes.

¹ These are: full-time permanent staff, part-time permanent staff, casual staff, staff on fixed term agreements, and contractors.

Results have been weighted by industry and employee size to be representative of New Zealand businesses with one or more staff in addition to the owner.

17,000 records were originally received from Stats NZ and of these 80% were successfully telematched (a telephone number was obtained for the business). Of these 13,625, almost two thirds (8,532 or 63%) provided a contact email address through a pre-calling exercise. These businesses were invited to participate in the first wave of the survey and 24% (2,049 employers) responded to the first wave.

Of these 2,049 employers, just over half agreed to be recontacted for the second wave of the survey and of the 1,085 who agreed to be recontacted, 70% participated in the second wave. In total 759 employers completed the second wave of the survey.

THIS REPORT

This report has been written for a general, rather than specialised, audience and provides an overall summary of the main findings from the survey. Further information about the way the research was carried out or the survey findings is available on request to: LabourMarketsInsights@mbie.govt.nz

Although the findings are weighted to represent all employers by industry and employee size, the results are based on those employers who responded to the survey. To remind the reader that these are survey results, throughout the report we refer to the employers who responded to the surveys as:

- respondents
- employers
- responding employers, or
- businesses.

Businesses of different sizes, and the employers responding on the business' behalf are reported as follows:

- Small businesses have 1-5 paid staff
- Medium businesses have 6-19 paid staff
- Small and medium businesses have 1-19 paid staff
- Large businesses have 20 or more staff

Please note that some graphs may not sum to 100% due to rounding of percentages.

Key findings

The National Survey of Employment Intentions (NSEI) reports on changes in workforce size and composition, and workplace arrangements, since 22 March 2020. This was immediately after the Government announced the 4-tiered alert level system to help combat COVID-19. On 23 March 2020 the Prime Minister announced that New Zealand had moved to Alert Level 3 and would shortly move to Alert Level 4.

The NSEI was undertaken in two waves. Fieldwork for the first wave was in September and October 2020 and 2,049 employers completed the online survey. The second wave was undertaken in March and April 2021 and 759 of the employers surveyed in the first wave completed the interview. The survey addresses three research questions and we have summarised the key findings below.

RESEARCH QUESTION 1: WHAT IMPACT HAS COVID-19 HAD ON STAFFING LEVELS?

The biggest changes in numbers were for full-time permanent staff

The biggest changes in staff numbers since the alert levels were announced on 22 March 2020 were for full-time permanent staff, rather than for part-time permanent staff, casual staff, staff on fixed-term agreements, or contractors.

Six months after the alert level announcement, almost a quarter of the responding employers (23%) stated there had been a decrease in the number of full-time permanent staff and only 7% stated there had been an increase.

However, one year after the announcement, while 28% stated there had been a decrease in the number of full-time permanent staff, 18% stated there had been an increase in full-time permanent staff numbers, reflecting a more positive outlook.

Not all changes in staff numbers are attributed to COVID-19

However, not all the changes in staff numbers were attributed by employers to COVID-19. As time has gone on, employers attributed fewer changes (whether they be increases or decreases in the number of staff) to COVID-19. In the September/October 2020 wave, just over a third (36%) of the respondents stated that none of the changes were due to COVID-19, and in March/April 2021 almost a half (46%) of the respondents stated this.

Approximately half the employers might be looking to hire staff within the next 12 months

In both survey waves approximately half the employers stated they would be (or possibly would be) looking to hire staff within the next year, irrespective of staffing increases or decreases to that point. More employers in the second wave (28%) stated they were looking to hire staff 'right now', compared to 15% in the first wave. This suggests there was an increasing urgency to hire staff. As would be expected, larger businesses (with 20 or more employees) were more likely to be looking to hire than small and medium sized businesses (with fewer than 20 employees).

RESEARCH QUESTION 2: WHICH OCCUPATIONS AND SKILLS SETS DO EMPLOYERS ANTICIPATE RECRUITMENT DIFFICULTIES FOR?

Tradespeople were the most frequently mentioned occupational group employers wanted to hire

Employers looking to hire in the next 12 months mentioned the same sought-after occupations in both survey waves. Highest on the list were tradespeople, labourers and process workers, administration and office workers, and sales and marketing staff.

Of the respondents who stated in the first wave that they would like to hire specific occupations within the next six months, the following proportions had hired these occupations in that time frame:

- just over half (57%) had hired tradespeople
- more (70%) had hired labourers and process workers
- 77% had hired administration and office staff.

Employers anticipated difficulties in being able to recruit staff

Employers who were looking to recruit anticipated difficulties in being able to do so, and this anticipated difficulty is higher in the second wave. In September/October 2020, 26% believed it was 'very likely' they would experience difficulties and 44% did in March/April 2021.

If employers did experience recruitment difficulties, they stated they would consider doing the following:

- using contractors or consultants
- upskilling existing staff
- asking staff to work longer hours.

Personal qualities were the most sought-after occupational skill for staff

The most frequently mentioned skills that employers stated they would like to hire in the next 12 months were:

- personal qualities such as reliability and attention to detail
- trade skills
- customer service
- organisational skills and management, and
- communication and literacy skills.

Approximately half the employers in the September/October 2020 survey wave believed it was likely they, or New Zealand, would face a shortage of occupational skills. The reason most frequently given was that particular industries have relied on overseas workers (and related issues, such as workers requiring visas, immigration issues and border restrictions).

RESEARCH QUESTION 3: WHAT CHANGES HAVE THERE BEEN IN WORKPLACE ARRANGEMENTS?

Many employers reduced work hours for staff, however this was generally a temporary measure

In both survey waves nearly four in ten of the responding employers stated they had reduced work hours for existing staff since March 2020. Almost two-thirds of the employers stated in September/October 2020 that the reduction in work hours was intended to be temporary, and by March/April 2021, nearly three-quarters of these employers stated the situation had changed back to how it was before 22 March 2020.

Reflecting the labour market dynamics at the two survey time periods, a greater proportion of respondents in March/April 2021 had hired more staff (28%) or increased work hours for existing staff (14%) than the proportion of respondents indicating this in September/October 2020 (11% and 5% respectively).

There has been an increase in flexible working arrangements, in particular employees working remotely

In the first survey wave six months after the introduction of the alert level framework, almost a quarter (24%) of the employers had increased the number of employees who could work remotely (eg could work from home). This percentage had increased to 30% in the second survey wave, a year after the introduction of the alert level framework.

In the second survey wave, a year after the introduction of the alert level framework, respondents were asked whether they had introduced flexible working as a result of COVID-19 related restrictions. Four types of flexible working options were provided for respondents to comment on:

- flexible work hours
- flexibility of workplace
- flexible weekly/yearly work patterns
- flexibility structured around other interests/responsibilities.

The majority of employers made no changes in these flexible work patterns as a result of COVID-19. The biggest changes were in the flexibility of work hours, where 26% stated they had introduced or extended this flexibility, and in flexibility of workplace (ie the ability to work from out of the workplace), where 22% stated they had introduced or extended workplace flexibility as a result of COVID-19.

Results

The report now presents the findings from the two survey waves and addresses the three research questions in turn. In each section we provide findings in total followed by comment about any meaningful differences between industries and business size.

RESEARCH QUESTION 1: WHAT IMPACT HAS COVID-19 HAD ON STAFFING LEVELS?

The first research question covered the impact of COVID-19 on staffing levels, including both increases and decreases in employment categories, and hiring intentions for the year ahead.

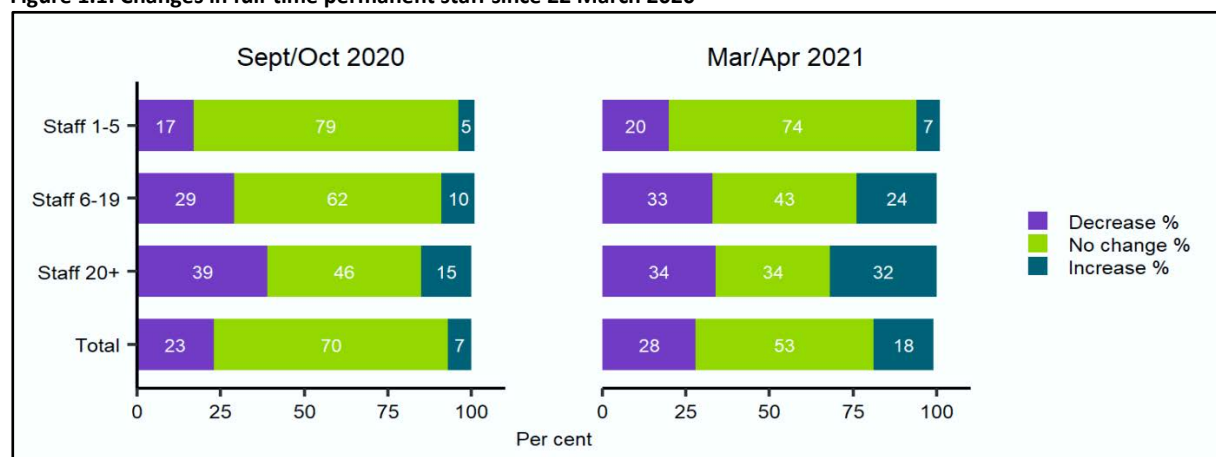
At the time of the first survey wave in September/October 2020, unemployment was considerably higher than it had been previously, with the September 2020 quarter at 5.3%. The unemployment rate decreased from this high, to 4.8% in the December 2020 quarter, to 4.6% in March 2021 and then to 4.0% in the June 2021 quarter². Therefore, by the time of the second survey wave in March/April 2021, levels of unemployment had decreased considerably from the first survey wave.

1.1 The biggest changes in staff numbers were for full-time permanent staff

In both waves, employers were asked whether there had been changes in the number of staff employed since 22 March 2020, immediately after the government announced the 4-tiered alert level system to help combat COVID-19. Respondents were asked to report on changes in five different employment categories: full-time permanent, part-time permanent, casual staff, staff on fixed term agreements, and contractors.

Full-time permanent staff

Figure 1.1: Changes in full-time permanent staff since 22 March 2020



Note: Based on all employers: Sept/Oct 2020 n=2049, Mar/Apr 2021 n=759

By September/October 2020, six months after the alert level announcement, almost a quarter (23%) of the employers stated there had been a decrease in the number of full-time permanent staff employed, and fewer (7%) stated there had been an increase in numbers.

A year after the alert level announcement, during the second survey wave, more employers (28%) still stated there had been a decrease in full-time permanent staff numbers than stated there had been an increase (18%). The proportion stating there had been no change decreased between waves from 70% to 53%.

² Household Labour Force Survey (HLFS), Stats NZ

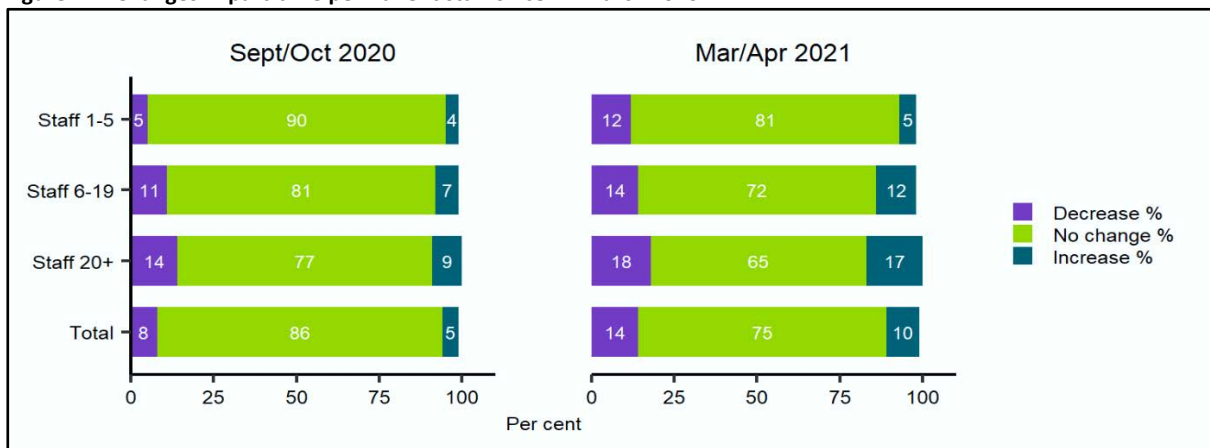
We can see that one year after the alert level announcement, a greater proportion of employers stated there had been an increase in full-time permanent staff than stated this six months earlier.

Figure 1.1 shows that in both waves, the greater the number of full-time permanent staff employed, the greater the changes (both decreases and increases) in staff numbers since 22 March 2020.

In the March/April 2021 wave, similar proportions of employers from large business stated there were increases and decreases in full-time permanent staff numbers. However, in the same wave, for small and medium sized businesses, more stated there was a decrease than stated there was an increase.

Part-time permanent staff

Figure 1.2: Changes in part-time permanent staff since 22 March 2020

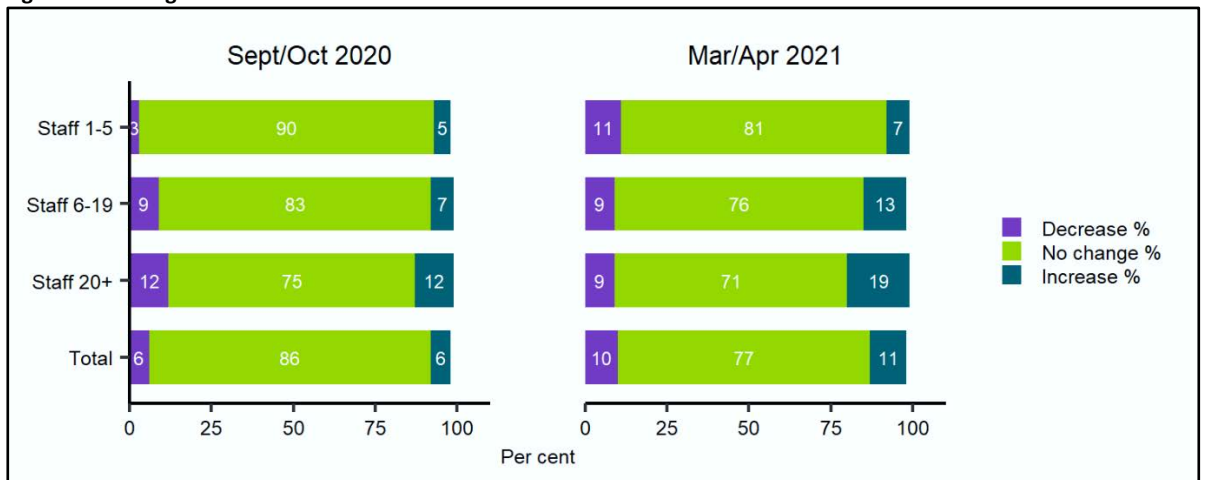


Note: Based on all employers: Sept/Oct 2020 n=2049, Mar/Apr 2021 n=759

As with full-time permanent staff, the greatest changes were evident in both waves among respondents from large businesses. Amongst all respondents in September/October 2020 slightly more stated there was a decrease (8%) than stated there was an increase (5%) in part-time permanent staff. In March/April 2021, both these percentages were higher, with 14% stating there was a decrease and 10% stating there was an increase.

Casual staff

Figure 1.3: Changes in casual staff since 22 March 2020



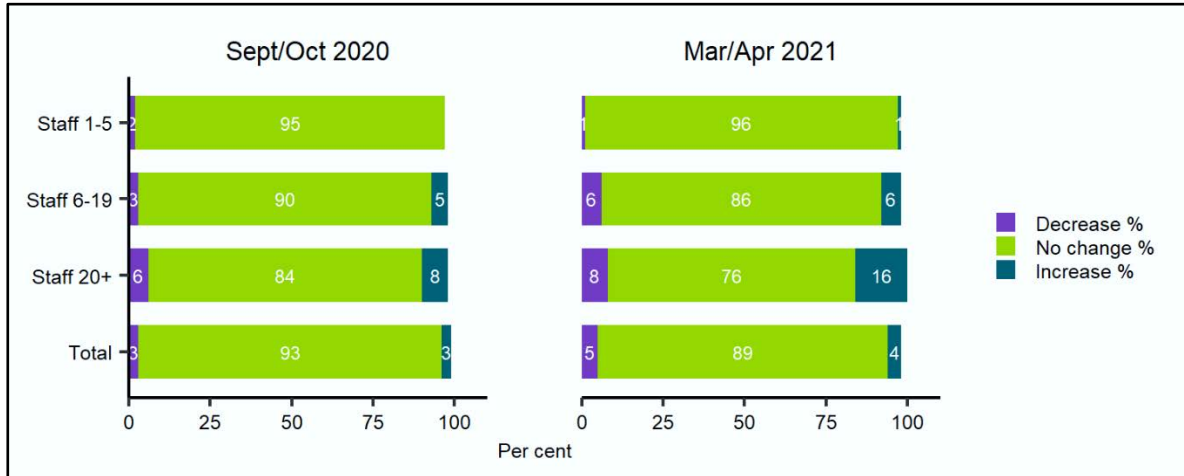
Note: Based on all employers: Sept/Oct 2020 n=2049, Mar/Apr 2021 n=759

Smaller proportions of respondents reported changes in casual staff than for permanent staff (both full-time and part-time), and in both waves the percentages stating increases and decreases were the same (at 6% in September/October

2020) or with only one percentage point different (at 10% and 11% in March/April 2021). By March/April 2021 a higher proportion of respondents from large businesses stated there was an increase in the number of casual staff (19%) than stated there was a decrease (9%).

Staff on fixed term agreements

Figure 1.4: Changes in staff on fixed term agreements since 22 March 2020

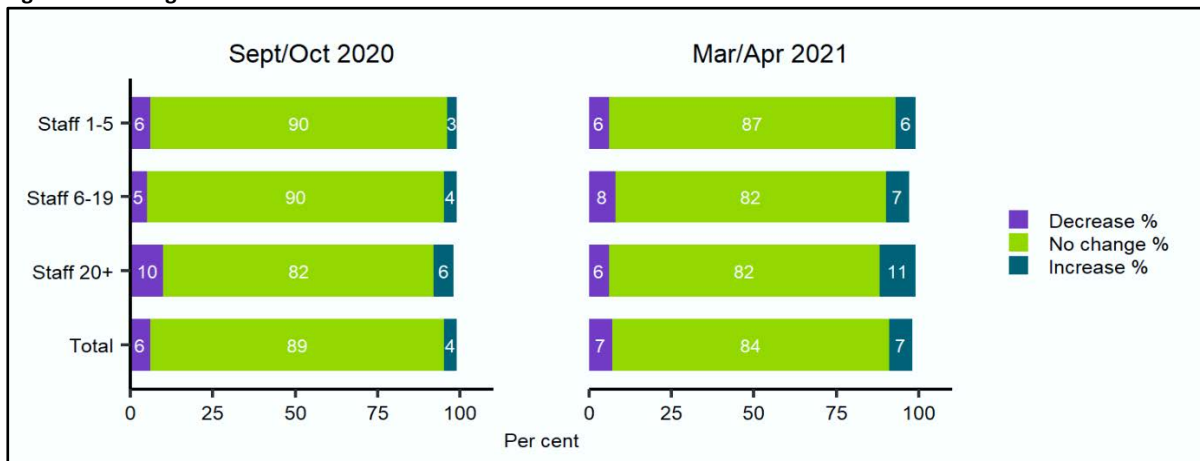


Note: Based on all employers: Sept/Oct 2020 n=2049, Mar/Apr 2021 n=759

Very small proportions of employers stated there had been a change in the number of staff on fixed term agreements since 22 March 2020. Again, differences (both increases and decreases) were higher for larger businesses. Around nine out of ten respondents in both waves stated there had been no change. This is partly due to the smaller proportions of respondents who employ staff on fixed term agreements. Additional analysis was undertaken to investigate this and is presented after the section on Contractors below.

Contractors

Figure 1.5: Changes in contractors since 22 March 2020



Note: Based on all employers: Sept/Oct 2020 n=2049, Mar/Apr 2021 n=759

As with staff on fixed term agreements, very small proportions of respondents stated there had been a change in the number of contractors since 22 March 2020. While the above graphs show the changes based on all respondents, the following analysis presents findings based on those respondents who employ contractors, as well as staff in the other employment categories.

Staff in some employment categories were employed by only a small proportion of respondents

The previous graphs show the changes in staff numbers since 22 March 2020 for the five different employment categories based on all respondents so that the overall picture is provided. Some of the categories were employed by only a sub-group of the respondents, which reflects labour market statistics, so additional analysis was undertaken to understand changes in staff numbers by these employers.

Almost all businesses employed full-time permanent staff; just eight per cent of smaller businesses with one to five staff did not employ any full-time permanent staff. However, part-time permanent staff were only employed by approximately half the small and medium businesses with fewer than 20 staff. The proportions of these businesses with the other employment categories decreased even further, with around a third employing casual staff or contractors, and fewer than ten per cent employing staff on fixed-term agreements.

Large businesses were also more likely than small and medium businesses to employ staff in each category, with around three-quarters employing part-time permanent staff, around half employing casual staff and contractors, and one-third employing staff on fixed-term agreements.

In the first wave undertaken in September/October 2020, decreases were greater than increases amongst respondents who employed:

- full-time permanent staff (24% decrease, 8% increase)
- part-time permanent staff (15% decrease, 9% increase)
- contractors (17% decrease, 11% increase).

Similar percentages of increases and decreases were found among employers who employed:

- casual staff (19% decrease, 19% increase)
- staff on fixed term agreements (20% decrease, 18% increase).

By March/April 2021 some of these patterns had changed. For all the categories the percentage of 'no change' had decreased. Decreases were still greater than increases amongst respondents who employed:

- full-time permanent staff (29% decrease, 19% increase)
- part-time permanent staff (22% decrease, 16% increase).

However, there were similar levels of decreases and increases for:

- contractors (18% decrease, 19% increase).

As with the first wave there were similar proportions of decreases and increases for:

- casual staff (25% decrease, 29% increase)
- staff on fixed term agreements (27% decrease, 30% increase).

One-third of the responding employers who, in September/October 2020 reported a decrease in full-time permanent staff since 22 March 2020, stated in March/April 2021 that there was no longer a decrease

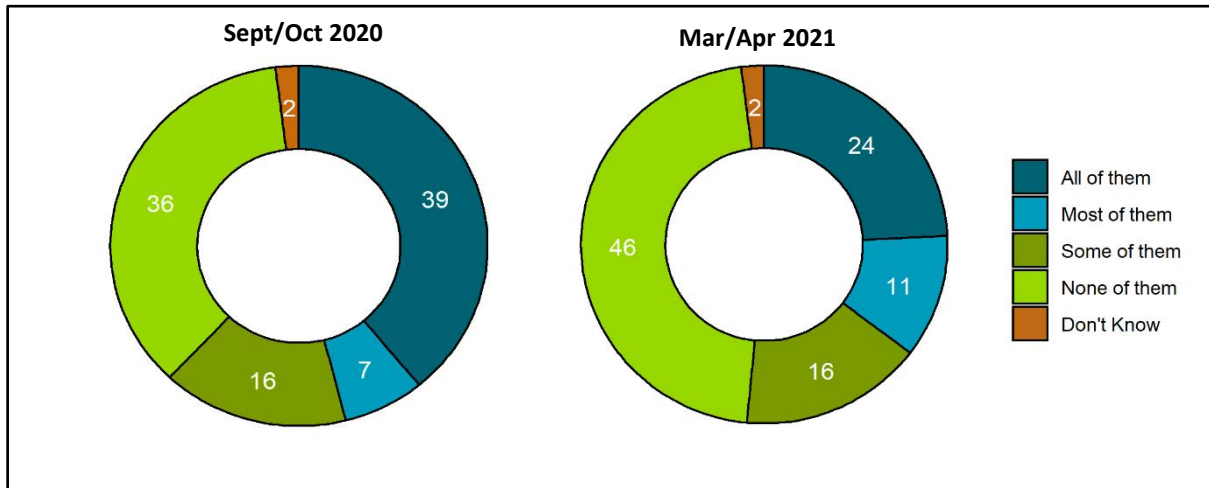
In the first wave in September/October 2020, 24% of respondents who employed full-time permanent staff stated that there had been a decrease in the number since 22 March 2020. Interestingly, of these employers who responded to the second wave of the survey in March/April 2021 (a total of 212 respondents), two-thirds (66%) stated there was still a decrease in the number of full-time employees since 22 March 2020, but 22% stated there was now no change and 12% stated there was an increase in the number. This finding reflects the labour market statistics³ over these time periods: a decrease in employment in September/October 2020 followed by an improvement by March/April 2021.

1.2 Not all changes in staff numbers are attributable to COVID-19

Employers who had experienced a change in staff numbers were asked to specify whether any of the changes were due to COVID-19. The changes included both increases and decreases, for any of the five employment categories.

³ Household Labour Force Survey (HLFS), Stats NZ

Figure 1.6: Percentage of employers attributing changes in staffing levels since 22 March 2020 to COVID-19



Note: Based on employers who experienced a change in staff numbers since 22 March 2020: Sept/Oct 2020 n=1093, Mar/Apr 2021 n=531

Figure 1.6 shows that as time has gone on, fewer changes (whether they be increases or decreases) in the number of staff are considered by employers to be due to COVID-19. In September/October 2020 (approximately six months after the start of Alert Level 4) just over a third of the respondents (36%) stated that none of the changes to that time were due to COVID-19. This compares to 46% of the respondents in March/April 2021 (approximately one year after the introduction of the alert levels) who stated none of the changes were due to COVID-19.

Whilst in the first survey wave, 39% of employers stated all the changes in staff numbers were due to COVID-19, in the second wave only 24% stated this was the case.

It is important to consider when reviewing changes in staff numbers that a considerable number of changes are not believed by the respondents to be due to COVID-19 and will reflect normal churn in employment figures.

1.3 Of employers who reported a decrease, most said only one or two staff had left

Those respondents who reported a decrease in any employment category since 22 March 2020 were asked how many staff and/or contractors had left the business, and the reasons why they left.

Table 1.1: Number of staff and/or contractors who have left the business since 22 March 2020

Number of staff	Sept/Oct 2020	Mar/Apr 2021
	(Per cent)	(Per cent)
None	8	11
1-2	50	44
3-5	23	26
6-10	8	8
More than 10	10	11
Missing/invalid	1	-

Note: Based on employers who reported a decrease in any category since 22 March 2020: Sept/Oct 2020 n=729, Mar/Apr 2021 n=303

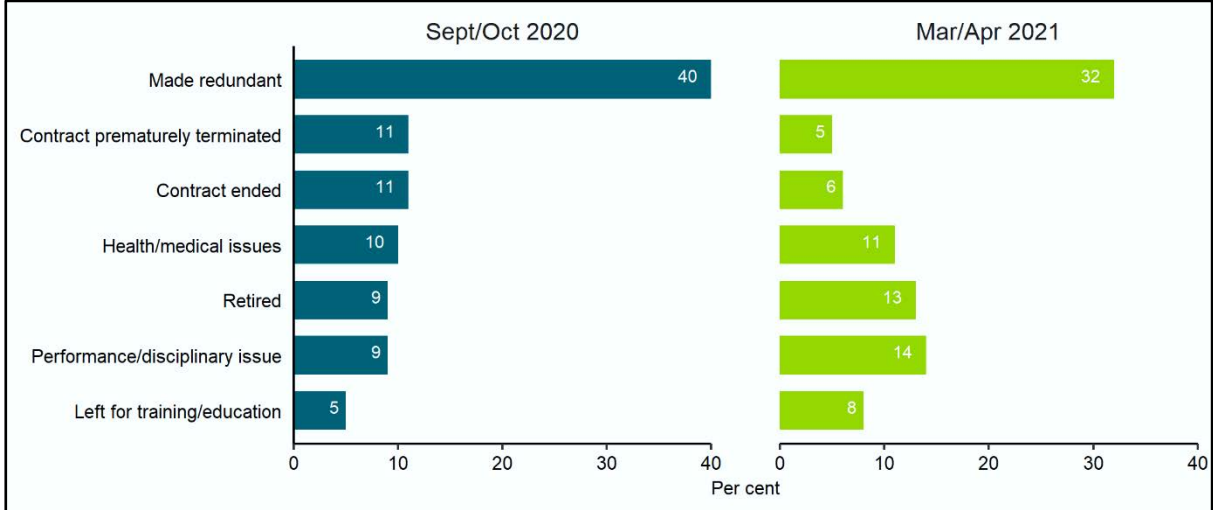
Note: Some respondents stated that no staff and/or contractors had left the business, although there may have been a decrease in an employment category (eg a full-time staff member became part-time)

As would be expected, small and medium sized businesses were more likely to have just one or two staff and/or contractors leave the business than were larger businesses of 20 or more employees. In September/October 2020, 56% of small and medium businesses who had had a decrease in staff numbers had only one or two staff leave whereas 22% of large businesses had one or two staff leave. Similarly in March/April 2021, 48% of small and medium businesses and 13% of large businesses who had a decrease in numbers of staff and/or contractors had a decrease of only one or two staff.

Large businesses who recorded a decrease in staff numbers had larger numbers of staff leaving; in September/October 2020 28% stated the number was more than 10, and in March/April 2021 42% stated the number of staff and/or contractors leaving was more than 10.

Employers were asked why staff and/or contractors had left, and respondents could indicate more than one reason as there would likely to be different reasons for different staff member leaving.

Figure 1.7: Reasons for staff and contractors leaving the business since 22 March 2020



Note: Based on employers who reported a decrease in any category since 22 March 2020 and provided a reason as to why they left: Sept/Oct 2020 n=724, Mar/Apr 2021 n=281

In both survey waves, the main reason was that the staff member or contractor had been made redundant. There is a relationship between size of business and the proportion of staff and/or contractors who had been made redundant; large businesses had higher proportions stating one or more of the staff who left had been made redundant (in September/October 2020 55% compared to 37% of small and medium businesses, and in March/April 2021 47% compared to 30% of small and medium businesses).

While reasons for staff and/or contractors leaving were asked in both survey waves, the pre-coded options that the respondents were presented with changed between September/October 2020 and March/April 2021. In March/April 2021 two additional options were provided, and large proportions of respondents selected these as reasons; ‘They resigned/left of their own accord’ 45% and ‘They got another job’ 35%. Despite these additional options, as can be seen in Figure 1.7 above, the proportions indicating other reasons were comparable between September/October 2020 and March/April 2021.

Numbers of staff made redundant

Respondents who indicated that staff had been made redundant were then asked how many staff had been made redundant since 22 March 2020.

Table 1.2: Number of staff made redundant since 22 March 2020, where there had been redundancies

Number of staff	Sept/Oct 2020	Mar/Apr 2021
	(Per cent)	(Per cent)
1-2 staff	56	47
3-5 staff	21	27
6 – 10 staff	11	11
More than 10 staff	12	15

Note: Based on employers who indicated that staff and/or contractors had been made redundant since 22 March 2020: Sept/Oct 2020 n=320, Mar/Apr 2021 n=106

As would be expected, small and medium businesses were most likely to have only one or two staff made redundant, whereas large businesses were more likely to have higher numbers of staff made redundant.

1.4 Approximately half the responding employers might be looking to hire staff within the next 12 months

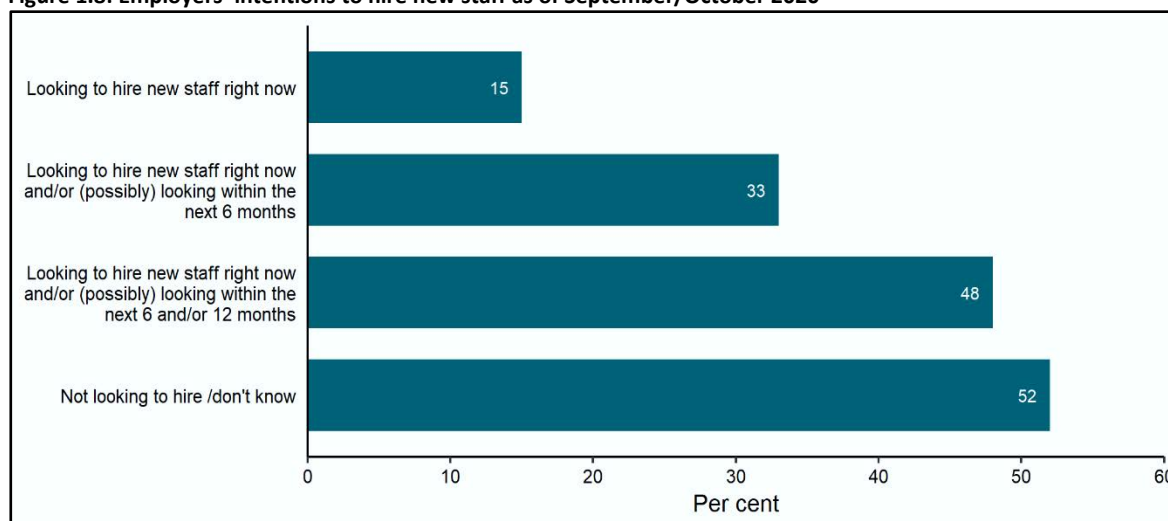
In both survey waves, respondents were asked to indicate their hiring intentions over the next 12 months. However, the wording was changed between the two waves to further clarify responses, so the results from the two waves need to be considered separately.

September/October 2020 intentions to hire staff

In the first survey wave, employers were asked to indicate which of the following statements about **hiring new staff** applied to their business:

- We are looking to hire new staff right now
- We will (possibly) be looking to hire new staff within the next 6 months
- We will (possibly) be looking to hire new staff within the next 12 months
- We are not looking to hire / Don't know

Figure 1.8: Employers' intentions to hire new staff as of September/October 2020



Note: Based on all employers: Sept/Oct 2020 n=2049

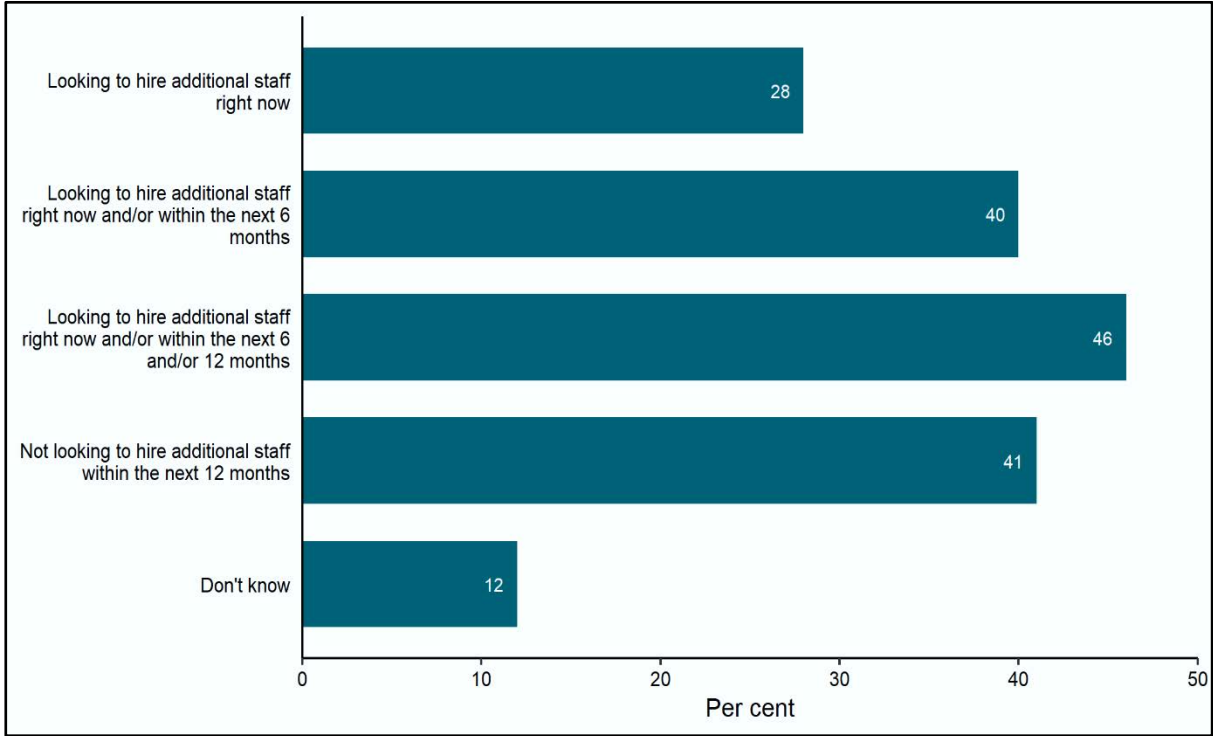
Figure 1.8 shows that in September/October 2020, approximately half the respondents anticipated they would be looking to hire new staff in the next 12 months. Employers from large businesses were significantly more likely to anticipate hiring new staff, with 75% stating they would be looking to hire, in comparison to 44% of employers from small and medium businesses.

Six months following the introduction of the COVID-19 alert levels, 15% of the businesses were looking to hire staff at that time. Four in ten (41%) large businesses stated they were looking to hire new staff ‘right now’.

March/April 2021 intentions to hire staff

In the second survey wave, respondents were asked to indicate their intentions to **hire additional staff** (in comparison to the first wave that asked about hiring new staff). ‘Additional staff’ was defined as more people than they employ at the moment. The question was also asked in a different way, in that respondents were first asked if they were looking to hire additional staff at any stage within the next 12 months. If they were, they were then asked if they were looking within the next 6 months, and if they were, they were then asked whether the business was looking to hire additional staff right now.

Figure 1.9: Employers’ intentions to hire additional staff as of March/April 2021



Note: Based on all employers: Mar/Apr 2021, n=759

As with the first wave in September/October 2020, approximately half the employers in March/April 2021 (46%) said they would be looking to hire in the next 12 months. Again, employers from large businesses were more likely to anticipate hiring additional staff, with 72% of employers with 20 or more staff stating they would be looking to hire, in comparison to 43% of small and medium businesses.

In the second wave in March/April 2021, a year following the introduction of the COVID-19 alert levels, over a quarter of businesses (28%) were looking to hire additional staff ‘right now’. Over half (58%) of large businesses stated they were looking to hire additional staff ‘right now’.

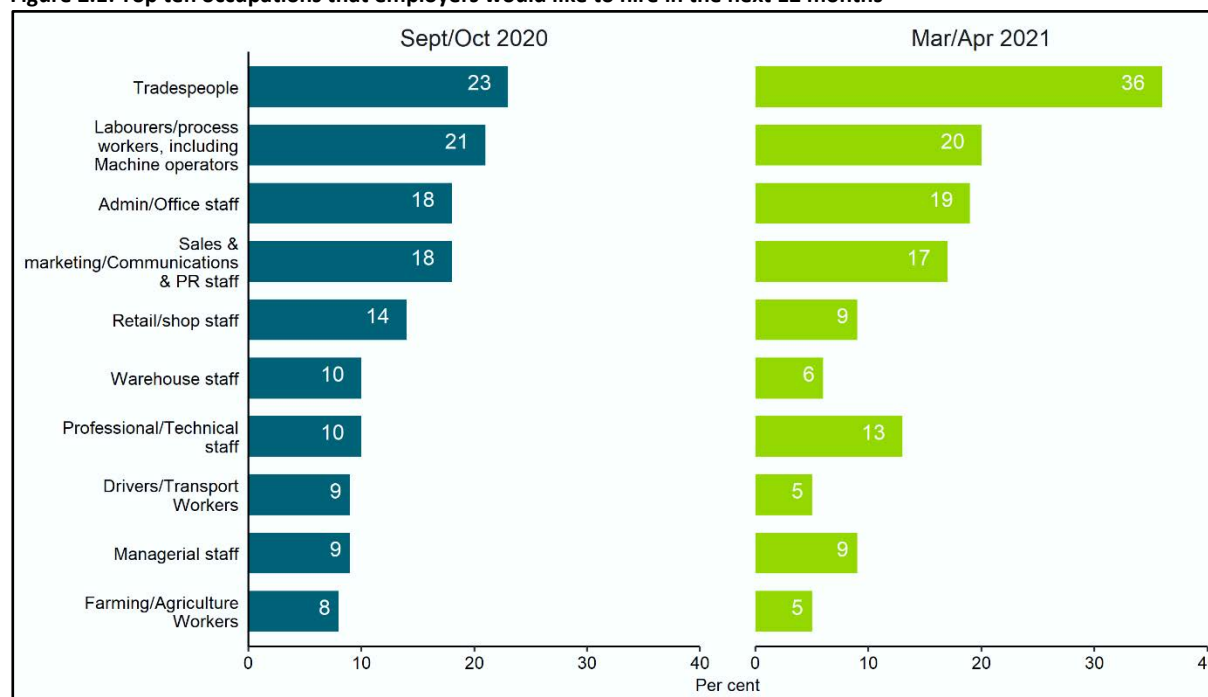
RESEARCH QUESTION 2: WHICH OCCUPATIONS AND SKILL SETS DO EMPLOYERS ANTICIPATE RECRUITMENT DIFFICULTIES FOR?

The second research question looked at the occupations and skills the responding employers anticipated they would want to hire within the next year and whether they anticipated the occupations and skills they were looking for would be difficult to recruit.

2.1 Tradespeople were the most frequently mentioned occupational group employers wanted to hire

The employers who stated in the September/October 2020 survey wave that they would possibly be looking to hire new staff in the next 12 months and the employers who stated in March/April 2021 that they would be looking to hire additional staff within the next 12 months were asked what types of staff the business would like to hire. They were presented with a list of occupations and roles to choose from.

Figure 2.1: Top ten occupations that employers would like to hire in the next 12 months



Note: Based on employers who would like to hire in the next 12 months: Sept/Oct 2020 n=1242, Mar/Apr 2021 n=420

The most frequently mentioned occupations that employers stated they would like to hire in the next 12 months are the same in both waves of the survey. Tradespeople and labourers/process workers were the two most frequently mentioned, with administration/office staff and sales and marketing (including communications and PR staff) the occupations next most sought.

In both waves, higher proportions of respondents from large businesses than respondents from small and medium businesses wanted to hire administration or office staff, managerial staff and drivers or transport staff.

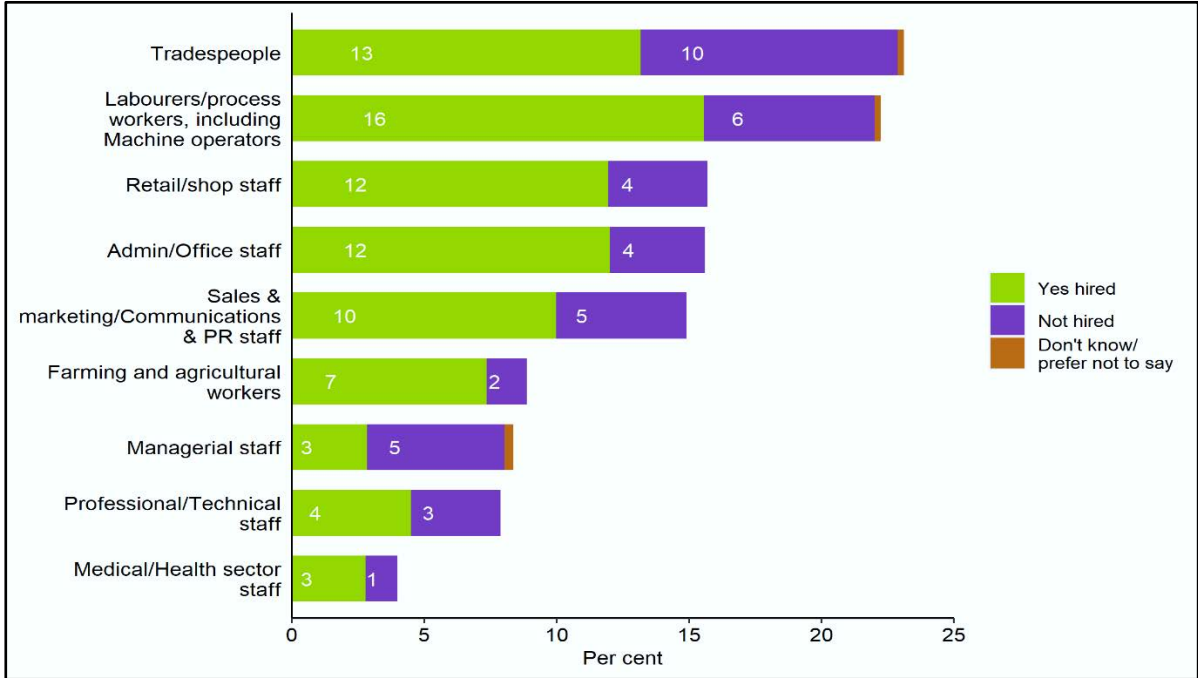
The occupations sought by respondents reflect the industries they work in. It makes sense that Construction employers anticipate they would want to hire tradespeople, Manufacturing employers would want to hire labourers/process workers and tradespeople, employers in Retail trade and accommodation and food services would want to hire retail and shop staff, Health and social assistance employers would want to hire medical and health sector staff, and employers in Agriculture, forestry and fishing industries would want to hire farming and agricultural workers, and labourers and process workers.

Occupations hired within six months

In the first September/October 2020 survey wave, respondents were asked which types of staff they wanted to employ within six months and in the second wave six months' later those respondents who stated they might be looking to hire workers in a specific occupation were asked whether they had in fact hired workers in that occupation.

For some occupational groups, the number of employers wanting to hire is too small to report on with any certainty. While the proportions for occupational groups mentioned by 30 or more employers have been graphed in the figure below, caution should be taken with interpreting results from the smaller of these groups (base sizes are noted below the figure).

Figure 2.2: Percentage of employers intending to hire each occupation as of September/October 2020* and whether they hired by March/April 2021



Note: Based on employers who stated in Sept/Oct 2020 that they might like to hire in the next 6 months and responded to the Mar/Apr 2021 survey: Tradespeople n=143, Labourers/process workers n=115, Admin/office staff n=67, Sales & marketing n=45, retail/shop staff n=44, remaining occupations between n=30 and n=35.

* The sum of the numbers on the bars for the corresponding occupations show the percentage of employers who in Sept/Oct 2020 intended to hire the respective occupation in next 6 months

In September/October 2020, of the respondents who stated they were looking to hire new staff now or they would possibly be looking to hire within the next six months, almost a quarter (23%) stated they would look to hire tradespeople. Those employers who had stated this, and responded to the second wave survey, were asked whether they had hired tradespeople. Over half (57%) responded that they had hired tradespeople in the six months between the first and second waves of the survey.

Results for other occupations, where there were more than 40 employers responding to the second wave of the survey, show over two-thirds had hired workers since the first wave:

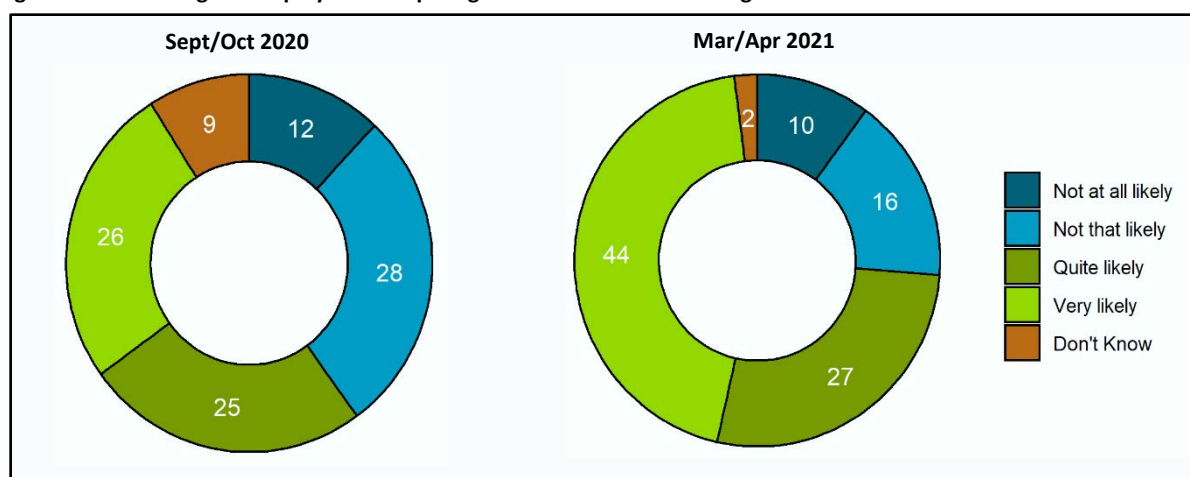
- Labourers/process workers: 22% of respondents who were looking to hire in the first wave wanted to hire labourers/process workers; of those who responded to the second wave, 70% had in fact done so
- Administration/office staff: 16% of respondents who were looking to hire in the first wave wanted to hire administration/office staff; of those who responded to the second wave, 77% had in fact done so
- Retail and shop staff: 16% of respondents who were looking to hire in the first wave wanted to hire retail and shop staff; of those who responded to the second wave, 76% had in fact done so

- Sales and marketing/ Communications and PR staff: 15% of respondents who were looking to hire in the first wave wanted to hire labourers/process workers; of those who responded to the second wave, 67% had in fact done so.

2.2 Employers anticipated difficulties in recruiting staff

Those employers who stated the business might be looking to hire within a year were also asked whether they thought it would be likely they will have difficulties recruiting people for the roles they would be looking for.

Figure 2.3: Percentage of employers anticipating difficulties when recruiting for roles



Note: Based on employers who may be looking to hire staff within the next year: Sept/Oct 2020 n=1242, Mar/Apr 2021 n=420

Figure 2.3 shows there was an increase between the two survey waves in the proportions of respondents who anticipated they would experience difficulties recruiting people for the roles they would be looking for. In the first survey wave in September/October 2020, 51% thought it would be likely (either 'very likely' or 'quite likely') they would have difficulties with 26% indicating they thought it 'very likely'. In the second survey wave in March/April 2021, 71% thought it would be likely they would have difficulties, with 44% indicating 'very likely'.

In the September/October 2020 survey wave around half the employers who might be looking to hire staff within the next 12 months (51%) stated they believed it was likely they would experience difficulties recruiting people for the roles. There were differences by business size and industry:

- Respondents from large businesses were more likely to anticipate they would experience difficulties than did respondents from small and medium businesses (64% compared to 48%).
- Employers in the Agricultural, forestry or fishing industry were more likely to anticipate they would experience difficulties than were other industries, with almost half of them (46%) stating they thought they would be 'very likely' to experience difficulties.

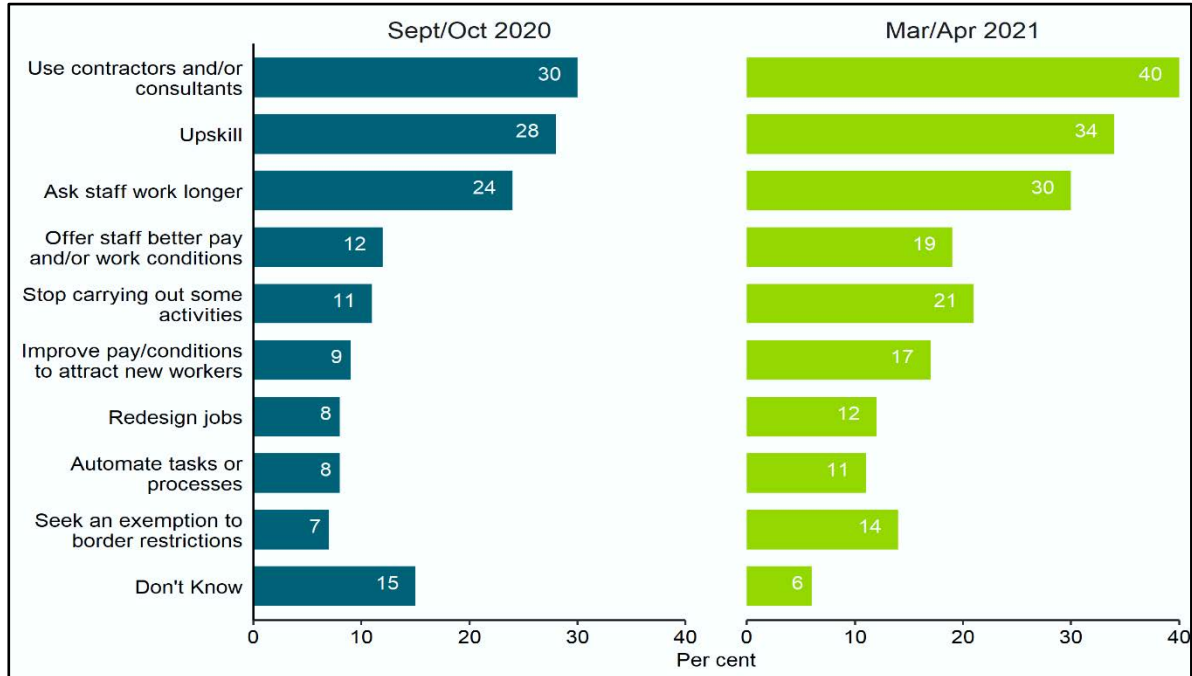
In the March/April 2021 wave seven out of ten employers who may have been looking to hire staff within the next 12 months (71%) stated they believed it was likely they would experience difficulties recruiting people for the roles. There were differences by business size (although the difference had decreased from the first wave) but not industry in this second wave:

- Respondents from large businesses were more likely to anticipate they would experience difficulties than did respondents from small and medium businesses (78% compared to 70%).

Actions that employers would take if they experienced recruitment difficulties

Employers who might be looking to recruit staff within the next 12 months were asked what they would do in the face of difficulty employing staff. A list of possible actions was provided for employers to choose from, although the list was updated between the two waves. Actions in common between the lists are graphed below.

Figure 2.4: Actions that would likely be taken by employers if difficulties in recruiting were experienced



Note: Based on employers who may be looking to hire staff within the next year: Sept/Oct 2020 n=1242, Mar/Apr 2021 n=420

In the first survey wave in September/October 2020, two additional options were included which were selected by reasonably high proportions of respondents:

- ‘Employ staff from another business/industry where there are redundancies’ 30%
- ‘Recruit temporary migrant workers already in New Zealand’ 14%.

Using contractors and consultants was the main option anticipated being used if staff could not be recruited for roles

In both survey waves, respondents indicated most frequently that if they experienced difficulties in employing staff, they would be likely to use contractors or consultants. Employers in the construction industry (47% in September/October 2020 and 56% in March/April 2021) selected this option most frequently.

Approximately a third of the employers who might be looking to hire new staff within 12 months would upskill existing staff if they experienced difficulties in recruiting staff for particular roles (28% in September/October 2020, 34% in March/April 2021). Employers from large businesses saw this as an option more frequently than employers from small and medium businesses. Almost half of the respondents from large businesses stated this was an action they would likely take (46% in both waves).

Some employers considered the business would be likely to ask existing staff to work longer hours if they experienced difficulties employing staff for particular roles (24% in September/October 2020, 30% in March/April 2021).

In the September/October 2020 wave in particular, employers from large businesses were more likely than employers from small and medium businesses to state that they would take the actions listed if they had difficulties employing staff for particular roles. Whilst 17% of the respondents from small and medium businesses said they did not know what actions they would likely take, only 7% of respondents from large businesses said they did not know.

Greater proportions of employers in the second March/April 2021 wave indicated they would likely try different options if they had difficulties when recruiting staff than in the first September/October 2020 wave. This is probably because more employers believed they would have difficulties recruiting people (‘very likely’ to have difficulties increased from 26% to 44%) and so they had started thinking of alternative options. Whereas in September/October 2020 15% of employers who might be looking to hire staff within the next 12 months stated they did not know what they would do if they had difficulties employing staff, in March/April 2021 this had reduced to 6%.

2.3 Personal qualities were the most sought-after occupational skill for staff

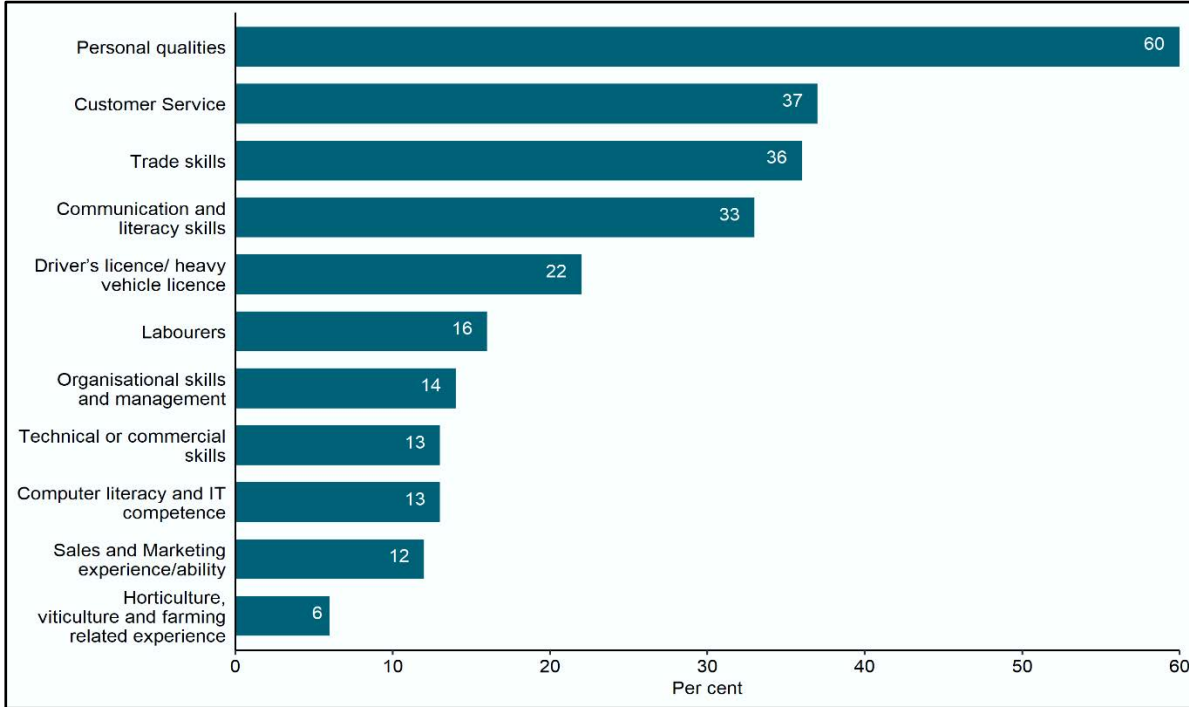
In both survey waves we asked employers who might be looking to hire staff in the next year what occupational skills they would be looking for in the staff they would hire. We specifically asked for **occupational skills** in an attempt to encourage respondents to think about the roles they would want to hire, however in both waves more general ‘personal qualities’ were mentioned most frequently.

In the first survey wave in September/October 2020, employers who might be looking to hire in the next year were asked to list up to three occupational skills the business would be looking for, regardless of the occupation or roles they would be seeking. When answering this free-text question, employers included both ‘soft’ skills and occupational skills. The responses from employers were varied and extensive, and the most frequently cited skills were:

- Personal qualities (eg reliable and honest, willingness to learn, flexible, initiative, attention to detail, personable, friendly, honesty and integrity) – 21%
- Trade skills (including builders, electricians, plumbers, qualified and experienced supervisors) – 20%
- Organisational skills and management (including team, account, office management and leadership and administration) – 16%
- Sales and marketing (sales ability, sales experience, marketing skills, online and digital marketing) – 13%
- Driver’s licence or heavy vehicle licence (including tour coach, forklift, truck, and full driver’s licence) – 13%
- Labourers (including machine operators, manual handling, warehouse work, cleaners) – 11%.

In the second survey wave in March/April 2021, employers who might be looking to hire staff within a year were presented with a list of the occupational skills that were most frequently identified in September/October 2020. As is usual when survey respondents are provided lists rather than being asked to provide free text responses, much higher proportions indicated each occupational skill. However, relative ratings reflect the skill shortages identified by potential employers in the first wave.

Figure 2.5: Most important occupational skills employers will look for in staff



Note: Based on employers in Mar/Apr 2021 looking to hire additional staff within the next 12 months n=420

Personal qualities were sought by employers who might be looking to hire additional staff within the next 12 months, and this was common across all industries. More than half the respondents in each industry group stated that personal qualities

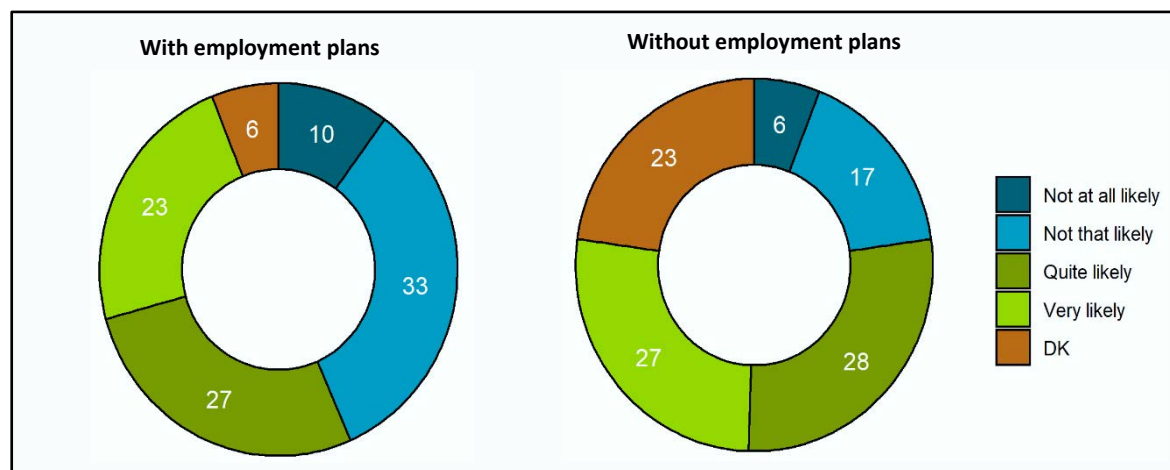
such as being reliable and honest, willingness to learn, being flexible and personable was one of the three most important occupational skills.

As would be expected, the demand for customer service skills was highest in the Retail trade and accommodation and food services industry (63%) and also the Health and social assistance industry (57%). Trade skills were most important for employers in Construction (77%) and Manufacturing (57%). The need for a driver's licence or a heavy vehicle licence was highest in the Agriculture, forestry and fishing industry (37%) and the Construction sector (35%). Labouring skills were most important for employers in Manufacturing industries (37%) and Agriculture, forestry and fishing (25%).

Anticipated difficulties in recruiting occupational skills

Employers in the September/October 2020 survey wave were asked about the likelihood of New Zealand facing a shortage of people with the occupational skills their business needs within the next 12 months (if they had employment plans within the next 12 months) or that New Zealand will face a skills shortage within the next 12 months (if they did not have employment plans).

Figure 2.6: Percentage of employers anticipating that New Zealand will face a shortage of people with occupational skills within the next 12 months



Note: Based on employers in Sept/Oct 2020: with employment plans in the next 12 months n=1242, without employment plans in the next 12 months n=807

Half the respondents looking to hire new staff within the next 12 months believed it is likely ('very likely' or 'quite likely') there will be a shortage of the occupational skills they need, and almost a quarter (23%) stated they thought it is 'very likely'.

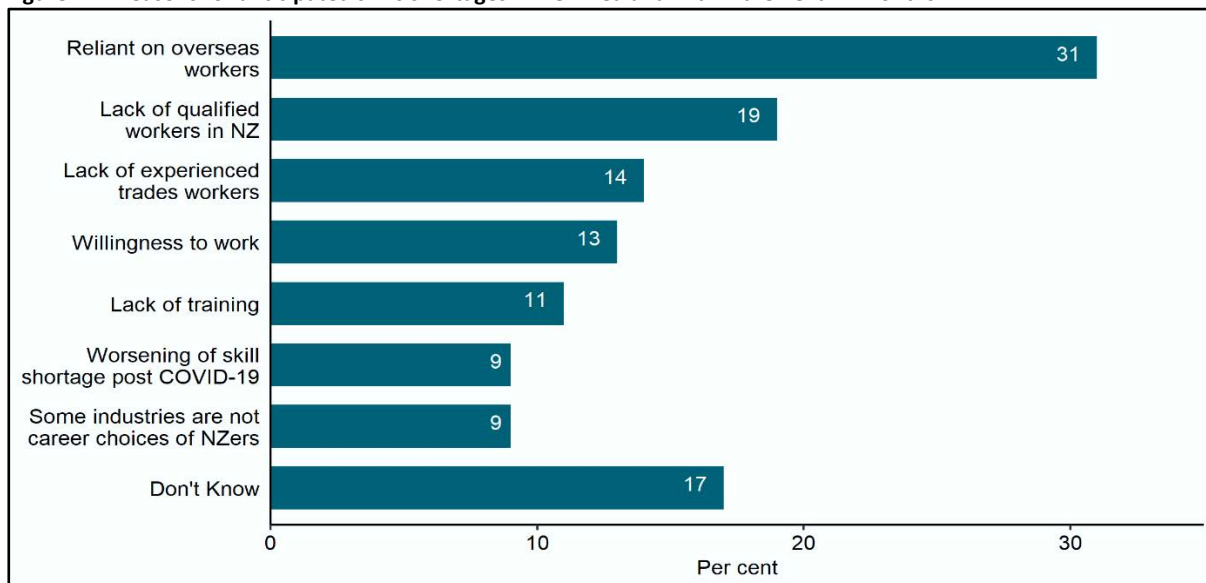
A similar proportion of employers without employment plans thought it was likely that New Zealand will face a skills shortage (55%). Just under a quarter (23%) of these respondents stated they did not think it was likely there will be a skills shortage, and the same proportion stated they did not know whether or not there will be a skills shortage.

Employers from large businesses were more likely to anticipate that it is likely that there will be skill shortages (both employers who may hire within the next 12 months and those who do not intend to) than employers from small and medium businesses. Employers from the Agriculture, forestry and fishing industry who may hire within the next 12 months were more likely than employers from the other industry groups to state that they believed it was 'very likely' that there will be a shortage of skills their business needs (51%).

Reasons why New Zealand is likely to face a skills shortage within the next 12 months.

Employers who stated in the September/October 2020 wave that they thought New Zealand is likely to face a skills shortage within the next 12 months were asked what the particular reasons for this were. This was asked as an open-ended question and then coded into categories. The main categories are presented below:

Figure 2.7: Reasons for anticipated skills shortages in New Zealand within the next 12 months



Note: Based on employers in Sept/Oct 2020 who thought it likely that New Zealand will face a skills shortage in the next 12 months n=1187

Almost a third of respondents who think it is likely that New Zealand will face a skills shortage in the next 12 months said that particular industries are reliant on overseas workers (this includes related issues such as visas/immigration requirements/border restrictions etc). This was the most common reason given for anticipated skills shortages in New Zealand.

The second most frequently cited reason was that there are not enough qualified workers in New Zealand, and that finding the right people with suitable skills, training, qualifications or experience is difficult. Employers from large businesses were more likely to give this as a reason (27% of them did) than employers from small and medium businesses (17%).

Other differences in response by industry and likelihood of hiring new staff within the next 12 months were:

- Employers from the Agriculture, forestry and fishing industry were more likely to state that particular industries are reliant on overseas workers (53% compared to 31% of total). They were also more likely to state that attitudes and willingness to work was a reason for an anticipated skills shortage (25%) than the total response (13%).
- Employers from the Construction industry were more likely to state that the issue was due to a lack of suitable people entering particular trades and a lack of experienced trades workers (46%) than was the total response (14%).
- Employers who thought their business would be likely to hire new staff within the next 12 months and thought that there would be skills shortages gave as reasons that there are not enough qualified workers in New Zealand (24% compared to 14% of employers not likely to hire); that there is a lack of suitable or experienced workers (20% compared to 9%); and issues relating to willingness and attitudes to work (16% compared to 11%).

RESEARCH QUESTION 3: WHAT CHANGES HAVE THERE BEEN IN WORKPLACE ARRANGEMENTS?

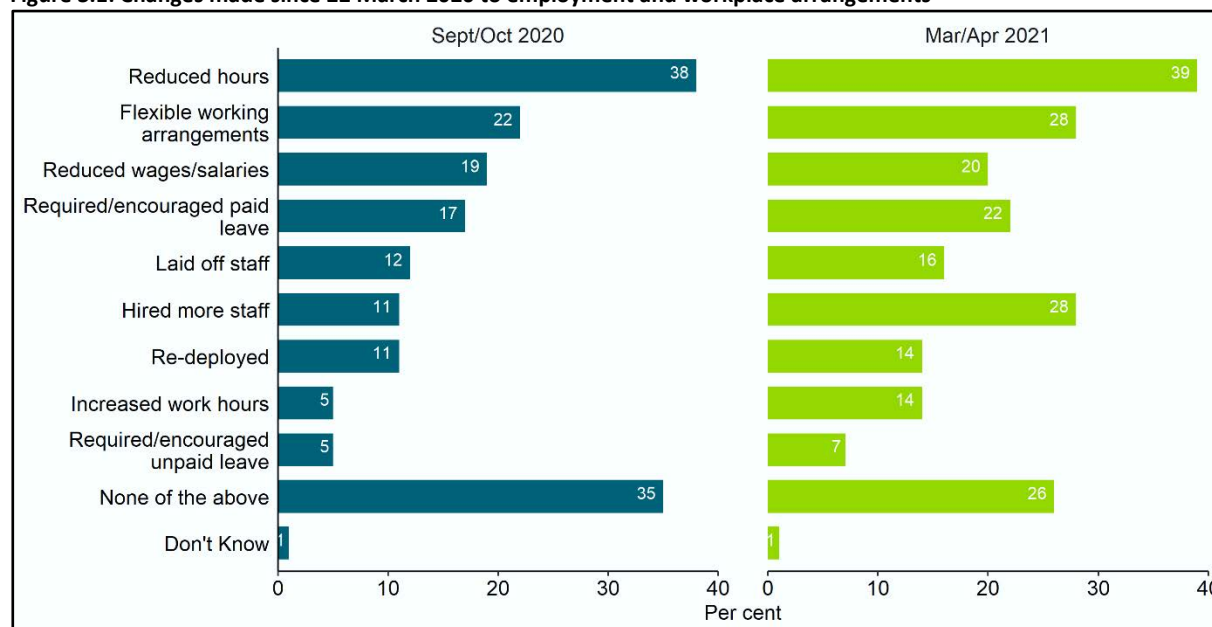
The third research question addresses changes in workplace arrangements since March 2020. Respondents who intended to make changes in the first survey wave were asked in the second wave whether the changes had been implemented. The second wave survey also asked additional questions about various types of flexible working arrangements.

The Ministry of Business Innovation and Employment (MBIE) estimated that during Alert Level 4 in May 2020 there were around 640,000 people working from home, and this number was revised to 769,000 during Alert Level 4 in September 2021.

3.1 Many employers reduced work hours for staff, however this was generally a temporary measure

In both waves, employers were presented with a list of possible changes to workplace arrangements and asked to indicate which they had made since 22 March 2020 when the government announced the introduction of the COVID-19 alert levels.

Figure 3.1: Changes made since 22 March 2020 to employment and workplace arrangements



Note: Based on all employers; Sept/Oct 2020 n=2049, Mar/Apr 2021 n=759

In both the September/October 2020 and March/April 2021 waves, nearly four in ten respondents stated they had reduced work hours for existing staff. Interestingly, there were no significant differences between large and small and medium businesses in either survey wave. The proportion of employers in the Agriculture, forestry and fishing industry who stated they had reduced work hours was lower in both waves than other industries (22% in Sept/Oct 2020 and 25% in March/April 2021).

Around a quarter of the respondents stated they had introduced or increased flexible working arrangements since 22 March 2020, with the proportion higher in the second wave (28%) than the first (22%). In both survey waves employers from large businesses were significantly more likely than employers from small and medium businesses to have introduced or increased flexible working arrangements. In the March/April 2021 wave, 53% of the employers from large businesses stated they had introduced or increased flexible working arrangements.

Reflecting the labour market conditions at the two time periods, a greater proportion of employers in March/April 2021 had hired more staff (28%) or increased work hours for existing staff (14%) than the proportion of employers indicating this in September/October 2020 (11% and 5% respectively).

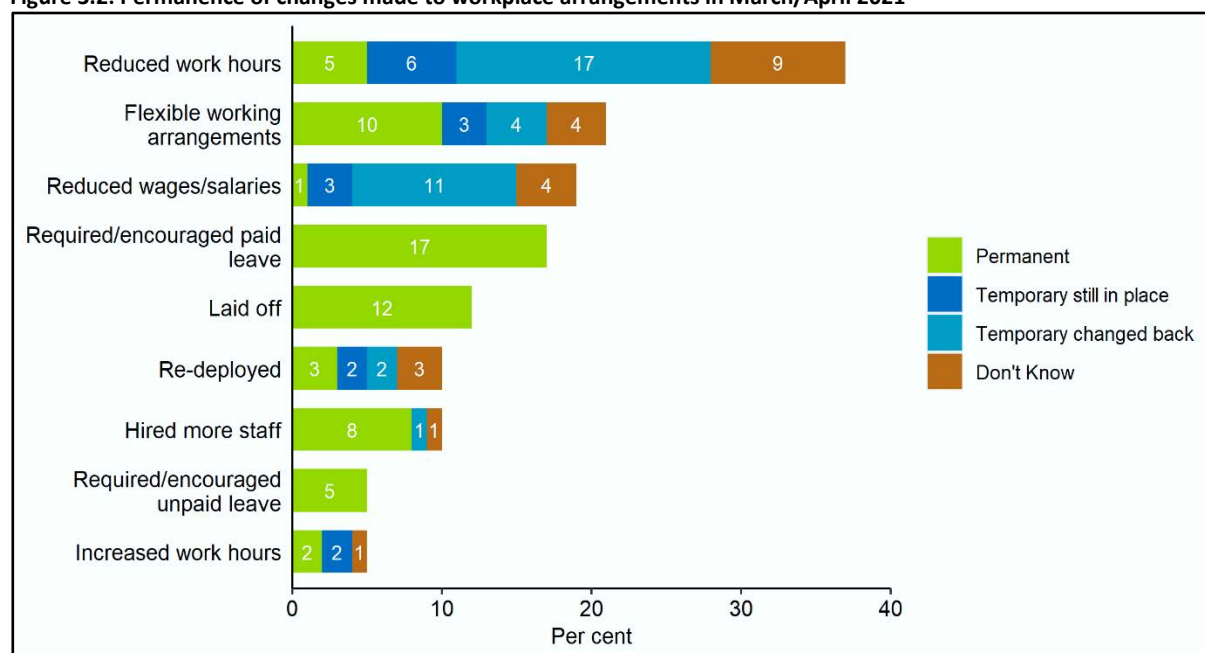
In both waves, employers from large businesses tended to make changes more than employers from small and medium businesses. While in the September/October 2020 survey wave a total 17% of all employers had required or encouraged existing staff to take paid leave, 41% of employers from large businesses had. In the same wave, while 22% of all employers had introduced or increased flexible working arrangements, 42% of employers from large businesses had.

In both waves, more respondents in the Agriculture, forestry and fishing industry stated they had not made any of the changes listed than did respondents in the other industries.

Intended and actual permanence of changes to workplace arrangements

Employers who had made changes to workplace arrangements in the September/October 2020 wave were asked whether the changes they had made since 22 March were intended to be temporary or permanent. Then in the second wave in March/April 2021, those respondents who had said the changes they had made were intended to be temporary, were asked whether the changes were still in place or had changed back to the situation before 22 March.

Figure 3.2: Permanence of changes made to workplace arrangements in March/April 2021 *



Notes: Based on employers who had made a change in workplace arrangements by Sept/Oct 2020: Reduced work hours for existing staff n=783, introduced or increased flexible working arrangements n=575, reduced wages or salaries of existing staff n=416, hired more staff n=414, re-deployed existing staff into different roles n=335, increased work hours for existing staff n=173. Note that for three workplace arrangements (required/encouraged paid leave, laid off, and required/encouraged unpaid leave) that employers were not asked if the change was intended to be temporary or permanent thus were not asked whether the changes were still in place in Mar/Apr 2021.

* The sum of the numbers on the bars for the corresponding changes shows the percentage of employers in Sept/Oct 2020 who had made those changes

Most of the changes made by September/October 2020 were intended to be temporary rather than permanent. The exceptions to this were hiring more staff and increasing flexible working arrangements, where more intended the change to be permanent. That said, there were relatively high levels of uncertainty as to whether the changes would be temporary or permanent. This uncertainty was generally higher among employers from large businesses, with these employers less likely to state the changes made were permanent.

As previously noted, nearly four in ten respondents stated they had reduced work hours for existing staff. This was the change that had been made by September/October 2020 by the greatest proportion of respondents (38%). Almost two-thirds (63%) of these respondents stated the change was intended to be temporary, although more respondents stated they weren't sure (23%) than stated the change was permanent (14%). When the respondents who stated the change was intended to be temporary were asked in March/April 2021 whether the change was still in place, around three-quarters (71%) stated that the situation had changed back to what it had been before 22 March 2020.

Around a quarter of the responding employers stated they had introduced or increased flexible working arrangements (22% by September/October 2020). Of these employers, almost half (47%) stated the change was permanent, 32% said it was

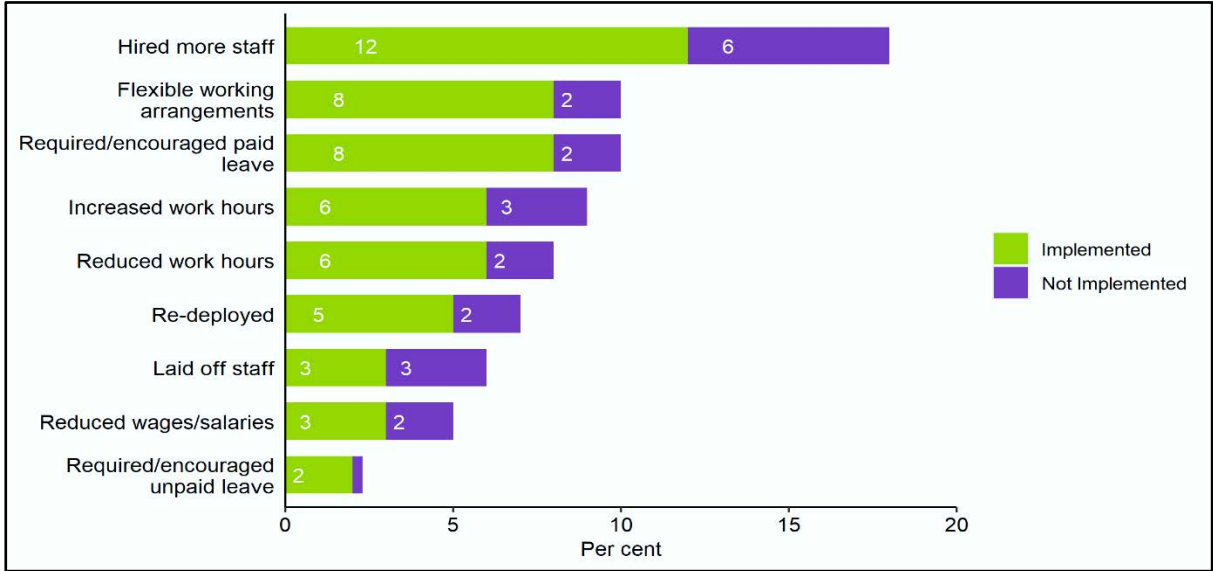
temporary and 20% didn't know. Approximately half of the employers (52%) who had intended the change to be temporary stated it was still in place for some or all staff in March/April 2021.

Around one in five (19%) of the respondents stated they had reduced wages or salaries of existing staff. Only 7% of these respondents stated the change was permanent, although an additional 19% were uncertain as to whether the change was temporary or permanent. Of the 74% who had anticipated the change would be temporary, three quarters (76%) stated the situation had reversed to where it was before 22 March 2020.

Whether anticipated changes to workplace arrangements were undertaken

In the first September/October 2020 survey wave, employers were asked whether they anticipated making changes in workplace arrangements within the next six months, and then in the second wave six months later, employers were asked whether these changes had been made. If they had not made a change they thought they would, employers were asked the reasons for this.

Figure 3.3: Changes intended in September/October 2020* and whether they had been implemented by March/April 2021



Notes: Based on all employers Sept/Oct 2020 (n=2049). While percentages are based on all employers only those intending to make a change were asked whether they had implemented it

* The sum of the numbers on the bars for the corresponding changes shows the percentage of employers who in Sept/Oct 2020 intended to make those changes

Compared to the changes in workplace arrangements that had been made between 22 March 2020 and September/October 2020, fewer employers anticipated making changes in the following six months to March/April 2021. Over half (55%) stated they did not intend to make any of the listed changes, or they did not know whether or not they would.

Employers from large businesses were more likely than employers from small and medium businesses to anticipate a number of the changes:

- Hire more staff (35% compared to 16% for small and medium businesses)
- Require or encourage existing staff to take paid leave (23%, 8%)
- Introduce or increase flexible working arrangements (17%, 9%)
- Re-deploy existing staff into different roles (15%, 6%).

The change to workplace arrangements anticipated within the following six months by the greatest proportion of employers was to hire more staff (18%). When asked six months later, two-thirds (67%) of those employers said that they had done this. More employers from large businesses had said they intended to make this change, and a higher proportion

of these employers had hired more staff in this time period (81% of these employers who intended to make this change, compared to 64% of employers from small and medium businesses who intended to hire more staff).

Other changes were anticipated within the following six months by 10% of respondents. The proportion of these respondents who had made the change six months later were:

- Introduce or increase flexible working arrangements, 81% had made this change
- Require or encourage existing staff to take paid leave, 75% had made this change
- Increase work hours for existing staff, 63% had made this change.

There were a variety of reasons provided for not undertaking the change that was planned, the main reasons given by employers who did not make the anticipated change were:

- Couldn't find staff (skilled or otherwise) / the right people: 16%
- Insufficient work (eg projects delayed / didn't happen because of COVID-19): 11%
- No decrease in workload / found work for staff: 9%
- Didn't need to in the end (eg as didn't go into lockdown again): 8%
- Business/workload was sufficient/increased / a lot of work to be done: 8%
- Didn't want to as it wasn't fair / wanted to keep our employees/already on low wages: 7%
- Hired more staff / contractors: 6%
- Managed with existing staff (eg by re-deploying staff into other roles, reducing / increasing hours as needed): 6%

However, as would be expected, reasons varied depending on the specific change that had been planned but had not been undertaken. For those employers who had intended to hire more staff but had not done so, the main reason was that they couldn't find staff; for those who had intended to increase work hours for existing staff but had not done so, the main reason was a lack of workload because projects were delayed or didn't happen because of COVID-19.

Businesses who had anticipated requiring or encouraging existing staff to take paid leave but had not done so stated that business or the workload had increased or was sufficient to avoid this. Some employers had anticipated laying off staff but had not done so. The stated reasons for this were that there was no change in the workload or there was natural attrition of staff.

3.2 There has been an increase in flexible working arrangements, in particular employees working remotely

In both the survey waves, respondents were asked whether they had increased the number of employees who could work remotely (ie can work from home) since 22 March 2020.

Table 3.1: Whether there has been an increase in the number of employees who can work from home

Have you increased the number of employees who can work remotely	Sept/Oct 2020 (Per cent)	Mar/Apr 2021 (Per cent)
Yes	24	30
No	34	26
Not applicable/working from home is not an option for anyone in this business	41	43
Don't know	1	0

Note: Based on all employers: Sept/Oct 2020 n=2049, Mar/Apr 2021 n=759

In both waves, employers from large businesses were more likely than employers from small and medium businesses to have increased the number of employees who could work remotely. Over half the employers from large businesses said they had increased the number of employees who could work remotely. Employers from small and medium businesses were more likely to state that working from home was not an option for anyone in the business.

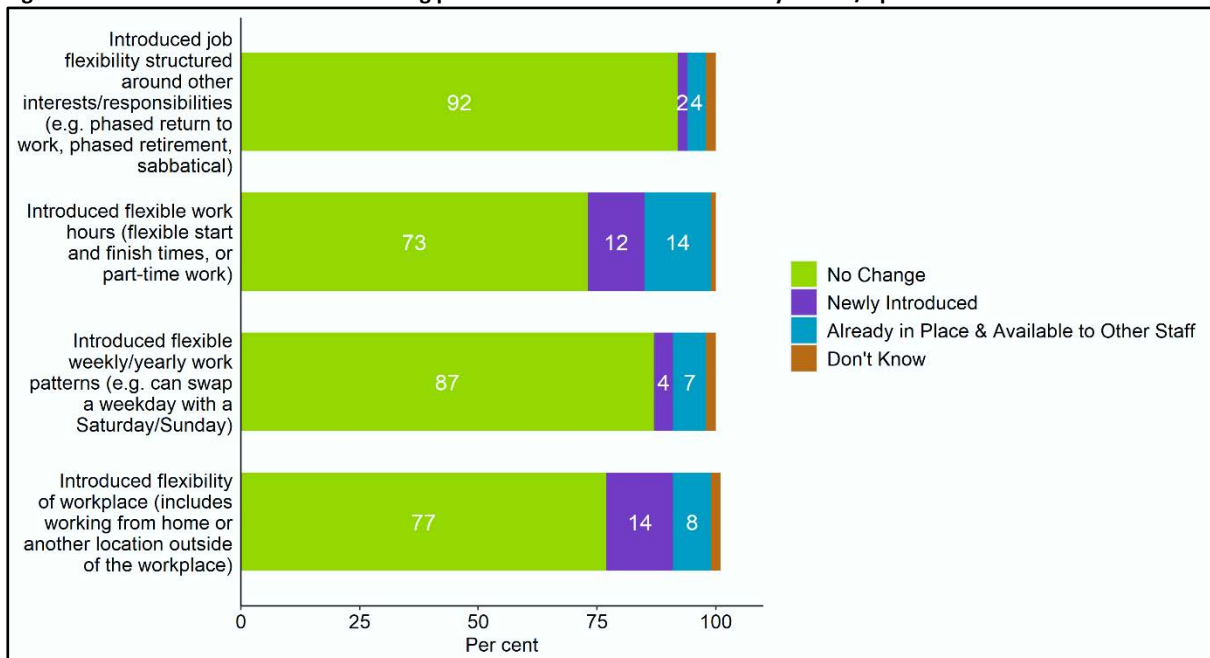
The number of employers who stated they had increased the number of employees who could work remotely further increased in the second survey wave. This indicates that the changes made by approximately a quarter of the respondents in the first wave (24%) were not short-term changes that were reversed when Alert Levels 3 and 4 ended.

In the September/October 2020 survey wave, employers (other than those who said working from home was not an option in their business) were asked whether within six months' time they intended to increase how many employees could work remotely. The results are in line with the March/April 2021 findings, in that 10% stated they would increase the number, 7% weren't sure and 83% said they would not increase the number of employees who could work remotely.

Changes in flexible working patterns as a result of COVID-19

In the March/April 2021 wave respondents were asked whether they had introduced four types of flexible working –flexible work hours, flexibility of workplace, flexible weekly/yearly work patterns and flexibility structured around other interests and responsibilities - since 22 March 2020 as a result of COVID-19. They were asked to specify if there had been no change since 22 March 2020 in the flexible working pattern, the change was newly introduced after 22 March 2020, or if it was already in place before 22 March 2020 but was now available to more employees.

Figure 3.4: Introduction of flexible working patterns as a result of COVID-19 by March/April 2021



Note: Based on all employers: Mar/Apr 2021 n=759

As can be seen from Figure 3.4, by far the majority of employees made no changes in these flexible work patterns as a result of COVID-19. The areas of greatest change, either newly introduced or extended to more employees, were flexible work hours (flexible start and finish times, or part-time work) and flexibility of workplace (including working from home or another location outside of the workplace).

Employers who had made a change were asked what it was about the COVID-19 situation that led their business to make that change (employers were only asked about one of the changes they made).

Flexible work hours

A higher proportion of respondents from large businesses said that they had newly introduced flexible work hours than respondents from small and medium businesses (18% compared to 11%) or that they had extended this to more employees (26% compared to 13%). Not surprisingly, Retail trade and Accommodation & food services employers were more likely to state there had been no change in flexible work hours (86%).

The main reasons for making the change were:

- to work around family or personal commitments of staff (21%)
- because of the unpredictability or lack of work (21%)
- realised working from home was achievable or benefitted the business (9%)

- so that fewer staff were on site at the same time in order to reduce COVID-19 transmission and to protect immune compromised staff (9%).

Flexibility of workplace

As with changes in flexibility of work, a higher proportion of respondents from large businesses said that they had newly introduced flexibility of workplace than did respondents from small and medium businesses (33% compared to 11%) or that they had extended this to more employees (18% compared to 7%). Not surprisingly, employers from Agriculture, forestry and fishing, and Retail trade and Accommodation & food services were more likely than other industries to state there had been no change since 22 March 2020 (both 91%).

The main reasons for introducing or extending the flexibility of the workplace were:

- employers realised working from home was achievable or benefitted the business (27%)
- because of COVID-19 rules such as the Alert Level 3 or 4 lockdown rules (24%)
- technology systems that were put in place allowed (more) staff to work from home (18%)
- it enabled the business to keep operating (especially in case of further lockdowns) without interruption (15%)
- to work around family or personal commitments of staff (10%)
- so that less staff were on site at the same time in order to reduce COVID-19 transmission or to protect immune-compromised staff (10%).

Flexible yearly/weekly work patterns

Few employers introduced, or extended, this flexible working pattern as a result of COVID-19. Those who did said that it was because of COVID-19 rules such as the Alert Level 3 or 4 lockdowns, or it was to enable the business to keep operating (especially in the case of further lockdowns) without interruption. Some of these employers said they had made the change in order to retain staff.

Flexibility around other interests and responsibilities

Very few respondents introduced, or extended, job flexibility structured around other interests or responsibilities of their employees, such as a phased return to work, phased retirement or a sabbatical. The main reasons given for introducing or extending this flexibility were so that they could work around the family or personal commitments of staff and that their staff had requested more flexibility in order to meet their needs.

In summary

The biggest changes in staff numbers were for full-time permanent staff, and in both the September/October 2020 and March/April 2021 waves the proportion of respondents stating there had been a decrease in numbers was higher than the proportion stating there had been an increase. Reflecting a more positive outlook, there was a rise between the two waves (from 7% to 18%) in the proportion who stated there had been an increase.

Some of these changes will reflect normal churn in the labour market and reasonably high proportions of employers stated that none of the changes were due to COVID-19 (in the September/October 2020 wave just over a third, and in the March/April wave almost a half).

In both survey waves approximately half the employers stated they might be looking to hire staff within the next year. More employers in the second wave (28%) stated they were looking to hire staff 'right now', compared to 15% in the first wave. This suggests there was an increasing urgency to hire staff.

Tradespeople and labourers/process workers were the most frequently mentioned occupations that employers might be looking to hire, with administration/office staff and sales and marketing the occupations next most sought. There was an increase between the two survey waves in the proportions of respondents who anticipated they would experience difficulties recruiting staff. In the first wave approximately half thought it was likely they would have difficulties and in the second wave almost three-quarters did.

Reflecting the occupations employers might be looking to hire, the skills most sought in staff were firstly personal qualities (eg reliable & honest, willing to learn, flexible, personable), then trade skills, customer service, organisational skills & management.

In both survey waves nearly four in ten of the responding employers stated they had reduced work hours for existing staff since March 2020. Almost two-thirds of the employers stated in September/October 2020 that the reduction in work hours was intended to be temporary, and by March/April 2021, nearly three-quarters of these employers stated the situation had changed back to how it was before 22 March 2020.

Reflecting the labour market conditions at the two survey time periods, a greater proportion of respondents in March/April 2021 had hired more staff (28%) or increased work hours for existing staff (14%) than the proportion of respondents indicating this in September/October 2020 (11% and 5% respectively).

There has been an increase in flexible working arrangements since 22 March 2020, in particular employees working remotely (eg working from home). In the first survey wave six months after the introduction of the alert level framework, almost a quarter (24%) of the employers had increased the number of employees who could work remotely. This percentage had increased to 30% in the second wave a year after the introduction of the alert level framework.

Overall, the findings from the NSEI show the initial very negative expectations about the impact of COVID-19 on the labour market did not eventuate. At six months after the alert level announcements, employers were not as pessimistic about the outlook as had been predicted, and after a year many had hired or were looking to hire additional staff within the next year.