



NEW ZEALAND
**EMPLOYMENT
MARKET REPORT**

INDUSTRIAL

2020

Industrial

The Market

Many of the industries that thrived during the pandemic had an industrial component, for example FMCG, manufacturing, construction, transport and healthcare. This has meant a busy but challenging sector over the last few years, and 2022 was not vastly different. The soaring levels of online retailing we saw from the year prior continued, and the knock-on effect was an elevated demand for warehousing staff in all role types, particularly once delayed shipping containers made their highly anticipated arrival into ports around Aotearoa.

Overall, the job market within the industrial job market space was active, though with clear differences between smaller and larger-sized businesses. The former are more sensitive to the rising economic pressures, which began to have an impact during the second half of the year, and they became increasingly hesitant about hiring, both contingent and permanent, as the year progressed. In contrast, large organisations maintained a robust hiring presence for the full 12 months. They added staff numbers to their headcount, evidence of confidence in their ability to weather the storms of recession predicted by economists.

Collectively, there has been a hope that post-COVID, the labour market will return to 'normal' but the reality is that our post-pandemic state is forever changed. When the border opened in mid-2022 there was no great relief felt, nor significant change in the candidate supply, with very few international candidates added to the mix. In fact, the open border was a problem: significant numbers of Kiwis working in industrial roles departed our shores for holidays, an overseas work experience (OE) or tellingly, to relocate to Australia for exciting opportunities accompanied by higher pay.

Most in-demand skills

- Specialist Driver
- Machine Operator
- Electrician
- Fork Hoist Operator

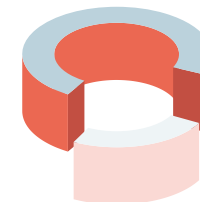


Employers

There was huge demand from employers for candidates with technical skills; specialist drivers, machine operators, electricians, fork hoist operators. The market simply did not meet these demands, and employers in this space had to be flexible, and think broadly when considering applicants. With the skills shortages reducing full productivity, and therefore productivity becoming a massive business priority—the focus moved from sourcing hard skills, towards finding candidates with the right attitude, alongside a willingness and the capability to learn and grow into a role.

Auckland was one of the few centres where the open border led to a real increase in job applications from overseas candidates. However, generally, Auckland employers were not willing or even equipped to sponsor international talent, and did not wish to engage with these potential candidates. Instead, organisations put their hope and focus into the local markets, and fought hard to secure the talent they needed.

Forced to be creative and more responsive, organisations adapted. We saw a welcome reduction in the recruitment process time. For example, if a candidate deemed suitable was presented, hiring managers would drop other tasks to spend time connecting and interviewing, ensuring decisions were made at speed, making offers on the spot and completing necessary checks and references simultaneously. This attitude shift was what separated the businesses 'winning' in the current market, versus those who struggled to hire. If an employer was too slow, it was common knowledge that other organisations might swoop in with a counteroffer, and secure the candidate. Additional benefits were added to entice candidates, such as sign-on bonuses and gym memberships, though the annual base salary endured as the main attraction.



64%

of Industrial
job seekers are
considering moving
workplace in 2023/24

Job Seekers

The cost of living crisis was keenly felt in this sector, as wages and salaries tend to be on the lower side, and the jobs are physically demanding. This meant that the number one driver of movement was always the money on offer. Talented candidates with the appropriate licenses, technical skills and great experience, were fully aware of their value and we saw much job hopping and chasing the dollar. Any negative perception of short tenure on their CV was of no concern to these job seekers, who knew that the next job was just around the corner. To entry-level candidates, who had likely experienced a lot of overtime due to understaffing, the overtime pay rate was of high importance. Job seekers at this level were predominantly interested in jobs that paid weekly, and would even decline an offer if this was not the case.

A perceived poor work culture or bad management, plus a salary at the bottom of the range is what prompted most job seeking activity, followed closely by a lack of flexibility. Candidates moved for a 'better' location (closer to home, good transport links) and a desire for further career progression.

With respect to flexibility, this is another one of these sectors where working from home is often not possible due to the nature of the work. When it was offered, job seekers were keen. If not, candidates looked for the right attitude from management, and flexibility in start and finish times, or schedules and rosters which looked a little different, e.g. 4 x 10 hour days.

We saw an increase in candidates seeking part-time work, wanting a better work/life balance. There were no significant volumes of geographical movement, only in some instances for more mid to senior level industrial roles, where remote work-from-home is possible. In this situation, candidates would consider a move out of the city centre or more travel, if the days in the office or on site were limited.

#1

Paid overtime

is the most important **benefit** for Industrial job seekers

The Year Ahead

A full 18 months of candidates presenting their pumped-up salary expectations, combined with talent pool scarcity issues, led to an increase in the salary ranges in this sector during 2022. However in 2023, economic pressures may put a freeze on employer budgets. This could create tension, as it is also likely that the increase in minimum wage from 1 April 2023 will impact pay expectations. Specifically, those workers currently earning a slightly higher rate will want and expect a pay rise, to maintain relativity with minimum wage earners.

Despite this pressure, we still expect that salaries overall will stabilise, along with an easing-off in the provision of the extra, nice-to-have benefits and bonuses which worked so well during 2022 to source and secure candidates. Rising petrol prices, mortgage rates and food prices will keep mid to senior level candidates, who tend to have more personal responsibilities, looking for permanent positions closer to home.

The Recovery Visa (a Specific Purpose Work Visa) that was introduced by the Immigration Minister in February 2023 to deal with the clean up and rebuild following the devastation of Cyclone Gabrielle, will bring sector specialists, such as infrastructure and utilities engineers and technicians and heavy machine operators, into the country in the short term. It is hoped that this action—along with further support that has been requested of immigration, may help to alleviate a little of the pressure from an acute skill shortage in the industrial sector.

The challenging reality is that we are facing an ongoing shortage of skills, across the board. Rising unemployment may give employers the opportunity to be a little more selective, but to be able to adequately staff businesses, it will still be necessary to look at other ways to resource. Training and development of all employees (not just new starts) and a keen focus on retention, is what will ensure organisations are able to keep staffing levels where they need to be to achieve business objectives.

Industrial Salary Guide

SALARY RANGE IN NZD \$'000s

ROLE	AUCKLAND		WAIRARAPA	
	Low	High	Low	High
Operations Manager	110	150	80	140
Logistics Manager	100	135	80	110
Warehouse Manager	95	130	80	110
Branch Manager	100	135	80	110
Team Leader/Operations Supervisor	78	90	70	90
Industrial Electrician	93	115	75	95
Electrician	66	125	65	85
Qualified Builder	90	125	75	95
Mechanical Service Person	72	95	60	85
Automotive Mechanic	60	75	60	75
Diesel Mechanic	79	96	65	85
Qualified Gardener	60	68	58	66
Gardener	54	64	52	63
Machine Operator	52	65	55	65
Class 2-5 Driver	59	80	50	75
Fork Hoist Operator	56	66	48	54
Ride on Mower Operator	58	66	50	55
General Store Person (Pick Packers & Devanners)	48	56	48	54

ROLE	AUCKLAND		WAIRARAPA	
	Low	High	Low	High
Commercial Cleaner	52	59	48	52
General Labourer	52	58	48	54
Cabinet Maker	68	96	65	85
Plumber	79	99	65	85



About Madison

Madison was established in 1998 and is a wholly owned subsidiary of the Accordant Group, New Zealand's largest recruitment company and the only in our industry to be listed on the NZX. We operate across seven key locations in Auckland Central, Auckland South East, Hamilton, Tauranga, Wairarapa, Wellington and Christchurch.

What We Do

Madison works across almost all industry sectors, with clients that range from small start-ups to global blue-chip corporates, large public sector and not-for-profit organisations. Our track record includes full-service recruitment covering temporary, permanent and contractor needs across the following sectors:

- Accounting, Banking, Finance and Insurance
- Business Support and Administration
- Business Transformation, Programme and Project Management
- Contact Centre and Customer Service
- Engineering
- Government and Policy
- Human Resources and Recruitment
- Industrial
- Marketing and Communications
- Procurement and Supply Chain
- Project and Volume
- Property and Construction
- Sales and Relationship Management

Within disciplines, we recruit for the full range of positions from entry-level through to executive appointments. Depending on our clients' needs, our recruiters will deliver an end-to-end solution or unbundle the recruitment process to supplement the expertise and resources you have in your organisation.

How We Do It

Because we have a broad focus, but we are staffed by specialist recruitment professionals, we're able to offer the combined benefits of breadth, reach and personalised, expert service. Collaboration, sharing, building a real relationship and true partnerships are what set us apart. Not only do we understand New Zealand, but we have been specifically built and grown for this market.

Support & Partnership

We offer specialist consulting services to support our client organisations' talent lifecycles. Some of the key services we deliver via workshop, training or coaching include:

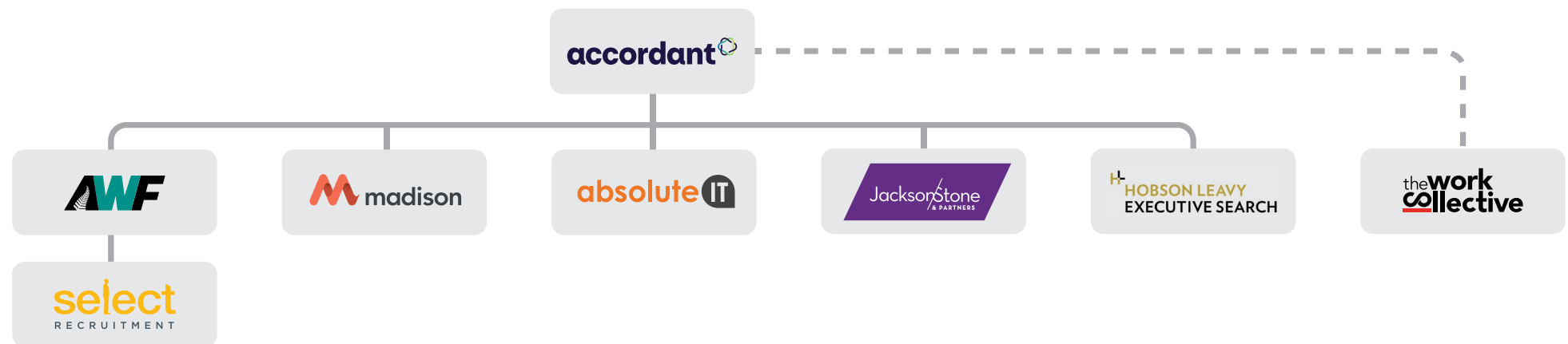
- Talent development
- Assessment centre design
- Outplacement services
- Psychometric profiling and skills testing
- High performance profiling



The Accordant Group

The Accordant Group is New Zealand's leading recruitment company and the only listed on the NZX. Within our stable we have five businesses, each of which holds an enviable position in their market, as well as The Work Collective, Accordant social employment initiative.

To find out more visit **accordant.nz**



Madison recruits temporary, contract and permanent staff for a broad range of clients in the commercial and government sectors.

JacksonStone & Partners is one of the most experienced executive search, recruitment and contracting agencies in New Zealand, covering all disciplines up to chief executive and board appointments across the private, public and not-for-profit sectors.

Absolute IT operates solely in the tech and digital market recruiting permanent and contract IT professionals.

Hobson Leavy is a retained executive search firm with an extensive track record in both the public and private sectors, successfully appointing some of New Zealand's most senior leaders at Board, CEO and Executive level.

AWF provides labour hire and recruitment services from 21 branches across the country including Select Recruitment in Dunedin.

The Work Collective is our social employment initiative, supported by each of our businesses, and focuses on helping people with barriers to employment find meaningful work opportunities.



To find out more about Madison and our services
you can visit our website or call us on **0508 MADISON**.

madison.co.nz

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