



SUPPLY CHAIN & OPERATIONS

SECTOR SPOTLIGHT



AARTI PATEL

SUPPLY CHAIN & OPERATIONS CONSULTANT

Right now, recruitment in the supply chain and operations space is thriving under demand. This is further verified by data sourced from Seek that shows a 45.3% growth in job ads in the supply chain & operations sector in the last 12 months (refer page 3).

Regardless of which phase of the Covid pandemic we may be in, it is evident that the sector has continued to boom. The only exception was the decline experienced in 2020, when we all experienced Covid for the first time, its initial impact on our day-to-day lives and as a nation we were adjusting to living in lockdown. Businesses, too, were dealing with the impact of delays and uncontrollable, inflated supply chain and shipping costs that were directly affected by overseas stakeholders and suppliers. This had a domino effect where most businesses wanted to regain some control to some of these uncontrollable variables and the first cost that could be controlled was their decision to control their recruitment activity and avoid increasing any further headcount to keep their labour costs down. It was an extremely uncertain time. It's safe to say that in 2020, we witnessed a lot of "recruitment freezes" as businesses responded to multiple fast-moving demands imposed by Covid.

Fast forward to 2022, as we have come to live with Covid, we realised that, operationally, production never stopped. Recruitment that was briefly put on hold has resumed. The supply chain and operations space has continued to yield vacancies in high numbers.

We have tried reverting to business as usual but the real pressure on the sector has emerged within various occupational pockets. For example, businesses within manufacturing have had to review their procurement strategies to remain ahead of Covid-related challenges. Procurement professionals have had to bring their A game into the office to ensure that there are alternative approved suppliers ready to go should a preferred supplier not be ready to deliver or be out of stock for a particular product or stock. This has seen a shift in the rise in demand for strategic procurement related roles.

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Similarly, a different demand and a different lag factor within operations felt by many in the industry has been the demand for engineering or hands-on capability. For example, there is pressure felt for the need for fitters or fitters and turners.

Typically, these were qualifications offered before Mechanical Engineering was a qualification but as a lot of fitters and turners and those who have a trade qualification in this space are retiring, there is a real demand to engage good quality candidates who can fill the void left by an ageing and exiting workforce. This would not have been such an issue if immigration wasn't impacted by Covid, but it has, and we have not had the benefit of overseas talent flooding the market with what they can offer, resulting in a skills shortage within some pockets in this specialised space.

To end, I want to acknowledge recruiter speak; us recruiters are often heard saying to our clients "the market is tight". It is definitely tight. Fitters aren't the only occupation in shortage within our sector right now. There are so many.

If you are recruiting or are a hiring manager and want to stay ahead of your competition, my advice would be to act fast, be agile and flexible with your internal processes.

There is a strong trend that the high-quality candidates who we are engaging with already are likely considering multiple other opportunities elsewhere at the same time. The key to securing these high-quality candidates is to be fast within your recruitment processes, be responsive and be communicative with your candidates at every step of the process. The days of keeping a poker face and not letting on to your candidate that you are keen on them could cost you a very good candidate.

Aarti joined OCG's Supply Chain & Operations team in May 2021 after completing in-house recruitment for a wide range of roles in the Building/Construction/Trades, Hospitality and Retail, GMP, Dairy, Pharmaceutical and Nutraceutical industries across the various functions of Quality, Supply Chain, Technical, Scientific and Operational roles over a career spanning 16 years. Aarti has over 15 years working within HR, and most recently as a Senior HR Business Partner within an FMCG/Pharmaceutical business for the last 8 years. She brings a wealth of experience recruiting within these industries.

VACANCY TRENDS

SPOTLIGHT ON SEEK

Because of its dominance in the NZ job board market, SEEK presents a reliable barometer of the state of job advertising in New Zealand.

When we look at how the Manufacturing, Transport, & Logistics (MTS) jobs vs Total jobs advertised on Seek (below), we see that these have followed very similar trends; dropping in December 2021, and coming back by January 2022, and evening out towards March 2022.

Prior to Covid, a “base” week of jobs advertised on Seek was in the vicinity of 20-22K jobs. When Covid first hit this dropped to under 10K jobs per week, however since mid-2021 we have regularly seen total jobs advertised on Seek exceed 30K.

What is surprising is the steadiness of jobs advertised both overall and in the Manufacturing, Transport, & Logistics sector throughout the lockdown period of August-December 2021.

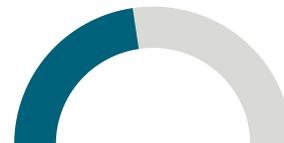
CANDIDATE AVAILABILITY

(VS 5 YEAR AVERAGE)



JOB AD GROWTH

UP 45.3%
(VS 5 YEAR AVG)



SEEK TOTAL JOBS VS MANUFACTURING, TRANSPORT & LOGISTICS JOBS



VACANCY TRENDS

SPOTLIGHT ON SEEK

Looking at the distribution of salary brackets across the sector shows the majority of roles advertised are offering between 40k and 79k per annum. Salaries in this category have been steadily increasing since 2019, with a peak in mid-2020, most likely due to Covid-19 affecting the number of available candidates, which pushed advertised salaries up to encourage more applicants.

The Manufacturing, Transport, & Logistics category covers a range of job titles and skills, as depicted in the job category growth chart below.

Throughout the last 12 months, in the areas we operate in, we have seen the most growth in warehousing, storage & distribution, and team leaders/supervisors. This is reflective of the increase in logistics, shipping and transport needs of the New Zealand economy since Covid-19.

Salary growth in the sector over the last 12 months surprisingly unchanged (1.2% growth) considering the pressure on the workforce over the last 12 months with Covid-19.

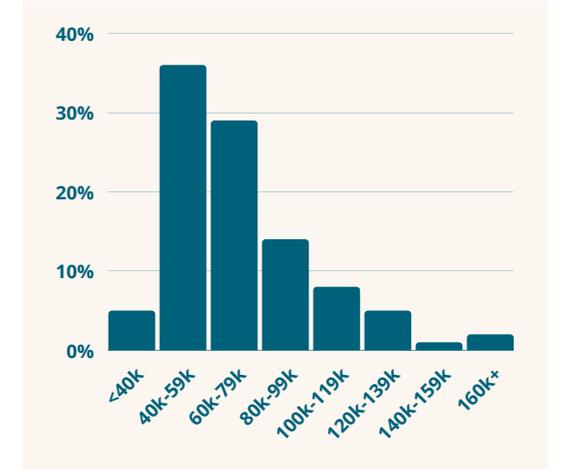
SPECIFIC JOB CATEGORY GROWTH - 12 MTHS



SALARY GROWTH



SALARY DISTRIBUTION - 12 MTHS



VACANCY TRENDS

SPOTLIGHT ON LINKEDIN

LinkedIn Talent Insights is a fantastic resource to analyse passive and active candidates' movements.

With most common skills showing Operations and Supply Chain Management, this would support the rise in added pressure on the workforce, showing that teams are now looking for management level candidates.

The fastest growing skills, on the other hand, are operations and customer experience, showing that there is a trend of businesses putting customer experiences and smooth operations processes first.

LinkedIn Talent Insights can also measure the number of employees who have moved roles or changed their job title, and in the case of the supply chain industry, this is 11.4% in the past year, while median tenure is still high compared to other sectors, sitting at 2.4 years.



Median Tenure

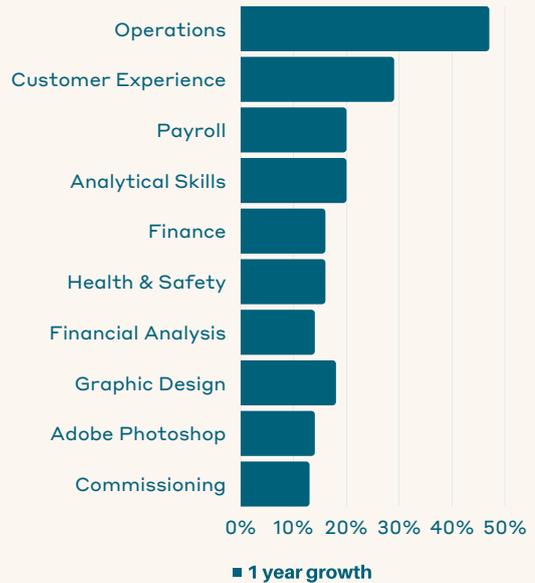
2.4 years



Changed Jobs

11.4%

FASTEST GROWING SKILLS



MOST COMMON SKILLS



ABOUT US

The OCG brand was established in 2000, and over the past 20+ years, the OCG business has evolved through various forms of ownership and structures. Now part of the RGF Staffing Group, there is at least one constant that has remained unchanged for the OCG brand over these two decades of operation.

At OCG, we are specialists, not generalists. This allows us to know your industry inside and out. Paired with 'best practice' training, internal support, and the search and research aspects of large multinationals, we have structured our business specifically to respond to the needs of you and your team.

OCG Consulting. We're careermakers. Together with our international reach and specialist sector expertise, we are here to help you build your team to succeed.

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For more information on current market drivers, candidate movements, and salary information, get in touch with our Supply Chain & Operations team now.

www.ocg.co.nz/specialist/supply-chain-operations