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The Great Migration or The Great Resignation?

- Are we seeing the global Great Resignation or the Great Migration?
- Has COVID created a two-year gap of skills and capability? Are our universities delivering sufficient capacity into Australia to offset the skills gaps?
- And do we have an intake for 2021/ 2022 of the most resilient and innovative kids since the post war depression?

In case you have been living under a rock, which frankly might have been a good choice for the last two years, you've probably heard about the term "the Great Resignation". A lot has been written about it and what is driving this trend and labour force changes, but it's worth taking a longer lens to this to examine the long term impact of this, and that of our children, by examining the impacts of COVID 1.0 and 2.0.

In late 2019 we had our first public announcements from China of another pandemic outbreak possibility, followed by the first Australian state and federal government announcements around Australia Day, 2020. By mid to late March, depending on your state, many of us entered our first 10 week lock down. We thought we had this thing licked by late 2020, but come the 25 June 2021, NSW entered another lockdown for 17 weeks. Meanwhile, Victorians lost count of their days in isolation.

It was scary, novel, and bewildering for most of us – but it's had an economic impact not just on GDP, but on our ability to hire skills.

Closed Borders, Locked Out Skills

Our borders were shut repeatedly, both internally, and externally. Our land girt by sea was effectively a castle with a massive moat, keeping out as much of the virus as possible – but a side effect has been the concurrent locking out of skilled migrants and their desirable skills from coming to Australia.

In 2019 we had 249,600 skilled migrants apply and enter Australia as a proportion of 515,800 migrants across all industries and roles. Extrapolating the data, we have a gap of more than one million workers into the Australia economy created by the two-year COVID induced travel bans.



Ideally, Australian Universities are helping students bridge these skills gaps – but have they?

Industry	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Managers	52,500	56,633	60,767	64,900	61,467	58,033	54,600	59,814	60,184	60,514
Professionals	155,400	157,833	160,267	162,700	173,467	184,233	195,000	196,243	202,843	209,443
Technicians and trades workers	68,300	68,900	69,500	70,100	63,467	56,833	50,200	51,833	48,817	45,800
Community and personal service workers	46,100	47,133	48,167	49,200	52,667	56,133	59,600	60,286	62,536	64,786
Clerical and administrative workers	53,000	55,667	58,333	61,000	60,767	60,533	60,300	63,381	64,598	65,814
Sales workers	22,400	24,033	25,667	27,300	27,433	27,567	27,700	29,548	30,431	31,314
Machinery operators and drivers	24,900	24,733	24,567	24,400	22,800	21,200	19,600	19,638	18,755	17,871
Labourers	41,300	47,733	54,167	60,600	56,667	52,733	48,800	56,714	57,984	59,214
Total	463,900	482,667	501,433	520,200	518,733	517,267	515,800	537,457	546,107	554,757

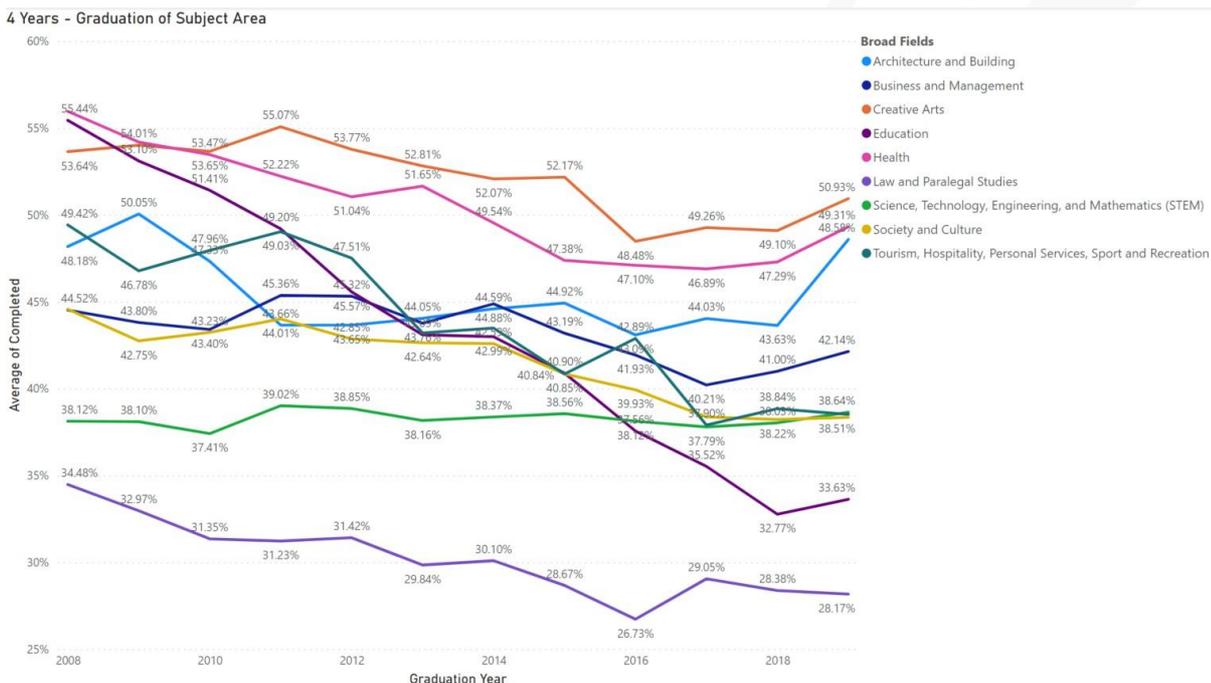
“The Great (University Student) Resignation”

Elon Musk was quoted saying **“university is basically for fun, not for learning, and that a degree isn’t evidence of exceptional ability.”** He said university degrees were not a prerequisite for future success, potentially further widening the participation rate issue.

In Australia, it appears fewer students are sticking it out to see if their future success hinges on that degree or not.

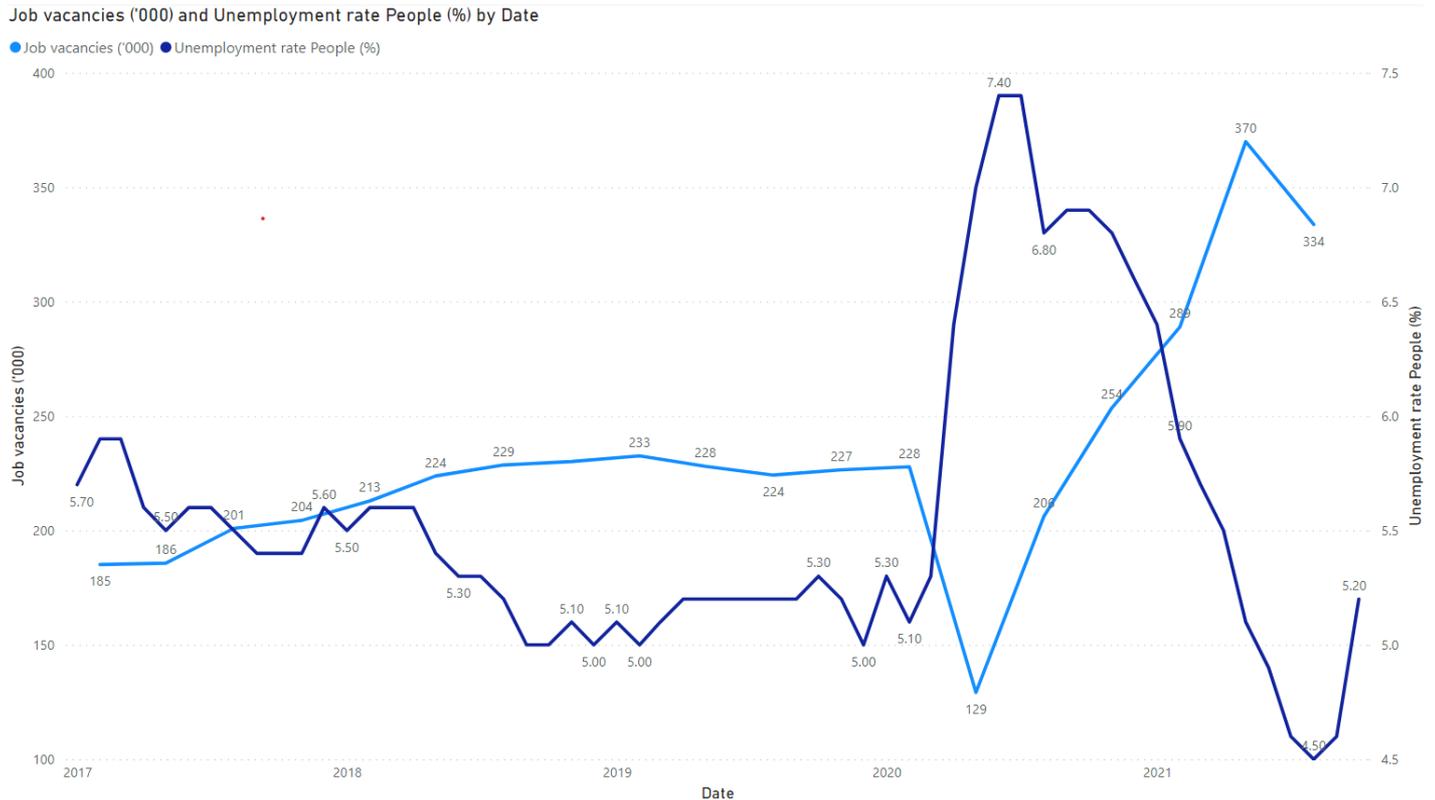
We reviewed the data on graduation rates across nine-, six- and four-year degrees and higher education qualifications. The stark reality is that more students at Australian universities are dropping out than ever before.

If we’re hoping for graduates to fill the breach, we’ll be extremely disappointed.



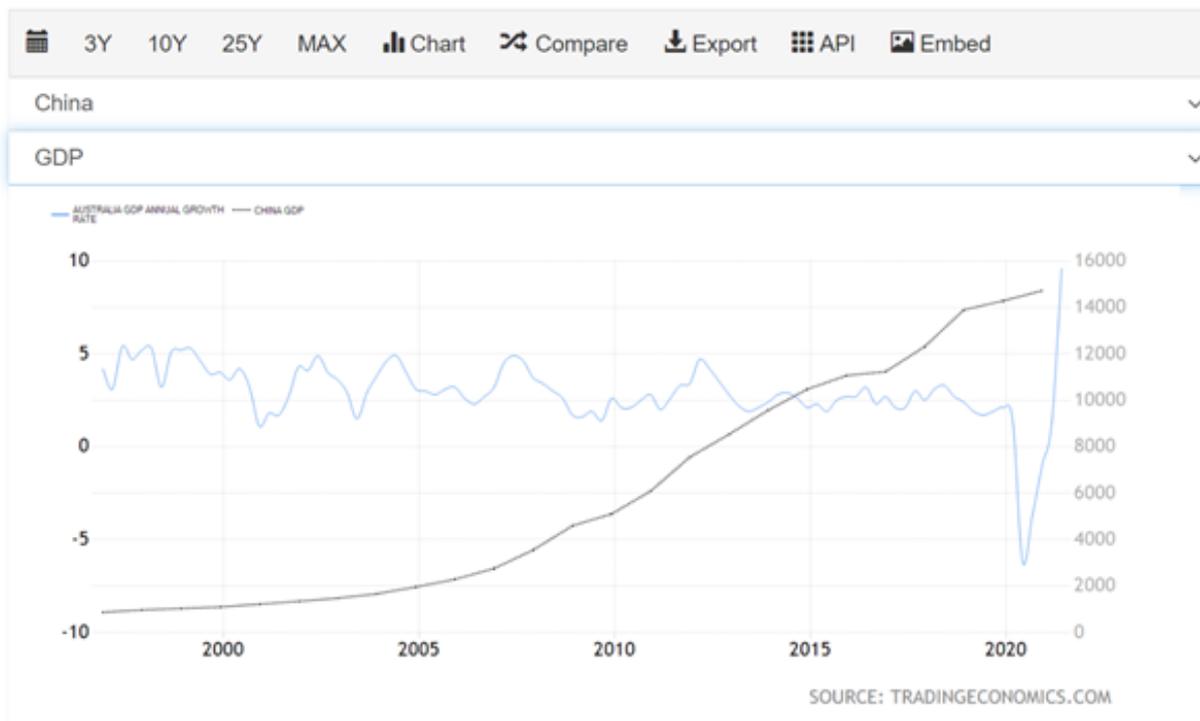
A Pickier Employee Pool?

An article recently in Forbes hypothesised the Great Resignation in the US was the result of a labour shortage due to demand lag and an opportunity for employees to become choosier about their job options. If we apply that hypothesis to Australia and we examine vacancies versus employment seeking and understand our underlying unemployment rate, we see a similar trend.



The variation in unemployment versus job vacancy rate has swung widely twice during the lockdowns and married with skills scarcity, has driven a major gap in available skilled workers. It appears the Great Resignation is also the Great Migration. People are seeking better terms – read work life balance, and improved salaries through horizontal and upwards movement of their careers at a staggering rate because this is the moment to move.

And finally, consider the economists view of future economic prosperity for Australia. Our productivity comparatives are modest at best. As one senior economic commentator said: "We are getting fat and lazy in our ideal lifestyle".



[Australia Productivity | 2021 Data | 2022 Forecast | 1978-2020 Historical | Chart \(tradingeconomics.com\)](#)

If you review one simple comparison of GDP to the big kid in the economic playground, China, we can see by 2015, they have shot past Australia and continue to accelerate.

The Great Resignation Is About To Get A Little Greater

So, what can we draw from these disparate data points? Our verdict: we have some serious headwinds coming.

We have a gap of skilled people of more than 520,000 that will span a two-year cycle.

Furthermore, our productivity numbers must improve to drive continued economic prosperity. Growth is not going to be achieved on the backs of more people; rather, we need our current cohort of people to be smarter and more ambitious.

Learning systems both in the education system and within the workforce will be critically important for accelerated economic output from employees. But our current state of play means that we'll turn blue if we're holding our breath waiting for our current skills to bridge the skills gap left by two years of border closures.

So, How Can We Help? What Is Decision Inc.'s Expertise Amid The Great Resignation?

Australia is facing a skills gap, with virtually no skilled migrants entering the workforce since the pandemic began, university students dropping out at historically high numbers, and with productivity at alarming lows.

Yet even as the borders open, we don't expect this issue to suddenly fix itself overnight.

At Decision Inc. Australia we've crunched the data, and the findings show a two year gap in talent emerging, creating a shallower pool of talent compared to pre-pandemic levels and leading to a workforce that is pickier and more in demand than ever before.

In short: it's about to get worse before it gets better.

The key to understanding the issue is always understanding the data – if you're facing these issues and want to make better and informed decisions, contact us. We're not short on talent here at Decision Inc. Australia and we're ready to help you when you need it.

So, what do you need?

A Data Scientist?

You might be on the lookout for an expert in advanced analytics, someone who delivers value through advanced data and analytics analysis, and can provide detailed analysis of business scenarios. You might not be able to find them out there amid the great resignation... but that's where Decision Inc. Australia can assist.



A Data Engineer?

The Great Resignation means that data engineers are harder to come by. But here at Decision Inc. Australia, we have data engineers aplenty, who are adept at creating data model solutions, building pipelines and platforms, and can maximise the use of modern on premise and cloud-based data platforms, we're able to help.

A BI Developer?

A BI Developer can bring snap to your analytics visualisations. But if you're struggling to find one, rest assured: you're not alone. The Great Resignation means that skills are in short supply, but Decision Inc. Australia is not short on talent in this regard.

Our BI team develop across most modern BI platforms including MSFT PBI and Qlik, they understand the power of engaging and accurate visualisations, and will add value through interrogation of the data and visualisations possible.



A Managed Service Offering?

Do you want to re-purpose your data and analytics team on critical business projects? We offer a Managed Service for all elements of a Business Intelligence capability in your business. Talk to us about how you can take advantage of this economic high-quality service to help accelerate your businesses projects and analytics maturity.

We offer Managed Services for multiple Data Platforms and can provide Proactive Maintenance Services as well as SLA-based Support Services.



GET IN TOUCH

To speak to one of our experts NOW



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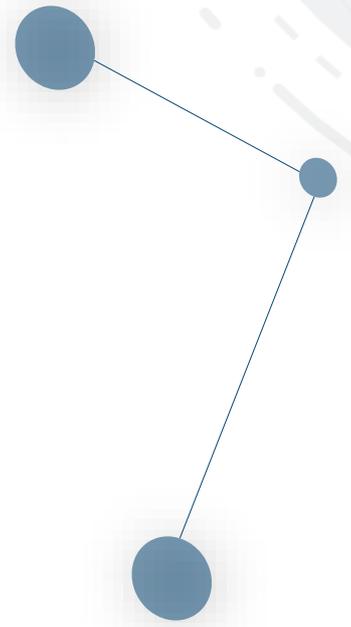


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ABOUT DECISION INC. AUSTRALIA

Decision Inc. is a leading independent data and analytics consultancy which delivers value from data faster. We serve the Australian community and industry and believe great data and analytics expertise will underpin economic recovery and prosperity. We provide insights and accelerated business improvement capabilities to help our clients in their pursuit of progress.