

## THE NEW EMPLOYMENT CHALLENGE FOR DIRECTORS

In the next five years, between 30 and 40 per cent of the current working population will reach retirement age, leaving a predicted shortfall of 195,000 Australian workers.

Many organisations will be risking the loss of talented workers who could take with them a wealth of corporate history, intellectual property and client relationships. In the face of skills shortages and an aging workforce, employment issues are increasingly a strategic issue requiring Board attention.

Peter Jordan, the chief executive of act3, a new consultancy firm whose aim is to help senior high achievers plan their “third act” rather than drift into traditional retirement, said that relatively few Australian companies had put serious thought or research into the issue of retaining and engaging their mature workers.

According to Mr Jordan, Australian companies need to look at where they are investing their talent management resources — and get better at including their more senior talent in training, career development and recruitment programs.

Resources tend to be steered towards ‘Gen X’ and ‘Gen Y’, supposedly because they are ‘the future of the firm’. Yet surveys on ‘intention to stay’ showed that their average intention was not as long as their more senior colleagues, he said.

“Businesses are facing a demographic time bomb. A change in strategy is needed to attract and retain our more experienced workers,” Mr Jordan said. “Traditional strategies won’t cut it. We really are just glimpsing the thin end of the wedge. Some businesses are starting to understand the issue and are dealing with it, but most aren’t looking specifically at how this is going to impact on them.”

### Recruiting for experience

Mr Jordan said companies needed to know how many staff could



potentially leave over the next few years, given the demographic make-up of the business. “They need to really analyse where their critical talent resides in the business – considering the market and where the business is going. Organisations need to get better at retaining and engaging their senior talent: so listen and talk to them about what they want and don’t make assumptions.

“Businesses also need to expand their recruitment focus to include more experienced workers. Most organisations do not have a strategy in place to recruit older workers. They need to re-think that - and that means reviewing language and messages, channels, as well as interviewing and hiring practises. More importantly, to be successful at attracting senior talent they need to ‘walk the talk’ - to build a reputation as a good employer and retainer of older workers.”

Derek Volker, Chairman of the ACT Skills Commission, said that, although there would be fluctuations, the tight labour market was likely to continue. This would require adjustments by employers. They would have to find ways to maintain the numbers

of employees and the range of skills needed to conduct their businesses.

“This will require more flexibility in the workforce, and in work practices and effective retraining,” Mr Volker said. “You have to look at improving productivity from the existing workforce and at identifying groups whose participation rates might be raised and finding ways to do that. Two such groups are women, particularly those with young children; and older workers.”

Mr Volker said that in the ACT there was a potentially fruitful group who retired from the public service at 54 years and 11 months because of superannuation arrangements. It should be possible to encourage them to stay in the workforce by instituting more flexible working arrangements allowing for bursts of employment, for example, for particular tasks, or for part time work. Some could become self-employed undertaking contract work.

“To increase the participation rate of women, particularly those with family responsibilities, more affordable and accessible child care, paid parenting leave and more flexible working

arrangements would have to be considered,” he said

### Both sides benefit

A particular area where employers needed to consider means of increasing female participation was ICT. There was a worrying reduction in the numbers of young women preparing for careers in this group of occupations which were of critical importance to the ACT economy.

Kate Sykes, Director of Careermums, set up the company with the aim of connecting skilled parents – both mothers and fathers – to flexible or part-time roles. CareerMums also offers businesses plug-in HR toolkits including a working parents toolkit and a business case template for employees to negotiate flexibility.

“I made sure I don’t just see this picture from a jobseeker’s viewpoint,” Ms Sykes said. “One thing we consistently say to our users is that this just doesn’t come; it needs to fit in with the business, with the role that they’re putting out there.

“When we get mothers ringing up saying they want to work part-time and how do they go about it, we always recommend that they put forward a business case to their manager.

“If there is a full-time role that you would like to apply for part-time because it fits your skills and/or qualifications, put a business case to the company on how it could be done. Flexibility is great but it has to work for both parties; and it has to address the work gaps.”

It appeared to her that small to medium size businesses were adopting flexibility more quickly than larger firms. “I think the main reason for that is that they are smaller and there is less red tape” She said.