

Employers' turn to be flexible



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The cacophony of voices bewailing Australia's ageing-workforce grows ever more shrill. According to some, even rising interest rates are now flowing from industry's inability to find skilled labour. Whether or not these claims are exaggerated – see *Workwatch* March 2006 – it seems clear that concern about them is genuine. But remedial action is a much cloudier matter. What are we actually doing about it?

Faced with actual and imminent loss of experienced staff, organisations have two obvious options. They can try to find more young people with potential and they can seek ways to keep older workers for longer. In a climate of gathering crisis on this issue, might we not expect to see evidence of massive employer efforts to do just that?

It is not yet apparent. And while this may be superficially surprising, it soon becomes obvious why it is so. In order to address these twin goals, employers must have determination and information. At present not enough employers have real awareness of what might tempt older workers to stay at work. And even fewer have a sophisticated approach to identifying or measuring potential in the young. Many are failing simply because they do not know where to start.

The influential *Hudson Report* – an important regular study of the Australian labour market – recently found almost universal concern about skill shortages. Yet nearly half the organisations surveyed had no systematic method for measuring potential. A similar proportion had no formal career management programs for existing younger staff. Among notable offenders in this regard were the education and not-for-profit sectors, where a high proportion of librarians are located. On the retention question, another analysis by Weiss HR Market Research concluded that 'most companies have little real understanding of why employees leave', despite that fact that 80 per cent saw employee retention as a vital strategic priority.

No surprise then that analysts are now strongly focusing their research on just what employers will need to do to encourage mature-age workers to delay retirement. In a new (July 2006) analysis, Hudson attempts to establish precisely what kind of workplaces will retain older people. After surveying more than eleven hundred knowledge workers aged from 40 to 70, seven key issues were identified. The Report found workers were most likely to stay on if they were offered minimal commuting time; high pay; a friendly workplace; new chal-

lenges; recognition; flexible hours; and the chance to work from home. Of particular significance is the finding that retirement is not a preferred choice among the sample. If conditions are made more appealing, more than half prefer full-time work. And this proportion falls only modestly – to 40 per cent – among those aged 60 or more. The survey confirms that the vast majority of older people would prefer to continue working. But many will not do so unless their working conditions suit them.

These data are fascinating, especially when considered against an April 2006 Hudson study of more than 8300 employers across Australia. Nationally, less than one in two employers (40.7 per cent) were actively seeking to attract and retain mature age workers. Yet 'everyone' is talking about the problem – as well they might. The median age of Australians has increased by almost six years in the last 20 years. By 2020 – less than a decade and a half away – a clear majority of Australian workers will be over 45. That is already the case in the library and information sector. Yet Professor Sol Encel, research fellow at UNSW's Centre for Social Policy Research, says Australia is simply not accepting these realities. His research shows that employers remain highly reluctant to give priority to retaining older workers. Encel says it is 'a universal attitudinal problem', for which employers have many false rationalisations.

In March, *Workwatch* suggested Australian employers were being foolish and self-destructive in their rigid attitude to employment of young graduates. Despite a litany of complaints about their problems with recruitment and retention of staff, it now seems many are no more creative in their approach to older people. With so obvious a failure to adjust policies, it is a mystery how these organisations expect to meet the challenges they spend so much time talking about.

It is somewhat amusing to see many organisations that invoked the need for 'flexibility' as a reason to shed jobs and slash conditions in the late 1990s now showing no capacity to apply that same quality to their recruitment and retention policies when it is desperately needed. They will be the losers. Hudson Australia CEO Anne Hatton says current findings are a serious 'wake-up call to Australian business'. There is an urgent need, she says, for employers to 'get their head around the idea of flexible work for older workers, job-sharing and home-based offices', as well as providing work and family balance for the young. Who can doubt that she is right? *

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