

WORKFORCE PLANNING AND MANAGING DIVERSITY

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THE KEY ISSUES THAT WILL AFFECT THE LOCAL GOVERNMENT WORKFORCE:

- Demographic change, the ageing of the population and the shrinking workforce;
- Increasing competition for employees across a range of areas;
- Skills shortages in a number of occupations required by Local Government to serve the community;
- Increased employee expectations for flexible working arrangements; and
- Changes in the community's demand for particular services.

(MAV, 2006)

WORKFORCE PLANNING: a definition

“The continuous processes of shaping the workforce to ensure it is capable of delivering the organisation’s objectives now and in the future.

In practice it involves:

- Developing a profile of the current workforce;
- Identifying workforce issues (current and future);
- Implementing policies and programs to address workforce issues which may include recruitment and retention strategies, and succession management; and
- Monitoring and evaluating the effectiveness of workforce planning measures.”

(ANAO, 2001)

BABY BOOMERS AND MANAGING THE DEMOGRAPHIC TRANSITION

- Australian population of 65 year olds plus between 2005-2045 will grow from 13%-24.5%
- From 2005 the number of people supporting every aged Australian will decline from 5.2 to 2.2 by 2045
- Children will grow at 1/3 the rate of general population in the next forty years

POPULATION, PRODUCTIVITY AND PARTICIPATION

- Population, productivity and participation are the fundamental equation of skills shortage and the ageing society.
- We either have to increase our population, raise our productivity or increase participation rates if we want to continue to grow.
- In reality increasing participation rates is the key, but it will *bring unique challenges*, as we have to learn how to work with a more diverse workforce (aged, disabled, long term unemployed, ethnic, indigenous etc)!

MAJOR DECLINE IN PARTICIPATION RATES FOR OLDER PEOPLE

	1965	2000
55-59 Males	91%	77%
55-59 females	20%	52%
60-64 males	78%	47%
60-64 females	12%	28%

Productivity Commission “Economic Implications of an Ageing Australian” (Canberra 2005)

MAJOR DECLINE IN PARTICIPATION RATES FOR OLDER PEOPLE

- Ageism has put many skilled workers on the scrap heap.
- Australia has the lowest OECD participation rates of people over 50 years.
- Conversely older workers are the greatest untapped recruitment opportunity.

ARE WE LOOKING IN THE WRONG DIRECTION FOR FUTURE EMPLOYEES?

“As they come to the realisation that 80% of growth in the workforce will be among these aged 45 years plus, employers will have to change their mindsets about those who have more wrinkles than pimples”

Deidre Macken, The Weekend Financial Review 2-3 October 2004

“The number of people entering the workforce in the 1960’s was 2 1/2 times what it is today”

Louise Rolland; Swinburn University, Centre for Business Work and Ageing

RETHINKING OF RETIREMENT PATHWAYS

“There will be bigger focus on building transitions to retirement within organisations, either through part-time work, contract or project work....At the core of the change is a rethinking of retirement pathways.”

Louise Rolland; Swinburn University, Centre for Business Work and Ageing

WHO'S A LIABILITY: OLDER OR YOUNGER WORKER?

Job mobility: changed job last 12 months

25-34 yrs 16%

35-44 yrs 10%

45-54 yrs 7%

50-65 yrs 4%

- Older people are more loyal, more reliable and in tune with baby boom consumers!

WHO'S A LIABILITY: OLDER OR YOUNGER WORKER?

Work related injury related absenteeism

15-19 yrs 39

20-24 yrs 48

25-34 yrs 50

35-44 yrs 57

45-54 yrs 48

55-59 yrs 47

60-64 yrs 35

65+ yrs 20

- Older people are significantly less likely to take time off for illness or injury.

SIZE OF WORKFORCE 1998 AND 2016

- The workforce under 45 years will grow marginally by 307,000 or by 5% by 2016
- The 45 yrs plus workforce in the same time will grow by 1,226,000 or by 43% by 2016
- The 55+ workforce will grow by 719,000 or from 10% to 14% of the workforce

ABS Labour Force Projections 1998 to 2016

WHO CAN AFFORD TO RETIRE?

- Average superannuation holding for each Australian is \$62,000
- 9% will rely on superannuation mainly
- 51% will work part time

Newspoll Australian Superannuation Association 2004

WHERE HAVE THE WORKERS GONE?

- Annual net new entrants to workforce now is 160,000 p.a.
- By 2010 it will be 75% less or little more than 40,000 p.a.
- By 2015 it will fall to 20,000 p.a.
- Businesses will have to recruit from non traditional areas to sustain their workforce!

The Australian, September 18-19 2004, Vartina Nissen, Manpower Australia

OPPORTUNITIES

- Investing in training
 - TAFE
 - Australian Technical Colleges
 - traineeships, apprenticeships
 - cadetships
 - on the job
- Industry restructuring

EFFECTIVE RECRUITMENT STRATEGIES

- Ensuring selection and promotion is based on merit, not seniority or other factors
- Using defined selection criteria to assess and compare candidates
- Using selection panels to ensure a balanced approach
- Ensuring panels are well briefed and competent
- Getting a second opinion on candidates
 - Referees
 - Psychological tests
- Giving feedback to unsuccessful candidates

RETENTION STRATEGIES

REWARDS ARE CHANGING

- Broad banding
- Fee based contracts
- Bonuses
- Competency based arrangements
- Profit sharing
- Non-monetary rewards
- Self-managed benefits

RETENTION STRATEGIES

THE RISE OF THE “GOLD COLLAR” WORKER

- New skills in short supply
- Workers who can name their price
- Suits independent contractors
- Challenge of attracting and retaining such workers
- The increasing importance of employer reputation / attitude to workers
- Importance of good “people policies” and strategies

POACHING STAFF vs “GROWING OUR OWN”

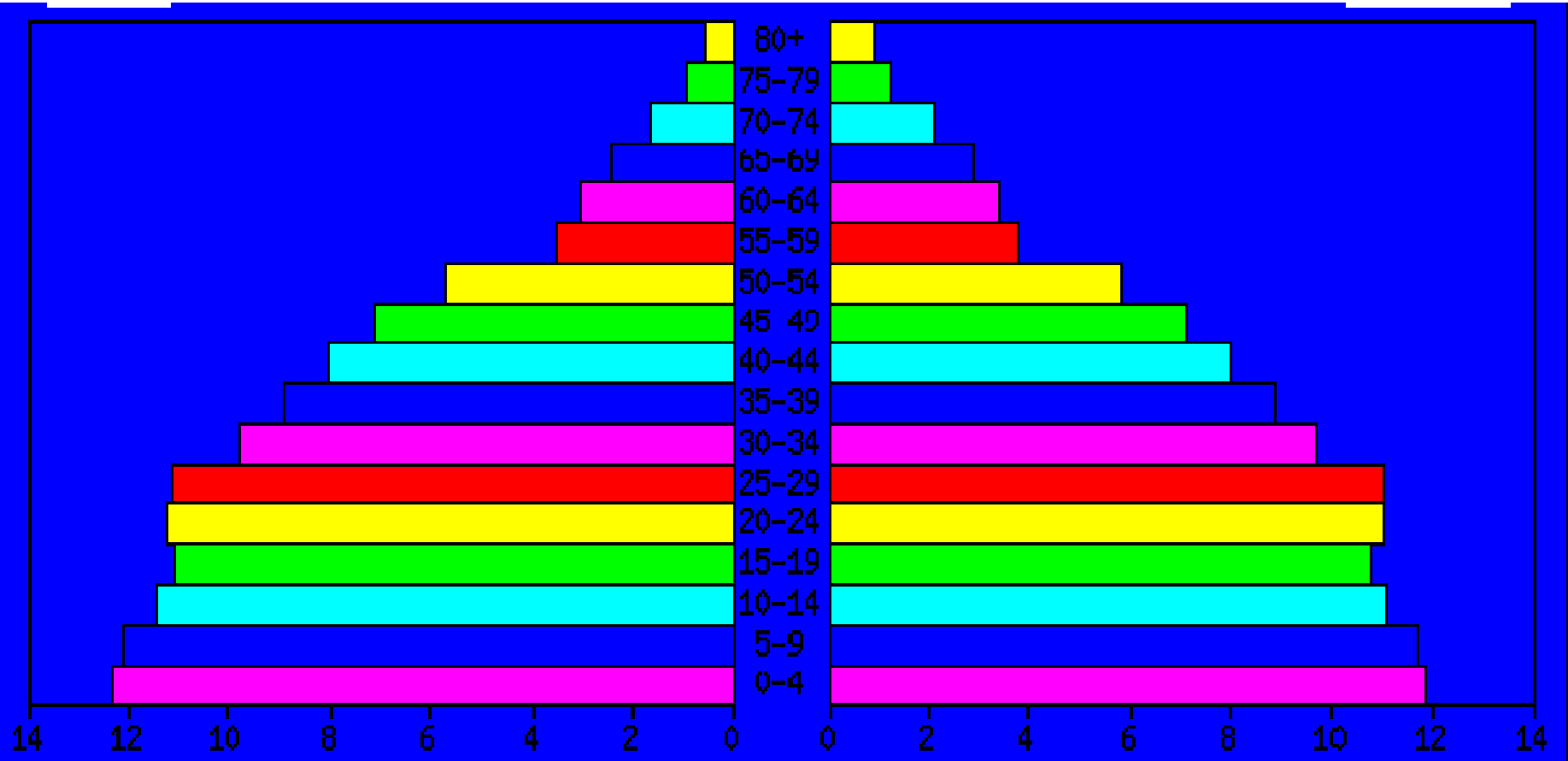
- Price of poaching
- Demise of investment in training (apprenticeships, cadetships etc)
- Advantages of “home grown” workers

Indonesian Demographics

Male

Indonesia 2005

Female



Population (millions)

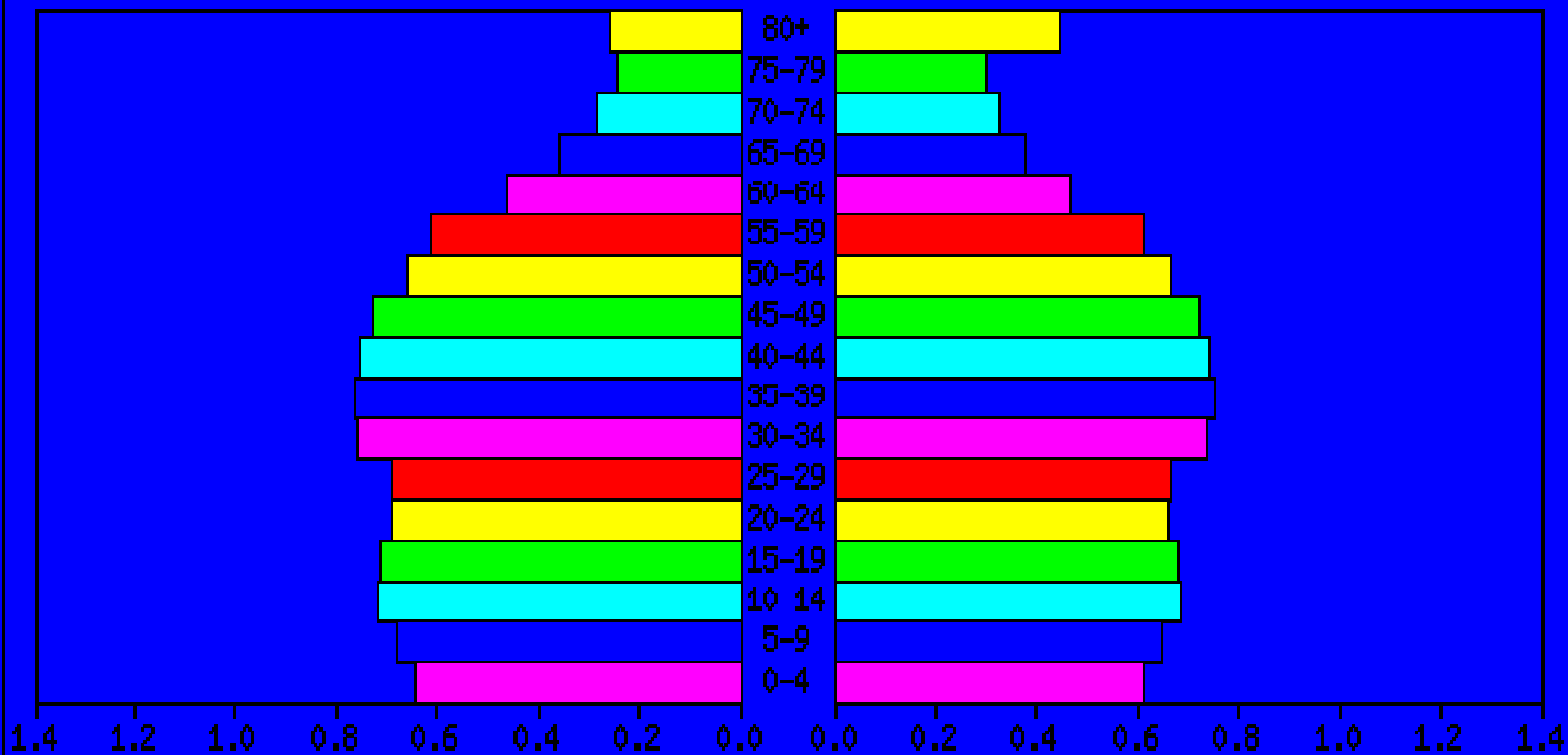
Source: US Census Bureau

Australian Demographics

Male

Australia 2005

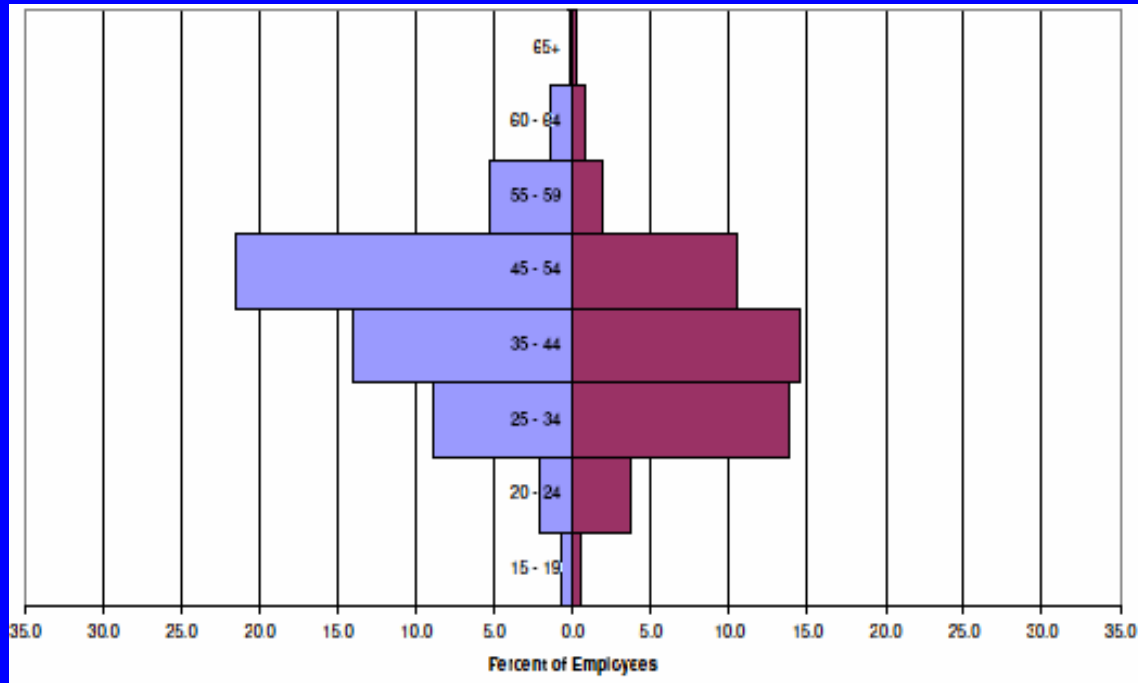
Female



Population (millions)

Source: US Census Bureau

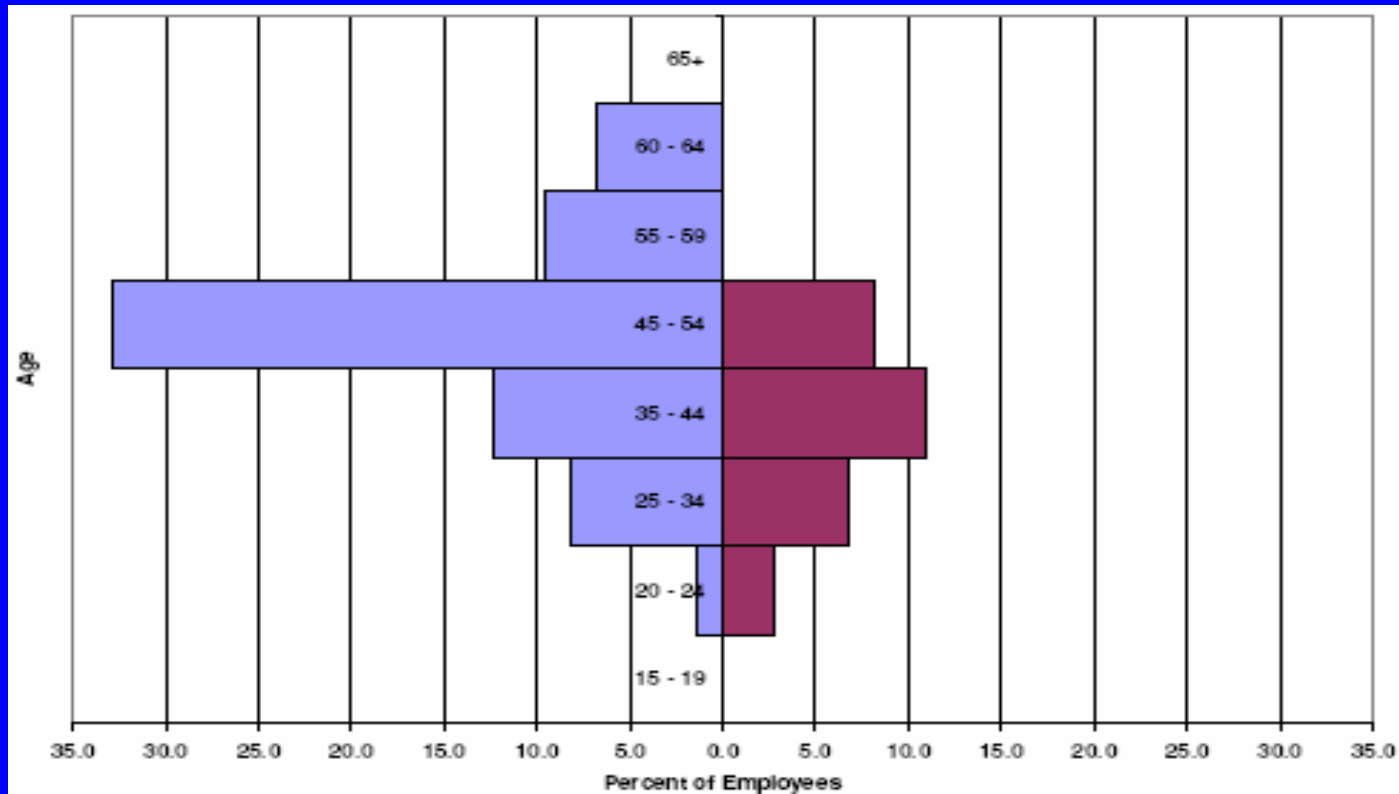
LOCAL GOVERNMENT DEMOGRAPHICS



Winter 2004, organisational survey: **5,000** staff from:

Blacktown, Burwood, Camden, Cessnock, Dungog, Gosford, Gwydir, Liverpool, Newcastle, Richmond Valley, Rockdale, Rous Water, Shellharbour, Singleton, Tumut, Yass

LOCAL GOVERNMENT DEMOGRAPHICS



1 Regional NSW Council

CURRENT CHALLENGES

- recruitment / attraction of staff
- staff retention
- turnover (?)
- poaching versus “growing your own”
- skill shortages, especially:
 - planners
 - tradespeople
 - environmental officers
 - engineers
 - building certifiers

STRATEGIES

Development of Local Government Association of Queensland (LGAQ) paper: Strategy to Address Emerging Challenges for the Queensland Local Government Workforce (2004)

Ten key recommendations, including:

- examination of shared services models
- leadership development program
- examination of skills gaps
- sourcing Federal and State funds for skills initiatives

STRATEGIES (Cont.)

- consideration of redeployment rights with other tiers of government
- development of workplace health and safety prevention services for Councils
- measures to raise the profile of local government as career option
- provision of information to Councils on diversity management

One ROC's Experience

POTENTIAL FOR HR COLLABORATION

“Low Hanging Fruit” (within 6 months)

- Workforce profiling for each Council
- Accessing skilled migration
- ROC stand at Trade Expo / careers days / uni open days
- Superannuation seminars organised for ROC staff
- Retirement planning seminars
- Retention bonuses to in-demand occupations across ROC
- Collaborative approaches re: access to special project work for retirees
- Sharing policies / information about:
 - Mentoring processes
 - Career break and LWOP policy / practices
 - Retiree project employment
 - Non-ongoing or contract employment policies / practices
 - Job Share / part time employment

POTENTIAL FOR HR COLLABORATION

Short Term (12 months)

- ROC recruitment brand
- ROC Cadet / Graduate program with shared recruitment
- Internal recruitment advertisements within ROC
- Targeted recruitment with shared process for in-demand occupations, with positive discrimination for under-represented groups
- ROC training plan and sharing resources via learning centre, shared training library
- Secondments / shadowing between ROC councils
- Collaborative WHS audits across ROC
- Information sharing:
 - Position Description and Selection Criteria
 - Home-based work (telecommuting)
 - Increasing participation of women

POTENTIAL FOR HR COLLABORATION

Medium Term (2 years)

- Common approaches to succession / talent management, leadership development
- Skilled labour sharing / shared service arrangements
- Apprentice secondments between ROC councils
- Health promotion program within ROC
- Health assessment program within ROC
- Familiarisation visits for families by ROC provider
- Partnerships with universities for bursaries / work experience / research projects
- ROC work experience program
- Records mgt best practice – info sharing
- Special interest groups facilitated by mature employees / retirees
- Publishing ROC workforce success stories via newsletter

POTENTIAL FOR HR COLLABORATION

Medium Term (2 years)

- Shared policies around:
 - Fellowships
 - “Back to the floor” experiences
 - Knowledge transfer policy
 - Secondments and sabbaticals
 - Retirement intention survey / discussion planner
 - Facilitate retraining and job mobility
 - Flex-time and span of hours
 - Pooling of leave e.g. for carers / family leave
 - Buying annual / LSL
 - Taking leave at half pay
 - Cashing out of leave
 - Phased retirement through reduced working hours and/or responsibility
 - Removing artificial barriers to PT and casual employment

POTENTIAL FOR HR COLLABORATION

Long Term (4 years)

- LG Promotions Officer for schools / unis
- Sharing resources for major projects
- Occupational Therapist for ROC to improve work environment / job and task design

SUMMARY:BRINGING IT ALL TOGETHER

- Across Australia, individual Councils are working hard to address the challenges they face with skills shortages through progressive HR strategies.
- At a State level, there is some good work happening to implement initiatives to address the skills shortage through graduate programs and training initiatives.

BRINGING IT ALL TOGETHER

- **However, the skills crisis in local government now requires strategic action to be taken at four levels:**
 1. National level – ALGA / LGMA / Federal Govt/ key stakeholders
 2. State level – LGAs, LGMA, State agencies
 3. Regional level – ROCs, shared services, strategic alliances, informal arrangements
 4. Council level

BRINGING IT ALL TOGETHER

- There is a need for a full understanding of the size and complexity of the skills shortage issue across local government – through research, surveys, taskforces.
- There is a need for implementation of remedial strategies in the short, medium and long term.

BRINGING IT ALL TOGETHER

- Potential short term solutions include:
 - skilled migration programs
 - graduate recruitment programs
 - training courses for para-professionals
 - sharing resources across Councils
 - using Local Government Week to build brand awareness of local government as a career destination
 - improving remuneration packages

BRINGING IT ALL TOGETHER

- Potential medium/long term solutions include:
 - developing image marketing strategies for local government
 - promoting careers in local government
 - entry level programs – “growing our own”
 - flexible exit strategies for older workers
 - employment of target groups – women, workers with disabilities, NESB
 - greater investment in training and development
 - succession planning
 - restructuring to achieve internal efficiencies, including process improvements and greater use of technology.

Summary / Questions