



victorian state services authority  
**attracting and retaining an ageing workforce**  
a guide for victorian public sector managers





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## **about the state services authority**

The Victorian Government has vested the State Services Authority with functions designed to foster the development of an efficient, integrated and responsive public sector which is highly ethical, accountable and professional in the ways it delivers services to the Victorian community.

The key functions of the Authority are to:

- Identify opportunities to improve the delivery and integration of government services and report on service delivery outcomes and standards;
- Promote high standards of integrity and conduct in the public sector;
- Strengthen the professionalism and adaptability of the public sector; and
- Promote high standards of governance, accountability and performance for public entities.

The Authority and public sector organisations have an important role to play in demonstrating and reinforcing the Victorian public sector values and employment principles outlined in the *Public Administration Act 2004*.

## **contact us**

Email: [info@ssa.vic.gov.au](mailto:info@ssa.vic.gov.au)

Phone: (03) 9651 1321

Fax: (03) 9651 0747

Postal Address: 3 Treasury Place, Melbourne 3002

[www.ssa.vic.gov.au](http://www.ssa.vic.gov.au)

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# 1 introduction

This guide offers information and practical tools to assist in the attraction and retention of older workers for line managers and HR professionals in the Victorian public sector. Consistent with recent research findings and best practice, it advocates an age-inclusive approach. The guide builds on information provided in the background paper, *Barriers and Enablers to the Attraction, Recruitment and Retention of Mature Aged Workers* (SSA 2008).

Its intent is to provide you with resources to support the development of a well-considered business case and an age-inclusive approach to your attraction and retention strategies.

The central tool used in this document is the ‘mature talent framework’, developed specifically for the Victorian public sector by consultants Ernst & Young. It highlights key principles and considerations for attracting and retaining older workers in the public sector and acknowledges the critical role of leadership and management capability in achieving an age-inclusive culture.

Importantly, the framework does not advocate a ‘one size fits all’ approach, but leaves scope for you to decide what is right for the mix of skills and ages in your team and your environment.

For those who wish to develop a deeper understanding of labour demographics and how other organisations are responding to the ageing workforce challenge, various reports and websites are included at the end of the guide in the ‘further information’ section.

**the terms ‘mature aged’ and ‘older’ are used interchangeably in this guide, referring to people aged 45 years and over.**

## 2 an ageing workforce – the facts

### ***changing age profile of the labour market***

The public sector represents nine per cent of Victoria's workforce and has an older age profile than the rest of the workforce. In Australia's ageing population, where workforce growth is being concentrated in the over 45 age group, this workforce profile will continue to become older.

This change is influenced by a number of factors:

- falling fertility rates and increased longevity are leading to a decline in labour supply growth, especially in the number of young people entering the labour market;
- this trend follows 30 years of plentiful labour supply of younger workers, marking a major change in workforce composition;
- in the 1980s and 1990s the average working age growth was 180,000 people per annum - this will drop massively to an average of 17,500 people per annum throughout the 2020s; and
- 85 per cent of workforce growth (2002-2012) will be concentrated in the over 45 age groups.

### ***a tight labour market***

Two key features of our ageing workforce carry challenges and opportunities for any employer:

**1. There will be fewer candidates for jobs and these candidates will be older.**

Despite this, recruitment patterns (including those of the Victorian public sector) indicate a continuing preference for younger workers;

**2. Incumbents are older.** In addition to the benefits of a more experienced workforce, this presents key risks associated with knowledge loss if exits are unplanned.

In this new environment, a compelling business case can be made for improved efforts to attract and retain older workers based on the following factors:

- Victoria's unemployment rate is averaging 4 per cent, down from 12.1 per cent in 1993;
- this has created discrete skill shortages and recruitment difficulties in a range of Victorian public sector occupations;
- the pool of unemployed workers is inadequate to meet the sector's skill requirements;
- retaining older workers reduces the need for the Victorian public sector to compete in a tight labour market on price; and
- previously, the public sector stood out as an employer of choice because of its flexible working conditions and other non-financial incentives. Skill shortages have prompted other sectors to offer similar incentives, creating the need to identify new sources of competitive advantage.



### ***potential for mass retirements***

- the slowing growth of labour supply is exacerbated by a wave of baby boomer retirements, which has already started and will progressively increase over the next ten years;
- the fastest growing group in the working age population is people aged 55 years and over; and
- an ageing profile in the Victorian public sector is prompting serious concerns about loss of knowledge and experienced talent through retirement. Yet a recent survey of staff in the Victorian Public Service (VPS) indicated that almost half of VPS retirees may leave to seek work in alternative paid employment. This poses the further risk of premature and unplanned loss of skills and knowledge.

### ***lower turnover among older workers***

- in the Victorian public sector, average tenure increases proportionally with age. Workers aged over 45 years stay in the sector 2.5 times longer than younger workers;
- a conservative estimate of replacement cost has been developed by Swinburne University's Centre for Business Work and Ageing. Calculated at \$2,791 per person per year, this figure encompasses base costs associated with recruitment and training. It does not include less tangible variables, such as the loss of corporate knowledge, lost time spent by managers in selecting, inducting and training new staff, costs of the lag time in filling vacancies etc; and
- the estimated average cost of recruitment within the Victorian public sector varies from \$3,598 (Low range) to \$3,860 (High range). The average cost of a graduate recruit is estimated at \$10,870.

### ***global competition***

- despite the expansion of Australia's skilled migration program, increased global competition for skills is simultaneously increasing the outflow of skilled workers.

When combined, these factors have the potential to significantly impact on the operations and effectiveness of public sector agencies. Responding to this challenging new environment requires strategic and long term planning that must be managed by line managers, HR professionals and agency CEOs.

The following section of this guide outlines a new framework developed specifically for the public sector that can assist with this planning process and with implementing successful attraction and retention strategies focused on older workers.

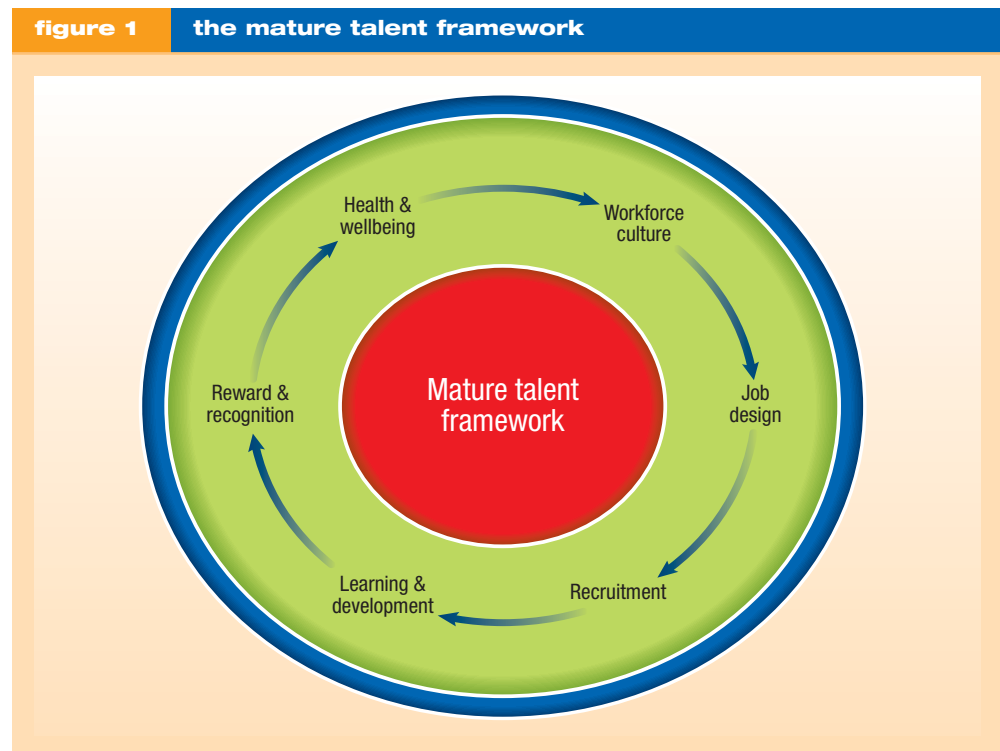
### 3 what is the ‘mature talent framework’?

Developed from extensive research and practice, the mature talent framework (Ernst & Young, 2007) addresses key drivers of older worker participation and offers a structured approach to attracting and retaining this group.

#### 3.1 the framework explained

The mature talent framework is a planning and management tool that highlights the interaction and interdependence of various factors and processes associated with attraction and retention of older workers. All components impact on the attraction and retention of older workers and have the capacity to influence each other.

Although the inner and outer circles are not age-specific, the green segments represent key elements that have been identified as specifically impacting on older worker participation.



Attraction and retention of mature aged workers is addressed by the six age-specific elements of the framework. Based on extensive research and practice, these six elements have been identified as key drivers of older worker attraction and retention and form the basis of the structure used in this guide.

The strength of the mature talent framework is that all six age-specific (green) elements are interrelated.

Not surprisingly, a focus on one element will almost always impact on other elements. For example:

- job design influences workforce culture through the degree of attention and effort put into meeting the needs and preferences of employees;

- learning and development also influences workplace culture because it signifies the value placed on continuous improvement. Likewise, an active program of knowledge sharing signals a culture based on values of cooperation and forward planning;
- workforce culture can influence recruitment processes and outcomes. Using the examples above, the employee value proposition will be most compelling for candidates who value a culture based on flexibility and lifelong learning.

Each element is dynamic and will need to be adjusted over time. You are managing people in an increasingly tight and ageing labour market, so understanding that market and constantly refreshing your view of the employee value proposition creates a real advantage.

### 3.2 how do I use the framework?

The mature talent framework is designed as a planning tool, identifying key questions for you to consider and a range of strategies and actions for you to pursue in relation to attracting and retaining older workers. Depending on the priorities of your agency, you can focus on either one element at a time, or address several elements in combination.

Section 4 of the guide is structured around each of the six age-specific elements using the following format:

- overview: an overview of each age-specific factor including the key drivers and their relevance to the framework;
- challenges and opportunities: factors to consider in achieving your desired change, including identification of the key challenges and opportunities in your workplace, and suggested roles for leaders, managers and mature age workers in achieving better outcomes;
- better practice examples: case studies sourced from Australian and overseas companies to give you ideas about specific initiatives you can undertake;
- what can I do?: a series of practical steps for you to implement including:
  - questions for your own agency to consider around each age-specific element and its key drivers which will help you develop a business case for change; and
  - practical strategies for action.

As a public sector manager, you will be supported and guided by a range of centrally developed policies and programs. Because the public sector is so diverse, you will also be applying your judgement about what is needed at your agency or individual team level.

Most agencies will require development of a business case for change for any new initiatives. These can be supported by answering the key questions in each section and using the evidence/findings as provided in the accompanying background paper, *Barriers and Enablers to the Attraction, Recruitment and Retention of Mature Aged Workers* (SSA 2008).

#### agency self-assessment

If your agency has not already undertaken an audit or self-assessment of your workforce profile, particularly in relation to its age composition and existing measures to address the needs of older workers, an Agency Self-Assessment tool is included at Appendix 1 at the end of this guide.

## 4 the six age-specific elements

### 4.1 workforce culture



#### overview: what is workforce culture?

All organisations in the Victorian public sector have an important role to play in demonstrating and reinforcing the Victorian public sector values and employment principles outlined in the Public Administration Act 2004.

When value-based decisions are made in an ethical framework, they send powerful signals about how “things ought to be done”.

Inappropriate pre-conceptions about age, and the value mature age workers can make to an organisation, detract from the ‘ethics’ of an organisation. As some traditional perceptions about age can significantly reduce workforce participation, they deserve to be challenged.

#### what are the drivers?

There are five specific drivers that influence the workforce culture of an organisation, and they can influence both attraction and retention of older workers. Cultural drivers can focus on:

table 1 workforce culture factors that impact on older workers				
<p><b>Productivity:</b> Age stereotypes relating to productivity and change readiness can marginalise older workers.  These mindsets can affect recruitment decisions and devalue older workers' contribution.</p>	<p><b>Progression:</b> Older workers can be excluded from development opportunities due to assumptions about their interest and capacity.</p>	<p><b>Health status:</b> Perceptions of ability to keep up with the physical and intellectual demands of work can act as a cultural barrier to both attraction and retention.</p>	<p><b>Technology capabilities:</b> Technology attracts a lot of negative age stereotypes. By aligning IT training to learning styles of a diverse workforce, resistance to new technologies can be overcome.</p>	<p><b>Attitudes to retirement:</b> Some organisations have unspoken cultural rules about the appropriate time to retire. This can place implicit pressure on older workers to leave because it's time or they are blocking other people's progress.</p>

## challenges and opportunities

To achieve a more age inclusive culture, you will need to identify what can make it happen and what could get in the way. Some of the common challenges and opportunities are outlined below.

<b>table 2</b>		<b>workforce culture: challenges and opportunities</b>	
<b>Challenges</b>		<b>Opportunities</b>	
Attitudes and beliefs are the most difficult for organisations to influence		Leadership is fundamental in forming and changing workplace culture.	
Non-standard employment arrangements can create artificial distinctions within a workforce (eg, part-timers are less committed)		Promote greater take-up of flexible work arrangements as being positive for productivity, work/family balance and diversity across the whole workplace.	
Despite demographic change and the introduction of age discrimination legalisation in the 1990s, most employers do not target candidates over 45 for recruitment.		Ensure that the best possible pool of candidates is accessed by insisting that all recruitment processes are age-inclusive and target key competencies required.	
Many myths about age and work prevail, and are also common among managers. They most often relate to productivity, adaptability, health status and uptake of technology.		Ensuring job fit contributes to breaking down negative stereotypes because older workers have an opportunity to demonstrate their skills and knowledge.  Knowledge transfer programs such as mentoring by older workers of younger workers provide value to the organisation and profile for the individual, the latter contributing to increased job satisfaction and retention.	

## better practice examples

The case studies highlighted below provide a snapshot of relevant initiatives and learnings for the Victorian public sector when embarking on attraction and retention strategies for older workers.

table 3 workforce culture: better practice examples			
Summary	Challenges	Opportunities	Relevance to the Public Sector
<p><b>Company:</b> Epworth Hospital (Victoria)</p> <p><b>Sector:</b> Health, private sector</p> <p><b>Size:</b> Approx. 2000</p> <p><b>Project:</b> Survey age patterns within Epworth Hospital</p>	<p><b>Ageing:</b> 350 of 2000 staff are aged 50+.</p> <p><b>Cultural assumptions:</b> Initially relating to increased absenteeism and OH&amp;S risk with increasing age.</p>	<p>Use focus groups and other forums to understand the challenges and issues facing older workers and test a range of age-based assumptions.</p> <p>Test new approaches such as a mentoring program between younger and older workers.</p>	<p>Engage unions to ensure that the process is transparent and potential employee concerns are addressed.</p> <p>Don't make assumptions about older workers' preferences, work habits and HR profiles.</p> <p>Set up data-gathering systems, questionnaires and focus groups that capture a range of views.</p> <p>Visibly acting on the issues raised will ensure staff remain engaged and motivated.</p> <p>Set clear project targets and communicate these to staff.</p>
<p><b>Company:</b> Co-operative Bank</p> <p><b>Sector:</b> Banking and Finance, UK</p> <p><b>Size:</b> Approx. 4300</p> <p><b>Project:</b> HR Age Audit</p>	<p><b>Ageing:</b> Significant workforce ageing.</p> <p><b>Retirement:</b> Strong trends for retirement across workforce.</p> <p><b>Skill shortages</b> in core business areas.</p>	<p>HR policies were audited to identify areas that were not 'age neutral'. This highlighted a number of anomalies, such as high levels of retirement at age 60.</p> <p>As new policies were developed or existing ones updated, consideration was given to ensuring that they 'addressed age issues in a positive way'.</p>	<p>The process of reviewing general policies identified gaps and opportunities for improvement in the specific area.</p> <p>Ongoing review is necessary to check ongoing commitment and consistency.</p>

## what can I do to address workforce culture?

### questions to consider

Attitudes, beliefs and expectations about how older workers will participate can become a feature of workforce culture. You may wish to consider the following questions before deciding on a course of action.

- what is the age culture in our agency?
- have you identified age-related assumptions operating in your workplace?
- are there any specific behaviours that need to be addressed?
- could age diversity be improved in your organisation/team?
- what do the positive and/or negative aspects of our workforce culture look like?
- who influences the culture? How can I engage them in change?
- what are the risks associated with taking action?
- do I need advice or support to implement changes or specific initiatives? Who can provide this?
- are there existing policies and processes that address cultural stereotyping in your organisation?
- do leaders in your area have the necessary level of age awareness and skills to manage age stereotyping?

Some common questions to ask in informing your business case include:

- what will be the benefits/costs of addressing workforce culture within your workplace?
- how many people will be affected?
- how can new initiatives or responses be measured or reported on?
- what is your organisation's existing capacity for change (i.e. existing resources) and what additional resources may be required?

**note:** these common questions can be used just as effectively to develop a business case for each of the six sub-sections.

### ***what strategies can I put in place?***

Workplace studies indicate that the best outcomes are achieved from an integrated, age diverse approach, rather than specific initiatives aimed at older workers. Here are some ideas to consider:

<b>table 4 workforce culture: strategies for action</b>	
<b>Strategy</b>	<b>Description</b>
<b>Identify stereotypes</b>	Question age-based stereotypes that are prevalent in your organisation.
<b>Align strategy</b>	Audit recruitment, performance management and other attraction and retention processes for age imbalance or bias.
<b>Management capability</b>	Source support and development opportunities that will help you get the best out of managing age-diverse teams.
<b>Communication</b>	Ensure 'family friendly' messages are inclusive of older workers and their responsibilities (eg, elder care).
<b>Research age/workplace dynamics</b>	Understand changes over the life course and the role that improved health, longevity and educational attainment plays in workforce participation.
<b>Use frameworks available within your organisation</b>	Ensure you are guided by policies and processes, rather than perceptions of age.
<b>Undertake risk assessments before introducing new initiatives</b>	Thoroughly scope and plan for the impacts of flexible work, ensuring that budgets, workflow and job redesign are fully considered.
<b>Measure, monitor and adjust</b>	Review people's employment experience, from recruitment through to exit in order to highlight any age variables.  Establish a related scorecard to measure areas targeted for change over time.



## 4.2 job design



### overview: what is job design?

Job design is concerned with the shaping, or organisation of work for maximum productivity, safety and job satisfaction.

Redesigning the content, process and/or structure of work can enable older workers to work flexibly and perform work more suited to their skills, abilities and interests. Increased flexibility has been identified as a key factor in retention of older workers, as has improved health and wellbeing.

Effective job design has also been linked to reduced health and wellbeing costs and increased retention of employees who may otherwise stagnate, exit the workforce through illness or injury, retire or leave in search of more flexible work. Job design can be an important tool for the public sector as a way of mitigating against large-scale, unplanned loss of knowledge and skills.

### what are the drivers?

A focus on job design contributes to better attraction and retention outcomes, regardless of age. The two main areas of focus in this section are job structure, and job content and processes.

**table 5** job design factors that impact on retention of older workers

**Job structure:** For workers of all ages, job structure is a primary retention driver.

Flexible work options are most valuable at life stages which involve substantial external responsibilities, such as education, family formation and pre-retirement.

**Job content and processes:** Work that offers variety and challenge contributes to increased productivity, job satisfaction and teamwork; all drivers of retention.

Processes such as job rotations, teaming and role deepening prevent stagnation and ensure that skills are deployed in a way that has maximum benefit for the individual and team.

## challenges and opportunities

In making plans and decisions about job design, it is useful to consider potential barriers and opportunities for turning them into positives.

table 6 job design: challenges and opportunities	
Challenges	Opportunities
<p><b>Awareness:</b> lack of awareness of the range of job design options is still common.</p>	<p>Refer to the Victorian Government's <i>Action Agenda for Work and Family Balance</i> (2003) within the VPS and agencies.</p> <p>Review job design policies and guidelines to ensure that you are aware of and responsive to measures designed to optimise older worker participation.</p> <p>Although it is not specific to mature aged workers, <i>Work and Family Balance Manual: better practices for better business</i> (DIIRD 2007) describes the legislative framework, concepts, policies and procedures for adopting best practice in work-life balance.</p>
<p><b>Financial understanding:</b> lack of understanding about the implications of reducing hours to superannuation entitlements can impact flexibility and/or retirement decisions.</p>	<p>Answering key questions through financial planning workshops, specialist superannuation advice and regular communication channels.</p>
<p><b>Self-perception:</b> although flexibility often involves some form of trade-off, a VPS survey found that taking a lower-level, downgraded or less demanding job is not attractive as a trade-off for greater flexibility.</p>	<p>To ensure that skilled older workers stay engaged, consider how job design can best deliver challenge and variety as well as flexibility. You may also need to manage expectations about what is realistic in terms of service delivery obligations.</p>
<p><b>Organisational structure:</b> some roles and environments have been traditionally viewed as more problematic in terms of offering work-life balance options.</p>	<p>Developing a business case will help you assess whether barriers are real or perceived, and how job design requirements can be balanced against organisational realities.</p> <p>Ongoing evaluation and reporting is also important in terms of assessing whether productivity and other measures are being met.</p>

## better practice examples

The better practice examples highlighted below provide a snapshot of initiatives and learnings for the Victorian public sector when embarking on attraction and retention strategies related to older workers.

table 7 job design: better practice examples			
Summary	Challenges	Opportunities	Relevance to the Public Sector
<p><b>Company:</b> PSA Corporation (Singapore)</p> <p><b>Sector:</b> Marine Services</p> <p><b>Size:</b> 5,000 employees</p> <p><b>Project:</b> Job rotation</p>	<p><b>OH&amp;S:</b> Risk of increased illness and injury as their workforce ages.</p> <p><b>Productivity:</b> Prevention of reduced productivity with physical wear and tear.</p> <p><b>Ageing:</b> Workforce ageing.</p>	<p>The scheme helped older operators continue to operate quay cranes through a cross-training arrangement that allowed them to switch to wharf operation duties for the second half of the shift.</p> <p>Strategies such as self-pacing, varying work tasks, taking short rest breaks when necessary and changing posture/position were introduced.</p>	<p>Job rotation had a measurable impact on job satisfaction and health and wellbeing outcomes.</p>
<p><b>Company:</b> Norsk Hydro (Norway)</p> <p><b>Sector:</b> Natural Resources</p> <p><b>Size:</b> 39,000 employees in 70 countries</p> <p><b>Project:</b> Hydro Flex</p>	<p><b>Skills shortage:</b> A highly competitive industry and a small population in the company's headquarters.</p>	<p>A flexible work program was developed through consultations with staff in six divisions over 18 months.</p> <p>Under the scheme, employees have the choice of working at the office or from home, where they can work two days a week.</p> <p>Working hours are full-time, but flexible.</p> <p><b>NB:</b> The program is not age-specific.</p>	<p>A substantial process of consultation ensured employee buy-in and ownership.</p> <p>Before implementation, teams scoped their workload, cost of technology and home office set-up and any impacts on team functioning.</p> <p>There were no blanket entitlements. Flexibility arrangements were based on the nature of employee's work, deadlines, productivity goals, and personal and professional responsibilities.</p> <p>Hydro Flex is a key feature of Norsk Hydro's employer brand and is a differentiator in a highly competitive, globalised market.</p>

## What can I do to address job design?

### **questions to consider**

When thinking of implementing new job design options, you may want to consider the following questions. Some will be more relevant than others, depending on the scale of your operations, the services you deliver and the age/skill profile of your team:

- what am I seeking to address? (skills gaps, productivity, low job satisfaction)
- who will I need to influence? (my own team, HR, senior management)
- how ready is my agency for this type of initiative? What would need to change?
- have I got supporting data or other insights at hand?
- what benefits do I foresee for older workers? Does this match up with their perspectives?
- what are the likely benefits for the broader team?
- what constraints or considerations might impact the changes I'm considering?
- when could this be implemented? How long will it take?
- what are the likely costs and savings from introducing this initiative?
- what flexible work options are available or feasible?
- have the costs and benefits been fully explored?
- are you currently empowered and/or equipped to negotiate flexible options?
- have structural or cultural barriers been addressed so that job design changes have the best chance of success?
- do you discuss phased retirement opportunities with older workers in your team, and with potential candidates?
- is there potential for introducing mentoring and/or coaching roles in your team?
- do you periodically evaluate your flexible work offering to ensure that it continues to support productivity and other objectives?

### **what strategies can I put in place?**

Once you've considered all the pros and cons associated with your proposed job design changes (through your business case), you will have a sound basis for action. The following actions will support successful implementation, demonstrate leadership and improve the employee value proposition in your area.

<b>table 8 job design: strategies for action</b>	
<b>Strategy</b>	<b>Description</b>
<b>Promote job design opportunities</b>	Work with your Communications and/or HR representative to communicate job design opportunities in your area internally and externally.
<b>Adapt work task design where necessary</b>	Making necessary adjustments ensures that work ability is maintained in the short and longer term. This includes, but is not limited to: reduction of physical loads; improving posture, lighting and other aspects of the physical environment; setting reasonable work targets; improving work scheduling.
<b>Monitor cultural impacts of job design changes</b>	For example, a change to part-time may result in an older worker becoming 'junior' to a younger worker. You may need to manage the impacts of this to ensure that engagement and productivity does not suffer.
<b>Create a pool of experienced people</b>	Job design changes may leave gaps, such as when a retirement transition ends. You may benefit from developing a pool of experienced people who have retired but are willing to work during peak periods, replace people on leave or provide coaching/mentoring support.
<b>Review effectiveness</b>	Circumstances change and it will be beneficial to regularly review your job design options to monitor their success and ensure they continue to meet organisational imperatives.
<b>Measuring the impact</b>	Use employee opinion surveys, OH&S outcomes and performance management processes to monitor the success of job design changes on factors such as: <ul style="list-style-type: none"> <li>■ Uptake of flexible work options (by age)</li> <li>■ Retirement intentions of staff</li> <li>■ Impact on work-related injuries and illness</li> <li>■ Absenteeism</li> <li>■ Improvements in productivity and performance.</li> </ul>

## 4.3 recruitment



### overview: what's involved in recruitment?

Recruitment covers a range of activities and factors including sourcing candidates, interviewing, screening, assessment and on-boarding. All of these processes are influenced by the employment brand, which sends a strong message about the opportunities, practices and culture candidates can expect in a workplace.

Recruitment is an important part of the mature talent framework because it articulates the skills, qualities and capabilities the sector is seeking in its workforce. It brings together the other five elements in its employment offer, which defines the financial and non-financial benefits of a public sector career.

### what are the drivers?

In the 2006 financial year, Victorian public sector recruitment was dominated by younger workers, with 80 per cent of new starters aged under 45. This is not surprising, given the plentiful supply in recent decades, but is ultimately unsustainable given that 80 per cent of workforce growth in the next decade will be in the **over** 45 age group.

Securing the sector's ongoing labour needs will require a re-think of the mindset that has led to such a strong preference for younger workers, and a review of recruitment processes to ensure that they do not (intentionally or unintentionally) discriminate on the basis of age.

table 9 factors impacting on older workers' job-seeking behaviour and recruitment choices				
<p><b>Branding:</b> An employment brand and value proposition that is age inclusive in terms of perceived opportunity &amp; potential fit within the organisation.</p>	<p><b>Sourcing:</b> Identifying top talent across all age groups, including employee alumni, will provide a competitive advantage in the labour market. Recruitment providers also need to be fully engaged.</p>	<p><b>Advertising:</b> Using age-neutral language and images, and offering a broader range of options, sends a message that older workers are part of the public sector recruitment strategy.</p>	<p><b>Screening &amp; assessment:</b> Using criteria that acknowledges employability skills and experience, as well as formal qualifications, indicates an age-inclusive approach.</p>	<p><b>Induction &amp; on-boarding:</b> On-boarding processes that account for older workers' learning styles and capabilities provide the best chance of an improved lead time to productivity.</p>

## challenges and opportunities

The challenges and opportunities listed below are based on findings and recommendations of extensive studies into the recruitment experience of older workers.

<b>table 10 recruitment: challenges and opportunities</b>	
<b>Challenges</b>	<b>Opportunities</b>
Lack of familiarity with recruitment processes	Creating awareness of opportunities available. Reviewing processes to account for unfamiliarity with process and low confidence levels.
Poor range of flexible work options and/or lack of familiarity with what is reasonable to request	Developing awareness of flexible work options for older candidates.
Gaps in skills currency and business fit	Articulating accreditation requirements and career pathway support.
An employment brand that implicitly or explicitly excludes older workers	Build an employee value proposition that will reach across all age segments.
Inefficient on-boarding processes, leading to increased lead time to productivity	Induction training which reflects the learning styles most appropriate for mature learners.
Advertising that uses language and images that suggest a preference for younger workers	Ensuring age neutral language and images are used.
Lack of guidance or compliance with recruitment processes	Training and quality guidelines for those engaged in recruitment activity.

## better practice examples

These better practice examples demonstrate how age-inclusive, and in some cases highly targeted recruitment practices can respond to the attraction and retention of older workers in a range of settings.

table 11 recruitment: better practice examples			
Summary	Challenges	Opportunities	Relevance to the Public Sector
<p><b>Company:</b> Westpac Banking Corporation (Australia)</p> <p><b>Sector:</b> Banking and Finance sector</p> <p><b>Size:</b> Approx. 27,000</p> <p><b>Project:</b> A Better Balance</p>	<p><b>Ageing:</b> Workforce ageing.</p> <p><b>Attraction:</b> Seeking to attract available pool of labour (45+ group).</p> <p><b>Customer:</b> Align staff and customer profiles.</p>	<p>Explored approaches to increasing the recruitment of older workers to their call centres.</p> <p>Information sessions, pre-employment training and support were offered in partnership with Hudson, Westpac's volume recruiter.</p>	<p>Candidate expectations needed to be managed to ensure that there was a balance between 'preference' (interest in the organisation) and 'performance' (capacity to do the job).</p> <p>Evaluation indicated that candidates would benefit from exposure to the work environment ('is this right for me?') before making a decision to progress to pre-employment training.</p> <p>Pre-employment training design needs to include 'non-technical' aspects such as job readiness or employment preparation.</p>
<p><b>Company:</b> Brisbane City Council (QLD)</p> <p><b>Sector:</b> Local government</p> <p><b>Size:</b> Approx. 7,000</p> <p><b>Project:</b> Recruitment of local bus drivers</p>	<p><b>Ageing:</b> By 2010, 42 per cent of the workforce will be aged over 50.</p> <p><b>Retention:</b> Combat the labour shortage.</p> <p><b>Skills shortages:</b> Competition for talent from other states and internationally.</p>	<p>Advertisements for bus drivers were targeted towards older workers, using positive images of older workers and promoting Council's range of flexible working options.</p>	<p>Through targeted advertising, a larger pool of candidates applied for positions.</p> <p>Effort was required in reviewing job processes and schedules to facilitate the preferences and capabilities of older workers.</p>



## what can I do to address recruitment?

### questions to consider

An age-inclusive approach is all about finding the right person for the job, and should not make a special case of older workers. However, given that public sector recruitment patterns demonstrate such a strong preference for younger workers, there is a case for addressing some of the barriers that exist in current recruitment processes and practices.

Here are some initial questions that might stimulate your thinking:

- do our recruitment practices need to change to be more age-inclusive?
- what will these changes require in terms of policy, practice, direct costs and time?

In addition to the direct costs of recruitment activities (such as advertising, use of recruitment agencies) you may need to consider other indirect costs such as:

- administration/recruitment processes: sourcing, interviewing, screening and assessment, job descriptions and on-boarding.
- training: formal training/on-the-job training
- productivity: period of unfilled vacancy; learning curve of new recruit; time out for supporting staff – buddy, supervisor, peer etc.
- absenteeism/work injuries.
- what are the likely impacts of change on our organisation/team?
- is our employment brand attractive to all potential candidates, regardless of age?
- do we have access to age-inclusive guidelines when undertaking recruitment activities? Are they being effectively used?
- is the advertising and selection process delivering a wide age-range of candidates?
- do older workers in our team/agency pursue vertical or horizontal career opportunities?
- do our job descriptions use language that encourages an age-diverse pool of candidates?
- is selection criteria in our screening process based on merit, balancing the value of formal education and quality experience?
- do older workers find our on-boarding processes supportive and effective?
- are language and images used in our job advertisements age-neutral?
- is there a suitable forum for older workers to learn about career opportunities with us, including related application and recruitment processes?

### **what strategies can I put in place?**

Improved targeting of recruitment strategies has the potential to increase fit to role, reduce turnover levels and broaden the pool of people and skills for organisational success. You can contribute to these outcomes by testing assumptions and ensuring that policies and practices do not discriminate on the basis of age.

<b>table 12 recruitment: strategies for action</b>	
<b>Strategy</b>	<b>Description</b>
<b>Collect information on availability of people and skills</b>	Understanding the demographic profile (age, gender, educational attainment, location, etc.) of the broader labour market can provide you with the basis for an informed and realistic approach to recruitment.  Information can be sourced from your recruiters, the Australian Bureau of Statistics, Department of Employment and Workplace Relations and the State Services Authority.
<b>Test the cultural assumptions of your organisation / team</b>	This can be done formally or informally, depending on what you feel is most appropriate. It will be useful to share some insights that challenge common myths.
<b>Let people who recruit on your behalf know you are committed to an age-inclusive approach</b>	This includes the internal HR team, members of assessment panels and external recruitment partners.
<b>Review materials relevant to older worker recruitment</b>	This includes standard advertising guidelines, public sector employment principles and diversity guidelines.
<b>Identify alternative sources of supply</b>	Employee alumni and other services targeting past employees (including retirees) provide an additional opportunity to maintain engagement of workers that could potentially re-enter the public sector workforce and could act as a contingent labour pool to fill seasonal jobs, project work and other requirements.
<b>Map the competencies or employability skills you seek in roles and align them to both formal education and work experience</b>	This demonstrates how formal education and/or other accreditation requirements might be offset by competencies or employability skills gained through experience.
<b>Review on-boarding processes to consider the requirements of workers of all ages</b>	Review whether existing processes account for older workers' learning styles and capabilities as this can improve lead time to productivity. Given the diversity of the public sector workforce, your approach will depend on your job profiles and operating environment.

## 4.4 learning & development



### overview: what is learning & development?

Although learning and development is most commonly associated with formal training, factors such as technological change, critical skills shortages and changing customer profiles are prompting continual innovation in the way people learn and develop to meet the requirements of their roles.

The changing nature of work is signalling a shift away from linear career pathways with learning and development acting as an essential enabler along the way. From an age-related perspective, the transfer of knowledge through mentoring or coaching is gaining priority status as organizations struggle to cope with the large-scale loss of knowledge associated with baby boomer retirements.

Participation in learning and development is impacted by a range of factors including gender, employment, marital status, education attainment, income level and geographic location. These drivers also impact other parts of the framework, such as health and wellbeing, workforce culture and job design.

### what are the drivers?

The impact of learning and development on attraction and retention can be considered in four parts, as indicated below:

table 13 factors affecting learning & development behaviour among older workers			
<p><b>Lifelong learning:</b> To secure engagement and productivity, maintaining skills currency is essential. Opportunities for lifelong learning are also seen as an important feature of the employee value proposition.</p>	<p><b>Knowledge sharing:</b> With the wave of baby boomer retirements starting, knowledge sharing will help to minimise the impact of knowledge and skill loss.  In utilising and promoting older workers' skills, knowledge sharing can act as a retention driver.</p>	<p><b>The work environment:</b> An environment where learning is valued, enabled and rewarded is beneficial for people of all ages, creating a culture of opportunity and continuous improvement.</p>	<p><b>Career pathways:</b> Clearly mapped career pathways, whether vertical or horizontal, help people to understand the opportunities available to them and assist them in making choices which fit with their career and other aspirations.</p>

## challenges and opportunities

The following table summarises key learning and development issues for older workers in the Victorian public sector.

table 14 learning & development: challenges and opportunities	
Challenges	Opportunities
High educational requirements for employment	Recognition of core competencies and relevant experience.
Limited entry level employment in the public sector	Establish targeted programs along the lines of the Graduate Recruitment program for older workers.
Management/co-worker attitudes about the importance or relevance of learning opportunities for older workers	Organisational and management support documented through the performance development process.
Older worker attitudes about the importance or relevance of learning opportunities	Organisational and management guidance through the performance development process.
Knowledge retention	Mentoring/coaching roles where older workers can learn new skills and transfer essential knowledge.

## better practice examples

These case studies demonstrate a range of approaches to learning and development.

table 15 learning & development: better practice examples			
Summary	Challenges	Opportunities	Relevance to the Public Sector
<p><b>Company:</b> Deutsche Bank</p> <p><b>Sector:</b> Banking</p> <p><b>Project:</b> Age Diversity</p>	<p><b>Ageing:</b> Workforce ageing.</p> <p><b>Skills shortages:</b> in core business areas.</p> <p><b>Strategic:</b> transfer of critical skills and knowledge.</p>	<p>Four working models were identified to support learning and knowledge transfer:</p> <ol style="list-style-type: none"> <li>1. Intergenerational project teams.</li> <li>2. Knowledge capture programs – highly skilled, older employees spend 2-4 hours per week with an external service provider.</li> <li>3. Partnering of older, experienced employees with less experienced (usually younger) colleagues.</li> <li>4. 'Know-how tandems' in customer contact and acquisition areas to optimise the process of customer handover.</li> </ol>	<p>A systematic and sustained commitment to knowledge transfer ensures that service levels are maintained and the impact when older, experienced employees leave is minimised.</p> <p>Job satisfaction and teamwork is positively impacted by well-planned and implemented knowledge transfer programs.</p> <p>Transfer of implicit knowledge requires a sustained commitment over time.</p>

Continued ►

Summary	Challenges	Opportunities	Relevance to the Public Sector
<p><b>Company:</b> Wodonga TAFE (Vic)</p> <p><b>Sector:</b> Training Provider</p> <p><b>Project:</b> Training of older workers</p>	<p>Barriers for older learners that are apparent at the commencement of a training program:</p> <ul style="list-style-type: none"> <li>- Fear of formal training.</li> <li>- Lack of language, literacy and numeracy skills.</li> <li>- Low self esteem.</li> <li>- Cost of training.</li> <li>- Belief that training is redundant due to experience.</li> <li>- Problems understanding and accessing the learning environment.</li> </ul>	<p>Each student is taken through an individual learning program which will allow time for TAFE staff to identify any learning difficulties.</p> <p>In the first six weeks of the learning program, no formal classes are scheduled so that learners can feel comfortable they know their learning environment.</p> <p>Supplementary learning opportunities are offered such as brush-up IT classes.</p>	<p>A thorough training needs analysis will assist to ensure the right training is delivered in the right way.</p> <p>A less formal approach to training will provide a more comfortable environment for older learners, mitigating the likelihood of staff preferring to resign than participate in training.</p>
<p><b>Company:</b> Calgary Silver Circle</p> <p><b>Sector:</b> Community and aged care provider</p> <p><b>Size:</b> 2000 staff</p> <p><b>Project:</b> Enterprise based RTA</p>	<p><b>Ageing:</b> 70 per cent of the workforce over the age of 40.</p> <p><b>Skills shortage:</b> Concern about where staff will be recruited from in the future.</p> <p><b>Regulation:</b> Minimum requirement that support workers providing personal care have a Certificate III in Home and Community Care, Aged Care or Disability Work, and a Certificate in Advance First Aid.</p>	<p>The company recognised that many of its older workers had too great a fear of training to attend an external training provider, so set up an internal RTO.</p> <p>Close ties between the operational part of the business and the training provider ensure that course content is relevant and approach is suited to the characteristics of the workforce.</p>	<p>A close relationship between industry and training provider can ensure that training content and delivery is suitable to the workforce.</p>
<p><b>Company:</b> TNT</p> <p><b>Sector:</b> Transport &amp; Storage</p> <p><b>Project:</b> Roll out of new technology</p>	<p><b>Ageing:</b> Average age early 40s.</p> <p><b>Skills shortage:</b> Cannot employ enough skilled workers to meet the needs of the growing client base.</p> <p><b>Competitive advantage:</b> Customer demand is driving efficiency and use of technology.</p>	<p>Employees considered most capable of picking up use of the technology quickly were trained first. This strategy was designed to get 'quick wins' within the group so that success stories would permeate amongst other workers.</p> <p>Once there were a sizeable number of early adaptors in the workforce, these people were able to provide peer support for those that were struggling with the technology.</p>	<p>By training quick adaptors first, a group of change advocates are created and peer learning is facilitated.</p>

## **what can I do to address learning & development?**

Consistent with the mature talent framework, the optimal approach to learning and development for older workers is an age-inclusive one. However, given that there is a pattern of lower learning and development participation among older workers, it is helpful to understand and respond to barriers this group experiences in accessing sufficient learning and development opportunities to at least maintain skills currency and productivity.

### ***questions to consider***

Assessing your agency's capacity to support better learning and development for older workers should begin with an assessment of attitudes and beliefs that act as barriers to participation. For example:

- are younger workers generally considered a better return on L&D investment?
- do older workers in your team hold beliefs that may limit their participation in learning and development (such as prioritising 'getting the job done' over training)?
- are older workers perceived as less competent learners?

Once any potentially negative attitudinal barriers have been identified, the following questions can be considered:

- are older workers in my area equitably accessing training and development opportunities?
- are older workers exposed to new roles or work challenges that renew or stretch their skills?
- are there opportunities for mentoring and coaching roles to be part of a phased retirement program?
- is there management support for, and understanding of, lifelong learning?
- is there any evidence of negative stereotypes about older workers' learning capabilities?
- are there effective succession planning processes in place?
- what processes are in place to identify explicit and tacit knowledge and ensure that it is transferred when an employee leaves?

### what strategies can I put in place?

Strategies to consider should include both integrated, age diverse approaches, and specific learning and development initiatives aimed at older workers. Here are some ideas you can consider:

<b>table 16 learning &amp; development: strategies for action</b>	
<b>Strategy</b>	<b>Description</b>
<b>Align strategy</b>	<p>Ensure training plans are developed and actioned as part of performance management.</p> <p>Engage the agency's internal and/or external trainers regarding the learning needs and preferences of older learners.</p>
<b>Management Capability</b>	<p>Develop insight and capability into:</p> <ul style="list-style-type: none"> <li>■ the role of L&amp;D in ensuring capability and productivity</li> <li>■ the learning needs of older workers</li> <li>■ learning plans that can accommodate life stage and age</li> <li>■ informal opportunities (such as job rotation or mentoring) and how these can support learning and development goals.</li> </ul>
<b>Communication</b>	<p>Communicate:</p> <ul style="list-style-type: none"> <li>■ the benefits of continuing participation in L&amp;D</li> <li>■ the sector's changing competency requirements and the need for all workers to keep pace with these requirements</li> <li>■ support for participation in L&amp;D, regardless of age.</li> </ul>
<b>Data collection</b>	<p>Quantifying training costs and the financial return on training investment provides useful insight into benefits by age and a range of other factors.</p> <p><i>Note:</i> the Victorian public sector does not currently track L&amp;D participation and outcomes by age.</p>
<b>Career planning</b>	<p>Engage older workers in discussion about various career options, especially if they are not interested in vertical progression.</p>
<b>Measure, monitor and adjust</b>	<p>Consult with older employees about their learning and development needs, and any real or perceived barriers they face.</p> <p>Monitor participation in L&amp;D activity by age and build this into scorecard reporting.</p> <p>Other factors to consider measuring over time include:</p> <ul style="list-style-type: none"> <li>■ level of achievement of L&amp;D goals and performance plans - check for age related patterns.</li> <li>■ current level of satisfaction with L&amp;D programs by age? Is there any specific feedback that might provide insight into the experience of older workers?</li> <li>■ comparison of your organisations L&amp;D offerings with similar public and private sector organisations.</li> </ul>

## 4.5 reward & recognition



### overview: what is involved in reward & recognition?

This element of the mature talent framework looks at the financial and non-financial factors that provide a return for effort among older workers and that have a direct impact on attraction and retention.

Reward and recognition is critical to the framework because it articulates the value placed on the individual when they are first employed and provides an ongoing opportunity to engage and motivate them throughout their career. It overlaps with all of the other elements because they represent powerful ways in which reward and recognition can be delivered.

### what are the drivers?

The five key drivers are: financial remuneration, job design and fit, the work environment, career opportunities, and external equity.

table 17		reward & recognition factors that influence retention outcomes for older workers	
Financial	Non-financial		
<p><b>Remuneration:</b> For older workers, financial status is a key retention driver, especially as many miscalculate how much financial security they require for a successful retirement.</p>	<p><b>Job design:</b> To date, the sector has been able to differentiate itself in the market through its flexible work offerings. Skills shortages have prompted other sectors to provide similar offerings, making it necessary to consider new sources of advantage.</p>	<p><b>The work environment:</b> Surveys indicate that a supportive organisation is a key influencer of stay or go decisions among older workers.  The relationship with one's manager is extensively cited as the most important factor in exit decisions, regardless of age.</p>	<p><b>Career opportunities:</b> Career development opportunities, whether lateral or vertical, are an important influencer of older worker engagement.  As life stages change, many people are establishing new career directions later in life.</p>
<p><b>External equity:</b> In a tight labour market, workers of all ages compare what the Victorian public sector offers compared with the offerings of other employers.  While the public sector may not always be able to compete on a financial basis, other factors can influence candidate decisions. Work-life balance, job design and fit, a work environment that recognises the value and experience of older workers and career opportunities that have no age limits have all been cited by older workers as influential in their work choices.</p>			



## challenges and opportunities

When planning reward and recognition initiatives or advising your team, consider the following:

<b>table 18 reward &amp; recognition: challenges and opportunities</b>	
<b>Challenges</b>	<b>Opportunities</b>
Older workers are frequently concerned about the impact of flexible work on retirement savings, especially superannuation entitlements.	<p>Provision of superannuation advice relating to changes in superannuation legislation or entitlements and the specific fund the older worker is a member of.</p> <p>Provision of financial planning services, retirement advice and communications focusing on practical key messages and taking into consideration the individual's personal circumstances.</p> <p>Refer to Appendix 2 for further information about the superannuation changes and what they mean for Victorian government employees.</p>
A work environment that is not supportive or rewarding of older workers is a key driver of exit decisions.	Canvassing older workers in your team about what forms of reward and recognition are meaningful to them increases the likelihood that you will be able to create an environment that they consider supportive.
Some managers exclude older workers from performance management processes and learning and development opportunities because they do not think there will be a good return on investment or assume they are not interested.	An age-inclusive approach to all development processes demonstrates both fairness and commitment to fulfilling the potential of every team member.

## better practice examples

The following four case studies demonstrate how reward and recognition strategies can directly impact the attraction and retention of older workers in a competitive labour environment.

<b>table 19</b> <b>reward &amp; recognition: better practice examples</b>			
<b>Summary</b>	<b>Challenges</b>	<b>Opportunities</b>	<b>Relevance to the Public Sector</b>
<p><b>Company:</b> Country Energy (NSW)</p> <p><b>Sector:</b> Energy services (Government-owned)</p> <p><b>Size:</b> 3,914 employees serving more than 840,000 customers</p> <p><b>Project:</b> Powerful Knowledge - Mature Worker Retention Project</p>	<p><b>Ageing:</b> Workforce ageing.</p> <p><b>Retirement:</b> Ten-fold increase in retirements over the next 10 years.</p> <p><b>Skill shortages</b> in core business areas, especially technical and engineering roles.</p> <p><b>Location:</b> Difficulties in the attraction of staff to regional and remote areas.</p>	<p>To capture and transfer corporate knowledge prior to retirement and assist in the retention of skilled older workers.</p> <p>To develop 'Sages' from the ranks of key knowledge workers, and promote/utilise their accumulated experience and insights.</p>	<p>A key outcome was greater job satisfaction amongst the Sages, whose role was integrated into broader learning and development processes.</p> <p>Knowledge transfer may take many forms and in many contexts of application.</p> <p>Older worker retention strategies are most successful when they are part of the overall workforce planning strategy and are linked to the organisation's KPIs.</p>
<p><b>Company:</b> University of Queensland</p> <p><b>Sector:</b> Education/ Government</p> <p><b>Size:</b> Approx. 5000 academic, research and general staff</p> <p><b>Project:</b> Career Planning for Retirement</p>	<p><b>Ageing:</b> Over half (53 per cent) of the workforce are aged between 41 and 60 years.</p> <p><b>Performance:</b> Maintaining staff performance &amp; development as workers age.</p> <p><b>Retention:</b> Staff losses through retirement.</p> <p><b>Competition:</b> for high quality staff.</p>	<p>To develop pre-retirement seminars and flexible working arrangements to attract and retain high quality staff and to align offerings to individual career objectives.</p> <p>Seminars included: Finance, Lifestyle, Superannuation and Pensions, Health, and Formulating/Negotiating a pre-retirement contract.</p>	<p>Policy implementation highlighted the importance of monitoring and managing performance in order to ensure that competence, capacity and position meet mutual expectations.</p>
<p><b>Company:</b> Office for State Revenue (NSW)</p> <p><b>Sector:</b> Government</p> <p><b>Size:</b> Approx. 1000</p> <p><b>Project:</b> Retention of older workers</p>	<p><b>Age:</b> A workforce concentrated in the 25-54 age groups was deemed a risk to business sustainability.</p> <p><b>Labour market growth:</b> The majority of future labour market growth is in the over 45 groups.</p>	<p>To improve the retirement preparation of the workforce.</p> <p>To develop a detailed understanding of the loss of people in critical roles to retirement over the next five years.</p> <p>To design retention strategies, including flexible work options that will aid the retention of older workers.</p>	<p>The program demonstrated the importance of mapping critical skills of staff as part of a formal knowledge continuity program.</p> <p>A key outcome was increased awareness and acceptance of the business case for older worker retention.</p> <p>This highlighted the importance of managers discussing the range of options with staff. It also demonstrated the diverse range of skills required by managers in understanding the needs of an ageing workforce.</p>

*Continued* ➤

Summary	Challenges	Opportunities	Relevance to the Public Sector
<p><b>Company:</b> St George Bank</p> <p><b>Sector:</b> Banking and Finance</p> <p><b>Size:</b> Approx. 8,500</p> <p><b>Project:</b> Grandparents leave</p>	<p><b>Skill Shortages:</b> Pressure to attract people with relevant skills and experience.</p> <p><b>Retention:</b> Staff losses through retirement.</p> <p><b>Attraction:</b> The majority of future labour market growth is in the over 45 groups.</p> <p><b>Customer needs:</b> A workforce profile that reflects their customer base.</p>	<p>Launched in June, 2007, this initiative provides for 12 months' leave without pay, which can be taken in one block or periodically before the child's 2nd birthday.</p> <p>Grandparenting leave is not an entitlement and must be balanced against operational requirements.</p> <p>It has been introduced in a suite of new leave options, including paid volunteer leave, flexible work for over 50s and career breaks (eg. four years on, one year off with pay spread over five years).</p>	<p>St George sees grandparenting leave as part of a bigger attraction and retention effort, which helps differentiate the bank in a highly skilled, competitive sector.</p> <p>There are no costs apart from those associated with backfilling roles during leave periods. However, this is also seen as an investment as people stay longer and become very strong advocates for the organisation.</p> <p>The initiative is too new to be evaluated, but early indicators will include patterns of management approval, being monitored to ensure that leave is being granted or denied on sound business grounds.</p>

## what can I do to address reward and recognition?

### questions to consider

Improved health and educational outcomes, financial need and social interaction are influencing the decisions of a growing number of older workers to work for longer. The choice to combine flexible work with partial retirement is the most commonly cited preference. You may wish to consider the following questions before deciding on a course of action to improve your reward and recognition offerings:

- do you have older workers who have reached a plateau in your organisation/team?
- are there age groups within your organisation/team that tend to get promoted more often than others?
- do you know of many older employees who have left your organisation to take up part-time work in another organisation?
- is there evidence (eg People Matter Survey) that indicate that older workers feel less empowered or valued within your organisation/team?
- is there an even uptake by age of flexible work/life balance options in your organisation/team?
- do older workers in your organisation/team have a clear understanding of their entitlements nearing retirement (eg superannuation and the impact of part-time work)?

- given that many older workers are balancing complex care responsibilities (eg child and elder care) how can you develop further insight into the responsibilities of your employees in order to understand how these can be managed?
- do employees have realistic views of their lifestyle in retirement and an awareness of the benefits that phased or delayed retirement may offer?

**what strategies can I put in place?**

You are best placed to decide what is right for your agency and/or team, and how it can fit with broader reward and recognition programs. Consider the following strategies for implementation:

<b>table 20 reward &amp; recognition: strategies for action</b>	
<b>Training/skills/value assessment</b>	Assess what older workers bring to your team/agency, such as prior training, service and client knowledge, life experience and loyalty. This will help you understand what will engage and motivate them, what the best fit is for their skills and what sort of recognition is meaningful.
<b>Gauge older worker preferences</b>	Seeking input from older workers about what they value most, and aligning it with your organisational objectives and broader objectives, is the best possible basis for determining what approach will be most successful.
<b>Review performance management processes</b>	Are your performance management processes relevant and responsive to people at various ages and life stages?  Ensuring equal access to performance management support and learning and development opportunities provides tangible evidence of a commitment to merit, rather than age-based assumptions.
<b>Mapping career options</b>	There are a wide range of career options within the Victorian public sector and these are likely to change further in view of factors such as skills shortages and an ageing population.  Your team may, for example, benefit from an experienced person taking on the role of mentor. Mapping this and other career options provides attractive options to experienced older workers and has the potential to enhance the productivity of the team.
<b>Flexible work assessment</b>	To remain a market leader in flexible working arrangements, the public sector needs to find new sources of competitive advantage.  To be sustainable, flexible work requests need to be fully scoped and costed; for example, the costs associated with employing another part-timer worker, or the management effort required to re-design work duties and job descriptions.

## 4.6 health & wellbeing



### overview: what is relevant about health & wellbeing?

Improving health and addressing non-participation due to illness, injury or disability have been identified by Australian policymakers as key strategies to improving workforce participation (COAG, 2006).

Health and disability factors figure strongly in both voluntary and involuntary early retirement behaviour in Australia, with 26 per cent of people retiring due to ‘sickness, injury or ill health’ (ABS 2006, Cat. 6238.0). This highlights the potential gains to be made for both employers and employees from a strategic focus on health and wellbeing.

Health and wellbeing is highly correlated with other elements of the framework, particularly job design, as health status directly impacts quantity and quality of participation.

### what are the drivers?

The three key drivers of health and wellbeing impacting on attraction and retention of older workers are occupational health and safety, health promotion and work design.

table 21 health & wellbeing factors affecting retention outcomes among older workers		
<p><b>Occupational health &amp; safety:</b> Reducing the risk of injury through adjustments to work design and environment, and developing responses that facilitate optimal recovery from injury.</p>	<p><b>Health promotion:</b> Information, activities and services that assist in reducing the impact of risk factors and slowing the changes associated with ageing.</p>	<p><b>Work design:</b> Addressing work/task organisation in a way that supports productivity, job satisfaction and teamwork.</p>

## challenges and opportunities

To achieve better health and wellbeing among all employees (including mature aged workers), you will need to identify what can make it happen and what could get in the way. Some of the common challenges and opportunities are outlined below.

<b>table 22 health &amp; wellbeing: challenges and opportunities</b>	
<b>Challenges</b>	<b>Opportunities</b>
Decrease in some physical capacities by age (strength, cardiovascular capacity etc)	Adjust job or task design as required. Monitor absenteeism statistics for older workers and address variables.
Risk of injury	Effective work design and ergonomics. Re-engineer jobs where risk may prevent an appropriately skilled older worker from performing aspects of the role (eg, hydraulic lifts for nurses).
Non-work related factors (lifestyle, exercise, social environment etc)	Canvas priority health issues in your workplace and tailor health promotion and support offerings to fit the identified needs.
Availability of flexible work arrangements	Introduce flexible work arrangements that are well researched and evaluated for their impact on health and wellbeing.
Non-standard employment arrangements	Undertake assessments of physical, environmental and organisational risk factors in the workplace for older workers. Set reasonable work targets.
Declining motivation due to career plateauing or other late career factors	Provide development opportunities or performance support that enable older workers to maintain their performance capacities. Promote employee autonomy.

## better practice examples

The following case studies demonstrate how health and wellbeing strategies can contribute to improved attraction and retention of older workers.

table 23 health & wellbeing: better practice examples			
Summary	Challenges	Opportunities	Relevance to the Public Sector
<p><b>Company:</b> DHS Glass (Australia)</p> <p><b>Project:</b> Occupational Health &amp; Safety</p>	<p><b>Work environment:</b> A physical and potentially hazardous work environment.</p> <p><b>Physical capability:</b> Concern about the physical capability of older workers to complete tasks.</p>	<p>Lifting devices and tools installed where possible and job processes modified.</p> <p>Older workers mentored younger workers to use correct lifting methods and young and old assisted each other with lifting tasks.</p> <p>The result was less production time lost due to injury and a reduction in the Work Cover premium as accidents declined.</p>	<p>Job processes modified to be less physically demanding.</p> <p>Equipment implemented to assist with physical requirements of role.</p> <p>Younger workers can assist older workers with physically demanding tasks and at the same time older workers can pass on their knowledge to the younger workforce.</p>
<p><b>Company:</b> Dorset County Council – Home Care Workers (UK)</p> <p><b>Project:</b> Work redesign</p>	<p><b>Ageing:</b> Significant proportion of staff approaching retirement age.</p> <p><b>Attraction:</b> Young people were found to be difficult to attract to homecare roles.</p> <p><b>Work mode:</b> Many part time and casual workers.</p>	<p>A new, more senior staff grading was introduced to recognise the wealth of experience of older staff, and removed physically demanding aspects of the caring role.</p> <p>Carers were put into teams to allow a more flexible career structure with work delegated across the team.</p>	<p>Introducing another grade may be necessary to provide appropriate, less physical roles for older workers, and make best use of their expertise.</p> <p>A teaming structure helps staff with part time and flexible hours to manage workload.</p>

## what can I do to address health & wellbeing?

### **questions to consider**

Developing a plan that addresses health and wellbeing for older workers needs to start with assessment of what's already on offer. Key questions may include:

- what are the key health and wellbeing initiatives already in place in our agency? How do these compare with provisions in place across other agencies in the public and private sectors?
- is the process for addressing health and safety concerns responsive and efficient and utilised by all age groups?
- is the health and wellbeing program of activities appropriate for older and younger staff alike?
- do there need to be any specific health and safety considerations for older workers?
- is there a process in place for redesigning tasks to accommodate limitations associated with age, disability, etc.?
- is volume of work evenly spread across the team?
- is there a process for staff to be given support when their workload peaks?

To firm up your business case, here are some further questions you may consider:

- what are the patterns of sick and personal leave by age in your agency?
- are there any patterns, such as lost time injury or stress leave that might signal areas for priority attention?
- have you fully scoped how flexible work arrangements can be balanced against service delivery requirements?



### **what strategies can I put in place?**

Consistent with research findings, chronological age is only a rough indicator of health or performance capacity. For this reason, healthy ageing strategies are most effective when begun early and continued throughout life. Some suggestions are provided below:

<b>table 24 health &amp; wellbeing: strategies for action</b>	
<b>Strategy</b>	<b>Description</b>
<b>Align strategy</b>	<p>Liaise with your HR, OH&amp;S and health representatives to:</p> <ul style="list-style-type: none"> <li>■ Scope the health and wellbeing priorities in your agency.</li> <li>■ Identify and act on key risks for older workers.</li> </ul>
<b>Management capability</b>	<p>Build your understanding of:</p> <ul style="list-style-type: none"> <li>■ Health and wellbeing considerations for an ageing workforce.</li> <li>■ Your role in actively engaging older workers in health and wellbeing related activities and behaviours.</li> </ul>
<b>Communication</b>	<p>Communicate health and wellbeing offerings available to workers in your agency.</p> <p>Promote facts about the ageing process and actions that individuals can take to extend their health and wellbeing into later life.</p>
<b>Measure, monitor and adjust</b>	<p>Consult with older employees about their health and wellbeing priorities and preferences, and any real or perceived barriers they face in accessing services or support.</p> <p>Monitor participation in health and wellbeing activity by age and build this into scorecard reporting.</p> <p>Measure other factors over time, such as:</p> <ul style="list-style-type: none"> <li>■ Change in health and wellbeing indicators, and assess any links to health and wellbeing interventions;</li> <li>■ How many lost time injuries occur each year? Is there a pattern by age?</li> <li>■ Is there a significant difference in use of sick leave by age?</li> <li>■ Have changes in job structure, content and processes impacted the number of work-related injuries?</li> <li>■ Is there a correlation between peaks in workload and illness? Are there any patterns by age?</li> </ul>

## 5 further information

The following sources have been referred to throughout the guide and provide additional insight into issues relating to attraction and retention of older workers.

### research and publications

1. Access Economics, 2005, *Workforce Participation in Victoria*, Department for Victorian Communities.
2. AMP.NATSEM (2007) *Baby Boomers – doing it for themselves*. Income and Wealth Report Issue 16. March 2007.
3. AON. 2007, *Changing Faces: How Older Workers are Solving Workforce Issues*. Wavelength, 2007(01), 4-8.
4. Business Work & Ageing, 2004, *Retirement, Retention and Resignation Survey Research Report*, Equal Opportunity Commission Victoria, Commissioner for Public Employment, Australia.
5. Business Work & Ageing, 2005, *Attracting and Retaining Older Workers: Challenges and Opportunities for the Human Services Sector*.
6. Corporate Leadership Council 2004, *Driving Employee Performance and Retention through Engagement: A Quantitative Analysis of the Effectiveness of Employee Engagement Strategies*.
7. Encel, S. 2003, *Age Can Work: The Case for Older Australians Staying in the Workforce*, A Report to the Australian Council of Trade Unions and the Business Council of Australia.
8. Ernst & Young, 2007. *Beyond the Generation view. A new approach to people strategy*.
9. Hudson 2005. *The generational mirage: a pilot study into the perceptions of leadership by Generation X and Y*. The Hudson 20:20 Series.
10. Lundberg, D. & Marshallsay, Z. 2007, *Older Workers' Perspectives on Training and Retention of Older Workers*, NCVET, Australia.
11. Productivity Commission, 2005, *Economic Implications of an Ageing Australia*, Commonwealth of Australia, Melbourne.
12. State Services Authority, 2006, *People Matter Survey 2006*.
13. Business Victoria, 2003, *Action Agenda for Work and Family Balance*.

## useful websites

### **Australian Bureau of Statistics**

<http://www.abs.gov.au>

### **American Association of Retired Persons (AARP) - Employer Resource Centre**

<http://www.aarp.org/money/careers/employerresourcecenter/>

### **Australian Public Service Commission** - Productive and safe workplaces for an ageing workforce

<http://www.apsc.gov.au/publications03/maturecomcare4.htm>

### **Australian Public Service Commission** – Annual State of the Service Reports

<http://www.apsc.gov.au/stateoftheservice/>

### **Business Work and Ageing** - includes Work Ability information

<http://www.businessworkageing.org>

### **Department of Employment and Workplace Relations** - Jobwise site

<http://www.jobwise.gov.au/>

### **Organisation for Economic Co-operation and Development**

<http://www.oecd.org/home/>

### **Productivity Commission** – includes updates of *Economic Implications of an Ageing Australia*

<http://www.pc.gov.au/>

### **State Services Authority (SSA) and Public Sector Standards Commissioner (PSSC)** –

a range of publications and public sector frameworks are available from the SSA and PSSC website at <http://www.ssa.vic.gov.au> including:

- An Ethics Resource Kit – A comprehensive guide to ethics learning and development
- Retirement, Retention and Resignation Survey Research Report (2004)
- Victorian Public Sector Census 2004
- People Matter Survey 2006
- People Matter in Action: Making the most of the People Matter Survey (August 2006)
- Not just Part-time Work for new mothers: Work-life balance in the Victorian Public Service
- Making Flexible Work a Success (September 2005)
- The Future of the Public Sector in 2025 (July 2006)
- Code of Conduct for Victorian public sector employees (May 2007)
- Future directions for workforce planning (June 2007)
- Barriers and enablers to the attraction, recruitment and retention of mature aged workers: background paper (2007)

# appendix 1 - agency self-assessment

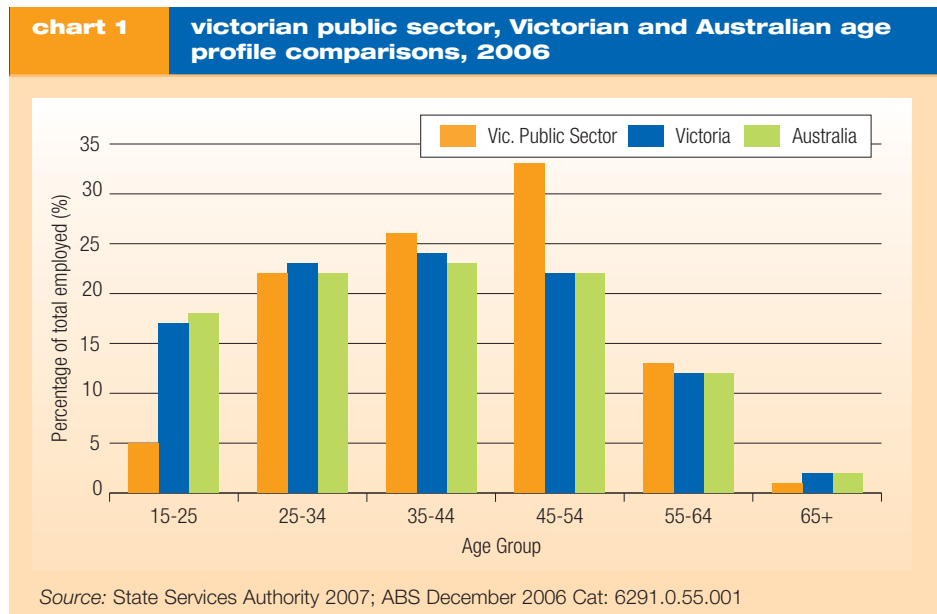
## agency self-assessment tool

In preparation for addressing each of the age-specific elements in this guide, you may need to undertake the following brief self-assessment of your agency profile and performance in relation to the attraction and retention of mature age workers.

**Q1** What is the age profile of employees within your agency?

Age Group	No.	%
15-24		
25-34		
35-44		
45-54		
55-64		
65+		
<b>Total</b>		

**Q2** How does this compare to the following profiles of the Victorian public sector, the broader Victorian workforce and the Australian workforce?



**Q4** Are there particular roles or work areas within your agency that are either under-represented or over-represented by older workers?

**Q5** What mechanisms does your agency already have in place to measure attraction or retention of older workers?

**Q6** What mechanisms do you have in place to identify and monitor age-related issues and work preferences of your employees? (eg through internal workforce surveys, or internal reporting tools)

## appendix 2 - superannuation

*The following is an abstract of information about superannuation for Victorian Government employees contained on the SSA website ([www.ssa.vic.gov.au](http://www.ssa.vic.gov.au)).*

Superannuation is a tax effective way of saving for retirement because generally employer contributions and fund earnings are only subject to 15% income tax (compared with normal income tax rates of 31.5%, 41.5% and 46.5% of income received above \$25,000 annually). It is also a low cost way of obtaining death and permanent disability insurance coverage.

The May 2006 Budget changes to superannuation (that came into effect after 1 July 2007) have simplified superannuation and removed many of the previously negative features of superannuation. More specifically, the tax treatment of superannuation pensions and lump sum benefits, withdrawn after age 60 will be totally free of any further tax. Pensions from taxed funds such as the GSO or allocated pensions from VicSuper will also be tax free. Reasonable Benefit Limits (RBLs) will be abolished and replaced by annual limits on the amount of tax deductible employer super contributions.

The changes also mean that eligible defined benefit fund members can contribute in a tax effective basis to their super fund out of pre-tax dollars (salary sacrifice). The term salary sacrifice means that pre-tax wage income is exchanged or sacrificed for additional employer super contributions which are taxed in the superannuation fund at 15%. Doing this allows public servants earning more than \$25,000 a year to significantly lower the costs of making additional super contributions because their marginal tax rate which would otherwise apply to these earnings is more than 15%. Government policy does not limit the amount an employee salary sacrifices into superannuation. Therefore employees are strongly advised to obtain independent financial advice before entering into a salary sacrifice arrangement.

There are a number of other superannuation changes, that offer a range of benefits to Victorian public servants (with eligibility and rules differing according to fund membership). These are:

1. Starting a Transition to Retirement Allocated Pension (TRAP) after age 55, while still working; and
2. Spouse Contribution Splitting.

### ***transition to retirement allocated pension (TRAP)***

The TRAP option is available through VicSuper and other providers, and allows members to access their benefits prior to ceasing employment. It is currently not available to members of the Revised, New (if eligible to become exempt, take total lump sums to rollover funds and purchase allocated pensions) and ESSS defined benefit funds because the entitlements in these funds are not crystallised until the date of exit from the fund.

### ***contribution splitting***

VicSuper (but not the defined benefit funds) allows fund members to split contributions with their spouse. The rules require that the super be deposited into the member's account first then after 1 July each year, up to 85% of new employer contributions and 100% of member contributions can be transferred to an eligible spouse account. The main restriction is that the spouse must be aged less than 65.

### ***superannuation websites***

More detailed information about Victorian Government Superannuation funds can be found at:

[www.gsoconnect.com.au](http://www.gsoconnect.com.au)

[www.esss.com.au](http://www.esss.com.au)

[www.vicsuper.com.au](http://www.vicsuper.com.au)

### ***contact us***

at the State Services Authority

Email: [info@ssa.vic.gov.au](mailto:info@ssa.vic.gov.au)

Phone: (03) 9651 1321

Fax: (03) 9651 1883

Postal address:

3 Treasury Place

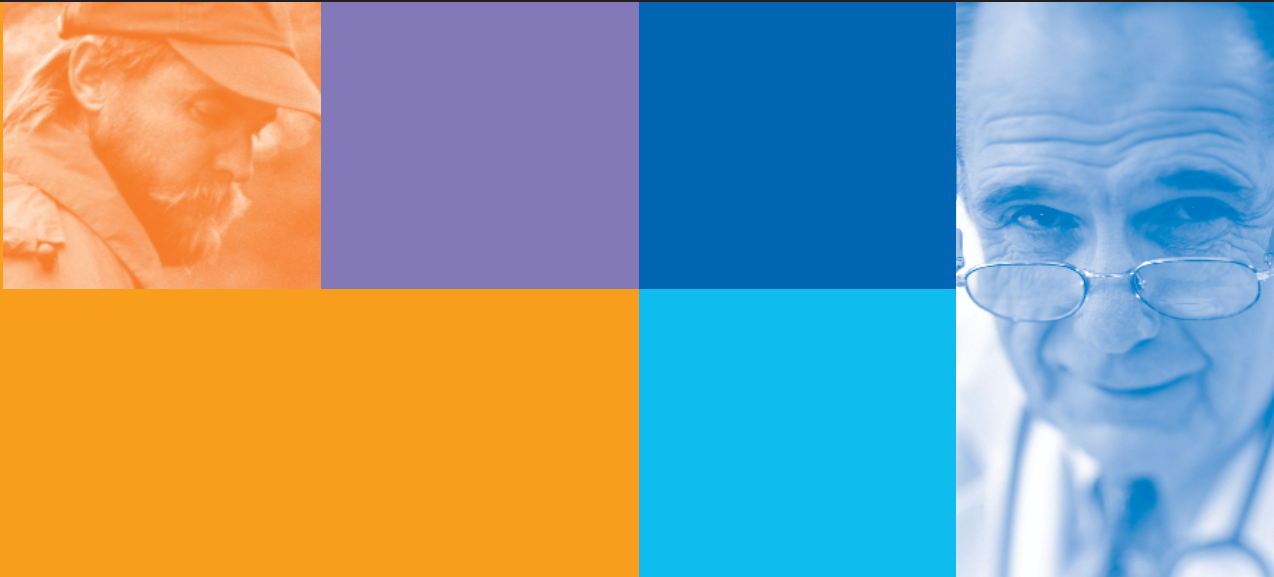
Melbourne 3002

[www.ssa.vic.gov.au](http://www.ssa.vic.gov.au)





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**Contact us**

at the State Services Authority

Email: [info@ssa.vic.gov.au](mailto:info@ssa.vic.gov.au)

Phone: (03) 9651 1321

Fax: (03) 9651 1883

Postal address:

3 Treasury Place

Melbourne 3002

[www.ssa.vic.gov.au](http://www.ssa.vic.gov.au)