

5. Workforce Demographics

5.1 Introduction Documentation

The Australian Government released its Intergenerational Report in 2010, which was based on data from the *Mid- Year Economic and Fiscal Outlook 2009–10* adjusted for the methodological changes to the System of National Accounts (SNA) from SNA93 to SNA08 by the Australian Bureau of Statistics in December 2009. This Report, like the 2002 and 2007 Intergenerational Reports, highlights the key facts surrounding the ageing of Australia's population and the implications for Australia of the 'Baby Boomer' generation moving into retirement.

The proportion of working age people is projected to fall, with only 2.7 people of working age to support each Australian aged 65 years and over by 2050 (compared to five working aged people per aged person today and 7.5 in 1970).

The key features of Australia's ageing population are:

- > As at June 2009, the median age of the Australian population was 37 years; an increase of 7.6 years in the past 28 years.
- > 13.3 per cent of Australia's population is aged 65+.
- > 24.3 per cent of the population is aged 55+, an increase of 2.3 per cent in just eight years.
- > The average intended age of retirement is around 62 years, up from 58.6 in 1996.
- > Life expectancy at the average effective retirement age is now 23 years for men and 26 years for women, about five or six years longer than it was some 30 years ago.

The implication for employers is that the makeup of the Australian workforce is already undergoing dramatic change, with the rapid ageing of the population that was forecast in the last two Intergenerational Reports already occurring.

The most dramatic change that is already noticeable is the rate of inflows of younger people has already started to fall. The labour force participation rate for people aged 15 years and over is projected to fall to less than 61 per cent by 2049–50, compared with 65 per cent today.

Second, existing employees are getting older, and there has been a tendency for many of them to retire as young as 55 years of age and for employers to target recruitment strategies at younger and traditional prime-age segments of the labour market. (*Workforce Tomorrow: Changing Labour Markets*, DEWR, 2005). The result is employers are competing for a shrinking segment of the workforce.

It is projected that labour market growth in the period 2002–2015 will be 15 per cent for workers aged under 45 and 85 per cent for workers aged over 45. As at 2001, nearly one third of all workers in all occupations were aged 45+ with some industries or occupations already reflecting the ageing workforce, with the average age of employees 50+. (*Workforce Tomorrow: Changing Labour Markets*, DEWR, 2005).

The Intergenerational Report recommends that, in order to address these issues, policy settings and labour force initiatives need to focus on lifting productivity, increasing our population and lifting workforce participation.

Government policy has responded through reform of the national training system and initiatives which address entry level training through the Australian Apprenticeship system, with a particular focus on lifting the skills of existing workers.

Social policy has seen the introduction of the 'baby bonus payment' to mothers, the paid parental leave scheme for new parents and, as of 1 January 2013, certain dads and partners will also be entitled to Dad and Partner Pay when they have or adopt a child.

Migration policy has also been adjusted with the introduction of flexible arrangements for temporary visas to meet immediate industry skilled labour requirements to combat skill shortages.

A number of Australian and Victorian Government programs have been designed to support people with a disability, carer parents, mature job seekers and long term unemployed to obtain work. The creation of job opportunities for these clients will be crucial in lifting workforce participation to meet the skill needs of business. It is in this context that employers will need to consider more flexible human resource practices as set out below.

5.1.1 Changing workforce demographics and implication

Over the next 30 years, as the workforce ages and many workers retire, and with fewer young workers to replace them, there will be a shortage of workers available to Australian businesses.

Without sufficient skilled workers, many businesses will have difficulty maintaining current levels of productivity and expanding to meet the increasing demands of both Australian and export markets.

Employers that set their sights on recruiting, retraining and retaining older workers will make significant progress toward ensuring the future viability of their business. Three key questions need to be asked: Who is currently in our organisation (retention)? Who do we want to attract to our organisation (recruitment)? What motivates them (attraction and retention)?

As labour shortages increase, employers will need to be innovative to attract and retain the shrinking supply of available talent. The workforce of the future will be more diverse, consisting of more parents, more people with disabilities, more people wanting to work part-time and older workers. New strategies are required, such as:

- > creating and maintaining a more diverse workforce
- > retaining workers, especially mature-age workers
- > mentoring and coaching new employees
- > increasing training for existing employees
- > improving 'life balance' for different types of employees (i.e. those with children, carers, mature-age)
- > flexible work practices.

5.1.2 Positive aspects of the ageing workforce

State-wide labour shortages mirror national trends and the relative decline in labour supply has already commenced and will accelerate sharply over the next 10 years (IGR 2010). A number of factors are forcing businesses to analyse their workforce, and plan for the following changes:

Table 5.1

Economic realities	Workforce changes
Record employment rate	Available workers growing older
Record participation rate	Fewer younger workers entering market
Demand for higher levels of knowledge and skill shortages increasing	Longer life expectancy
Shrinking resource pool	Workers retiring earlier
Threats to business profitability and economic growth	Having fewer babies

All businesses face an increasing proportion of older people in their workforce. Consequently, business owners and managers who try to understand the needs of experienced workers will benefit from forward planning to recruit, train, integrate and retain mature-age workers, and thereby, be better able to cope with the significant changes to the labour supply. There is an opportunity to extend the working life of workers aged 45 years and over.

Benefits to be gained by employing and retaining 45+ workers

- > retaining older workers for longer adds to workplace stability
- > access to a wider pool of talent
- > increased return on investment in training employees
- > assists organisations to maintain experience and knowledge
- > employee profile reflects ageing customer base.

Functional advantages to be gained by employing and retaining 45+ workers

- > already skilled and experienced
- > helps create a more diverse and productive workplace
- > assists business to become more flexible and responsive to change
- > increased capacity to coaching, mentoring, sharing knowledge and experience.

5.1.3 Diversity of generations, gender and ethnicity

The workforce of the future will be more diverse and, with the effects of population ageing and as labour shortages increase, employers need to adjust their recruitment and retention practices.

Clear communication and managing the culture of an organisation can present challenges when employing and maintaining a workforce with diversity in age groups, gender and ethnicity.

Strategies to support diversity in the workplace:

Recruitment – Attract strong candidates who are prepared to meet organisational goals and priorities and to work in the organisation's environment through using a variety of job search locations, accepting recommendations of potential candidates from employees and closely following EEO guidelines.

Hiring – Review internal human resources policies, processes and operations in order to streamline hiring and identification of good candidates and to promptly make job offers.

Supportive work environment – Provide employees with the direction and tools needed to perform the organisation's activities to the best of their ability, including leadership and diversity training for line managers, quality work-life considerations, offering a safe and productive environment, and fostering a sense of belonging and community spirit.

Learning and development – Training and development opportunities contribute to employees choosing to stay with the organisation.

Rewards and recognition – All employees like their efforts to be acknowledged. Employers can ensure that merit and results are used to differentiate rewards and recognition between employees.

5.2 Flexible workforce practice and best practice

5.2.1 Flexible work practices

Flexible work practices balance needs of the organisation and employees, accommodate workers' changing aspirations and reflect employees' individual circumstances including outside of work.

5.2.2 Flexible working relationships and environment

The change in workforce profile will have a significant impact on the work environment and working relationships. Each generation has different life experiences. These differing influences can lead to differences in work styles that need careful management.

Work environment

Doing work – Once, people spoke of 'getting a job', with the implication they would stay in that job for a long period of time. Today, people make active choices about the organisation they want to work in, and the type and structure of work they want to do (similar to a contractor).

Technology – Not only has technology (mobile phones, video conferencing, internet access, intranet communication and computers) altered 'how' work is done, it has also significantly affected 'when' work is done. This has meant that there is now a greater opportunity to blend work and personal life.

Commitment – In the past, loyalty to the organisation was rewarded with job security and, sometimes, a steady career progression. Today, with less job security, workers have a commitment to do the work they have been employed to do, and a commitment to self (i.e. achievement of personal and work objectives).

Productivity through influence – The traditional work style of hierarchical authority, and workers who followed instructions, is being replaced by a cooperative work style that requires leaders (who are not necessarily managers) to identify, utilise and monitor skills, to effectively communicate the purpose and objectives of a decision or instruction, and to demonstrate achievement.

Work relationships

Even though employers cannot guarantee job security, they can develop new and healthier relationships with employees through:

- > provision of skills enhancement and training to all employees
- > empowering employees to take control of their own career
- > offering flexibility in work patterns to experienced and/or mature-age employees
- > providing a supportive environment.

5.2.3 Different generations working together

Diversity is a critical element of the profile of today's society – gender diversity, cultural diversity and different learning styles. The nature of the labour market and work environment has been affected by changes in the patterns of male and female participation in the labour force, growth in part-time employment, technological advancement and generational diversity.

There are now four distinct generations working together within the workplace:

Generation	Born
1. Generation Z	2000 or later
2. Generation Y	1981 - 1999
3. Generation X	1964 - 1980
4. Baby Boomers	1946 - 1963
5. Silent Generation	Having fewer babies

There are not only differences in the values and communication styles of each generation, but there are also differences within each generation.

Each organisation needs to understand the impact of combining these values and styles, and plan strategies to manage productivity and the overall work environment.

Some of the differences that may exist between the generations include:

Response to Authority	Values
Attention to detail	Generational conflict
Career challenges	International experience

Response to Authority	Values
Learning topics, learning environments and learning behaviours	Coaching methods
Attitudes towards management, the organisation, work, other generations, etc.	Communication method preferences: email, telephones, mobile phones, face-to-face

There are also similarities among the generations – for example, everyone wants to learn and to have on-the-job development (regardless of age); not all younger people want to learn on computers.

Employers must understand that while each generation has had different career expectations, work ethics and management styles, it is critical to the on-going success of their businesses that they take action to accommodate these differences in the areas of communication, monitoring and management styles and methods. In particular, those born between 1980-1994 (Generation Y) value variety and challenges rather than tasks that are repetitive, being coached and mentored rather than being managed; they need participation and interaction.

The engagement, focus and productivity of all employees will be enhanced through understanding and accommodating diversity (including, generational differences) in the workforce.

5.2.4 Best practice

For an organisation to perform well, the critical elements of resources and customers must be well utilised and well served, respectively. A measure of an organisation's performance is the quality and quantity of work performance and resource utilisation; this productivity can be measured at an individual, group and organisational level.

Productivity can be monitored and evaluated through performance effectiveness and performance efficiency. However, in the current changing workplace environment, there are other critical factors that need to be included in the organisation's objective to achieve product and service quality and customer satisfaction (*Management, Campling, Poole, Weisner & Schermerhorn, 2nd Edition 2006*).

The critical factors that need to be considered by an organisation in order to find, adapt and implement outstanding practices in order to achieve and sustain high levels of performance:

- > pre-eminence of technology – new opportunities continually appear and change the way organisations operate and how people work
- > demise of 'command-and-control' – this management style is proving too slow, conservative and costly
- > focus on speed – any organisation work is expected to be well done and timely
- > embrace networking – internally and externally
- > belief in empowerment – demand for high-involvement and participation, with contributions of knowledge, experience and commitment of all members
- > emphasis on teamwork – organisations are becoming more horizontal in focus and need to pool talent for creative problem solving
- > new workforce expectations – less tolerance for hierarchy, more informality and more attention to performance merit than to status and seniority

- > concern for work-life balance – organisations must pay more attention to balancing the often-conflicting demands of work and personal affairs of workers.

Advice can be provided by Victorian Chamber consultants regarding relevant best practice strategies to benefit your business.

5.3 Building a skilled workforce

5.3.1 Skills analysis

Maximising the potential of each employee is vital to achieving productivity growth for your business. This is even more critical when the effects of skill and labour shortages will make it more difficult for employers to recruit employees to maintain and increase the productivity of their business.

To maximise the potential of each employee it is important that their current skills and knowledge are assessed and compared to the skill requirements of their role and future requirements of the business as a whole. Skill gaps identified should form the basis of professional development planning.

A skills analysis is the audit of each individual employee's technical skills, 'soft' skills and knowledge. The audit should be conducted by an HR Manager or the employee's direct line manager.

Review this information with the relevant line manager and the review process will highlight individual and team strengths and training opportunities, and alignment (or otherwise) with the business plan and objectives. A skills audit can be:

- > **Formal** – utilising the performance appraisal process
- > **Informal** – having a conversation with each employee, at the end of probation, and subsequently every six months.

Once a skills analysis has been conducted for all employees, it will be possible to assess the full capabilities of the business's workforce and allow for the planning of training on both an organisational-wide and individual employee basis. By studying the attitudes, values and expectations of new generations (Generation X and Generation Y – refer to 5.2.3 *Different generations working together*), better ways can be found to train and develop (and retain) all employees.

5.3.2 Recruitment and retention

With a tight labour market and the ageing of the population, combined with current skill shortages, it is critical that companies review current recruitment, selection and retention processes to maximise opportunities to attract, select and retain employees that fit into the corporate culture, are motivated to contribute and perform, and may stay with the organisation for more than a year or two.

a) Recruitment

Recruitment is the process of attracting people to apply for jobs, hiring the most appropriate candidates based on merit and results, and inducting successful candidates to company policies and procedures and the work environment (refer *Chapters 3 and 4* for an outline of the recruitment process).

Recruitment, therefore, involves elements of training, and may involve promotion, transfer or other changes in responsibilities and/or tasks from within the organisation, or the appointment of someone from outside the organisation.

Regular assessment and review of future skill needs enables consideration of alternative recruitment methods, including offering apprenticeships or traineeships. (Refer 9.6.5 *Apprenticeships and traineeships*.)

b) Retention

As it becomes increasingly difficult to maintain productivity and projected growth in this climate of skill and labour shortage, businesses must focus on strategies to attract and retain employees. Strategies include improving work and life balance for employees, maximising the social elements of work, providing purpose and meaning in work, providing development opportunities, addressing ageism in the workplace and offering flexible work practices.

Retention of existing employees is critical for business to maintain current productivity levels and to retain the valuable intellectual knowledge that employees accrue over their employment. The time, cost and scarcity of recruiting skilled workers means employers need to ensure they actively consider strategies that will result in the retention of their valued employees.

It is important for employers to consider the future work plans of their older workers and, in particular, their plans for retirement. Phased retirement, flexible working hours, re-designing jobs and responsibilities are strategies that could be used to improve the retention of older workers and their valuable knowledge and skills.

Retention objectives

- > **Reduce employee turnover** – Keep good employees through applying strategies such as rewarding competent employees, promoting the value of experience, identifying high achievers, individual career planning, and offering flexible work structures and roles.
- > **Increase return on recruitment and training investment** – The longer employees stay with the business, the greater the return to the business.
- > **Increase access to knowledge, skills and experience** – Utilise long-term employees to coach and mentor newer employees.
- > **Improve business culture** – Create a work environment where people are happy to come to work.

Employers must offer a flexible work environment, and attractive work conditions and incentives (including remuneration) to retain valuable employees and minimise costly (and, at times, unnecessary) turnover. (Refer 5.6.1 *Appendix, Flexible Work Practices*.)

5.3.3 Training and motivating the changing workforce

Training and motivation are critical components to maintaining employee engagement. Employees (including managers) reduce and/or withdraw their support and contribution when they feel stressed for too long, overworked or undervalued, or assigned jobs that provide little opportunity for growth and development.

Reasons why employees may continue to work include:

- > **Income** – to support a desired standard of living, meet financial commitments, or contribute to or supplement superannuation and retirement savings.

- > **Self-esteem** – to utilise experience and knowledge, and gain acknowledgement for making a useful contribution.
- > **Environment** – to interact with colleagues, utilise up-to-date technology and practices.
- > **Work-life balance** – to maintain an active and healthy lifestyle, pursuing other activities (e.g. family, leisure).
- > **Training** – to build skill levels, achieve professional goals and create new opportunities.

The achievement of professional and personal goals and recognition of an individual's efforts are often rated higher than remuneration as factors that motivate the employment decision of individuals. Therefore, effective professional development planning is an important component to ensure the engagement and motivation of employees.

Offering ongoing training to allow for advancement or role change within an organisation can offer new opportunities for existing employees, and can also be an effective means of meeting the future skill needs of the business. Accredited training (that is, nationally recognised qualifications) can be provided through accessing Australian Apprenticeships (apprenticeships and traineeships).

Existing and new employees who already have skills they have gained from previous jobs and life experience and commence an Australian Apprenticeship can apply to their training provider to have those skills recognised and credited towards relevant units of their enrolled qualification.

The Australian Government offers financial incentives and support to employers of Australian Apprentices, and to employees who meet eligibility criteria and are registered under an Australian Apprenticeships training contract.

Experienced workers may, at some point, seek a more flexible role in order to experience less stress, less responsibility and reduced working hours. This will provide opportunities for younger workers to be coached or undergo a training and development program, and even open up a career path.

It is important that businesses become 'learning organisations' where opportunities are created to engage all employees in goal setting, contributing to their own development plans, reading a variety of relevant publications, and even undertaking web-based learning.

Critical attention must be given to the training and development of all employees, and this includes: redesigning jobs and making them more flexible, coaching less experienced employees, and educating and training leaders within the organisation.

5.3.4 Planning for competitive advantage

Prepare your business to accommodate the labour supply change and the shrinking workforce with:

- > **A change of attitude** – Businesses and managers need to be more open-minded, flexible and strategic in their approach to recruitment and their expectations of job seeker skills. Encouraging older workers to remain in the workforce for longer and improving retention strategies will benefit the business, the work team and individual employees.
- > **A balance of experience, motivation and inspiration** – Experienced employees can role model and coach new workers, while new workers bring enthusiasm and fresh ideas to the work environment. Achieving this will not only provide a system of managing new workers and ensuring they gain from the skills, knowledge and experiences of long term employees, it will also mean that knowledge is retained within the business when older experienced workers retire. It will also lead to better workplace

communication and, when combined with effective retention strategies, will result in a stable workforce.

- > **Skills analysis** – Conducting a skills analysis of your business will identify the strengths and weaknesses in the skills and knowledge of your employees. It will also identify clear opportunities for improving the skills and knowledge of workers through training and, therefore, raise the productivity capacity of the business. By effectively harnessing the productive capacity of your employees, the business will be able to achieve greater efficiencies and in turn gain a competitive advantage.
- > **Managing needs and expectations** – All workers have needs and expectations within the workplace and in their personal lives. Employers that are able to manage those needs and expectations through flexible work practices will have a greater chance of retaining valued employees. The needs of workers with young families will be different from those who are older, and may be looking to change their working arrangements. Where the business can allow, employers should consider offering flexibility to workers to manage their individual needs.

With labour continuing to be one of the most constrained resources, businesses will need a strong emphasis on building the skills for existing workers through training and professional development, diverse recruitment strategies with an ability to attract and recruit job seekers from a diversity of backgrounds and circumstances, effective retention strategies, and a flexible workplace environment.

By applying these strategies, businesses will benefit from reduced recruitment and training costs, access to a wider pool of talent, increased return on investment in employees, retention of corporate knowledge and a productive and engaged workforce.

5.4 Victorian Chamber Policy and Advocacy Unit

5.4.1 Role of the Policy Unit

The Policy and Advocacy Unit works with the State and Federal governments to raise employer and community awareness of the impact of an ageing workforce, the availability of labour and the resultant skill shortages that face industry.

These issues are addressed through education and training opportunities for employees to have, and maintain, the level of experience and productivity that is required for their employer to succeed. Education and/or training can be flexible, depending on organisational expectations, role requirements and individual needs, and options may include: formal or informal learning environment, face-to-face delivery or on-the-job training, accredited or non-accredited courses, modules and skills training, and large or small group or one-on-one training.

It is important to ensure that people who are of working age and capable are provided with training to gain the necessary skills to find and maintain suitable, rewarding employment.

5.5 Victorian Chamber Services

5.5.1 Victorian Chamber Business Services

The Victorian Chamber provides expertise in areas such as workplace relations, occupational health and safety, workers' compensation, equal opportunity, human resources, termination, employee negotiations, and in the issues of workplace bullying, discrimination and harassment.

The Victorian Chamber also provides a number of services supporting international trade, business leadership and management, and networking.

Since August 2005, the Victorian Chamber has joined with the Department of Immigration and Citizenship (DIAC) to help employers understand the visa options and processes for sponsoring overseas workers to fill skill gaps. In 2005, the Department announced a targeted increase in the skill stream of the migration program by 20,000 migrants to 97,000 to help employers meet their skilled labour needs through various employer sponsored programs.

In conjunction with the large range of briefings and training programs on offer, the Victorian Chamber also provides a consulting service to promote and explain the various migration procedures (e.g. visa options and procedures), which are available to employers (including those in rural and regional areas) who are seeking to employ skilled overseas persons when they have not been able to find skilled workers locally. Contact the Victorian Chamber (tel: 03 8662 5333; info@victorianchamber.com.au) for information and assistance with all your business requirements.

5.5.2 Apprenticeship Support Australia

Apprenticeships Support Australia is contracted by the Federal Department of Education, Employment and Workplace Relations to deliver Australian Apprenticeships Support Services throughout Victoria. This is a free service. (Refer to 9.6.5 *Apprenticeships and traineeships*.)

VAS operates from 17 sites across Victoria, and provides advice on selecting the right qualification for your Australian Apprentice, completing and registering a training contract, claiming financial incentives and other support, and selecting your Registered Training Organisation.

5.6 Appendix

5.6.1 Flexible work practices

Many business owners and managers are becoming increasingly aware that Australia's population is rapidly ageing and is having a significant impact on their recruitment outcomes. Some employers may, however, not have had the opportunity to evaluate the impact of an ageing workforce on their business nor identified strategies or succession plans to address this issue.

Workplaces will increasingly need to provide a working environment and workplace practices that accommodate and balance business needs with individual employees' aspirations and personal circumstances. Employers who can offer some flexible work practices are more likely to attract and retain skilled and valuable employees.

Workplaces that acknowledge the demands of older workers and offer them the flexibility to work longer should they wish, will recruit the best. Some flexible work practices will suit some places and not others, and small to medium enterprises (SMEs) may not be able to incorporate all the strategies into their business. The right strategy for your organisation will depend on the size and nature of your industry and business.

The following information will help you find the right flexible work practices for your business, by providing practical examples that you can match to your workplace.

What are flexible work practices?

Flexible work practices are non-traditional work arrangements that allow employees to remain productive employees and still meet the employers' work needs.

Employer benefits

- > reduces or avoids unnecessary recruitment costs
- > avoids squandering the talents of older people
- > positive effects on employee health
- > promotes diversity and fairness throughout the workplace
- > holds on to experienced older workers
- > leads to higher morale
- > enhances corporate memory.

Employee benefits

- > feeling valued at work
- > feeling of control through flexibility
- > suits individual health circumstances
- > meets individual family circumstances
- > meets financial circumstances
- > allows work life balance (more choice over work and leisure balance)
- > greater sense of responsibility and ownership
- > better relations with management.

Overcomes

- > lack of career development/career options for older workers
- > limited training opportunities
- > unsatisfactory experiences at work – negative attitudes
- > low job satisfaction
- > lack of control over work time
- > deterioration in physical/psychological health. Examples
- > flexible working hours
- > part-time work
- > job sharing
- > flexible working year
- > working from home
- > part year employment
- > seasonal work
- > career breaks
- > purchased leave
- > phased retirement.

Flexible working hours

Allows employees to work an agreed number of hours spread over a set period of time to manage their work/non-work commitments.

Examples:

- > core hours with carry over or extra hours bank
- > flexi time/time off in lieu
- > accrued time/time off in lieu
- > staggering starting/finishing times
- > four-day week/nine-day fortnight
- > longer hours per day/fewer days per week.

Part-time work

Where employees work fewer hours than full-time employees:

- > Allows the employer to arrange jobs according to demands of business (peak or slow business days), etc.
- > Allows employees to work days that suit their individual commitments, while retaining the same benefits of full-time employment but on a pro-rata basis.

Examples:

- > four-day working week
- > nine-day fortnight
- > five-day 10.00am-3.00pm
- > regular core hours but not during school holidays.

Part-time work arrangements

- > minimises wages but still meets peak business demand
- > increases retention of experienced/skilled employees
- > provides flexible working arrangements for older workers to prolong their working life
- > allows employers the opportunity to extend hours of business
- > reduces recruitment/turnover/absenteeism costs
- > minimises turnover rates in monotonous, repetitive physical jobs
- > assists employees with conflicting out of work commitments.

Job sharing

An arrangement in which one full-time job is shared between two employees, each working part-time on a permanent basis. Job sharing may be a practical way of attracting and retaining experience and skilled workers who do not wish to or cannot continue to work full-time.

Examples:

- > employee 1 working 9.00am – 1.00pm
- > employee 2 working 1.00pm – 5.00pm.

Job sharing benefits may include

- > reduced turnover of employees from jobs that are demanding, monotonous or repetitive
- > provide flexibility in covering each job sharing partner during personal/annual leave
- > allow employers to extend hours of operation without incurring overtime costs
- > covering reception duties continuously during business hours (e.g. no employee lunch break to cover)
- > bring wider range of skills to one position
- > opportunities for job sharers to support and learn from each other
- > offers wider recruitment options.

Flexible working year

These are arrangements where employees work less than the standard year of 48 weeks with four weeks' annual leave. They generally require the employee to utilise leave without pay in some form to cover the extra weeks of leave taken.

Employee benefits may include

- > employees who can afford to forgo some of their annual income are able to better manage their family, other personal responsibilities or interests
- > manage care of older family members or care of a family member with a disability
- > balance the demands of work and study.
- > attracting and retaining skilled employees who cannot work a full year
- > reducing turnover and hence saving on recruitment and training costs
- > increasing employee commitment and motivation because of their satisfaction in being able to better balance work, family responsibilities or other interests
- > improved health and safety of employees at work due to removal of the stress of unsatisfactory care arrangements made when they are not able to take leave
- > better planning of peak and quiet times
- > salary savings if the employee taking additional leave does not need to be replaced (this may be the case if leave is taken at quiet times of the year for the business).

Examples:

Employees work for 44 weeks of the year, have four weeks' annual leave and then take an additional four weeks' leave without pay, rather than working 48 weeks a year and having four weeks' annual leave.

The income for 48 weeks is, in effect, averaged and paid over the full 52 weeks of the year.

Working from home

Home-based work is the practice of employees working at home rather than at the employer's normal place of business. The terms 'teleworking' and 'telecommuting' are also sometimes used for this practice. Home-based work may be a regular arrangement, where employees work some or all of their hours at home on an ongoing basis. Alternatively, home-based work may be an occasional arrangement used when circumstances require it. For example, in the case of illness of a family member of an employee, or when an employee needs an uninterrupted work environment to finish a job requiring close concentration.

Benefits may include:

- > increased productivity of employees (e.g. greater ability to concentrate due to less noise and fewer interruptions; less time spent socialising and no office 'politics')
- > retention of valued employees who might otherwise leave the organisation
- > savings on office space and associated costs
- > balancing the demands of being a working parent by reducing commuting time
- > help for employees with responsibilities for care of older family members, partner care or care of a family member with a disability.

Part year employment/seasonal work

Part-year or seasonal employment allows employees to work an agreed number of days / weeks / months over the year.

- > allows employers to meet peak business demands according to needs
- > allows employees to work part of the year that suits their particular lifestyle.

Examples:

- > working school holidays only to relieve other employees
- > working in 'lead up' to Christmas as extra employees.

Benefits may include

- > minimise wages but still meet peak business demand
- > increase retention of experienced/skilled workers
- > provide flexible working arrangements for older workers to prolong their working lives.

Career breaks/purchased leave

Allows employees to negotiate with their employer to take extended leave without pay for an agreed period of weeks/months at an agreed time.

Examples:

- > allows employees to undertake travel plans instead of waiting until they retire
- > 10 weeks' leave per year to cover school holidays
- > additional period of leave to enable them to share the care of a dependent family member over the year
- > employees 'pay' for this extra leave by taking a proportionate reduction in their regular salary throughout the year.

Phased retirement

By implementing flexible 'phased work to retirement transition', it is possible to equitably service the needs of both employees and employers. Phased retirement helps businesses to prepare for the loss of an employee's skills. It allows employees to alter the balance of their working and personal lives and prepare for full retirement.

For employers, gradual retirement could be a means of reducing capacity without losing the people concerned or the qualities, know-how and expertise they bring to the business. It can also provide a means of passing on skills and experience from older to younger workers.

For employees, gradual retirement could be a useful way of preparing to cope with the difference between working full-time and full retirement.

Benefits may include

- > overcomes the feeling of marking time and 'keeping the chair warm' until retirement
- > accommodates individual patterns of work to suit changing personal circumstances
- > often has positive effects on health and wellbeing
- > allows older workers to continue to contribute their experience and talents
- > turns a threat into an opportunity.

Introducing flexible work practices in your business

If any flexible work practice solutions solve your particular business problems make sure you:

- > Consult and discuss with your employees any proposed changes, particularly with those employees that might be directly affected by any new arrangements being offered or considered.
- > Explain to all employees how the new arrangements might work and why they are being introduced.
- > Ensure any new flexible work practices comply with work agreements, relevant industrial relations, occupational health and safety and anti-discrimination laws.