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Description

Australia is facing major demographic challenges fueled by low workforce participation rates and the exit of the baby boomers from the workforce. Universities are likely to face the same workforce challenges. However, they may be in a better position than mainstream businesses due to the skills required, the flexibility of hours, and the nature and casualization of the workforce. This opens the door to attract retiring business professionals and aiding them to transition into academic teaching roles. For this non-traditional recruitment pathway to succeed, universities will need to ensure they have appropriate education and training pathways, mentoring along with peer review and comprehensive performance management procedures.

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The Aging Workforce: how can Australian universities address future workforce challenges?

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THE AGING WORKFORCE: HOW CAN AUSTRALIAN UNIVERSITIES ADDRESS FUTURE WORKFORCE CHALLENGES?

ABSTRACT

Australia is facing major demographic challenges fueled by low workforce participation rates and the exit of the baby boomers from the workforce. Universities are likely to face the same workforce challenges. However, they may be in a better position than mainstream businesses due to the skills required, the flexibility of hours, and the nature and casualization of the workforce. This opens the door to attract retiring business professionals and aiding them to transition into academic teaching roles. For this non-traditional recruitment pathway to succeed, universities will need to ensure they have appropriate education and training pathways, mentoring along with peer review and comprehensive performance management procedures.

Keywords: induction, labour shortages, recruitment, skills shortage, learning and development

This paper explores how the aging workforce will impact on businesses and suggests ways in which they might respond to this challenge. The literature review reveals that universities are becoming more business-like and are likely to face the same workforce challenges. The paper argues that Australian universities may be in a better situation to address these challenges due to the nature of the work and the casualisation of the workforce. The rationale is that ageism does not appear to be as prevalent in universities, particularly in relation to academic teaching staff, where age and experience often translate or are perceived as wisdom and knowledge and hence treated with respect. Furthermore, university employment offers more workforce flexibility. University teaching also lends itself to the expertise of those who might be retiring from mainstream businesses or professions. Business professionals for example could transition into a lecturing or tutoring role with appropriate additional training and/or education, peer support and performance management. It is acknowledged that university staff includes support staff, researchers and academic teaching staff. The focus for this paper is on academic teaching staff.

THE AGING POPULATION

The developed world is undergoing substantial demographic changes characterized by declining birth rates, people living longer and the consequent aging populations (McLennan 1998; Shacklock and Brunetto 2011; Skills Australia 2010). Australia, though viewed as a young country, also faces the dilemma of an aging population (Parker 2004; Business Council of Australia 2003; The Business Council of Australia 2008; Skills Australia 2010; Norton 2009). Its population will increase to between 23.5 – 26.4 million by the year 2051. The median age of the Australian population will have risen from 36.8 years in 2007 to around 40 years in 2026 and to between 44-46 years in 2051. The population is aging for a number of reasons such as reduced fertility rates, migration, and the fact that people are healthier and living longer as a result of better diagnostics, more cures for illnesses and greater awareness of healthy living/preventative health measures.

The aging population will impact on Australia and other countries in a variety of ways, such as healthcare, superannuation, and the future of work and organisations, the latter is the focus of this paper. The surge in the number of older people will result in substantial workforce labour shortages (Leadbitter 2009; Norton 2009; Skills Australia 2010; The Business Council of Australia 2008; Lesser et al. 2005). In addition to the general aging of the population, there are further reasons why the workforce is aging, including a decrease in workforce participation rates, the exit of baby boomers from the workforce and a trend where Australians exit the workforce at a relatively young age (Jorgensen & Taylor 2008). The baby boomers were born between 1946 and 1965 and their departure from the workforce will have a significant impact as they head into retirement (Ferguson and Brohaugh 2010; Scott et al. 2008; Kelly and Harding 2004). In many cases, the decision to exit the workforce is not voluntary *(Business Council of Australia 2003; Buyens et al. 2008).* In light of the pending workforce shortage, the Australian government has been reviewing its policies around workforce participation and retirement.

Australia has one of the lowest workforce participation for older people in the developed world with only 49 percent of Australians between 55-64 years working. In comparison, 59 percent participate in the workforce in the United States, 60 percent in New Zealand and up to 65 percent in Scandinavia

(Lesser et al. 2005). It is important to increase workforce participation rates to lessen the impact of the pending labour shortage and reduce the burden on social security (Buyens et al. 2008).

How will the Aging Workforce Impact Business?

There is no doubt that the workforce is aging and this will have a significant impact on businesses. One of the main challenges for businesses will be to find the right people with the right skills. Australia requires a highly skilled population to maintain and improve its economic position and its workforce requirements in face of increasing global competition. (Shacklock and Shacklock 2006; Shacklock and Brunetto 2011; Leadbitter 2009).

Workforce Planning Initiatives

Businesses will need to adopt comprehensive workforce planning exercises as a way of addressing the challenges created by the aging workforce. This requires businesses to undertake a systematic assessment of future human workforce needs and the determination of actions to address those needs (Freyens 2011). In addition they will need to improve the way they attract and retain staff. This might include:

- Being an employer of choice. It will be important for businesses to have a good reputation and offer superior workplace conditions to attract skilled staff.
- Implementing strategies to address and reduce ageism, both in recruitment and selection and when older people are employed. Leaders need to develop a culture that acknowledges the strengths and benefits of mature workers (Shacklock and Shacklock 2006; Shacklock and Brunetto 2011).
- Developing strategies to retain valued employees by offering workplace flexibility. Some mature workers may prefer to work a shorter week to help take care of grandchildren, for example, or because they want more free time to enjoy their lifestyle (Buyens et al. 2008). Mature workers may also like the option to take additional annual leave.
- Implementing a flexible retirement policy (Koc-Menard 2009). Allow workers to “gradually” retire (Salt 2010). This will also help facilitate the transfer of skills and knowledge and may make it easier for the worker to adjust to retirement more easily (Taylor 2010).

- Ensuring mature workers are offered workplace training that is tailored and designed to allow for their learning styles and preferences (Koc-Menard 2009). Often mature workers are overlooked when training is rolled out particularly in relation to technology.
- Implementing clear and targeted succession planning with a focus on the mature worker. Mature workers need to know that they are valued and important to the business and should not be overlooked when planning succession.
- Providing appropriate workplace design and ergonomics that assist mature workers in the workplace (Koc-Menard 2009).
- Offering workplace wellness initiatives. As the workforce ages and chronic disease becomes more prevalent, workplace wellness will become increasing important. The cost of absenteeism in Australia is estimated at $7 billion each year (Cannings et al. 2010; Iverson 2010). Workplace wellness initiatives are believed to have benefits for both the employee and the organisation by increasing productivity, reducing absenteeism and presenteeism and reducing worker's compensation claims. Presenteeism is defined as workers being on the job though not fully functioning due to an illness or other medical conditions (Iverson 2010). Workplace wellness initiatives could include programs designed to assist with identifying health issues, stop smoking, weight loss and exercise programs.
- Offering mature workers new challenges. Some workers have been performing the same role for a long time and may have become disengaged and less productive. By offering additional challenges, the mature worker may be more engaged in the role and less likely to leave.
- As the workforce matures there will be additional generations working side by side in the workforce which may cause conflict. Businesses should find ways to facilitate the coexistence across the range of generations and develop a positive culture in this respect (Lesser et al. 2005).

Universities as Businesses

Universities are institutions which contribute to the economic growth and development of our society through research and innovation, and the dissemination of their research through publications,

consultancy and education. Higher education enables students to increase their body of knowledge, gives them competence and confidence and hopefully increases their career prospects. Over the last decade, universities have been put under significant pressure due to diminished government funding, finding ways to attract new income, control costs and address growing competition, both on and offshore. Universities have been forced to become more corporate or business-like with a focus on the 'user pays' model (Hoff 1999; Marginson and Considine 2000; Blackmore and Sachs 2000; Brown and Moshavi 2002; Harman 2002; Codling and Yielder 2004; Kent 2006; de Boer and Goedegebuure 2009). Many universities have tapped into the fragile international student market. With the increasing pressure to 'make a buck', universities need ensure their quality standards are maintained.

To add to these pressures, the aging workforce could be one of the most significant challenges faced over the next decade and beyond. Universities, like other businesses, should be focusing on ways to address this predicament through comprehensive workforce planning initiatives as outlined in this paper. Further, they will need to rethink their recruitment strategies to include more mature workers and consider integrating training with recruitment (Koc-Menard 2009).

The Aging Academic Workforce

Graeme Hugo, National Centre for Social Application of Geographic Information Systems, has been reporting about the significant implications of the aging academic workforce since 2004. He has alarmingly suggested that universities will be drastically impacted by the declining academic workforce and that 'between a fifth and a third of their staff will retire in the next decade (Hugo 2005: 20), and that some universities may lose half of their leadership in the next five years (Hugo 2005; Hugo and Morriss 2010). This view is further supported by the research conducted by Scott, Coates and Anderson (2008). A subsequent book by Fullan and Scott (2009: 6) reports similar finding which suggest 'the imminent retirement of the Baby Boomer generation will have a dramatic impact on the staff and leadership of our universities over the coming decade'.

Hugo in a recent report (2010) *Investing the Ageing Academic Workforce: Stocktake*, recommends that to get a clearer indication of the significance of the academic workforce challenge, it is important

to combine data from Department of Education, Employment & Workplace Relations (DEEWR), Australian Bureau of Statistics (ABS) and the Department of Immigration & Citizenship (DIAC) and for this data to drill down into the individual professions. This is important to get a sense of which professions will be most severely affected. Figure 1 shows DEEWR's statistics (2010) on the number of full-time and fractional full-time staff by age group, current duties classification and gender. This snapshot highlights the magnitude of the aging academic workforce. It is consistent with previous data and reports and confirms that around 40 percent of full-time and fractional full-time academic staff are over the age of 50 years and around 55 percent are over the age of 45 years. Further it highlights that only 18.4 percent are under the age of 34 years. It is important to note that this figure does not appear to include casual staff.

POTENTIAL OPPORTUNITIES FOR UNIVERSITIES TO HIRE THE RETIRED!

The traditional employment pathways for a teaching academic can be long and may take many years to secure a lead teaching position or administrative role such of Head of School, Dean, Pro-Vice Chancellor and so on. Following their school years, a student seeking an academic teaching career would complete both undergraduate and postgraduate study at a university, and in some cases professional accreditation. Often a graduate begins in a casual tutoring position and then applies for a more permanent tutoring or lecturing role. Subsequent promotions could lead to being appointed to a senior lecturing position, associate professor or professor position.

However, with the shrinking of the workforce, perhaps it might be timely and beneficial for universities to take a fresh look at the way they recruit their academic teaching staff to address workforce challenges. A low risk approach for both parties as shown in Figure 2 is to tap into the retired workforce. This approach would involve recruiting retired business professionals to lecture or tutor initially on a casual or part-time basis. This may necessitate further education and/or training to support their teaching. The requirement for education, training and support is the same whether the lecturer/tutor is permanent or casual as they are the university's primary interface with students. This will provide a pool of casual lecturers who may ultimately be recruited to permanent full-time

positions. This type of recruitment is already occurring in some universities, however in a non-structured informal way. There does not appear to be any strategic workforce planning to underpin this recruitment pathway which may go some way to address the decline in academic teaching staff. This non-traditional pathway will require significant resources and commitment by universities undertaking this initiative.

Benefits of Hiring the Retired

There are obvious benefits from tapping into retiring professionals. The main advantage would be their 'lived experience' and expertise in their profession. These mature workers have years of entrepreneurial experience at the 'coal face' and understand not only the theory of their profession but also the real issues faced on a day-to-day basis. This wisdom and experience is not something that can be found in a textbook. Many of these mature professionals would already hold undergraduate and postgraduate qualifications and in some cases professional accreditation. Furthermore, their close links with industry may create on-going opportunities for research and other forms of collaboration between university and business.

Hugo and Morriss (2010: 85-86) suggest 'a separate study should examine the issues of attraction of mid-career professional practitioners into academia with particular reference to remuneration, teaching and research skill development, employment conditions and work structure'.

This is a very valid point, not only is there an opportunity to tap into those retiring from businesses but also entice business professionals to join academia earlier in their career. The enticements may include improved remuneration, leave availability, work flexibility and conditions. Universities already offer superior superannuation packages which should be attractive to the mature worker.

Another reason why academia might be a good option for retirees is that it appears that ageism is not as prevalent in universities as other sectors as people's business or professional experience is a genuine asset in their teaching.

Aging tends to result in a decline in workforce participation because as people get older, they often contribute less to the workforce, by either not working full-time or leaving the workforce well before their 60s (Shacklock and Brunetto 2011; Jorgensen and Taylor 2008; Hugo and Morriss 2010; Buyens et al. 2008; The Business Council of Australia 2008). A non-traditional pathway into academic teaching may go some way to increase workforce participation rates.

Financial reasons may be a motivating factor for retiring professionals to transition into university teaching. Ferguson and Brohaugh (2010) suggest the 'boomers' didn't save like their parents and may not be financially prepared for retirement. This scenario coupled with the global financial crisis (GFC) has certainly hurt a lot of potential retirees. Although university remuneration packages are usually less than those of industry, a salary at some level is better than none, and the university's superannuation offerings may be particularly attractive.

Challenges of Hiring the Retired

Historically, universities have been elitist in their thinking and behavior around learning and teaching, and project and support the notion that the higher the education qualification, the better the teaching and learning outcomes and quality will be. This is reflected in their selection and recruitment process. If this non-traditional model is to succeed, this perception will need to be managed and recruitment practices adapted to accommodate this. University and faculty leadership will be required to develop a culture to support this non-traditional pathway. They will need to promote the advantages of this approach to ensure these new teachers have respect and credibility they deserve from existing staff and students (Cure 2008; Shacklock and Shacklock 2006; Buyens et al. 2008).

Bencsik and Trunkos (2009) suggest that lifelong learning is very important for both employees and employers. It is important for employees as it keeps them up-to-date with the changing society, economy and skills and knowledge of the organisation. For employers this continual learning and development of knowledge enhances and enriches a learning organisation.

One of the challenges of this model could be the re-training and education of mature workers. There is a perception and belief that older workers resist learning new information and skills (Koc-Menard

2009). To teach at a university level, whether undergraduate or postgraduate, requires not only practical experience, but understanding of relevant theory. Often people in business have had little time to keep their knowledge of academic research up to date. Furthermore, even if they are up to date with their discipline, they may not be aware of the best ways to teach or assess it. They may also not have had any exposure in their own university education to the generic skills demanded by the new discipline standards and the Australian Qualifications Framework. Hence there is a need for considerable education and training before a business person can be put in front of a classroom in anything other than a guest lecturer role. As part of their transition to university teaching, it would be essential to have performance reviews in place (Shacklock and Shacklock 2006). Universities will need clear and well administered mentoring and peer review processes, coupled with student evaluation of their teaching. This triangulated approach will generate data and feedback, which, if acted upon, will help ensure quality teaching.

Conversely, the expectations of the retired professionals may need to be managed. Many would have emanated from a business environment that is not heavily bureaucratic and is structured in a way that timely decisions can be made. Typically universities have layers of decision making committees which slow things down. This may prove frustrating for those not used to this environment. Here again mentoring will smooth the transition, helping new academics understand ‘how to get things done in a university’.

Conclusion

Australia is facing major demographic challenges fueled fundamentally by low fertility rates. This is exacerbated by low workforce participation rates and the exit of the baby boomers from the workforce. Essentially what this means is that it will be extremely difficult for businesses to source the skilled workers required. Universities will be faced with the same workforce challenges. However, universities may be in a better position than mainstream business in relation to their aging workforce because of their flexibility and the nature and casualisation of the workforce. This opens the door to attract retiring business professionals and aiding them to transition into academic teaching roles. For this model to succeed, universities will need to have formal processes in place that include appropriate

education and training supported by a comprehensive mentoring, peer review and performance management procedures.

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Figure 1

Number of Full-time and Fractional Full-time Staff						
Gender/Age Group	Above Senior Lecturer	Senior Lecturer (Level C)	Lecturer (Level B)	Below Lecturer (Level A)	All Class ificat ions	%
Persons						
< 25	0	3	10	278	291	0.6%
25–29	1	37	774	1,877	2,689	5.7%
30–34	64	577	2,609	2,428	5,678	12.1%
35–39	462	1,478	2,943	1,329	6,212	13.2%
40–44	1,159	1,814	2,419	901	6,293	15.2%
45–49	2,057	2,072	2,370	662	7,161	15.2%
50–54	2,570	1,985	2,034	555	7,144	15.2%
55–59	2,502	1,609	1,397	337	5,845	12.4%
60–64	2,019	969	811	142	3,941	8.4%
> 64	1,002	324	315	69	1,710	3.6%
Total Persons	11,836	10,868	15,682	8,583	46,969	

Figure 1, Number of Full-time and Fractional Full-time Staff by Age Group, Current Duties Classification and Gender, 2010 (Australian Government 2011).

Figure 2

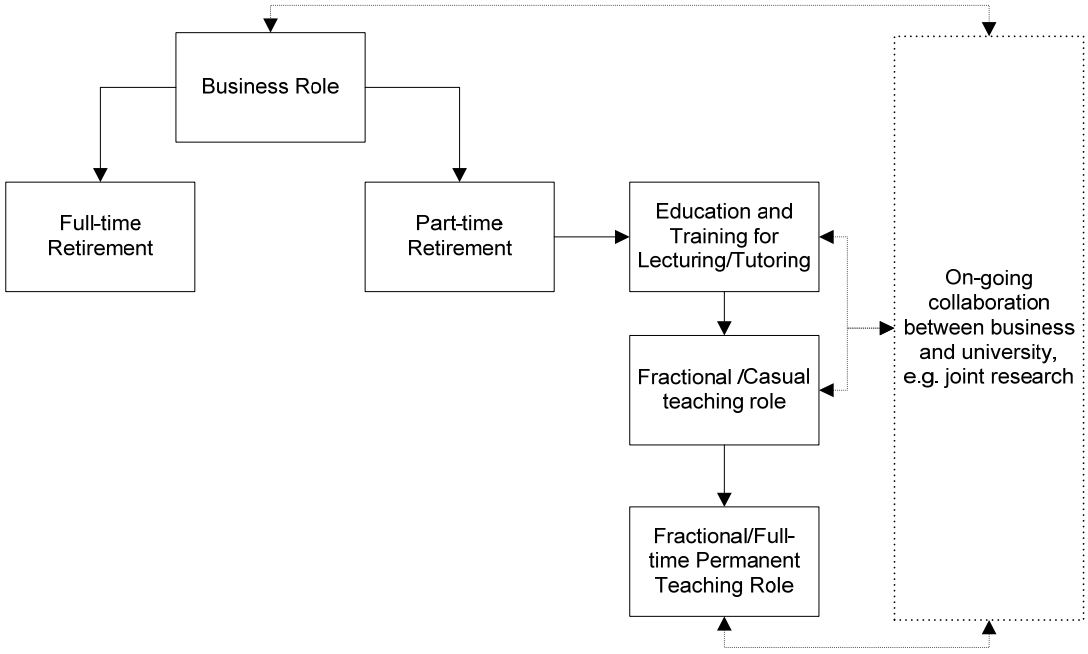

Figure 2, A non- traditional pathway into academic teaching