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The aging workforce: how can Australian universities address future workforce challenges?

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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.

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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. This paper explores the impact of the aging population on businesses, with a particular focus on universities, and provides one approach that could be used to address this situation. Universities may be in a better position than mainstream businesses due to the skills required, the flexibility of hours, and the casualization of the workforce. This opens the door to attract retiring business professionals and transitioning them into academic teaching. For this non-traditional recruitment pathway to succeed, universities will need to have appropriate education and training pathways, mentoring, peer review and comprehensive performance management procedures in place.

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

THE AGING POPULATION

This paper explores the impact of the aging population on the businesses, with a particular focus on universities, and provides one approach that could be used to address this impact. The aging population will impact on Australia and other countries in a variety of ways, such as an increase in healthcare costs, superannuation, and the future of work and organisations. 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).

Impact of the Aging Workforce on Business

There is no doubt that the aging workforce will have a significant impact on businesses and finding the right people with the right skills to do the job will become more difficult. Australia requires a highly skilled population to maintain and improve its economic position and its workforce requirements in the face of increasing global competition. (Shacklock and Shacklock 2006; Shacklock and Brunetto 2011; Leadbitter 2009). An aging workforce will generate a range of challenges such as attracting and retaining staff. Other challenges will include pressure on current staff to do more, higher staff turnover and health and wellness issues, as there is a higher risk of chronic disease such as heart disease and diabetes as people age (Iverson 2010). Older workers are also prone to increased workplace injury and this will heighten exposure for businesses to Occupational Health & Safety risks (Salt 2010). Retaining critical knowledge before it leaves the organization will also be a significant challenge and businesses will need to have strategies in plan to capture this information (Lesser, Farrell & Payne 2005; Leadbitter 2009).

Also roles may require reengineering to take into account the needs and requirements of the mature workers. These might include:

- Providing a flexible workplace and retirement policies
- Ensure training is tailored and designed to meet the needs of the mature worker
- Offering workplace wellness initiatives

- Providing the mature working with challenges and ensure they are not overlooked in succession planning

It is important to understand how the aging population will impact on the workforce so businesses can be proactive in finding ways to address the problem to make sure the impact is minimized.

Universities are institutions and big businesses 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 Yelder 2004; Kent 2006; de Boer and Goedegebuure 2009). However, one of the most significant challenges universities will face over the next decade and beyond is the aging workforce. Universities, like other businesses, should be focusing on ways to attract and retain staff. Further, they will need to rethink their recruitment strategies to include more mature workers and consider integrating training with recruitment and ways to address other challenges associated with an aging workforce (Koc-Menard 2009).

This paper argues that Australian universities may be in a better situation than other businesses to address these challenges due to the nature of their 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 is 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,

mentoring, 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 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.

Fullan and Scott (2009p.6) state “recruitment is going to be excessively difficult as this will occur simultaneously across all developed countries, and the 1970 strategy of filling the gap through recruitment of academic from overseas will not work”.

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 academic 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. An 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. Further this might facilitate collaborative research opportunities with industry. 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.

Transitional Process into Teaching

For this initiative to be successful, a clear process is required as outlined in Figure 3. The recruitment process would commence with advertising the relevant teaching positions. Advertising should be

placed in media that ensures that it is seen by the relevant target market. Suitable candidates with the appropriate qualifications and experience would be interviewed for the position. The candidate would be expected to give a sample teaching presentation as part of the interview process. If selected, the candidate would be assessed to identify if any specific education or training is required. Some candidates may be enrol in a Graduate Certificate of Education or Tertiary Teaching for example and training may include areas such as curriculum and pedagogy, identification and reporting of plagiarism and evaluation of student assessment. The selected candidate would be allocated a mentor. Mentoring is described as “off-line help by one person to another in making significant transitions in knowledge, work or thinking” (Megginson et al. 2008p4). In this instance, it will specifically assist with the transition into the university environment and support the new teacher with their learning and teaching. A comprehensive induction would take place to familiarise the new academic to all aspects of the role and to facilitate institutional alignment. Regular Peer Reviews will also be vital. Peer review provides an academic with feedback on their learning and teaching and is particularly effective form of teaching development and can be conducted on an informal or formal basis (Bell 2002). In some cases, peer review is performed with a colleague as a pair, however for this purpose, the review will be conducted by their mentor or an expert educational development. Figure 4 demonstrates that the process is cyclic in nature. The process commences with a pre-observation meeting, followed by the observation, post observation feedback and reflection (Bell 2002).

Ongoing professional development will also underpin the process. This might include pedagogy developments, technology, evaluation of student work or discipline specific updates. Regular performance reviews will be important to provide constructive feedback to the new academic to foster their development and transition.

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 the 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'. It is important not only to tap into those retiring from businesses but also to 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' did not 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

If this non-traditional model is to succeed, it will be essential for these candidates to have the support of the University and faculty leadership. Those in charge will need to promote the advantages of this approach to ensure these new academics have the respect and credibility they deserve from existing staff and students and to dispel any negative stereotypes about mature workers (Cure 2008; Shacklock and Shacklock 2006; Buyens et al. 2008).

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 professional 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'.

This non-traditional pathway will require significant resources and commitment by universities undertaking this initiative. It will also require a champion who will take responsibility for the process.

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. The main benefit to this concept is tapping into the wealth of expertise and knowledge of retiring industry professionals which will assist with addressing pending workforce shortages. For the industry professional it also provides them with additional income and the rewarding aspect of sharing their wisdom and knowledge with the younger generation. Of course there will be challenges. The implementation of the process could prove costly, it will require someone to champion the project and facilitate all facets of the process. However the benefits certainly outweigh the negatives. The process would certainly be more cost efficient than recruiting from overseas and is a possible solution to a major challenge facing universities now and into the future.

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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 Classifications	%
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

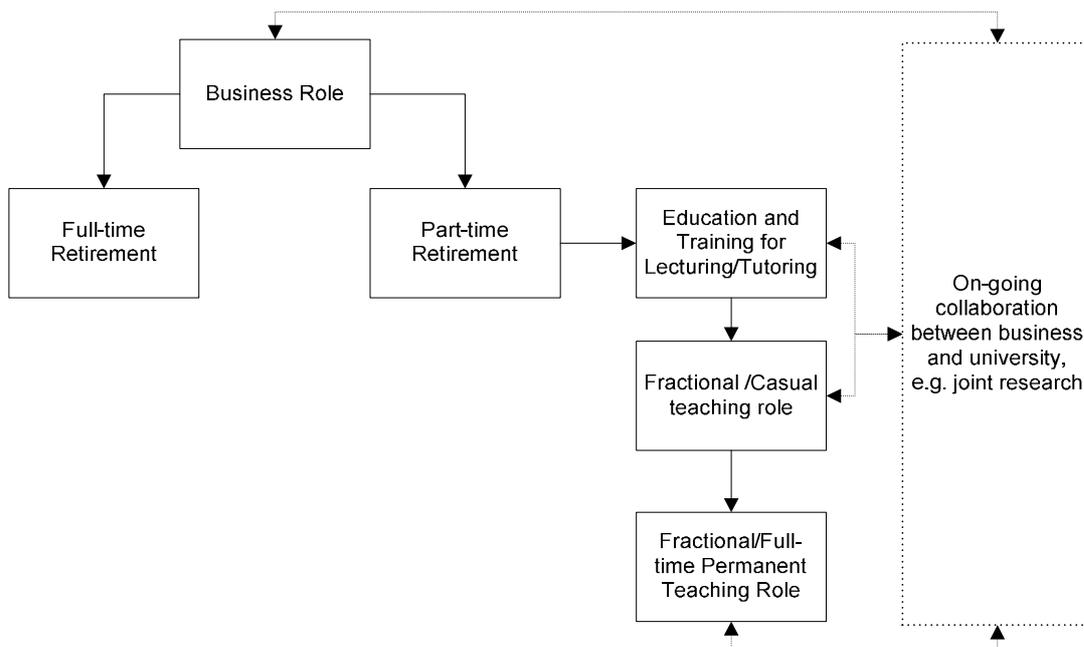


Figure 2, A non- traditional pathway into academic teaching

Figure 3,



Figure 3, Transition process into teaching

Figure 4

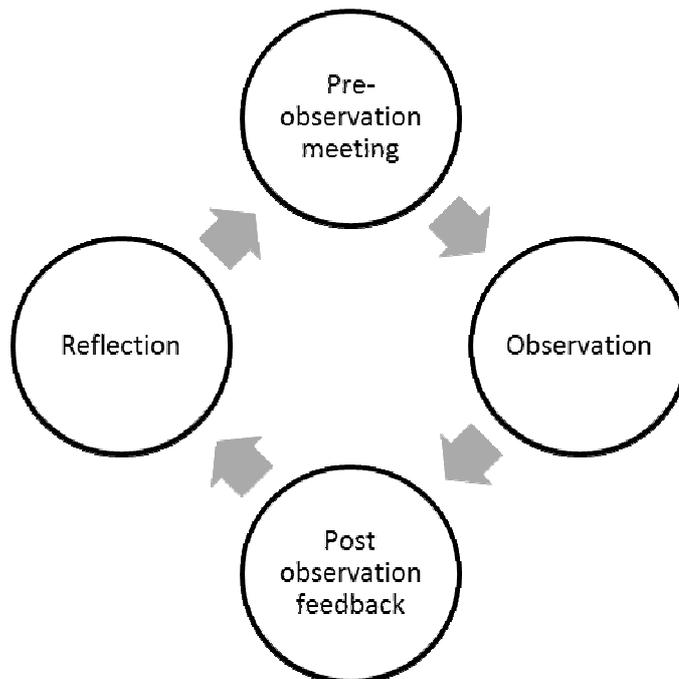


Figure 4 Typical cyclic peer observation process (Bell 2002)