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business

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Denice Rice



Noel

Happy workers stay on the job

WA businesses face the challenge of a shrinking workforce in 2008, writes **Denice Rice**

KEEPING bums on seats will be the biggest challenge for most WA businesses in 2008.

Faced with an ever-diminishing pool of workers, businesses that can attract and keep staff will be the ones that ride out the waves of change in 2008, according to Australasian Management Centre managing director Greg Kinnaird.

The new year is one of big changes and challenges for business as technological and social change redefine the workplace.

The builders and baby-boomer generations will continue their move to retirement, employees will demand more individualised working arrangements, and workers will be interconnected like never before — courtesy of phenomena such as Facebook and My Space.

“Workplace leaders of the future will need to be a ringmaster at the centre of a corporate circus; flexible, balanced and friendly,” he said.

Mr Kinnaird said that while the present shortage was blamed on the resources boom, businesses shouldn't think the shortage would end when the boom ends.

“What we are experiencing with today's resource boom and the challenges it brings is simply a tap on the shoulder. The ageing population, generational shifts and desire for a better work-life balance will keep the labour market tight for years to come,” he said.

“In the next five to 10 years nearly 40 per cent of workers will be retiring. This will leave many workplaces with a skills deficiency and will force management to become more reliant on improved systems and processes.”

Mr Kinnaird said companies

GROWING OLDER: A BREAKDOWN OF AUSTRALIA'S WORKFORCE

Description	Born	Age	Population (million)	% of Population (million)
Builders	Before 1946	61+	3.5 million	17%
Boomers	1946 – 1964	42 – 60	5.3 million	26%
Generation X	1965 – 1979	27 – 41	4.4 million	21.5%
Generation Y	1980 – 1994	12 – 26	4.2 million	20.5%
Generation Z	1995 – 2009	Under 12	3.1 million	15%



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— GREG KINNAIRD

lost significant amounts of “corporate wisdom” when baby boomers left and to avoid a vacuum, companies needed processes in place to capture that wisdom.

“Otherwise, organisations will be left with very significant labour and management voids,” he said.

“We are seeing the signs of workplaces that are stretched, which is having a negative effect on productivity, staff morale and job satisfaction.”

Mr Kinnaird said an unwillingness to embrace technological change would be a hurdle for many business leaders.

This was already being seen in some companies which were banning sites such as Face Book and My Space, instead of encouraging their practical use and seeing their availability to their staff as a kind of “fringe benefit”.

“Many bosses automatically

assume that such sites will be abused and don't see that mastering the use of such technology can sometimes be a skill that will have a future application within a business context,” he said.

“The Generation Ys that make up more than 20 per cent of today's workforce are usually more IT savvy than today's captains of industry, therefore, it is imperative that workplace leaders utilise the ability of Gen-Yers and manage these emerging technologies effectively.

“As much as today's Gen-X and baby-boomer bosses need Gen-Y's IT skills, Gen-Ys need wisdom to guide them. Collectively, this will give organisations the innovative edge.”

Another key to retaining employees in the next five years would be recognising diversity in the workplace, Mr Kinnaird said.

“Gen-Y has something of an

unfair reputation for little company loyalty and poor job commitment,” he said. “But it has been found that Gen-Ys have a shorter job tenure not so much because of a lack of loyalty, but because of a desire for variety, challenge and change.

“Companies that provide a dynamic workplace that fulfils these needs will capture and hold valuable young workers.

“And just as a dynamic workplace will be important to Gen-Y, a family friendly workplace will increasingly be important to Gen-X and baby boomers.

“In the '60s the average employee retention rate was 15 years. Today that rate is just four years. Flexible work environments are essential because the baby boomers and Gen-Xs will be home-carers to their loved ones as the population ages.”