

## ***The Workforce of the Future***

for *Credit Management in Australia*

AICM Magazine

Monica Davidson reports and talks to Jan Reeves of Credit Recruitment

In the next thirty years your workplace will look very different from what it does now. For a start, around 41% of employees will be over 65, as opposed to 19% today. Unemployment will be a distant memory, and the new economic concern will be the oversupply of jobs versus the lack of available employees. Women are likely to make up half of those employed in permanent positions, as opposed to one-third today. Subsidised and tax-deductible childcare in the work place, flexible hours, job-sharing and extended 'personal leave' may be the norm.

If this sounds like science-fiction, think again. The baby boom of the 1940s and 1950s has now resulted in a workplace where, in 2003, 32% of people participating in the labour force were aged 45 to 64 years. According to the Australian Bureau of Statistics, this is a jump from 24% in 1983. If this trend continues, and as Australia's population ages, it is likely that retirement as we know it will cease to exist. With healthier ageing, more workers may be able to choose to continue employment though to their 70s and 80s.

With this change, however, it is likely that older workers will expect a better quality of life. Dr Don Edgar, author of *The War Over Work: The Future of Work and Family*, was recently quoted as saying that older workers won't accept the old ways. "They will demand flexibility in working hours and place of work, and time off to deal with their own older parents, sick spouse and demanding grandchildren". Big companies such as Alcoa have found that more than 50% of male workers are that of the 'sandwich generation', caring for both their elderly parents and their still-dependent adult children. These kind of life stresses and financial burdens will not create a compliant older workforce, but rather a large percentage of skilled, valuable workers with demands that must be met.

Currently, however, this demanding majority of older workers is not yet a reality. Since the 1990s, a range of legislative and policy changes in the areas of social security and superannuation have been put in place to encourage older people to stay in work. However, keeping people employed has not necessarily been successful with employers. Increasing numbers of people over 40 are losing their jobs through restructuring, and in a recent survey of retrenched white-collar workers, 90% said they found it difficult to find paid work. It's been estimated that as many as 75% of retirees were not yet ready to finish working completely when their employment ended.

There is also a certain amount of discrimination in the workforce against the older worker. Despite recently enacted anti-discrimination laws, the ACTU recently found that discrimination had worsened, with around 60% of over-55s being unable to find work because they were 'too old'. A Mission Australia Snapshot published in 2004 stated that, although older workers were often held in high regard by their co-workers, they were also found to be "over-cautious, unable to adjust to new technology, inflexible, and prone to uneasy relations with younger managers".

Jan Reeves, Managing Director of Credit Recruitment, has witnessed this trend. "Certainly in the twelve years that I've been recruiting, I've seen discrimination increase, but we're seeing the tide change now." She continues, "I've read a lot of Mission Statements and Forward Planning statements of large organisations, and they're now including the retraining of older people. I think we've only just started to see the tip of that. On some cases it may already be too late."

Another sector of the workforce that may see increased representation in the future are mothers. As the Australian birthrate declines, and the workforce shrinks due to the ageing population, it is very possible that young women with children could also be a new power in the labour force.

Jan Reeves says, "Because of the shrinking work force, mums with small children who want to work part-time or full-time will be in great demand. Employers will have to make concessions available to them." She continues, "I think mums will be so valuable that the workforce will be happy to have them for part-time, flexible time, whatever suits the mothers."

The rise of mums at work is reflected in the statistics. In the last twenty years the overall labour participation rate has increased, and according to the ABS the main force behind this has been the female participation rate. In June 1982 women represented a 45% participation rate in the labour force, and by 2002 this figure had risen to 55%. During the same time period, male participation rates have been slowly dropping. More importantly, women in their child-bearing years tend to remain in the workforce now instead of leaving to raise children, as they did twenty years ago.

It is vital that companies recognise the importance of these shifts in the labour market. Retraining of older workers, support for younger workers with families, and listening to employees will be critical. Most importantly, flexibility in working arrangements will be the key. Creating a work-life balance could be the answer to what is shaping up to be the biggest employment crisis of the new millennium – the shrinking work force.

Some companies such as Credit Recruitment are already anticipating the crisis. Jan Reeves says "Because we are very aware of what's happening, and because we want to be expert at guiding our clients through these changes, we actually gather statistics on recruitment and staffing trends, and we find out what our clients can expect to happen in their workplaces in the future."

Credit Recruitment publishes a comprehensive Salary Survey for the credit recruitment industry annually. This survey can help businesses anticipate what might happen in their labour force. For example, the most recent survey indicates that 65% of companies surveyed would consider recruiting mature aged workers who required training. Obviously some fore-sighted managers have already recognised that action need to be taken.

The labour force in 2035 will be practically unrecognizable compared to what we see today. How many companies are preparing for that change?

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### **BIOGRAPHY**

Monica Davidson is a freelance media consultant and producer for TwoShot Media. Her clients include Credit Recruitment Specialists. Monica has extensive experience in consulting on the merge between business, media and the arts, particularly in film and DVD production.

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