

BRIDGING THE SKILLS GAP

Research and insights that can impact on your world of work
2011

ACCOUNTANCY & FINANCE/CONSTRUCTION/CONTACT CENTRES/EDUCATION/TECHNOLOGY/LEGAL SAFETY/POLICY & COMPLIANCE/RESOURCES & MINING/ENGINEERING/HUMAN RESOURCES/LOGISTICS/FACILITIES MANAGEMENT/FINANCIAL SERVICES/SOCIAL CARE/SALES & MARKETING/ENERGY/OFFICE SUPPORT/RESPONSE MANAGEMENT/HEALTHCARE/OIL & GAS/ARCHITECTURE/ASSESSMENT & DEVELOPMENT/PUBLIC SERVICES/ACCOUNTANCY & FINANCE/EDUCATION/PHARMA/CONSTRUCTION & PROPERTY/RESOURCE MANAGEMENT/MANUFACTURING & OPERATIONS/RETAIL/INFORMATION TECHNOLOGY/SALES & MARKETING/STRATEGY/BANKING/ENERGY/ENGINEERING/HUMAN RESOURCES/FINANCIAL SERVICES/PHARMA/MANUFACTURING/HEALTHCARE/AR/PROCUREMENT/HUMAN RESOURCES/EDUCATION/PHARMA/CONSTRUCTION/CONTACT CENTRES/OPERATIONS/TECHNOLOGY/HEALTH & SAFETY/ENGINEERING/RESOURCES/INSURANCE/ENGINEERING/LOGISTICS/RESOURCES/PUBLIC SERVICES/RESOURCES & MINING/ENGINEERING/HUMAN RESOURCES/CONTACT CENTRES/SOCIAL CARE/ENERGY/HEALTHCARE/OFFICE SUPPORT/LEGAL/OIL & GAS

INTRODUCTION

Nigel Heap

Managing Director, Hays Asia Pacific



The global financial crisis may have slowed Australia's skills shortage for a time, but by early 2010 a renewed enthusiasm to recruit had brought stability and fresh optimism to markets across Asia Pacific. Job numbers rose and candidate movement increased, but the threat of skills shortages - or a shortage of qualified and experienced trades and professional people - again hovered on the horizon.

By the end of 2010, skills shortages began hitting businesses once more and in this boom cycle we expect the impact to be harder than ever before. This is not only due to business growth. The movement of baby boomers out of the workforce and into retirement will also have a significant impact.

In this context the ability to overcome skills shortages and secure the top talent will be critical to business success. This white paper examines six strategies to help you do just this. Future policy changes may also provide additional methods to help or ease the recruitment of skills in short supply. But for now, these are six strategies employers can apply on a daily basis to help meet their human resource needs.

Our intention in this White Paper is to share our expertise as well as the insights gained from a survey of 462 employers, conducted in October 2010. By sharing our following six-point plan we hope to offer innovative solutions to help our clients bridge the skills gap in today's highly competitive talent race.

In summary, our six-point plan for bridging the skills gap is:

1. Be flexible
2. Have a plan
3. Create an employment brand
4. Source far and wide
5. Train and develop
6. Focus on retention

Before moving on, I also want to acknowledge that a number of you may already be using one or several of these strategies - but what we're suggesting is that you apply all six strategies simultaneously. Adopting one or two in isolation is not enough to overcome the severity of the skills shortage that we will face. So I urge you to consider ways in which you can address all six strategies in your workplace.

Finally, as a results-orientated company, we hope the strategies detailed herein will help you achieve a lasting and positive impact in your world of work.

**Nigel Heap, Managing Director
Hays Asia Pacific**

Six point plan for bridging the skills gap



BACKGROUND

Overall 70 per cent of organisations are experiencing skills shortages

The resources boom will reshape our labour market as employers and the government scramble to find solutions to the impending skills crisis. The boom is already emerging, with multiple resources projects combined with large-scale oil and gas projects expected to see the shortage of technical skills reach a height never before seen in Australia.

But the shortage will extend far beyond engineering talent. The whole resources chain, from exploration right through to exporting is already experiencing a shortage of skilled workers. Thus the resources boom will filter through to impact all industries right across Australia, with positive economic conditions and new projects further fuelling the growth of new positions and the need for staff.

In this context, a shallow pool of talent in many specialist areas combined with our ageing working population and the retirement of skilled baby boomers will compound to see shortages reach critical levels.

This trend is not just centred upon city locations either. Employers operating in regional areas, such as Gladstone and Surat Basin in Queensland, face the same challenge.

Nor is it limited to Australia. Major international law firms, accounting firms, mining companies and others are already proactively poaching our skills.

Our research found that, overall, 70 per cent of organisations in Australia are already experiencing skills shortages:

- 82 per cent of the public sector
- 73 per cent of large organisations
- 64 per cent of small business
- 62 per cent of medium organisations
- 60 per cent of not-for-profit organisations

The largest skills shortages exist in:

- Accountancy & Finance positions in small businesses (50 per cent)
- Technical positions in large organisations (38 per cent)
- Engineering positions in the public sector (32 per cent)

This is by no means an exhaustive list. In our experience, skills shortages are now evident across a range of sectors and industries and various studies support this, including the Skill Shortage Lists produced by the Department of Education, Employment and Workplace Relations¹, the Skilled Occupations List² and the Critical Skills List³, both produced by the Department of Immigration and Citizenship, the National Skills Needs List (NSNL)⁴ and the HIA-Austral Bricks Trade Availability Index⁵.

In our opinion, the skills shortage is now the greatest long-term economic challenge facing Australian businesses. According to Australian Industry Group and Deloitte research, one-third of company executives say the risk of skills shortages restricting the effective operation of their business is 'high or extreme' and two-thirds have difficulty in filling vacancies⁶.

Yet this in itself is nothing new. Organisations the world over are aware of the critical threat the skills shortage has the potential to impose. Why then is it that only a rare few organisations are proactively taking steps to bridge skills shortages?

Moreover, how do you bridge the skills gap when you have secured the talent, but they depart to a new brand? Consider Google who, in response to the haemorrhaging of its key engineering talent to Facebook, gave every single one of its employees worldwide a 10 per cent pay rise and a \$1,000 bonus last year⁷. A Google spokesperson told Fortune magazine at the time: "While we don't typically comment on internal matters, we do believe that competitive compensation plans are important to the future of the company"⁸.

If the organisation that made the IT industry synonymous with inventive perks has to take such steps, what do the rest of us need to do when faced with such a battle for staff? Our answer is contained herein.

Our survey found the largest skills shortages exist in Accountancy & Finance in small businesses.

Developing a retention plan was seen by our survey respondents as the best way for companies to combat the skills shortage, followed by training existing staff and creating a favourable brand.

SIX STRATEGIES TO BRIDGE THE SKILLS GAP:

1. BE FLEXIBLE

A critical success factor in this changing market is the capacity and willingness to be flexible. This applies in each of our detailed steps; whether it is applied to how you recruit, train, develop or retain people, having the flexibility to adapt to the changing market will separate those employers who succeed from those who aren't even aware of what's working and what's not.

Some examples of this flexibility are detailed below, but the greatest advantage can be gained by asking the right questions of the right people. What's the market like today? Which skills are in demand? What are the salary movements? Obviously having a great partnership with a recruitment organisation such as Hays will help! There is also a lot of information available, not least of which is in the minds of employees, both existing and potential.

In fact, existing employees are not only a rich source of information – they've also already demonstrated their commitment and 'fit' with the organisation, yet many employers don't always think of them that way. Thus one 'flexible' strategy to consider is transferring skills.

Transferable skills

Ironically many of the industries suffering from the worst skills shortages focus on recruiting candidates with specific technical skills and/or industry experience. Generally speaking, this is due to a belief that individuals with these skills have a shorter learning curve and therefore will make an easier transition into the organisation. In addition, many organisations feel that an understanding of the industry and terminology will lead to better performance.

For example, there is a severe shortage of renewable energy candidates in Australia. Yet candidates with relevant experience in certain specialist disciplines within engineering as well as sustainability and health and safety skills can transfer into certain renewable energy roles. The actual mechanics of maintenance and operational roles are also similar enough to allow a candidate to transfer into the energy sector.

When considering what skills are transferable, we advise employers to look at what is really essential and what is desirable in a potential candidate. Consider candidates with the right cultural fit, who have the desired behaviours and transferable skills, not just the specific background initially required.

By considering transferable skills, you open a vacancy to a larger pool of candidates who have solid experience, suit the company, and can become a highly valued asset with a little technical training.

Meanwhile, employers in Australia's logistics sector are already considering manufacturing or engineering candidates for their logistics roles. Employers recognise that such candidates bring with them strong process and analytical skills. And in Australia's retail sector, many employers with merchandise planning vacancies at the assistant level are starting to look at people from a wholesale, manufacturing or financial background with strong analytical skills and a good understanding of lead times and reporting.

Recruiting based on potential

Recruiting based on potential is another flexible strategy that we suggest in particular for entry-level roles. When using this strategy, an employer recruits and then trains graduates or less experienced staff, rather than waiting for a candidate with specific and exact experience to become available.

When recruiting in this way, you determine what is essential rather than desirable and look for a candidate ready to rise to the challenge of the learning curve presented to them. Consider their long-term potential and what they could offer in the coming three to five years with training, rather than just the next two years.

Critical to this method of recruiting is identifying candidates with the appropriate cultural fit - in other words, their potential fit with the existing team and their affinity with the company's values and way it does business.

We recommend recruiting based on potential since many of the technical skills required for roles, particularly for entry-level roles, can be taught and should not prevent the employment of a candidate who is otherwise the most suitable person for the role, who suits the company, and who can become a highly valued asset with a little technical training.

Communication, initiative and level of ambition along with other soft skills applicable to the role - such as integrity, ability to participate as part of a team, customer service skills or ability to take project responsibility - are all good indicators of how a candidate is likely to succeed in a role and fit in with the business culture.

When it comes to the training of a candidate with potential, we suggest you keep the training relevant to the employee's current role and level of experience, as well as offering the type of training that will help them move up the ranks in the future, such as leadership skills.

Flexible working options

In our survey, 84 per cent of businesses said they offer flexible work practises, including 89 per cent of small business and 100 per cent of the public sector.

46 per cent of large organisations said they were working on changing their culture in support of flexibility.

Flexible working was the main strategy used to help businesses move forward in the last skills shortage, and so today most organisations have solid practices in place and have used flexible employment options at some point in time. This may have been by allowing a permanent employee to become part-time or allowing an employee to leave an hour early one day a week to attend a course or watch a child's sporting event.

By embracing flexibility in such ways, an organisation can not only retain critical skills but can widen the pool of potential talent to include candidates that need such flexibility to remain in the workforce.

When it comes to flexible working options, a one-size fits all approach will never work. No two employees are the same and everyone has different priorities that determine what they value or do not value in a flexible working arrangement. For example, for working parents the ability to work from home may be highly valued, but for mature aged employees the ability to work reduced hours may be far more appreciated. Finding what works for each individual employee is the key to ensuring they all feel their needs are met.

The case for flexible working

There are many candidates that require flexible working options to remain in employment. For example, when job seeking a significant 83 per cent of women consider work/life balance to be very important yet 45 per cent believe their organisation does not genuinely support work/life balance⁹.

Furthermore, our research shows that 65 per cent of organisations do not have a strategy for retaining mature age workers; of those that do, the most common retention strategy cited was flexible working options (86 per cent). According to the Diversity Council Australia's 'Grey Matters: Engaging Mature Age Workers' research project¹⁰, 84 per cent of those surveyed, aged 45 and over, who were not currently employed said the ability to telecommute or work from home was a key factor in their ideal job. Also rating highly were flexible start and finish times (82 per cent), phased retirement (80 per cent), working part-time (80 per cent) and job share (61 per cent).

Flexibility demonstrates to employees that they are valued; it is not just about helping working mothers balance family responsibilities or mature age employees phase into retirement – it is about helping all employees balance work with their outside commitments.

When you receive a flexible working request, individual job functions of course need to be considered, and certain duties may naturally preclude the ability to offer certain options. For example, a customer-facing role may not be suitable to work from home options, but perhaps you could consider job share or an arrangement where the employee starts two hours later?

Following are our flexible workforce strategies:

Telecommuting

There now exists a wider acceptance by employers that working from home is a viable alternative to centralised workplaces. According to the ABS, in November 2008 there were just over 10.1 million people at work. Of these 24 per cent worked at least some hours at home; of these 32 per cent worked only or mainly at home (7.6 per cent of all employed people)¹¹.

'Digital nomads' are also growing in popularity and offer even more flexibility – rather than a home office, portable technology means they can conduct their work virtually, in any one place.

In our survey, 46 per cent of organisations said they have a policy that can accommodate working from home or an alternate location.

For employers, telecommuting offers a way to minimise costs as well as keep the best workers happy when you cannot afford solid salary increases. Contracted outsourcing that takes advantage of telecommuting is also a cost saving as a contracted worker provides their own equipment, office space and connection to the Internet.

In addition, telecommuting can be a performance management strategy as it allows improved productivity, decreased turnover rates, excessive leave time and decreased absenteeism.

For staff, the removal of commuting time or cost, increased family contact, greater flexibility in working hours, convenience and the often increased work productivity levels lead to increased loyalty and retention.

An employer considering this strategy is however advised to consider such issues as staff supervision, access to staff, data security and confidentiality. In addition, the impact on your customers needs to be considered, particularly for those in customer facing roles.

You'll also need to consider your employees' potential sense of isolation and address how you can still ensure on-the-job training.

Flexible working hours

Under the National Employment Standards (NES), eligible employees have a right to request flexible working arrangements to assist in the care of a child and this includes changes in hours of work, such as changes to start or finish times³².

In our survey, 82 per cent of organisations said they offer their staff flexible working hours. This typically involves staggered start and finish times and accrued time, whereby an employee works less hours one day and makes up the rest of the time over the remainder of their working week. Of course the ability to accommodate flexible working hours depends on the needs of your customers and the employee's role, but it is a strategy that has many benefits. As well as retaining an employee who would otherwise seek employment elsewhere, benefits include higher staff satisfaction and engagement, extended operating hours (if necessary) and improved rostering. It can also assist an organisation to attract and retain a diverse workforce.

Part-time employment

In our survey, 86 per cent of organisations said they offer part-time employment. There is a notable number of jobseekers with a preference or need for part-time employment to balance work and personal commitments. Part-time employees receive a pro-rata level of paid annual, sick and paternity leave along with other employee benefits.

Job sharing

Another practical and flexible working option is job-sharing. This strategy allows an organisation to retain the skills of an employee who can no longer work full-time in a job that requires the presence of someone in the role five days per week. It is also a proven method for retaining staff in an otherwise monotonous job function.

Compressed working weeks

Another flexible working option to consider is the utilisation of compressed working weeks. With this approach, an organisation allows an employee to work longer hours per day, over fewer days per week. In other words, they compress the normal full-time hours into a shorter working week, typically four days rather than five.

What flexibility means to the generations

Generation Y believe work/life balance is a given. While all three generations in our workforce – Baby Boomers, Generation X and Generation Y – agree that flexible work schedules are preferred, in our experience Generation Y are more likely to expect an employer to have strategies in place for work/life balance.

In addition, Generations X and Y often do not want to work the long working weeks that many Baby Boomers deemed necessary, or took for granted, for career success. For Generations X and Y, 60 to 80 hour working weeks are considered a rare requirement at best - although they are complied with when required, provided they receive flexibility in return.

KEY POINT TO CONSIDER:

“Consider (existing) candidates with the right cultural fit, who have the desired behaviours and transferable skills, not just the specific background initially required.”

SIX STRATEGIES TO BRIDGE THE SKILLS GAP:

2. HAVE A PLAN

Our next strategy to bridge the skills gap is to get strategic and put a recruitment and workforce plan in place.

Workforce planning

We suggest you put a workforce plan in place to identify the key roles and likely requirement patterns in your organisation. At the most basic level, this means examining where you are heading and comparing this to the skills - and the skill gaps - you currently have within your organisation. Next there needs to be a review of corporate objectives and what kind of recruitment will be needed to meet them.

This allows you to identify those areas into which you should focus your training efforts - which we discuss in more detail in strategy five, 'train and develop'.

Recruitment planning

Before you start the recruitment process, you need to know what you are looking for. This may seem obvious, but great recruitment produces a high retention level. So clearly identify, by benchmarking great performers, what makes someone successful in your organisation. When recruiting, make sure the individual fits this criteria and in the recruitment process include an assessment of the individual's values and motivators to ensure they are aligned with the company's or team's goals.

Quicken the pace

Your recruitment process needs to be succinct. Those organisations that have not already started to quicken their recruiting process have been the first to miss out on the best quality candidates. Without quickening their process, they will continue to push the best talent towards competitors who act faster and more efficiently.

To quicken the recruitment process and secure high calibre candidates, employers can reduce the interview to offer timeframe. No more than two interviews should take place - one with the direct line manager followed by a second interview with senior management. If several senior managers need to be involved, try to arrange schedules so they can all attend one interview, rather than holding separate interviews for each.

At the height of the last skills shortage, some organisations held one comprehensive interview, calling senior management into the interview if the line manager was impressed, and offering the candidate pending successful testing if required.

Finally, we would caution that while quickening the pace of the recruiting process is important in order to secure the best staff, it should not trade time for the appropriate depth of information required for both parties to make a decision.

Tailor your offer

Tailoring your offer of employment can help secure a candidate, particularly when they have received more than one offer. Based on your preferred candidate's unique situation, you can create an offer that will best suit their needs and wants. For example, which flexible working options would they value? Should you include a car over a car allowance in their package? By speaking with your recruiter you can determine the candidate's preferences and thus tailor an attractive offer.

Using a recruiter

Choose a recruiter who is an expert recruiting for the role required and who has access to a wide pool of both active and passive candidates. According to a US survey of a broad sample of the workforce, 15 to 20 per cent of employees are active job seekers, and around a further 20 per cent are passive job seekers¹³. Meanwhile a Friday *Australian Financial Review* Reader Engagement survey¹⁴ found that while 21 per cent of readers are actively seeking new employment, almost three times as many (58 per cent) are interested in knowing what jobs are out there. Of course partnering with a market leading recruiter will enable you to access this network!

Temporary assignments - are you using them effectively?

The number of organisations in Australia employing temporary/contract staff on a regular ongoing basis rose to 20 per cent in 2010, up from 16 per cent in 2009¹⁵.

This growth in temporary employment has been driven by employees themselves. Many people want greater flexibility in their working arrangements and consequently there is a huge temporary candidate pool who are only interested in temporary assignments.

A flexible workforce is also about a long-term workforce management plan, in which such factors as not just project work, but peak demands, annual leave and system updates are considered. Given emerging skills shortages, it's about the ability to access specific skills and broadening the pool of talent, rather than restricting your search to only candidates looking for a permanent role.

The advantages of temporary assignments include:

- **Flexibility:** Temporary workers can fulfil both long and short-term needs and can be engaged and released at short notice. Their expertise can also be engaged for special projects.
- **Support for your permanent workforce:** Rather than continuously redistributing work between current permanent employees, which can reduce productivity, increase stress and may negatively impact quality and health and safety, temporary resources instead support a permanent team.
- **Reduced administrative burden:** Engaging an experienced, fully referenced temporary candidate removes administrative burdens. They are paid by an agency, are fully interviewed and reference checked, and have undertaken any necessary pre-employment medicals and safety tickets.
- **Popular with candidates:** As noted above, not everyone actually wants a permanent job. Those candidates attracted to temporary assignments see them as a way to gain a better work/life balance. For some, they provide the flexibility they need to be able to remain in the workforce, while others are attracted to the variety of the workload and the broader depth of opportunities, experience and skills they can develop in temporary assignments.

Mobile technology

We also advise employers to integrate mobile technology into their recruitment process. It took two years to sell a million iPods, 78 days for iPhones and 28 days for iPads. Candidates have a growing appetite for information that merges easily with mobile technology, so your recruitment process needs to make this simple. Consider what the recruiting process might look like in the very near future:

- You send a recruitment request via your iPhone to your recruiter between meetings;
- The recruiter reaches out to candidates on their database and social network via their mobile technology;
- Candidates submit their interest via the smart-phone portal;

- Your recruiter uses a one-click process to cross-reference their resume online;
- Via a mobile application, candidates and your recruiter agree an interview schedule, which you access and accept via your iPhone.

Such use of technology will also make the international market much more accessible, allowing you to attract from a wider pool of talent.

KEY POINT TO CONSIDER:

“This growth in temporary employment has been driven by employees themselves. Many people want greater flexibility in their working arrangements and consequently there is a huge temporary candidate pool who are only interested in temporary assignments.”

SIX STRATEGIES TO BRIDGE THE SKILLS GAP:

3. CREATING AN EMPLOYMENT BRAND

Our survey found that 50 per cent of respondents are taking steps to create a favourable employment brand to help combat skills shortages.

Branding has become an integral element in our daily lives. From deciding which brand of soft drink to purchase to which smart phone to use or sports shoes to buy, branding plays an influential role in our decision making. With the power of branding so persuasive, it's no surprise it also plays a role in which company we choose to work for. It can thus give you a strong advantage in the race for the top talent, because by promoting your employer brand, you will attract like-minded candidates who will be aligned with your values and way of doing business.

In our research, 50 per cent of companies surveyed said they are already taking steps to create a favourable employment brand in order to help combat the skills shortage.

What is an employment brand?

The short definition of an employment brand is the way in which current and potential employees view a company as a place to work. For example, current and potential employees may view a company as socially responsible, results-orientated or pioneering.

But an employment brand is not just a statement or strapline you adopt because you think it sounds good; it is the essence of what your company stands for, and should typify the fundamental nature of your company. It communicates a company's culture, values and beliefs. It reflects the personality of your company. In short, it defines what makes your company unique and what it stands for. In association, it communicates to potential employees what it is like to work for your organisation and why long-term employees are retained.

BRW's "Great Place to Work" list

The power of an employment brand in the attraction process should not be underestimated. Consider BRW's "Great Place to Work" list for 2010¹⁶. It was topped by Network Appliance (NetApp), a data storage and management information technology company, which has gained an impressive reputation amongst candidates as a company where you'll not only receive a strong career pathway, but actually enjoy turning up to work every day. NetApp toppled Google from the top spot. They employ around 150 staff in Australia and New Zealand and about 8,000 around the world.

According to an article published in Australian Reseller News¹⁷ (ARN), this was not achieved through perks or dramatic salary increases. Instead, ARN revealed that NetApp created a culture of complete trust between management and employees, giving "each individual within the company a tangible sense of ownership over what they are doing". This culture of trust is perhaps best demonstrated by the authority given to sales staff to discount as they see fit.

In addition, NetApp area vice president for Australia, New Zealand and South East Asia, Peter O'Conner, told ARN that staff are welcome to travel without the typical approval processes: "They don't need to let anyone else know," he says. "They might want to let the other members of the team know, but they certainly don't need any approval to go on a trip to the US, or Asia, or within Australia and New Zealand."

All the organisations on BRW's "Great Place to Work" list for 2010 have strong employment brands, and despite widespread skills shortages they receive unsolicited applications from people who want to work for them because their employment brand is well known and attractive.

Australia's most popular employers

In December 2010 – January 2011, 408 visitors to our website were asked, without prompting, to name where they would ideally love to work. The top six sectors named were:

1. Federal, state or local government
2. IT&T
3. Resources & mining
4. Not-for-profit
5. Big 4 accounting firms
6. Banking

Employers who received multiple mentions included: Google, Rio Tinto, BHP Billiton, KPMG, PricewaterhouseCoopers, Apple, Virgin, NAB and Westpac.

An Employee Value Proposition

A definable and communicable Employee Value Proposition ("EVP") is critical to your employment branding. In essence, an EVP communicates a company's values and culture, as well as the rewards, opportunities and experience of working for your company.

In short, an EVP communicates what it's really like to work for your company. By communicating what you stand for and the experience of working at your company, you'll attract like-minded candidates who are a natural fit with your company and the way you do business.

Identify your EVP

Defining the essence of your company is not a simple matter of sitting down with your marketing team and crafting a catchy strap-line or captivating image. Here are our tips:

Firstly, identify the essence of your company – what it stands for, its culture, values, beliefs and vision. This can be done through various internal and external surveys as well as looking at staff policies, marketing materials, your website and the organisation's history.

Once you collate this data you will realise that, whether intentional or not, you already have an employment brand. In other words, potential employees already have a perception of your company as an employer based on your communication messages, customer service and all contacts with the company. This is your default employment brand, and you likely want to make alterations.

To do this, extract the common core values evident in your research and write these core values in succinct and uncomplicated language. This is your EVP. But consider that it is more than just decorative sentences. It needs to be based in truth, and should represent the sum of the working experience at your company so you attract candidates that will be the right 'fit'.

You can then build your employment brand upon the foundation of your EVP in order to attract the right type of candidate that shares your company's values and is attracted to what your company stands for.

Consistency is the key when communicating your EVP and building your employment brand, both internally and externally. Keep the messages consistent not just during the recruitment process, but during every interaction your business makes.

For example, if you claim to support work/life balance or ongoing development, but do not provide ongoing training, study leave or flexible rosters, the reality of your workplace does not match your promised values.

In a recent survey conducted in January and February 2011 on our website, 32 per cent of respondents said the experience of working for their employer is nothing like the company said it would be.

A further 42 per cent said that the experience has been, in some ways, what they were expecting, but in other ways not. Just 26 per cent said their experience of working for their employer is what they were expecting.

The impact of not being consistent or delivering what your values promised during the recruitment process will be seen in turnover levels.

What do candidates value?

When crafting your EVP it may help to know which factors our survey respondents said they considered when deciding between two job offers. Rating most highly were the following: work/life balance, followed by salary, training and development, the company's financial health and stability and strong management.

Corporate social responsibility

Candidates – generations X and Y in particular – are socially and environmentally aware. This is why we suggest you plan to include the communication of corporate social responsibility (CSR) initiatives in your employment brand. But be genuine; CSR is more than just recycling paper. It is about how your organisation conducts its daily activities in an environmentally, socially and ethical way.

For example, you could spend a few minutes in the interview discussing how your organisation supports a local community group, ensures all your suppliers operate with environmentally-friendly practices, and how you give staff two days leave per year for volunteer charity work.

Social media's impact

Social networking gives candidates the opportunity to share their interview and job search experiences with a global audience. So if you fail to make a good impression, such as not getting back to candidates with interview feedback or have a lengthy recruitment process, expect candidates to share their experience of the recruiting process at your company on social networking sites, which will have a crushing impact on your employment brand.

KEY POINT TO CONSIDER:

“By communicating what you stand for and the experience of working at your company, you'll attract like-minded candidates who are a natural fit with your company and the way you do business. In a recent survey conducted in January and February 2011 on our website, 32 per cent of respondents said the experience of working for their employer is nothing like the company said it would be.”

SIX STRATEGIES TO BRIDGE THE SKILLS GAP:

4. SOURCE FAR & WIDE

The ability to source candidates far and wide is our next step to bridge the skills gap and we have identified four under-utilised talent pools to include in your search: overseas skills, mature age candidates, female candidates and former employees. In addition to these under-utilised talent pools, new technology is also a factor in a comprehensive search.

Recruiting from overseas

57 per cent of organisations actively employ candidates from interstate; 62 per cent of large organisations actively seek overseas applicants, compared to 22 per cent of small businesses.

Today's recruitment market is global. Australia is not the only country where skills shortages are impacting business activity and it is not uncommon for international organisations to transfer their employees between offices in their countries of operation.

In high-demand industries, there are some employers that have been proactively recruiting from overseas for years, and there is now a wider-ranging acceptance of the benefit of running an overseas recruitment campaign.

In 2009, 368,000 people emigrated from the UK (people leaving the UK for 12 months or more)¹⁸. A survey conducted by Hays in Ireland of 1,215 employees found that almost three-quarters of unemployed Irish workers are planning to look abroad for work. Of these, 12 per cent said they would seek employment in Australia, 38 per cent in Britain, 13 per cent in other western European countries, 13 per cent in Canada and 7 per cent in the US¹⁹.

Australia and New Zealand do remain popular destinations for many people looking to emigrate from overseas countries. Net overseas migration fell for the year ended 30 June 2010; at 215,600 it was 31 percent (or 97,800 persons) lower than the net overseas migration for 2008-09 (313,400)²⁰. In 2009-10, there were 67,980 long-stay business and 183,160 working tourist visas granted²¹.

These people are a vital injection to the local candidate market, allowing an employer to overcome skills shortages so that projects can move forward.

More than this though, employers can take a proactive approach and source required skill sets from overseas. From Project Managers to Site Engineers, Management Accountants to Midwives, you can search for specific skills from overseas if the attraction strategy is widened.

As Business Council of Australia deputy chief executive Maria Tarrant said to The Australian in January 2011: "If you are thinking about how in the long term you deal with an ageing population, growing economy and skills gaps, skilled migration has to be part of the kit bag going forward."²²

Resistance to this recruiting strategy

While it is widely recognised that migration is vital to ensuring economic growth and overcoming skills shortages, it is also a topic that generates heated discussion. Just consider last year's fierce 'big Australia' debate after the then Prime Minister Kevin Rudd announced targeting 36 million people by 2050²³. This was closely followed by the new Prime Minister Julia Gillard's announcement that she did not support such a policy and that she did not want to set "arbitrary" population targets²⁴.

Then in September 2010, economic migration policy expert Alan Chanesman said the nation's economy will flounder unless the temporary skilled migrant intake is increased²⁵.

Despite this, there remains a lot of reluctance about recruiting from overseas. Certainly, employers will talk about recruiting from overseas, but how many actually do it? And how many do it well? The irony is that recruiting from overseas can be a simple process, and it is one that, properly done, yields very good results.

Perhaps it is previous experiences that put employers off. Or perhaps it is a fear of regulatory requirements or of the cost that turns employers off this strategy – yet recruiting from overseas is not difficult and it is not costly.

Accessing overseas skills

Our survey found that overseas candidates are actively sought by 62 per cent of large organisations and 22 per cent of small businesses.

Accessing overseas workers need not be challenging. Many national or international recruiters, such as ourselves, will meet, interview and assess candidates in an overseas location through their office network. Once they have a shortlist of suitable candidates, employers can elect to go to the destination to interview groups of screened candidates, or utilise video conference facilities for interviews.

When recruiting from overseas, it is important to use a recruiter capable of assessing a candidate's eligibility to work in Australia, and provide such information to candidates as rates and salary guidelines, visa and work permit requirements, and other general advice.

Such a recruiting strategy is very helpful when skills are in short supply locally, and there are countless cases of Australian employers who have taken advantage of overseas candidate pools to employ skills.

CASE STUDY

In 2008 City North Infrastructure (CNI) needed to rapidly expand its workforce as it entered the contract management phase of its massive Brisbane Infrastructure projects. There were some hard roles to fill across a range of professions, including administration, media and communication, contract management, engineering and accountancy.

In partnership with Hays, CNI ran an east-coast recruitment advertising campaign, including newspaper and online advertising. CNI tapped into our reference database and we created a CNI job-specific area on our website. These efforts drew more than 1,300 quality applicants from around Australia.

Meanwhile a UK campaign, targeting London and Newcastle over a two-week period, resulted in over 400 applications for engineers and contract managers.

Michael Glover, Chief Financial Officer/Company Secretary of City North Infrastructure said: "Out of both campaigns we secured 25 talented employees which we are very happy about given the tightness of the labour market and the numerous job opportunities for good professionals.

"In terms of our day-to-day dealings with Hays, they provided us with a project team including a project leader who was our sole point of contact in Hays. We had weekly meetings where we were thoroughly briefed and kept up to date with progress. In the UK, Hays provided us with office space and other facilities."

The UK campaign was arranged from Australia, with the support of our UK Hays office network. The campaign included advertising in the London Times, the London and Newcastle Metro and in industry journals. We also created a campaign site and CNI developed recruitment and company information packs and a corporate DVD.

The attraction strategy had three key focuses. The first was the project, which at the time was the largest infrastructure project in Australia. The second was the Queensland lifestyle. The third was Australia's economic strength.

From Australia our Hays Consultant pre-screened all 400 candidates and created a shortlist. We ultimately set up 32 first-round interviews with UK candidates.

Our Consultant then travelled to London with CNI's CEO and CFO to conduct interviews in person. The 32 first-round interviews were held in London. During the interviews, we took data about each candidate's circumstances, qualifications and mobilisation requirements. Once a candidate was identified as a potential for offer, we provided this data along with their CVs to a legal firm to undertake a preliminary sponsorship assessment to determine their eligibility to meet 457 visa requirements.

The legal firm did this within a 12-hour timeframe, so by the following morning we had their report and were able to determine which candidates we would proceed with.

At second-round interviews we had offer letters printed and ready. CNI had remote access to their Australian network and we used the internet and printing facilities at one of our London Hays offices to issue the contracts. Candidate commitment was gained prior to our UK departure.

Ultimately we offered nine candidates, all of whom accepted, and we relocated 19 people, including family, to Australia. Of the nine candidates offered, eight were sponsored under a 457 visa. Our legal firm processed these visa applications, and all were achieved within a four to eight week timeframe.

All offers included full relocation for all family, four weeks temporary accommodation, fresh food on arrival and car hire for four weeks.

Recruiting from interstate

It's not only overseas recruiting campaigns that are attracting interest from employers. Interstate recruitment is also on the rise. Our research shows that 57 per cent of organisations actively employ candidates from interstate; 70 per cent of large organisations employ candidates from interstate, compared to 22 per cent of smaller businesses. This is likely due to the national network of larger organisations, which typically operate in several locations around the country and thus can transfer interested staff internally to fill vacancies.

Recruiting from interstate can be conducted in a similar fashion to overseas recruitment. A recruiter with a large network can utilise their national office network to attract, screen and shortlist suitable candidates. Within Australia, it is estimated that 359,900 people moved interstate during 2008-09²⁶, which is a significant pool of jobseekers to access.

KEY POINT TO CONSIDER:

"Such a recruiting strategy is very helpful when skills are in short supply locally, and there are countless cases of Australian employers who have taken advantage of overseas candidate pools to employ skills."

Mature age employees

In our research we found that mature age employees, as a group, are not being considered as a strategy for bridging the skills gap.

In the 2009-10 Budget, the Federal Government announced that the qualifying age for the Age Pension will increase from 65 to 67²⁷. According to the Government, this increase is a reform that is necessary to meet the social and economic challenges of our ageing population.

Phased in from 2017 to 2023, this change will force employers to examine the practicalities of accommodating an aging workforce. Furthermore, in an incentive to encourage the employment of mature age workers, the Federal Government's Delivering for Seniors package includes \$4,000 worth of training to support mature age workers in the workplace²⁸.

According to both the Australian Bureau of Statistics²⁹ and the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation³⁰, mature age employees are defined as employed people aged over 45 years.

As noted by the Australian Human Rights Commission however, "this is no 'magic' number. People of any age can be told they are 'too old' for a job"³¹.

In their report, 'Age discrimination – exposing the hidden barrier for mature age workers', the Australian Human Rights Commission states that given Australia's ageing workforce it is "vital to national productivity that all people in Australia who want, or need, to be in paid work are able to do so to the maximum of their skills, abilities and aspirations – regardless of their age"³². Yet the report warns that prejudice towards mature age workers and an ageist culture "appears to be invisible, accepted and largely unacknowledged"³³.

This is despite protection from unlawful workplace discrimination. According to the Fair Work Ombudsman, unlawful workplace discrimination occurs "when an employer takes adverse action against a person who is an employee or prospective employee" as a result of certain attributes of the person, including age.³⁴

Across all sectors surveyed in our research, 69 per cent of organisations said they are not targeting mature age workers when recruiting. Just 19 per cent of organisations recruited more than 10 mature age workers in the last year.

At the same time as our skills shortage deepens, our population is ageing. At present the median age of employees in all industries in Australia is 37 years³⁵.

Thus a strategy to successfully attract, recruit and utilise a diverse workforce, which includes mature age workers, makes sense as a bridge to overcome skills shortages, secure talented employees and improve productivity. How do you do this? We suggest:

Age-friendly recruitment practices

Whether you want to proactively attract mature age workers or simply ensure you get the best person for the job, age-friendly recruitment practices are essential. In our research, we found that those organisations that were proactively attempting to attract mature age workers did so by removing age-related language from their advertising.

This means writing vacancy advertisements that focus on the skills required for the role, rather than implying the age of applicants. For example, avoid references such as, 'you will be part of a young dynamic team'. As well as discounting potentially suitable employees this may be interpreted as indirect discrimination.

When thinking about age-friendly recruitment practices, you may also like to review the practices and attitudes of your hiring managers to ensure they select from the best pool of suitable candidates, not only those of a particular age group. In our research, we found that those organisations that were proactively attempting to attract mature age workers also trained hiring managers to focus on experience and skills, not age.

This includes focusing on the experience and the skills of each candidate rather than their age in interviews. For example, you could prepare a list of questions before the interview that are related to the job function. It is important to use the same questions for each applicant, and not to ask irrelevant questions.

Your hiring managers should also be aware of equal opportunity and anti-discrimination principles, and put forward candidates based on their suitability for the role, rather than their ability to personally identify with them.

To this end, decisions should be made based upon a priority list of selection criteria, and you should make sure this list is applied consistently to all candidates. In addition, it is common courtesy to offer constructive feedback to all unsuccessful candidates.

Phased retirements

Diversity Council Australia research shows that 80 per cent of those mature age candidates not currently employed said phased retirement was a key factor for them.

Phased retirements involve an employee gradually transitioning from full employment to full retirement. For example, over a period of several years an employee could gradually reduce the number of hours or days worked. In this way, you retain their skills and knowledge for as long as possible, while allowing them to transition from work to retirement at their own pace. Developing a flexible policy for phased retirements should therefore be on your agenda, although you need to be prepared for it to take time and consultation to work out.

KEY POINT TO CONSIDER:

“Whether you want to proactively attract mature age workers or simply ensure you get the best person for the job, age-friendly recruitment practices are essential.”

Women in the workplace

In our research, 62 per cent of respondents overall said they have practises in place to support women re-entering the workforce; the public sector was the highest at 81 per cent, while small business scored lowest at 22 per cent.

It seems incredible that there are employers that are still failing to create workplaces that enable women to participate at full capacity and contribute to the growth of our economy.

Bain & Company conducted a worldwide survey in association with the Harvard Business Review on gender-parity initiatives. They found that both men and women aspire to be senior leaders, but fewer women make it³⁶. In their report ‘The great disappearing act’, Bain & Company say women are joining the workforce in greater numbers, “but then, something disturbing happens to women as they climb rungs up the corporate ladder—they disappear... Women enter the workforce in large numbers, but over time steadily ‘vaporize’ from the higher echelons of organization hierarchy.”³⁷

Research conducted in 2008 by Hays and the Equal Opportunity for Women in the Workplace Agency (EOWA), titled “Generation F: Attract, Engage, Retain”, found that women in the Australian labour force, including women wishing to return to work, remain an under-utilised group of skilled workers.

One of the most interesting findings of the research was that both women *and* men feel employers are failing to provide workplaces that enable women to fully participate. When asked to list the top three challenges facing women in the workplace, 24 per cent of men said women must work harder than men to gain equality and respect amongst peers. 31 per cent said women struggle against boys’ clubs and male-dominated working environments, and 20 per cent mentioned the difficulty women encounter in balancing their work and family commitments³⁸.

Bain & Company meanwhile identified three major issues blocking gender parity. The first is that few organisations see a business case for gender parity. According to their survey, while more than 80 per cent of women agree or strongly agree that achieving gender parity should be a critical business imperative for their organisations, only 48 per cent of the men agree or strongly agree³⁹.

The second is the challenge women face in balancing career and caring responsibilities. The report states, “society has still not shaken off the deep-rooted belief that a woman does that job (primary caregiver) better.”⁴⁰ The report also reveals women are “two times more likely to take a flexible career path or a leave of absence and three times more likely to work part-time” and “unless organisations find ways to help employees balance work-life priorities - and encourage both male and female employees to pursue those options - it will be impossible to achieve gender parity.”⁴¹

The third obstacle is the need for organisations to “show sustained commitment and action on gender parity”⁴². Only one in four respondents to Bain & Company’s survey felt that their company leadership sees gender parity as a priority⁴³. As few as 14 per cent receive effective gender parity training⁴⁴ and even when an organisation is committed to gender parity, many respondents to the survey are not consulted. Yet “for true commitment to gender parity, companies need to ask employees what they need to make work-life balance sustainable.”⁴⁵

In 2010 the National Employment Standards (NES) came into effect and set out workplace entitlements for employers and employees in the national workplace relations system. It includes the entitlement for women to request an extension of their unpaid maternity leave of up to 12 months on top of their original 12 months. Parents of children under school age or children under 18 with a disability can request flexible work arrangements to assist with the child’s care. Employers can only refuse such requests on reasonable business grounds.⁴⁶

What steps can you take to fully utilise the female talent pool?

Women in senior management

62 per cent of organisations have practises in place to help women into senior management.

Women remain under-represented in senior management in Australia. According to the EOWA’s Australian Women In Leadership Census for 2010, women chair five boards and hold 8.4 per cent of Board Directorships in the ASX 200 companies, while the percentage of companies with no women board directors increased from 51.0 per cent in 2008 to 54 per cent in 2010⁴⁷.

In our survey, 62 per cent of organisations said they have practises in place to help women into senior management. In addition, research conducted in 2008 by the Equal Opportunity for Women in the Workplace Agency (EOWA) and Hays found more than one third of women left their last job because of inadequate career development and progression opportunities⁴⁸.

Thus a program to assist women into senior management can not only help you bridge the skills gap by expanding the pool of talent internally with leadership potential, but it can also help improve your retention rates.

Based on feedback from our clients, common practices to develop women into senior management include the establishment of steering groups and active mentorships and coaching or networking programs to discuss ideas, plan their career path, access career development and settle into new roles. Another common practice is to train both male and female managers in how to develop female staff into senior management roles.

We also advise employers to utilise useful metrics to measure female representation in the business, ensuring that the number of women in senior management reflects the number of women employed overall - young women look for female role models in senior positions.

KEY POINT TO CONSIDER:

“A program to assist women into senior management can not only assist you in bridging the skills gap by expanding the pool of talent internally with leadership potential, but it can also help improve your retention rates.”

Former employees

There are many employers who see a resignation as a personal rejection of the company, but this is not necessarily the case. Perhaps the employee left for a challenge you are unable to provide right now, or to travel or for personal reasons that would not impede a return at a future date. In such situations, and for staff who you value, it is a sensible strategic move to maintain contact with these potential ‘boomerang’ employees.

You can take a formal or casual approach to this. Some organisations choose to have a formal alumni program run by a dedicated human resources professional and involving not only regular communications but also regular networking functions.

Others take a casual approach by using an online forum to allow former employees to keep in touch and to share company news or short-term job opportunities. For example, alumni Facebook groups are emerging as a highly effective and hassle-free method of building a network of skilled, experienced and knowledgeable former staff.

Those employees that do return often bring back their corporate knowledge, skills and experience. From your perspective, you know that they already possess the required certificates or clearances, and they will require less training as they know your systems and processes. The recruitment cost is lower and their productivity is likely to be high since they return with a renewed sense of commitment - their time away has reinforced just how good an organisation yours is to work for. Consequently they're likely to be retained longer.

In addition to permanent roles, former staff can also be utilised for project needs. By reaching out to your alumni, you can secure an experienced candidate who will hit the ground running and be a highly valued staffing resource for short-term needs.

Referrals

Former employees can also be a great source of referrals. They are aware of your organisation's culture and know who is likely to fit and thrive in such a culture. Having a former employee speak highly of your organisation is a powerful and motivating endorsement. So promote your referral scheme in your alumni communications.

KEY POINT TO CONSIDER:

"It is a sensible strategic move to maintain contact with (these) potential 'boomerang' employees."

The power of social media

It's not just job seekers that are finding new and innovative ways of using social media to their advantage when job searching. You can also use social media to enhance your search. If you don't have the time or think negatively towards social media, consider the following statistics⁴⁹:

- In 2010, Generation Y outnumbered Baby Boomers - and 96 per cent of Generation Y have joined a social network;
- The fastest growing segment on Facebook is 55-65 year-old females;
- 34 per cent of bloggers post opinions about products and brands;
- 78 per cent of consumers trust peer recommendations;
- Given the speed of social media, word of mouth is becoming world of mouth.

The use of social media will become more common as more of the Millennial Generation enter the workforce and commence their job searches. An American study by the Pew Research Center's Internet & American Life Project revealed that 73 per cent of online teens use social networking sites⁵⁰.

Where to start?

Technology has an important role to play in the recruitment process, but it should not be wholly at the expense of proven face-to-face methods. At Hays, our social media starting point was the recognition that social media itself is very broad and its use required careful consideration. We use LinkedIn to network with our candidates, but record contact in our database as we would any other form of contact. We also tweet some of our jobs. But underpinning our actions is the belief that technology and social media must be used to add value to the recruiting process.

Consider email; used at the right time and in the right way, it's a highly effective way of communicating. But used exclusively, at the expense of speaking to people, it becomes counterproductive. Nobody uses only one method of communication. The success of social media in the recruiting process therefore will be about your use of it as the right method at the right time and in the right way. Technology is part of the modern world and people expect you to use it, but do not neglect proven techniques in the process and be mindful that, with the pace of technological change, you can ill afford to become preoccupied with a single area of technology.

SIX STRATEGIES TO BRIDGE THE SKILLS GAP:

5. TRAIN & DEVELOP

Our survey found that 67 per cent of businesses are currently dealing with the skills shortage by training existing staff. Furthermore, 52 per cent believed the training of existing staff is the best way to combat the skills shortage moving forward.

Our next strategy to help you bridge the skills gap is to train and develop your existing staff to ensure they have the skills and capabilities needed to do their jobs well and make the best contribution possible to your organisation.

Open communication with staff

Honest communication with staff is the first step in a successful training and development effort. As part of your workforce plan, and as discussed in strategy three ('have a plan'), we recommend sitting down with employees individually to ensure you discuss and agree their career development. Discuss their career goals. Communicate your strategic action plans and their place in those plans. By working together with employees you will boost confidence and morale and foster a feeling of staff involvement.

Train existing staff

In our research, we found that 67 per cent of businesses are currently dealing with the skills shortage by training existing staff.

Most companies (83 per cent) have practises in place for up-skilling or retraining existing staff. Of the organisations surveyed, 100 per cent of those in the not-for-profit sector said they have practises in place, compared to 80 per cent of large organisations. In our research, most organisations said they use vocational training institutions to up-skill and develop staff.

By up-skilling your existing employees, you build a more talented workforce capable of handling the required workflow. You can advance individual employees' skills in the direction of existing skills and knowledge gaps. In addition, training improves overall retention levels and staff motivation since career advancement has been a growing concern amongst Australia's candidate pool.

An innovative example of up-skilling to bridge the skills gap comes from Shell (Australia), whose country chairwoman Ann Pickard told Oil & Gas Review of their plan to use training for their Prelude gas field as well as Chevron's Gorgon project. Pickard told Oil & Gas Review: "Currently we have around 250 employees in Perth and as we move toward operatorship this will swell to just under a thousand.

This will mean a big recruitment drive for our company over coming years: we'll be focusing on employing Australians, but we may need to send them abroad for a period to get the appropriate operating experience."⁵¹ According to the article, the company plans to send some 200 people to LNG and deepwater plants and marine institutions across the world to gain the necessary skills and experience.

There are multiple opportunities to identify and track training needs, from performance appraisals to formal and informal discussions as well as feedback from colleagues and customers. Having a process to track them and review them is the key; it is far better to be investing in training that is actually required rather than perceived to be so.

Training that works

The most effective training has clear objectives at the outset. If the attendees all know what the outcomes are to be then everyone can be involved in measuring the effectiveness.

However, training doesn't always have to be in the classroom. Coaching has a number of advantages as a method of delivering training. It is actually a more versatile approach than formal training for that reason as it can be directed to many different scenarios; to correct poor performance (it is one-to-one which is usually more effective), improve morale and motivation and encourage employees to find their own answers. It also has the spin-off effect that the "coachee" becomes a coach themselves as they have seen it in action.

However, coaching isn't a substitute for formal training. Training has benefits for your staff in different ways. Think of your coaching as refining the skills training has provided.

Mentorships

Another strategy worth consideration is the use of mentorships. Provided you have appropriate mentors within your organisation, this method of up-skilling your existing staff can be easily tailored to meet your organisation's own unique needs.

Mentorships are not only a useful training and development tool; they can also be used to retain corporate insight and pass this insight on to other employees. This is particularly useful when considering how to share the knowledge of staff with unique expertise or how to retain the knowledge of your mature age employees. In our research, 68 per cent of organisations said they do not have a plan to retain the knowledge of mature age workers; of those that do have a plan in place, mentoring was the most likely strategy.

Through mentorships, less experienced employees gain the knowledge of their more experienced colleagues on a one-on-one basis. Given the informal nature of information exchange and the relationship-basis of mentoring, mentorships allow a business to retain such knowledge as lessons that have been previously learnt, right through to implicit awareness such as why reports are written in a particular way or who to contact in the organisation for particular information.

Through mentorships, you can ensure the business does not lose the technical knowledge it cannot do without, as well as the valuable insights of its employees. In terms of overall productivity, this in itself has obvious consequences.

The benefits of this strategy have been widely acknowledged, most recently (in December 2010) by the Minister for Skills, Jobs and Workplace Relations, Senator Chris Evans, who announced new successful grant applicants for the Golden Gurus program⁵².

This program connects mature age mentors to start-up businesses, community organisations, young apprentices, trainees, job seekers and workers. Senator Evans said: “The Golden Gurus Program is making the most of the experience and expertise of mature age people and I’m sure we will see many successful outcomes from this program.”⁵³

However it must be noted that experience, ability and the capacity to share knowledge and assist a colleague are more important in a mentor than the age of the employee.

As well as helping to ensure your business retains technical knowledge, mentorships are also a method of assisting in the personal career development of mentees, a very important component of staff retention.

Train your mentors

Your top employee may not necessarily make a good mentor. It takes training to ensure an employee has the appropriate skills to successfully mentor. For example, one of our clients sends its mentors on a week-long training course to equip them with the necessary tools to be a successful mentor. Meanwhile the Golden Gurus grants also help Golden Gurus Member Organisations prepare mature age volunteers for their mentoring roles.

It is important to train people to be mentors since an employee who possesses certain wisdom and knowledge may not necessarily fit straight into the role of mentor. But once trained, mentors can then transfer their knowledge, skills and experience in a way that other employees will accept and that does not seem condescending or makes the mentor appear set in their ways.

As a final note, if you are going to implement a mentorship program in your organisation, make sure you give staff the time to make it happen.

Debunking the myth of older generations and training

In our research, training was the second most common strategy used for the retention of mature age workers (behind flexible working options), used by 48 per cent of employers overall. Yet there exists an unfortunate myth that older generations do not want to learn new ways of performing their job function or are unwilling to learn new technologies, despite a number of studies showing that mature age employees want to continue to learn. Indeed, it is often the incorrect perception that mature age employees are set in their ways that is the barrier preventing them from receiving skills advancement opportunities.

If you have a culture that values employees regardless of their age, training will naturally be offered to all the generations in your workforce. You may however need to consult with mature age employees to determine the best type of training for them. For example, some mature age employees may not be as confident in attending formal training courses as their younger counterparts and may need a more supportive, nurturing approach to training.

You may also need to offer training to the managers of mature age employees. Your management team must be comfortable managing people older than they are. Conversely your mature age workers need to be comfortable reporting to someone younger than them.

KEY POINT TO CONSIDER:

“Mentorships are not only a useful training and development tool; they can also be used to retain corporate insight and pass this insight on to other employees.”

SIX STRATEGIES TO BRIDGE THE SKILLS GAP:

6. FOCUS ON RETENTION

Developing a retention plan was seen by 54 per cent of our survey respondents as the best way for companies to combat the skills shortage (followed by training existing staff at 52 per cent and creating a favourable brand at 48 per cent).

Despite this, only 39 per cent of responding organisations said they are currently developing a retention plan. We've mentioned that retention starts with great recruitment, followed by great training and development. But what else can you do to develop a successful retention plan?

Performance management

Performance management is central to retention and it's no surprise that employers of choice have solid performance management methodology. This can be as simple - but essential - as a robust, regular appraisal system that is user friendly and which managers are committed to. Formal performance feedback is critical and an excellent opportunity to ensure talent is engaged.

Career development

Does everyone in the business know what opportunities they have available to them for development? Not everyone is interested in career development but top talent always is! It can be difficult for small organisations to offer opportunities but career development is not restricted to promotion. Can you offer additional responsibility? Supervising other employees? Coaching and training others? Managing projects? Chairing meetings?

Succession planning

In our research, we found that 37 per cent of organisations do not have a succession plan in place, and this figure grew to 73 per cent in the not-for-profit sector. A simple but effective succession plan identifies up and coming people, simply states what their ambitions and aspirations are, matches their skills against those required in the next role and therefore outlines opportunities for growth. This proves invaluable from both a career mapping perspective for the employee, and also as a tool to allow the employer to quickly identify where team strengths and weaknesses lie.

Engagement

Engagement is critical for a successful employer-employee relationship. By engagement, we refer to the extent to which employers understand, communicate and build a good relationship with their employees. The benefit for your organisation is that the more satisfied or engaged an employee is, the more likely they are to be motivated to contribute.

When considering the engagement level and the needs of employees, we advise businesses to open the lines of communication with staff. Ask for your employees' opinions on key engagement factors in your organisation via such methods as employee opinion surveys (at least annually), online forums or regular performance reviews. Listen to what they have to say and build closer relationships with them. A company intranet or newsletter and exit interviews can also aid in this process.

Critically, do not make assumptions about an employee's career path or workplace needs based upon their gender, family responsibilities or age. Open, honest and transparent communication with each employee about their own career goals will instead give you an accurate picture.

The key engagement factors to consider include career progression, training opportunities, workplace flexibility, nature of the workload, performance feedback, level of decision-making and relationship with their manager.

We also advise employers to consider how they engage with employees on maternity leave. Keep in touch and consider that the transition back to work may be bumpy initially, but ask what you can do to smooth the road. For example, how can you make it easier for breastfeeding mothers to return to work?

Your managers

You should also look at the quality of your managers. Front line managers are the key to retention. Remember, people join companies and leave people. Your managers are at the coal face. How good are they at motivating and inspiring their team members? Managing performance, good and bad? Setting useful goals? Providing useful performance feedback? What does your organisation do to develop its managers?

Salaries

The GFC-induced salary slowdown is a distant memory and the salary expectations of employees are rising on the back of our strong dollar and job numbers. Employers meanwhile are responding to the emerging shortage of skills with a greater willingness to review salaries. Headhunting is also adding to salary pressure. Salary data is available so ensure your salaries are in line with current market rates.

Some employers find themselves with salary constraints. If you are unable to offer a competitive salary, we suggest you consider the benefits you could offer to make your role attractive, such as flexible hours, weekly or monthly office lunches, life or health insurance and work/life balance.

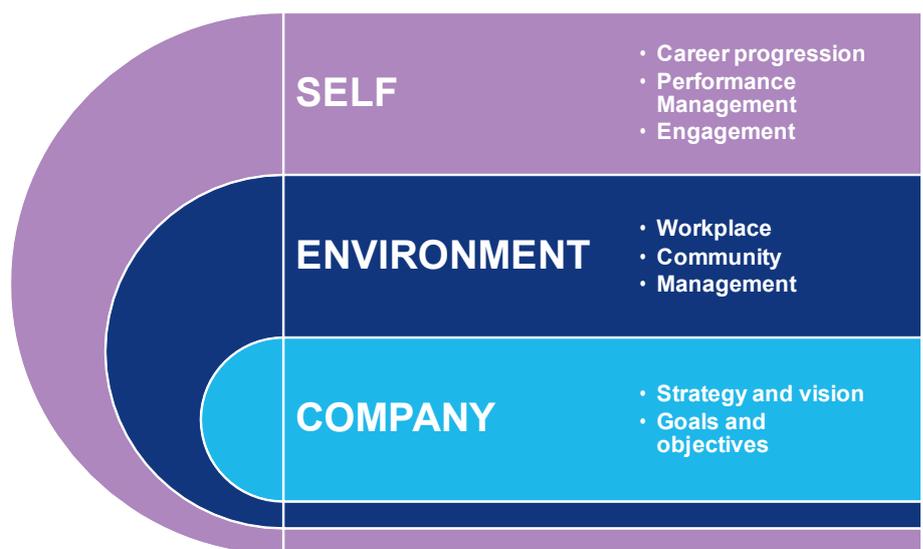
Reward and recognition

Reward and recognition programs can be used as part of a successful retention program, as long as there is a fair and equal system of processes for rewards.

Decision making

Inclusion is also important to retention. Ensure employees have a feeling of inclusion and are empowered to make decisions. Allowing people to be part of the decision making process, particularly in relation to decisions that affect their jobs and the overall direction of the company when possible, engages them with your business.

Employer-Employee Relationship



LOOKING FORWARD

As Australia moves further into our next boom cycle the ability to bridge the skills gap and secure the top talent will be critical to success.

We are a results-orientated company. We share our ambition for success with our clients, which is why we present these six strategies to help you meet your human resource needs and bridge the skills gap in today's highly competitive talent race.

If you would like to discuss any of the strategies outlined in this white paper, or for further information on our services, please contact Kathy Kostyrko, Director, on +61 (0)2 6112 7629 or kathy.kostyrko@hays.com.au

FOOTNOTES OF REFERENCE

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