



Information Overload

Issue 31, March 2005

Welcome:

Welcome to this month's edition of Information Overload. Today we add our voice to the discussion regarding a national skills shortage, and what we can do as a nation to overcome the perceived problems this is going to have on our country and our economy. Information Enterprises Australia (IEA) has not been immune to the problem of demand far outweighing ability to supply. As people take on full time work, change states and countries, go back to full time study, leave the profession through retirement, pregnancy and ill health, we sometimes struggle to find people willing to undertake fixed-term contract work. And we are not alone in the hunt for qualified people either. So this month we join in the discussion on finding and retaining qualified employees and offer some suggestions as to what we can do to ease the burden in the future as we see the "baby boomers" retire.

As always, if you have any suggestions or would like to see us cover any other topics, we would love to hear from you. Just send an e-mail to training@iea.com.au.

Lorraine Bradshaw
Marketing & Training Coordinator

In this Issue we will be looking at:

- Do we have a shortage of skilled workers?
- A Fine balancing act;
- An Age-old image problem?
- Retaining your competitive advantage;
- Learning and development opportunities: Why they are important;
- A Thought to ponder.

Do we have a shortage of skilled workers?

There has been considerable discussion in the media in recent times with regards to a skills shortage, and as people retire, it is said that this trend is going to get worse. According to the National Nine News – Business News section "vacancies for skilled workers rose 1.1 per cent in March. The Department of Employment and Workplace Relations (DEWR) said its skilled vacancies index rose to 113.6 this month, putting the index 1.2 per cent higher than a year ago. Vacancies for all three major occupational groups increased, with jobs for professionals up 0.8 per cent while associate professionals rose 4.4 per cent and trades were up by 1.6 per cent.

DEWR's separate index for vacancies in the IT and communications sectors jumped 7.8 per cent to 215.3 over the four weeks to mid-March.

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Online recruiting sites included to help calculate the index averaged about 16,300 vacancies for IT and communications workers. The ICT Vacancy index is now 49.3 per cent higher than a year ago." <http://news.ninemsn.com.au/article.aspx?id=3969> accessed 23.3.05.

That being the case – the question has to be what can we do about it?

Some of the options being discussed include:

- Not making the retirement age compulsory. If you want to remain in the workforce you can;
- Give people more incentive to return to the workforce; and
- Adding an additional 20,000 skilled migrant worker places to this years intake.

Despite a shortage of workers in our society it appears that age discrimination is still a concern. Respondents to an Australian Bureau of Statistics study conducted in July 2003 said the main reason they were unemployed was because they were considered to be either too old or too young for the job. Almost two-thirds (62%) of those who reported this were aged 45 years or older.

It appears that the main difficulty for young people was insufficient work experience. 19% of 15-19 year olds, and 22% of 20-24 year olds encountered this problem. (*Human Capital Australia Issue 2.3 "Workers become more selective" p5*).

Of course being considered to be too old or too young is not the only problem facing the people in our workforce, or those who are "eligible" to work. Do we give enough credence to those people who may be considering a return to the workforce after a prolonged absence, for instance those people who have taken time off work to have children and raise a family, those people who have been fortunate to take a sabbatical, long service leave, and those who gave up work in order to study and gain qualifications in their chosen field.

We should also consider those people who are classed as "long-term" unemployed. This may have been caused by downsizing, retrenching, organisational re-structures or whatever else you want to call it.

As with all these categories of people mentioned, they all have considerable skills to offer the marketplace, but because they may not have current work experience or work experience in the skills base where the jobs are, they are less likely to find work especially in the "skilled categories", and those who do are more likely to attract higher salaries and may prefer to work for organisations who can offer them the most, and are likely to be highly transitory.

A fine balancing act

According to the March 2005 edition of the Labour Force Survey conducted by the Australian Bureau of Statistics, the official unemployment rate stood at 5.1% or approximately 526,000 people. <http://www.abs.gov.au/ausstats/abs%40.nsf/mf/6202.0>, whilst this figure is based on a sample survey the figures themselves are interesting. If there are over half a million people in our society who are currently unemployed, one has to ask the question – should we be doing more to help the current unemployed people find work? Should the government be spending more money on re-training and better education of those people who are already living in Australia rather than increasing the number of skilled migrant places?

It is interesting to note that not all qualifications are instantly transferable to the Australian market, with some additional training and testing required before a person is officially allowed to enter the workforce and able to utilize the skills they gained whilst overseas. An

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additional point of interest that even if skills are transferable, some industry associations do not readily accept overseas qualifications, for instance the medical profession. What can be even more frustrating for those people who have decided to call Australia home is the fact that some employers not only want the right piece of paper, some require their workers to be Australian Citizens (this process takes a minimum of 2 years) and have relevant Australian experience as well, complete with the knowledge of certain pieces of software. The question is – how do people get relevant industry experience and knowledge if they can't find an employer willing to employ them?

An age-old image problem?

In the June 2003 edition of *Incite*, the Australian Library and Information Association journal, Phil Teece stated, "56% of librarians and 52% of library technicians are over 45 years of age." He also pointed out that 1 in 5 was already past the minimum retirement age, and perhaps even more worrying was the fact that less than a quarter of qualified librarians were under the age of 35. Are we doing enough to attract people into the profession? We must also ask - will today's graduates have the necessary skills needed to replace those people who are about to retire?

Perhaps a more worrying trend to the dilemma of whether our current graduates will have the necessary experience and skill set to replace those people who are looking to retire, is the closure of recognised training programs. In 2004 the University of Canberra decided to stop enrolling students in the Bachelor of Communication (Information) program due to a sharp decline in numbers. It is therefore disappointing to find out that the Graduate Diploma Library and Information Management and the Master of Library and Information Management also offered at the University of Canberra will also cease to accept new students from 2005. It was also disappointing to note that a move towards offering these courses in an online environment did not come to fruition.

Of course librarianship is not the only profession to see a sharp decline in people entering the profession. In a presentation to the Archives and Records Educators Stakeholders (ARES) Forum in June 2003, Gail Murphy, IEA's Employment and Consulting Coordinator, highlighted the very real problems organisations face in finding experienced records management personnel, and how employment agencies, employers and educators need to work together to ensure there is a steady supply of qualified and experienced records management staff. As more organisations are facing up to the fact that in order to protect its intellectual property, and the constant threat of litigation, organisations are recognising a need to manage and provide evidence of its business transactions, they are also recognising the value of records managers.

Gail spoke about the need to look at the possibility of apprenticeships and traineeships as a way of promoting the industry to those people who cannot afford to give up work in order to gain the formal qualifications more and more organisations are insisting their records management personnel should have.

As we have seen, this problem is not just limited to the information professionals; it is a problem facing every industry. It is how we try and balance the needs of the organisation with the needs, skills and qualifications of those people who are ready, willing and able to do the work.

Gail presented some interesting alternatives to the current problem. "In Australia, there are a number of programmes available including the *New Apprenticeships* incentive run by the Commonwealth Department of Education, Science and Training which combines practical

work with structured training, to give young people a nationally recognised qualification and the experience they need to get the job they want. "

"An alternative is a *Traineeship* in which work and learning is combined in a position. Similar to an apprenticeship, a traineeship includes a formal agreement between the employer and the trainee; a training program delivered by a Registered Training Organisation; and a nationally recognised qualification for the trainee on completion."

The problem with all of these various options we have outlined so far is availability. According to a survey conducted by Adecco in 2004 - of 260 Australian employers questioned: 78% do not offer apprenticeships and 61% don't offer traineeships of any kind.

However, the study also found that those people who are able to gain an apprenticeship or traineeship were more likely to gain senior management roles within the organisation.

- 90% were offered front-line management, operational and administrative roles; and
- 5% were offered middle and senior management roles.

Surely a case of – this actually works – shouldn't we do more?

Retaining your competitive advantage

Another aspect that weighs heavily in this debate is how do you retain competitive advantage? Some organisations think that by letting go of its "older" workers because they command a higher salary than their younger counterparts is the way to go. Some have taken the steps to reduce the number of locations/offices by amalgamating services, whilst others are outsourcing services to another country, especially India.

If organisations are already short on the number of skilled people they have on their "books", retaining them can be another problem. The question is how do you retain your competitive advantage, retain your key staff, and keep your shareholders happy and your accountant pleased all at the same time?

As we have seen in the past when demand far outweighs the ability to supply – we will see a dramatic increase in costs, especially in salaries. Whilst this may seem to be a good thing for those people able to ask for (and receive) higher salaries, if this trend continues we will see a flow on effect, most traditionally with increased inflation and higher interest rates. Ms Anne Hatton, CEO of Hudson Australasia said "this demand could come at a cost, with the potential for the Australian jobs market to overheat completely and for businesses to find themselves unable to compete at the increased cost levels - especially those with international exposure." *Employee demand at highest level in around four years: report* - http://www.cch.com.au/fe_news.asp?document_id=58979&topic_code=9&category_code=0

Whilst additional money is the most obvious form of compensation, what else can organisations do to attract and retain key personnel and knowledge especially when money is tight? Bearing in mind that money is not always the driving force behind why people move onwards, upwards and sideways. Organisations may also like to look at things like salary packaging (including in some cases - cars), health benefits, gym memberships and other "perks" as well as other reasons to stay, some of which includes career progression and learning and development opportunities.

Learning and development opportunities: Why they are important;

With the current climate of skills shortages, we will take a brief look at the last item – that of learning and development opportunities. It should be mentioned at the outset that these

are not limited to someone "going on a course" or going back to uni, but can include strategies such as online learning as well as job sharing or rotation.

Job sharing allows people to move around within an organisation learning from every person and department "on the job" in order to cross-pollinate ideas and energy whilst enhancing skills. Whilst most organisations use a form of induction process to introduce a new staff member to the organisation department by department, this tends to be a one-off process. Once you are "inducted" into an organisation you are duty bound by your position description to do the job that is stated, with little or no chance of moving to any thing else – unless it is in the interest of the organisation to "persuade" you to take on additional work and responsibilities or you apply for an internal vacancy. Job rotation on the other hand is an ongoing movement of staff. Of course this may not be possible for some staff (especially those with very specialised skills), but in general terms most organisations could benefit from this kind of program. Of course, as with all things, this process needs careful management, and if being introduced for the first time, "change management" is essential, and it may be easier for a new organisation to instill this culture than for a more established organisation.

Mentoring on the other hand is possible within any organisation. This is a process whereby a "senior" person is partnered with someone who is willing and able to grow within the organisation. This is a form of succession planning, and is used to instill corporate culture to the next generation without any loss when a person leaves the organisation. More often than not, the person who is partnered with a "senior" is usually a graduate, just entering the workforce. In this case there is a blending of current theory with real world experience allowing a true cross-pollination of ideas (assuming of course that all parties treat the opportunity as an opportunity). Mentoring should be a two way process if it is to work successfully.

So far we have discussed "on the job training" or informal learning. The other aspect of retaining key staff is ensuring that a program of formal training is in place. This ensures that everyone has an opportunity to keep up to date with changes to their own industry as well as changes in focus and direction of both the organisation and personnel as well as having an opportunity to pick up additional skills. When time, money and personnel are stretched, an organisation may feel that sending people "on a course" may not be the best use of money – the ultimate cost to an organisation that does not have a formal education policy in place can be immense as people move onwards to organisations that do value personnel development as valuable.

Rather than sending people outside of the organisation to undertake training, some organisations are looking at the online environment in order to meet their training needs. In an ideal world, a blended learning option allows for some face-to-face interactions (traditional class room) with the best that the online environment can offer. Courses can be completed at a student's own pace, with the classroom's being open 24/7. Feedback can be interactive and immediate (set quizzes), with assignments uploaded and sent to the lecturer for grading. Some training organisations offer online chat forums and networking opportunities for students to talk to other people undertaking the course. Australia is a large and diverse country, with a limited population. Whilst some courses may not be viable in a traditional sense (University of Canberra) – the use of the Internet widens the reach of the courses, giving more people greater choice than ever.

A Thought to Ponder:

"Education is a progressive discovery of our own ignorance"
Will Durrant

Your comments and suggestions on the subject of this newsletter are most welcome. Or if you would like to see other issues covered in future editions, please email me at training@iea.com.au

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