APS 200 Project:
Work Ability and Ageing in the APS

RATIONALE FOR ACTION: MANAGING THE RISKS AND OPPORTUNITIES OF AN OLDER WORKFORCE
System-wide risks of an ageing APS workforce can be turned into a strategic opportunity. To mitigate these critical workforce risks, workforce planning must integrate age management strategies to improve health and productivity at work and remove barriers to workforce participation for mature aged people who want to work. A coherent framework for strategies in workforce planning, health and safety and human capital development will build the capacity for a high performing APS service into the future.

Our population is ageing

The third Intergenerational Report 2010 highlighted that Australia’s population is ageing. There are fewer workers to support retirees and young dependants and increased fiscal pressures through greater demand for government services and rising health costs¹.

Our APS workforce is ageing even faster

The APS age profile is older than the Australian labour force—the median APS workforce age has grown from 39 years to 42 years since 2007². By 2022, it is projected that 23% of the APS workforce will be aged 55 and above (up from 13% in 2007)³.

We need to find more workers

More APS workers are reaching what was previously the traditional retirement age with fewer new labour force entrants. With a large number of workers projected to retire over the next ten years⁴, the APS will need to find new ways of meeting workforce vacancies. Australia’s population is projected to grow by 22%⁴ over the same period. Sustainable service delivery in the APS will be possible only through increased productivity and workforce participation.

The “war for talent” is hotting up

At a time when the APS is facing increased competition within a smaller pool of skilled labour market entrants, more than half (52%) of ongoing Senior Executive Service (SES) and Executive Level (EL) employees will be eligible for retirement in the next 10 years². This represents a serious challenge to APS capability.

Older people are choosing to work if the conditions are right.

The APS profile under-represents the increasing proportion of Australians who could be in work. With longer and healthier lives comes an opportunity for many people to work for longer, and possibly change direction in later life to work in roles that better suit their interests, skills and responsibilities. Working at advanced ages today is different from working at older ages only a few decades ago. Changes in work design, and enhances in technology and computerisation create opportunities for innovation and flexibility in the amount and distribution of work⁵.

We have four generations at work

Participation and engagement of all workers is essential for a dynamic and vibrant APS. Employee engagement is linked to workplace outcomes such as innovation, intention to leave and unscheduled absence². Work design, learning, career and life planning support to balance work and non-work, are all important to optimise opportunities for health, participation and quality of working life.
Work is good for health

Chronic disease is on the rise. The workplace is recognised as having a critical role in slowing the rising prevalence of lifestyle related chronic diseases and enabling those with disability or ill health to remain in employment. Sickness, injury or disability is a commonly reported reason for retirement (26% of men and 21% of women). There is a need to better target work health initiatives to help people manage those conditions that impact on capacity to contribute throughout working life.

Age discrimination is against the law

Age discrimination can pervade the work life cycle. The APS has a commitment to foster workplaces where the diverse skills, abilities and cultural perspectives of individuals are respected. Age should be seen as nothing more than another point of difference, and age diversity practices embedded in attraction, development, and retention of workers.

Government looks to the APS for leadership

The Government’s core response to an ageing population is a focus on productivity, investing in skills and infrastructure, as well as making sure that people who can work, have every opportunity to participate. Both the Minister for Employment and Workplace Relations, Financial Services and Superannuation and the Minister for Employment Participation are looking to the APS for leadership in modeling age diverse workplaces.

An integrated approach is needed

The ageing working population presents both an opportunity and a challenge for the future capacity and performance of the APS. Far sighted agencies know this and are taking steps to respond accordingly. However, a recent Boston Consulting Group report, “Turning the Challenge of an Older Workforce into a Managed Opportunity” (2011), highlights the need for the APS to act in a coherent and strategic way to these demographic trends. Figure 2 outlines the risks identified by the Boston Consulting Group Report and the extent to which the APS Work Ability and Ageing Framework for Action will equip the APS to address these challenges.

Figure 2: Integrating strategies to address the demographic workforce trends in the APS

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<th>Challenges for management (Boston Consulting Group 2011)</th>
<th>APS Framework for Action</th>
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<td>Mitigating capacity risk</td>
<td>Better understand our workforce and turn demographic risk into opportunity</td>
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<td>Current workforce</td>
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<td>Mitigating performance risk</td>
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<td>9. Adjusting shift and time schedules</td>
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<td>10. Offering job challenges</td>
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<td>Demographic risks need to be addressed and managed</td>
<td>Integrated age management across APS themes of leadership and culture, human capital management and organisational effectiveness</td>
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The Work Ability and Ageing Framework for Action integrates strategies in workforce planning, health and safety, skills and human capital development for an older workforce across four key areas:

- **workforce planning and development**—better understanding the APS workforce and turning demographic risk into opportunity
- **frontline confidence**—building age management skills and confidence for frontline managers
- **work design**—using opportunities and incentives to improve recruitment, retention, and return to the APS, of older workers
- **work health and wellbeing**—realising the health benefits of work through better targeted programs and support to plan for the future.

The Framework for Action is underpinned by leadership to shift attitudes and age stereotypes, and supported by a culture of continuous learning to enable an adaptive competent workforce across all ages.

The Framework for Action sets the direction to equip the APS with high-performance work practices that enable workers to participate effectively in the workforce throughout their working life.

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1. The Treasury’s Intergenerational Report 2010
3. Australian Government Actuary Projected Age Profile of the Australian Public Service 2012
5. Realising the Economic Potential of Senior Australians: turning grey into gold 2011
6. WHO Healthy Workplaces: a Model for Action 2010
7. Multipurpose Household Survey (MPHS) 6238.0 – Retirement and Retirement Intentions, Australia, July 2010 to June 2011
8. Boston Consulting Group: Turning the Challenge of an Older Workforce into a Managed Opportunity, August 2011