



# Skills gap leads to stressed staffers

Retaining older workers is crucial to good workplace management

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RECENT research by the Australian Institute of Management (Victoria and Tasmania) confirms Australia's skills gap is growing, with employee stress emerging as one of the biggest challenges for organisations.

Eighty two per cent of the 1850 professionals surveyed said there was a gap in their organisation's workforce skills (up from 76 per cent in 2009-10). A further 65 per cent of chief executives and board members admitted employee stress had the biggest negative influence on skills in their organisations.

AIM (Victoria and Tasmania) chief executive Susan Heron says it is good news the problem is on the radar of business leaders, but they now need to translate that awareness into strategic programs to enable organisations to cope with the skills crisis.

"In a competitive marketplace, the pacesetter organisations are the ones that put programs in

place to minimise their exposure to the skills crisis and thereby ensure employee stress levels are kept in check," Heron says. "Crucial to that is recognising that the performance of your human resources and learning and development people directly affects the bottom line, because it helps your organisation attract and retain access to an increasingly precious resource: skilled people."

Heron says it is an opportunity for HR leaders to be seen as profit drivers. "This new reality will provide significant challenges and rewards for HR executives."

Aspiring managers or team members are most likely to be concerned about employee stress, with the survey showing 79 per cent of respondents rating it as having the biggest negative influence on the skills gap.

"This employee segment is struggling to cope with the workload; (they) believe they are not equipped to meet their daily work

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SUSAN HERON  
CHIEF EXECUTIVE, AUSTRALIAN  
INSTITUTE OF MANAGEMENT  
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challenges."

These people want their management and leadership skills enhanced. Heron says if organisations respond to this call, they'll build employee engagement.

She adds employers need to be alert to the causes of employee stress and its symptoms. It is vital there is a balance between the performance demands of a person's job and their ability to deliver.

"The employer has to know the skills required for the job; identify where the capability gaps are and educate the employee in a way that removes the gaps and equips them with skills that boost organisational performance."

There are serious consequences for organisations that don't address employee stress: "If organisations don't deal with employee stress, absenteeism levels rise, productivity plummets, the workplace culture sours, your best



people leave and profits and performance take a dive. None of which is good for the employee or the employer," Heron says.

Well managed organisations have counselling services in place for employees to contact and the services are usually provided by a specialist outside agency, she notes. Employees are not obliged to notify their boss that they are receiving counselling.

Australia's ageing workforce and the mass exit of baby boomers from full-time employment is in part responsible for the skills gap. "Retiring boomers are not being replaced in the workforce by anything like the same numbers of gen Ys; this equates to a gap of tens of thousands of people each year," Heron says.

"Furthermore, the boomers are exiting the workforce with a strong skills set; the gen Ys are building their skills from scratch. This reality will put tremendous pressure on employers to quickly up-skill gen Ys to try and plug the capability gap."

The survey shows organisations that have managed to avoid the skills gaps are the ones that have a commitment to training. Mentoring is also key, with the survey showing more organisations using the skills and knowledge of longstanding employees.

"Of those organisations that do tap into this resource, we see their

mentoring and coaching abilities are increasingly being used (up from 54 per cent to 71 per cent)."

Heron says retaining older workers is part of the solution to the skills shortages, and providing flexible work arrangements will be key. Ageism is still rife, however. "In my discussions with managers across industry sectors, it is clear ageism still exists. It will remain an issue in those organisations where short-term 'stupid' thinking is prevalent.

"In our skills-starved future, it does not make sense to treat people as redundant because they've reached a certain age. Employers need to be smart about retaining the skills they need and should not encourage a workplace culture where people are judged on how old they are," she says.

Managing director of property company Charter Keck Cramer, Peter Hutchins says there is an intellectual benefit in retaining older people. "Organisations should endeavour to retain and leverage the knowledge in exchange for providing workplace flexibility. Firms should not underestimate industry networks, work ethic, mentoring and a positive attitude by older workers."

The company of 185 staff has an age profile spanning from the early 20s to mid-70s. Hutchins says younger employees thrive on the experience within the firm,

and older employees feed off the energy of the younger people.

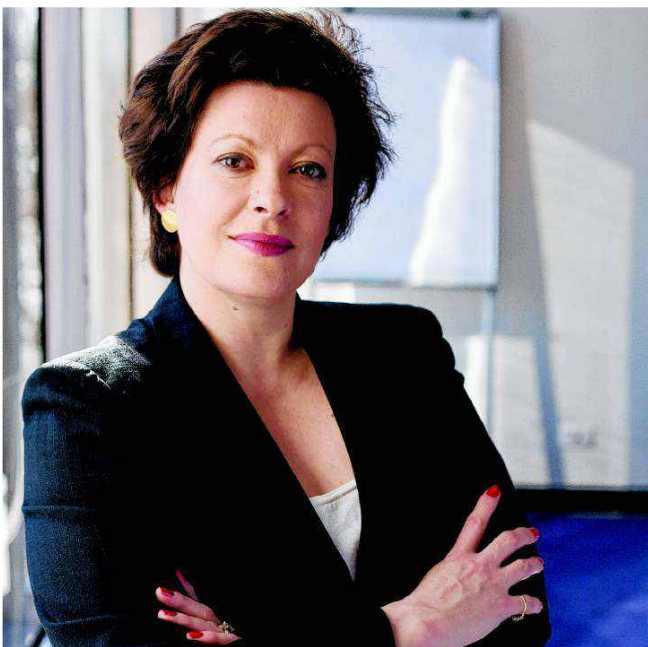
Charter Keck Cramer came through the global financial crisis unscathed and with its team intact. The past two years have been the business's most successful. Hutchins says its foundations are built on loyalty: 25 per cent of staff have been with the company for more than 20 years, with a further 15 per cent up to 10 years.

Hutchins says it's important to provide flexibility that allows people to achieve their professional ambitions while respecting their personal schedules.

Staff are encouraged to take regular leave and the business invests in staff amenities such as fresh fruit mornings, weekly morning teas, quarterly meetings, regular group lunches and Friday evening activities.

"High contact and good communication relieves pressure," Hutchins says. "Our talent management strategies are built around respect, trust, friendship and investment."

Hutchins describes the business as having a flat management style and an open-door policy that fosters good communication. "We also have a high director ratio of one to five, which is an added layer of support, particularly for younger people in the formative stages of their career," he says.



Susan Heron, chief executive of the Australian Institute of Management (Vic & Tas), says baby boomers' job skills are being lost