Doing Business in the Global Economy

Edited by
Dimitrios N. Koufopoulos
Maria Argyropoulou

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CHAPTER ONE

The Complexities and Multifaced Issues faced by Organizations in Uncertain Times

Dimitrios N. Koufopoulos and Maria Argyropoulou

In the last few years, we have been witnessing many changes in the international business arena, created by the processes of globalization and developments in politics and technology. To compete globally, managers need to understand the economic, social, political, and technological frameworks that support cross-border businesses. In addition, they face multiple challenges that go beyond the traditional objectives of running a profitable business. Corporate culture, strategic options, the nature of the business, geographical location, and size, are all factors to be considered.

This textbook contains a number of papers that explore such issues as well as their impact on organizations. New challenges for managers are empirically tested and discussed from a variety of angles including strategic options, organizational learning, competitiveness, and technological innovation.

Part 1: Organizational Culture, Strategy, and Competitive Position

Somjit Barat attempts to synthesize current models of competitive advantage and introduces a framework, which compares and contrasts existing views on competitive strategy, and suggests a taxonomy that is scalable according to the size of the business. This taxonomy can be applied under different strategic situations, such as differences in size and market environment.

Allan Mulengani Katwalo discusses research findings of a study conducted among manufacturing SMEs in the United Kingdom and examines the evidence for framing SME competitiveness in light of the global market dynamics. The author argues that the process of competence development in SMEs should be seen from a three dimensional perspective of time, performance and international engagement or other independent variable rather that the traditional two-dimensional view of time and performance.

Gordon W. Arbogast and Major Valentine S. Arbogast trace the evolution of modern business strategy from its earliest roots in classical military history. The paper posits a variety of corporate analogy to classical military, strategic concepts. This is highlighted with a discussion of the five-step strategic management concept that is taught in most business strategy and policy classes.

The linkages between early military strategic thought and their integration into modern corporate strategies are also addressed. The paper concludes with the view that there well may be a relationship between classical military and modern corporate strategy.

Vahid Keshtkar, Nahid Hatam' and Farkhondeh Foroozan claim that organizational culture is a tool that simplifies our confrontation with problems and forms our interpretations of environment. They studied organizational culture in vice -chancellor financial affairs areas, as the latter plays a main role in organizational culture.

Anne Reino and Elina Tolmats conducted a research in prisons and they explored which is the dominant pattern of prison guards' competencies of emotional intelligence (further on EI). The authors discuss whether that kind of pattern supports working on emotionally demanding position. They believe that though characteristics and competencies of individual are crucial, and that organizational level factors could not be overlooked because they have great importance when analyzing prison guards' working activities.

Anjel Errasti Amozarrain presents a case study about the international expansion of Fagor Electrodomısticos S. Coop. During the last decade, Fagor pursued a strategy of international growth that transformed the original local cooperative in a multinational group with many affiliated companies in countries like Morocco, Argentina, Poland, China and France. In this context, the paper examines the business, economic, social and cooperative implications of this strategy. The methodology is based on participative observation and the analysis of available information as well as on interviews and meetings with managers, members, workers and other agents of the corporation and its subsidiaries.

Peter Neema-Abooki argues that higher education can only be regarded as of quality when it proves adaptable to the needs and sustainable development of the society. (Neema-Abooki, 2005). The paper is based on a cross-sectional research conducted among the administrators, the academic staff, the students, and the support staff at Makerere University, Mbarara University and Uganda Martyrs University. The findings of this research show lack of adherence to quality control by the existing mission statements. The paper concludes by propagating for complementary activities of: fostering quality assurance units inside universities and quality assurance agencies, promoting internal quality assurance and external assessment, promoting innovative teaching projects or motivating teaching evaluation systems and establishing stimulating assessment consequences.

Part 2: Organizational Theories and Governance

Yahya Salim Melhem and Mohammad Al- Ibrahim explored the factors behind resistance to change and the strategies used to deal with resistance among employees at the mining and manufacturing companies in Jordan. The study examines the degree of linkage and integration between causes of resistance and their relevant strategies, and their impact on employee resistance to change. In addition, it examines the impact of some demographic factors (gender, age, education) on the nature of strategies used in dealing with resistance.

Diane Huberman Arnold, Keith Arnold and Vanessa J. Arnold analysed key concepts of leadership and they argue that what really matters in an organization is its culture, not its leadership. Their empirical evidence does not support traditional views of leadership. On the contrary, evidence-based findings suggest that leadership is not really a moral notion, and does not promote ethics in the workplace.

Kornkanok Tunti-Ukos, Jutamas Ingpochai and Terrance C. Sebora focused on sub-cultures of each region in Thailand based upon the GLOBE cultural dimensions in order to compare them with the GLOBE findings and eventually explore an “Implicit National Leadership” and “Implicit Regional Leadership” for Thailand They claim that charismatic/value-based leadership will be the culturally universal as an implicit national leadership style of Thailand.

Annabel Droussiotis attempts to investigate the degree of job satisfaction that Cypriot employees are experiencing, and to identify the areas in which they are satisfied. Cypriot employees express high levels of job satisfaction. Four factors are identified: intrinsic motivators, hygiene factors, company assets, and management style.

Kamilla Galiy analyse in depth the Russian corporate environment. The paper examines the phenomenon of duality of governance in the energy companies as a result of corporate restructuring. The purpose of the paper is to establish existing structural settings of the corporate environment, as well the nature and type of the emerging model of corporate governance in Russia.

Jindriska Sedova, describes the institutional framework of the Czech economy and its functioning problems which are manifested when securing a desired pace of the economic and social development in the country. The work introduces the corporate governance models that have been in use in the Czech Republic since the beginning of 1990s. Special attention is paid to specific factors affecting the corporate governance quality in the Czech Republic.

Part 3: Learning Organizations and Knowledge Management

Maret Ahonen and Merike Kaseorg explores learning organization theories, with particular attention paid to the works by De Geus, Marsick, Watkins, Garvin, Senge, Peddler *et al.* The authors developed an assessment instrument with six characteristics (Vision and Strategy, Information Flow, Learning Climate, Teamwork, People, Change) and carried out a quantitative study that involved 231 Estonian employees with an aim to clarify how the characteristics of a learning organization are realized in practice.

Michael E. Thombs and Daniel Thombs discuss the issue of corporate-wide knowledge-loss due to employee attrition by both planned and early retirement. They argue that this lack of transfer of knowledge inhibits complete understanding which is needed to best perform job functions. A solution must be formed to effectively collect and organize information retained by individuals before such time as they exit the organization or institution. This solution must insure the collection, storage, and redistribution of knowledge, methods, and skills.

Sandra Poindexter and Carol Steinhaus, argue that the use of service learning as a way of teaching has long roots linked to volunteerism, apprenticeships, internships, and experiential learning. Acceptance and adoption of service learning as a formal pedagogy in higher education is a more recent development with significant growth in the mid1990s. In the U.S. a combination of faculty interest, institutional recognition, and increased funding sources over the past decade moved business programs from internships to a broader use of academic service learning. Their paper outlines the history of service learning at a Midwestern university in the United States.

Masoud Hemmasi and Carol M. Csanda discuss a number of issues related to Knowledge Management (KM). Their paper presents the results of an empirical study that explores the impact of select community characteristics on (a) perceived overall community effectiveness, as reported by community members, and (b) satisfaction of community members with their community experience.

Part 4: Organizational Demographics

Annabel Droussiotis compares Sri Lankan with Filipino domestic workers in Cyprus and explores the reason why they choose to work in this country. The relationship with the employers is also examined .It is found that Filipino female domestic workers in Cyprus are more educated and are treated better by their employers than their Sri Lankan counterparts.

Sanford L. Moskowitz and Elizabeth K. Sturlaugson explore the relative competitive advantages of the US vs. the EU over the last two decades from the perspective of advanced clustering. The study shows the US moving well ahead of the EU in various measures of competitive advantage. The paper asks why the EU, despite more centralized funding of R&D and a growing and more integrated market – generally considered important preconditions for competitiveness -- has fallen behind the US.

Linda Colley and Robin Price consider issues on changing demographic profiles, as increased longevity and decreased birth rates lead to an ageing population. Their paper focuses on the experience of the Queensland public sector. As the largest employer in the state, the Queensland Government has commenced implementing the Experience Pays Awareness Strategy within its own workforce. The approach incorporates the HRM policy framework and a specific strategy to support the increased participation of older employees.

Part 5: Information Technology

Panagiotis Petratos and Sofia Gleni conducted a research on The National Health System (NHS) of the UK and examined modern health care information systems; these systems process and store very sensitive information belonging to each individual patient who merits privacy which can be offered by state of the art information security.

James A. Sena and Abraham B. (Rami) Shani, propose a security design-based theory and generate a model of business performance based on new organizational capability development that integrates perspectives and theory from organization strategy, design, information technology, security design, culture and learning literature and evidence from practitioner sources. They use the model to capture and examine the dynamics of a software development firm

Donna M. Schaeffer and Patrick C. Olson discuss the growing importance of global supply chains and the application of Radio Frequency Identification (RFID) technology. They also examine best practices for information movement across the supply chain and design business processes with an appropriate unit of analysis.

Part 6: Organizational Research Methods

Nizamettin Bayyurt discusses the development of CCA/DEA method. For the implementation a sample of 57 firms from Turkish manufacturing industry is randomly selected. Outputs that are thought to be reflecting business performance of firms are profitability, productivity, and stock returns of companies. Inputs that affect business performance used in this research are, current ratio, cash flow ratio, machinery plant & equipment per employees, and inventories turnover. The results of the approach of this study, CCA/DEA which was proposed before and DEA with assurance region are compared by nonparametric statistical tests to validate that the approach given in this study is preferable than the method proposed before.

CHAPTER TWENTY ONE

Responding to an Ageing Workforce in an Australian State

Linda Colley and Robin Price

Many industrialised nations have changing demographic profiles, as increased longevity and decreased birth rates lead to an ageing population. This presents significant challenges for managing workforces, as older employees retire and there are insufficient numbers of younger employees to take their place. This leads to skills shortages, and strong competition for the remaining workers.

This paper considers these issues in the context of Queensland, the third largest state of Australia. The Queensland Government is addressing the issue of an ageing workforce for all industries in the state, primarily through a Skills Plan and an 'Experience Pays Awareness Strategy'. This paper focuses on the experience of the Queensland public sector. As the largest employer in the state, the Queensland Government has commenced implementing the Experience Pays Awareness Strategy within its own workforce. The approach incorporates the HRM policy framework and a specific strategy to support the increased participation of older employees.

Why are Demographics Changing?

The populations of Australia and many western countries are ageing. The extent of this ageing means that 'the population over age sixty-five represents 20 per cent-30 per cent of the population aged twenty to sixty-four in G7 countries' (OECD, 2005:2). If current trends continue, those aged over 65 will represent between 35 per cent to 50 per cent of the population by 2030.

There are four dimensions that explain an ageing population (Jackson, 2005; 2006). First, *numerical ageing* occurs through an increase in the number of older people. This increase in older people can be attributed to improvements in life expectancy, both reductions in infant mortality and improved longevity, and is important for government since it increases demand on the welfare state. Second, *structural ageing* occurs when the proportion of the population classified as aged increases. This ageing results from a decline in birth rates, so that older people form a larger portion of the population. This structural ageing is of concern for government since it leads to a decline in the number of people of working age, and consequently the number of taxpayers. Third, these trends lead to a *natural decline*, which is more deaths than births. It is predicted that

Australia will experience natural decline by the 2030's or '40s. It is already occurring across all of Europe, Canada and Japan. Fourth, *absolute decline* occurs where there is insufficient migration to replace the lost births and increased deaths. Absolute decline has begun in many European countries and is currently beginning in Japan. Both will occur in China in the 2030s. Population decline is expected to begin at a global level from around the end of this century.

These shifts in the demographic profile of a population have profound implications for government, in terms of the provision of benefits and services to citizens, the declining revenue base, as well as in terms of availability of a labour force for the public and private sector (Jackson 2005; 2006).

The Impact on the Shape of the Labour Market

Changes to the age profile of the population affect labour market entry and exit numbers. The Australian government has identified that the workforce is ageing more rapidly than the general population. Couple this with higher retention rates of young people in education and the result is skill shortages in the labour market. Skill shortages take a variety of forms. Genuine skills shortages occur when an employer is unable to fill vacancies at prevailing conditions. Recruitment difficulties occur when an employer experiences difficulty filling a position, although there may be sufficient numbers of workers with the required skills in the labour market. The third type of skill shortage is a skill gap, where there are not sufficient numbers of people within the labour market who possess the required skills (Australian Senate 2003; DEST 2002; Green, Machin and Wilkinson 1998; Parliament of Australia 2005). The federal Department of Employment and Workplace Relations monitors national and state skills shortages, and many are in professional occupations such as engineers, accountants, nurses and other health specialists, secondary teachers and information technology workers (DEWR, 2004).

One reason for skill shortages is an ageing workforce. Other reasons include: an employer's poor image; new industries; attraction and retention problems created by poor wages, working conditions and career prospects; technological changes; and a lack of investment in training. Skill shortages are exacerbated by low levels of unemployment and a tight labour market, such as Australia is currently experiencing (DET, 2005). Another factor that contributes to the problem is the trend towards the early retirement of older workers by choice, with a median retirement age of around 55 years, as well as forced retirements, and the reluctance of employers to employers workers over age 45 (Patrickson and Hartmann 1995; Patrickson & Ranzijn 2004; Shaw 2002).

As a result, Australian employers will all be searching for younger workers who are simply not there, with the resultant competition between industries and higher labour costs. Employers will have to increase workforce participation by addressing under-utilised segments of the labour market – young people, unemployed people, people staying home to care for children, and older workers. Of all of these groups, older workers are arguably the most suitable and valuable in terms of maturity, work ethic, organisational experience and potential commitment to an employer.

HRM Strategies for an Ageing Workforce

There is some agreement in the literature on a broad group of strategies to attract and retain older workers. Patrickson and Ranzijn (2004) state that there are three main influences on retirement choice: health, financial position and motivation to work. It is therefore important that HR staff tailor their policies for ageing workers with these influences in mind.

Limited promotional opportunities are identified as a key factor in creating a desire to exit the organisation. This is particularly important issue in public services, where jobs and salaries are grouped in bands and older workers can stagnate at the top of the salary scale for their band, with limited opportunity for upward movement (Elliott, 1995).

Allowing and encouraging employees to shift to more flexible working time arrangements is also widely recommended (Elliott 1995). Flexible working arrangements, originally designed to retain workers with caring commitments, can be equally useful for allowing ageing workers a phase-in period when approaching retirement (Patrickson & Hartmann 1995; Elliott 1995; Patrickson and Ranzijn 2004). It is, however, necessary to ensure that ageing workers are not financially penalised by this process, as they would be if their superannuation payout was an average of their last three years wages. Ageing workers might be encouraged to work part-time, so that the transition to retirement becomes a phased process.

Another solution is to review the organisation’s retirement policies, and if possible, reduce the attractiveness of early retirement (Patrickson and Ranzijn 2004). While, on one level, the exit of ageing workers from the organisation provides opportunities for the promotion of younger workers, it can also bring the loss of significant organisational knowledge and experience (Elliott 1995). Elliott (1995) and Patrickson and Ranzijn (2004) suggest running retirement seminars to assist employees to make informed assessments about whether they can afford to retire or whether they need to stay in the workforce for longer.

Aligned with these financial planning seminars, HR policies should be developed so that employees can trial retirement. This might include extended leave with an option to return at the end. Continued relationships can occur through re-engagement on short term contracts to meet fluctuations in demand.

Another means of dealing with any valid problems encountered by ageing workers is to review the job design and restructure to both make jobs inherently more rewarding, and therefore retain staff, or to redesign jobs to accommodate the competencies of older workers (Elliott 1995, Murray and Syed 2005).

The literature also recommends a range of strategies for increasing worker motivation to remain in the workforce. One such recommendation is the introduction of functionally based teams that emphasise collaborative action, so that skills are shared and each team member actively contributes (Jorgensen 2005). Aligned with this team based structure, ageing workers should be encouraged to perform a mentoring role for younger and less experienced workers. This not only enhances the organisational knowledge of the less experienced workers, but recognises and respects the experience and knowledge of the ageing worker (Jorgensen 2005). This can also reduce the hierarchical 'command based management' structure that exists in some public sector organisations, and enhance the workplace experience and organisational culture (Jorgensen 2004).

While these recommendations for the introduction of HR strategies and policies may contribute towards the retention of ageing workers, a simple policy approach is unlikely to be enough. Numerous negative stereotypes exist about the capacity of older workers, who are often considered to be slower, less committed, less productive, less adaptable to new processes and technologies and unwilling to change (Patrickson & Hartmann 1995). Regardless of the diversity of views as to the validity of these stereotypes (McNaught & Barth 1992; Brooke 2003), a focus on policy changes may be too simplistic to overcome this ingrained culture of age discrimination. Schein (1985) identifies culture as having three levels. The first layer consists of artefacts, technology and behaviour, which is visible but may be hard to decipher. The second layer is espoused values or what people say they believe. The final layer is more tacit assumptions, usually invisible or taken for granted, such as the nature of relationships and human activity (Schein 1985). It is possible that too much focus is placed on the visible level – policies and artefacts – without adequate focus on the underlying assumptions.

Sustainable changes in workplaces require activities to change this awareness level. This might include developing a broader culture of learning, rather than short term training for specific skills. Ageing workers training and education needs are often ignored, and employers should focus on equitable access to training opportunities (Patrickson & Hartmann 1995). Older workers can be supported to remain in the workforce for longer if the organisation creates and retains an organisational culture that makes it a desirable place to work (Jorgensen 2005).

Managers and the general workforce both need education regarding the benefits associated with employment of older workers (Elliott 1995). Managers should be trained in awareness of discrimination as well as how to restructure jobs to meet the needs of ageing workers. Older workers also need to be educated about their potential.

An Ageing Population and Workforce in Queensland

The Changing Demographics and Labour Market in Queensland

The experience of changing demographic profiles affects different states within Australia to differing degrees. Queensland is one of the largest states in the Australian federation, being second largest in land mass, and third largest in population with 4 million residents, which comprises more than 20 per cent of Australia's population (OESR 2006). Queensland's population is projected to grow by 18 per cent by 2016, and by 40 per cent by 2026 (to 5.6 million) (OESR 2006).

Much of this growth is due to interstate and international migration. Most of those who migrate to Queensland are in the key working ages of 25-44 years, which are also the key ages for having children/families, so you get strong gains at the youngest ages as well. Relatively few of Queensland's migrants are aged 65+ (3 per cent last year). Thus, migration will delay natural decline in Queensland until at least the 2040s (Jackson 2005; Jackson 2006).

Changes to the age profile of the population affect the labour market. Projections suggest that the number of Queensland labour market exits (by people aged 55-64 years) is rapidly approaching the number of entrants (aged 15-24 years), and will exceed them by 2020. This will be a little later than national trends, where this will have occurred around 2017-2018. This is not due to a decline in the number of young people, only a decline in their ratio compared to those leaving the labour market (Jackson, 2005).

The Queensland labour market has changed extensively. First, it has experienced strong employment growth, with a boom in coal and other industries. Queensland created over half of the new full-time jobs across Australia in 2004. This has resulted in a rapid decline in Queensland's unemployment rate, and the 'tightest labour market for thirty years' (DET, 2005:2). Additionally, the labour market has changed due to the information and technology revolutions, which have changed the nature of required skills, the nature of work, and the nature of occupations. There has been greater than average growth in professional and associate professional jobs, which require the highest skill levels. There has also been a growth in non-standard forms of work (such as casual, part-time, contractors, and labour hire) across Australia, with flexibility being traded for job security, and full-time jobs constituting only around half of all employment (DET, 2005). These factors have contributed to skill shortages in the labour market, and Queensland tends to experience similar shortages to those at a national level, as discussed earlier (DEWR, 2004).

Queensland Government in its Role as a Government

The Queensland Government identified changing demographics and skills shortages as a prominent issue, and developed the Queensland Skills Plan to address skills shortages through initiatives such as training and workforce participation (DEIR 2005). One strategy under the Skills Plan was "age proofing our workplaces through the new Experience Pays Awareness Strategy" (EPAS) (DEIR 2005). This strategy recognises that older workers tend to be undervalued in the workplace, due to systemic and overt discrimination, and takes steps to attempt to remedy this situation.

EPAS will be implemented over three years, and revolves around:

- forming partnerships with peak industry bodies, unions, government agencies, registered training organisations and community based organisations to maximise opportunities for older workers,
- providing information and referral services for older workers seeking employment and training assistance,
- raising awareness and encouraging the adoption of age-friendly recruitment and workplace practices by businesses
- highlighting the benefits of adopting age-friendly recruitment and workplace practices through a state-wide campaign (DEIR 2005).

A range of liaison officers have been appointed including representatives of the major unions and employer associations (such as the Queensland Council of Unions, Australian Workers' Union, Commerce Queensland, and the Australian Industry Group). These liaison officers will be responsible for communication and awareness raising within the cohort they represent.

The program recently commenced with a two day workshop in January 2007, to develop promotional material. An 'Experience Pays Pack' has been developed to inform employers of the problem and provide suggestions for improving HR practices. The pack contains guidelines on improving recruitment practices, such as attracting candidates over 45 years and inducting them to make them comfortable. It also addresses the retraining of existing mature age employees, to ensure they are up to date with technology, are given new opportunities in organisations, and pass on their knowledge to younger employees. Further, it addresses the retention of older workers through job-share, phased retirement options, flexible working arrangements, attention to health and safety issues, and promoting the values of experience and age.

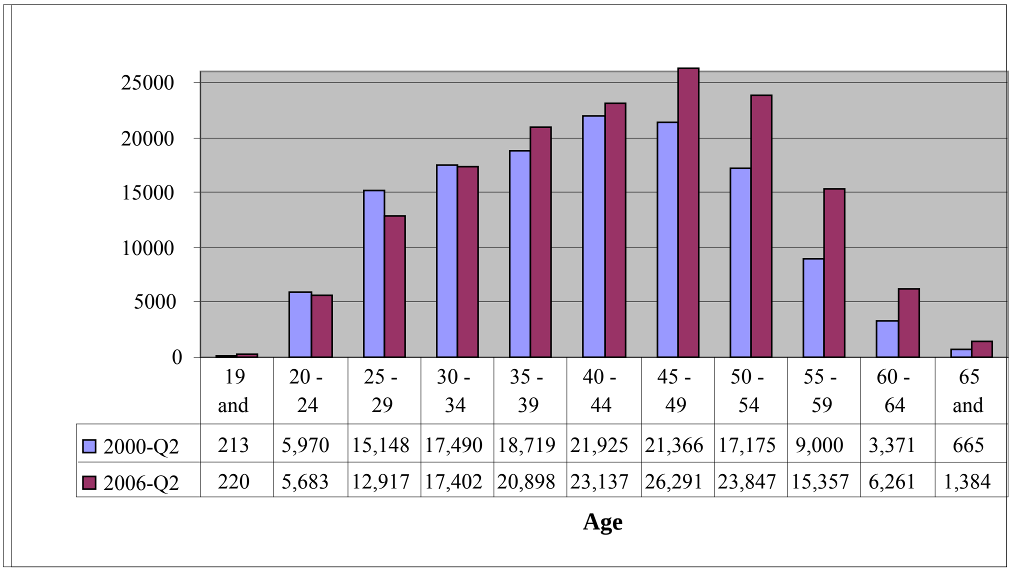
The strategy was formally launched in February 2007. Communication included a Ministerial address, television, radio and print advertising, direct marketing and a toll free number for employers to ring to request a free information kit on how to recruit, retrain and retain experienced workers. All public service agencies have been advised of the spirit of the initiative (OPSC 2007). These strategies are relatively recent and it is too early to judge their effectiveness in changing employer' perceptions of ageing workers, but the Queensland government is also using its role as a major employer to influence community perceptions of the value of ageing workers, and to manage its own ageing workforce..

The Queensland Government as an Employer

In the Australian federation, public services are divided between federal, state and local government levels. Generally, state public services undertake a range of functions, including the direct provision of services (such as health, education, roads, police, and emergency services), management and regulation functions (such as justice, natural resources, employment, environment, and local government) and promotion of state concerns (such as tourism, trade and economic development).

The Queensland Public Service (QPS) workforce is old and ageing. It is also growing, albeit the 17% growth between 2000 and 2006 differs between age cohorts (see Figure 1). The number of employees in all age categories below 30 years of age decreased over the period, while the number in all age groups above 30 years increased, with those above 45 years rapidly increasing (70.6% growth in the 55-59 year cohort and 85.7% growth in the 60-64 year cohort).

Figure 1. *QPS Age profile, Growth by Headcount June 2000 to June 2006*



	19 and	20 - 24	25 - 29	30 - 34	35 - 39	40 - 44	45 - 49	50 - 54	55 - 59	60 - 64	65 and
■ 2000-Q2	213	5,970	15,148	17,490	18,719	21,925	21,366	17,175	9,000	3,371	665
■ 2006-Q2	220	5,683	12,917	17,402	20,898	23,137	26,291	23,847	15,357	6,261	1,384

The QPS, like many public sector organisations, has leave and hours policies that are more flexible than many private sector organisations. In the last decade, with a large proportion of the males and females in the workforce having dependent children, the Queensland Government has further enhanced employment conditions to accommodate employees' responsibilities to care for both children and elderly relatives (DIR 2005b). In the last five years, it has recognised that many of these same policies can be utilised as specific strategies to retain older workers.

The QPS introduced flexible working hours arrangements in the early 1990s, replacing mandatory working hours and days with more flexible accounting for hours on a four-weekly basis. This enabled employees to vary their starting and finishing times, within agency parameters, and access whole days off (*Queensland Government Departments– Hours of Work Arrangements – Industrial Agreement*). In a response to the peak trade union body, the Australian Council of Trade Unions campaign for reasonable hours (ACTU 2005), the Queensland Government has also entered into enterprise bargaining commitments to address workload management issues (Certified Agreement 2003). A Workload Management Tool has been developed to assist with research and monitoring of workload issues (DIR 2005b).

In addition to flexibility of time, the QPS policies support flexibilities in the place of work. Working from home (or telecommuting) was approved in July 2002, as a measure to assist employees balance work and life commitments (DIR 2002b). Formal take-up rates appear to have been slow, and it seems to be used more in an ad hoc manner (DIR 2005b). It is unquestionably of appeal to older workers, who list detractions from working as being the effort to travel to and from the workplace (particularly if they have bought retirement or lifestyle change homes some distance from their office).

There are also a variety of options to extend leave periods. Special unpaid leave is available for up to three years, for any purpose, subject to operational convenience (DIR 2005d). Recreation leave on half-pay was introduced in 2005, which allows older workers (and other groups) to take up extended travel opportunities or other interests (DIR 2005b, Memorandum of Agreement 2005). More accessible long service leave provisions were also introduced, with relaxation of restrictions on the purpose of the leave, a reduction in the minimum period of leave, and pro-rata long service leave after 7 years in certain circumstances (Memorandum of Agreement 2005). Purchased leave arrangements are also included in the suite of policies. These arrangements allow employees to "purchase" additional periods of leave over a specified time (often called 48/52 policies) and fund it via salary deductions throughout the year. It was first introduced in 1994, but recently extended, to a minimum of six weeks, with no maximum (Certified Agreement 1994; DIR 2005b; Memorandum of Agreement 2005). It is unclear whether this will have broad appeal, given other simpler processes such as half pay annual leave. All of these policies provide for extended periods of leave or shorter working weeks, most while on full pay, and have appeal for those seeking to transition to retirement.

In addition to these central policies, some agencies are pursuing innovative strategies to engage with their older or retiring workers. Establishment of alumni groups has proven to be a powerful strategy for maintaining contact with professional employees who are passionate about their field. It provides older workers with an opportunity to both stay up to date with developments, as well as to identify ways in which they might stay involved in paid or unpaid capacities. Some agencies have implemented coaching and mentoring strategies, to ensure the knowledge of older workers is passed on to remaining staff (OPSC 2007)

A longstanding benefit of Australian public services is a strong superannuation fund (a combination of self and employer funded retirement income scheme), with all employees required to contribute at least 5% of their salary, and the employer contributing at least 12.75%. Arrangements are in place to ensure that transferring to part-time employment in the final years of work does not have a significant impact on the final benefit (QSuper 2006a). Salary packaging arrangements also provide opportunities to contribute additional monies to superannuation (Certified Agreement 2000; Memorandum of Agreement 2005, DIR 2005c). Forthcoming federal government changes to superannuation laws will further assist employees to ease into retirement, without having to retire completely (QSuper 2006b).

While these policies are important for employees making decisions about retirement, organisations must have a range of other policies and strategies to ensure they remain aware of imminent risks to their workforce capacity and plan to minimise these risks. Workforce planning is one tool that should assist agencies to forecast potential risks from retirements of key employees. However, workforce planning is an option rather than a requirement of agencies (due to the decentralised and hands-off approach to public sector human resource management). Workforce planning activities appear to be sporadic across agencies, and agencies rate them as not particularly useful in predicting workforce requirements. There are few central guidelines on succession management and knowledge transfer policies, and most agencies do not have sufficient policies or strategies in place to manage knowledge retention (OPSC 2007).

In addition to this general employment framework, central personnel agencies have provided guidelines on ageing workforce issues for use in agencies (DIR 2002a; DIR 2005a). As with many of the central agency resources, these guidelines were produced and placed on the website, but without subsequent training and support to ensure they were utilised by agencies.

While the QPS has a reasonable framework of work-life balance policies, there is no integrated analysis of how, when or if these policies are utilised by employees. However, a recent survey provides some insights. In 2005, a Work/Life balance survey was undertaken of more than 13000 employees across 48 agencies in the Queensland public service, as part of a broader initiative regarding work/life balance (Certified Agreement 2003). An on-line survey of employees asked questions about their awareness of work-life balance policies n their organisation, the importance they allocate to these policies, and their perceptions about the extent to which the workplace culture is supportive of work-life balance (DIR, 2005b, Monaghan et al 2005). Generally, employees aged 50 years were the most aware of the policies available. However, they rated the policies as significantly less important than employees in younger age groups. Further, younger workers considered that the workplace culture was significantly more supportive of work-life balance than all other age groups. Interestingly, males rated the workplace culture as less supportive of work-life balance than females, possibly because they use the policies less or perceive that the QPS may be less accepting of males using such policies. Perceptions of workplace culture are important as they are likely to affect the willingness of males to utilise work-life balance policies (Monaghan et al 2005).

The QPS is participating in the broader Queensland Government *Experience Pays Awareness Strategy*. A key focus of the strategy is to debunk myths about the value of older workers, and highlight issues such as the tendency for them to be less likely to be offered training and more likely to be offered redundancy. These attitudes are not sustainable in the face of the shrinking workforce and skills shortages (DEIR 2005). Given that the QPS already has an extensive policy framework in place, it intends to focus on raising awareness and dispelling myths about older workers, through training and guidance on how to implement cultural change and remove discrimination (OPSC 2007).

Conclusion

This paper has highlighted changes to the demographic profile of the Australian population, focusing on the ageing of Australian society. After outlining the nature of demographic changes and reviewing the literature on strategies for dealing with an ageing workforce, the paper examined development in the state of Queensland. The Queensland Government has recognised the seriousness of the impact of demographic changes on its economy and society, and implemented strategies to address the skills shortages, and more particularly to increase the participation of older workers through its Experience Pays Awareness Strategy. This strategy was only introduced in early 2007, so it is too early to draw firm conclusions about its effectiveness in influencing cultural change within Queensland society, and a greater acceptance of the value of ageing workers. The latter portion of the paper examines the strategies adopted by the Queensland government to deal with its own ageing workforce. It seems the Queensland public service generally meets the recommendations contained in the literature about ideal strategies. However, the broader cultural changes are at an early stage, and it is not yet possible to judge the effectiveness of these policies in attracting and retaining older workers.

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