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Working with the Demographic and
Cultural Shifts in the Workforce.



Government of South Australia
Training and Skills Commission

Adelaide 4 September 2007





*Working with Demographic & Cultural
Changes in the Workforce*

2007 Workforce Development Conference
Adelaide 2007

Rod McDonald, Group Manager Corporate Human Resources





Australia Post

“An organisation the size of Australia Post is not usually associated with entrepreneurship. Australia Post is now one of Australia’s biggest logistics businesses and, in terms of the number of stores, is the country’s biggest retailer. It is one of the most technologically advanced companies in Australia”.

Business Review Weekly, 5 May 2005



Australia Post

Australia Post employs more than 35,000 full-time and part-time staff in three main markets – Letters; Parcels & Logistics; and Retailing and Financial Services. 47 % of employees are 45 years and over. It operates 4,477 post offices and serves an average of 1.1 million customers in its outlets per business day.

Australia Post



Parcels & Logistics

- Essential partner for domestic parcels and logistics services and a facilitator for Australian businesses that manufacture and trade in Asia-Pacific *24% total revenue 37% of total profit*

Letters

- Positioning cost-effective, paper-based products and services as a vital part of contemporary communications *58% total revenue 34% total profit*

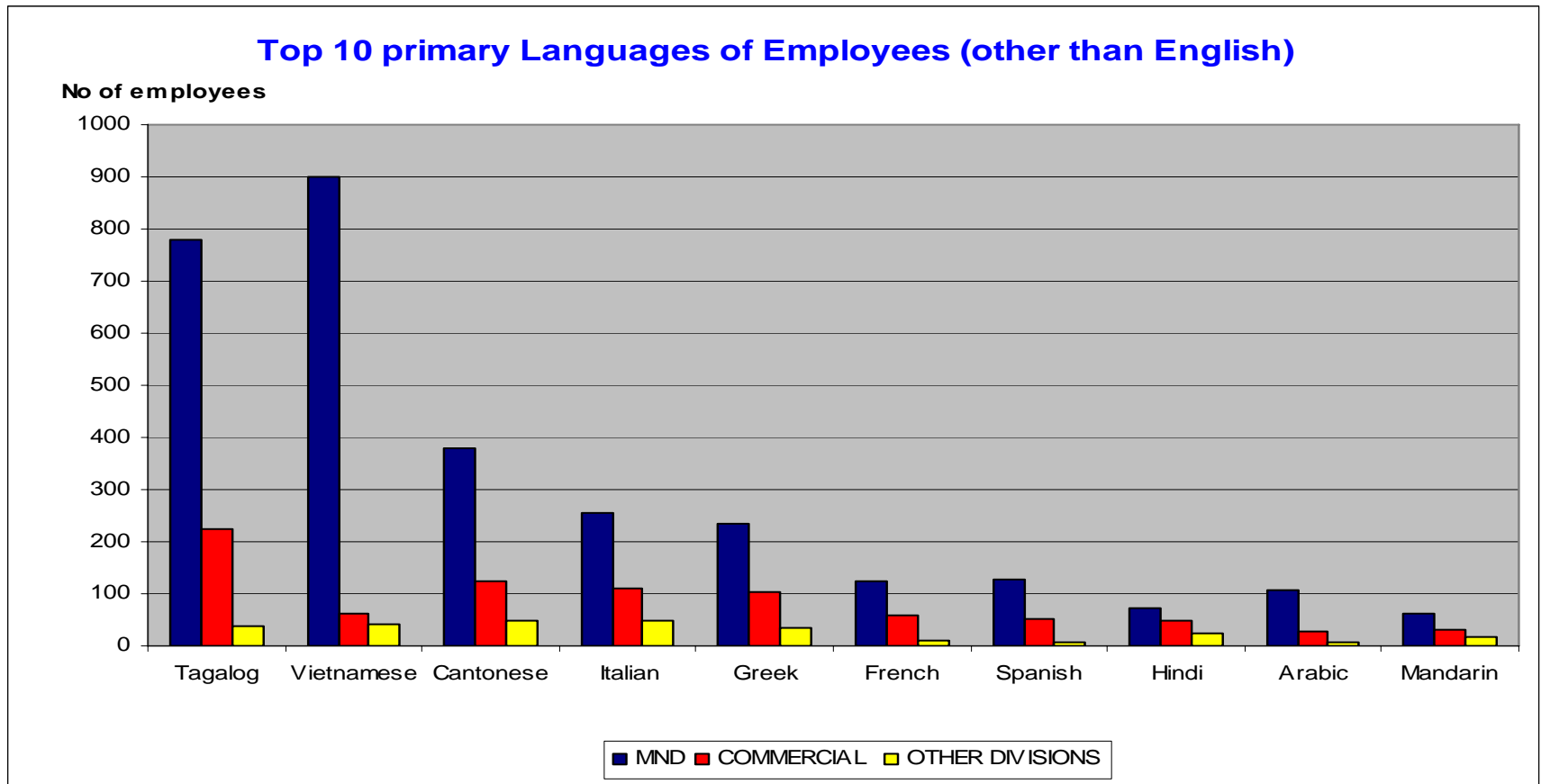
Retail & Agency services

- Using our retail products and agency services to support outlet viability by strengthening our position as a destination for agency services and for philatelic and packaging products *15% total revenue 17% total profit*

There has been significant structural change

| | <u>1988/89</u> | <u>2005/06</u> | |
|-------------------------|----------------|----------------|-------|
| Full Time Employees | 34,789 | 25,387 | -27% |
| Part Time Employees | <u>3,824</u> | <u>9,196</u> | +140% |
| Total Employees | 38,613 | 34,583 | -10% |
| Corporate Offices | 1,372 | 857 | -38% |
| Licensed Post Offices | 3,060 | 2,975 | -3% |
| Community Postal Agents | <u>172</u> | <u>630</u> | +266% |
| Total Outlets | 4,604 | 4,462 | -3% |

Non English Speaking Backgrounds



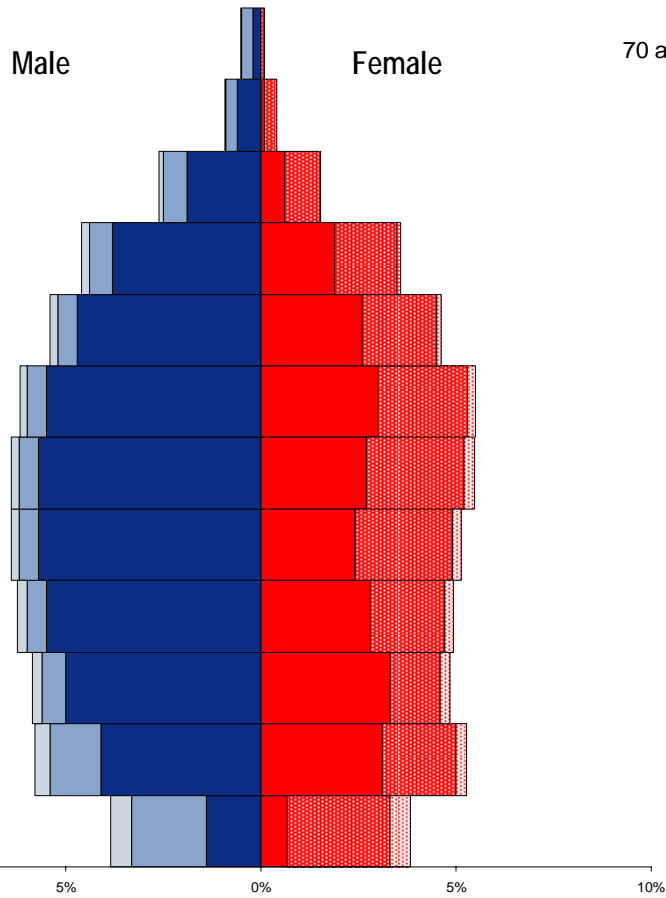
- Lowest unemployment rate in 34 years
- An ageing population
- Skills shortages across skilled and semi skilled areas
- Changing nature of Australian workforce
- Resources boom



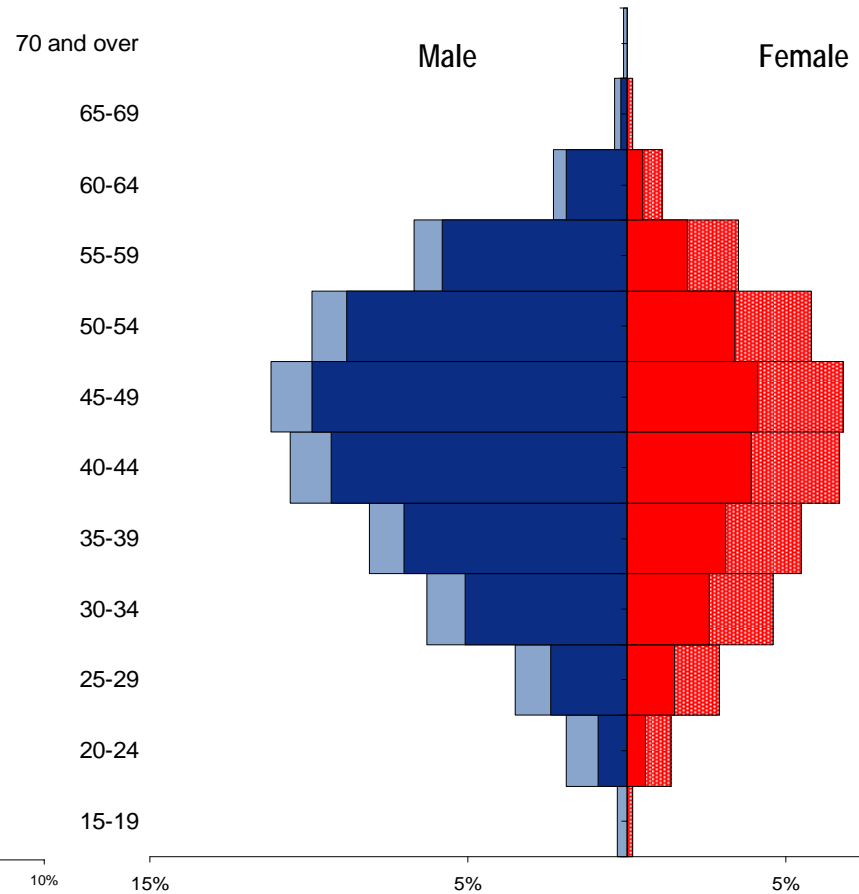
A compelling call to action

An ageing workforce

Australian labourforce



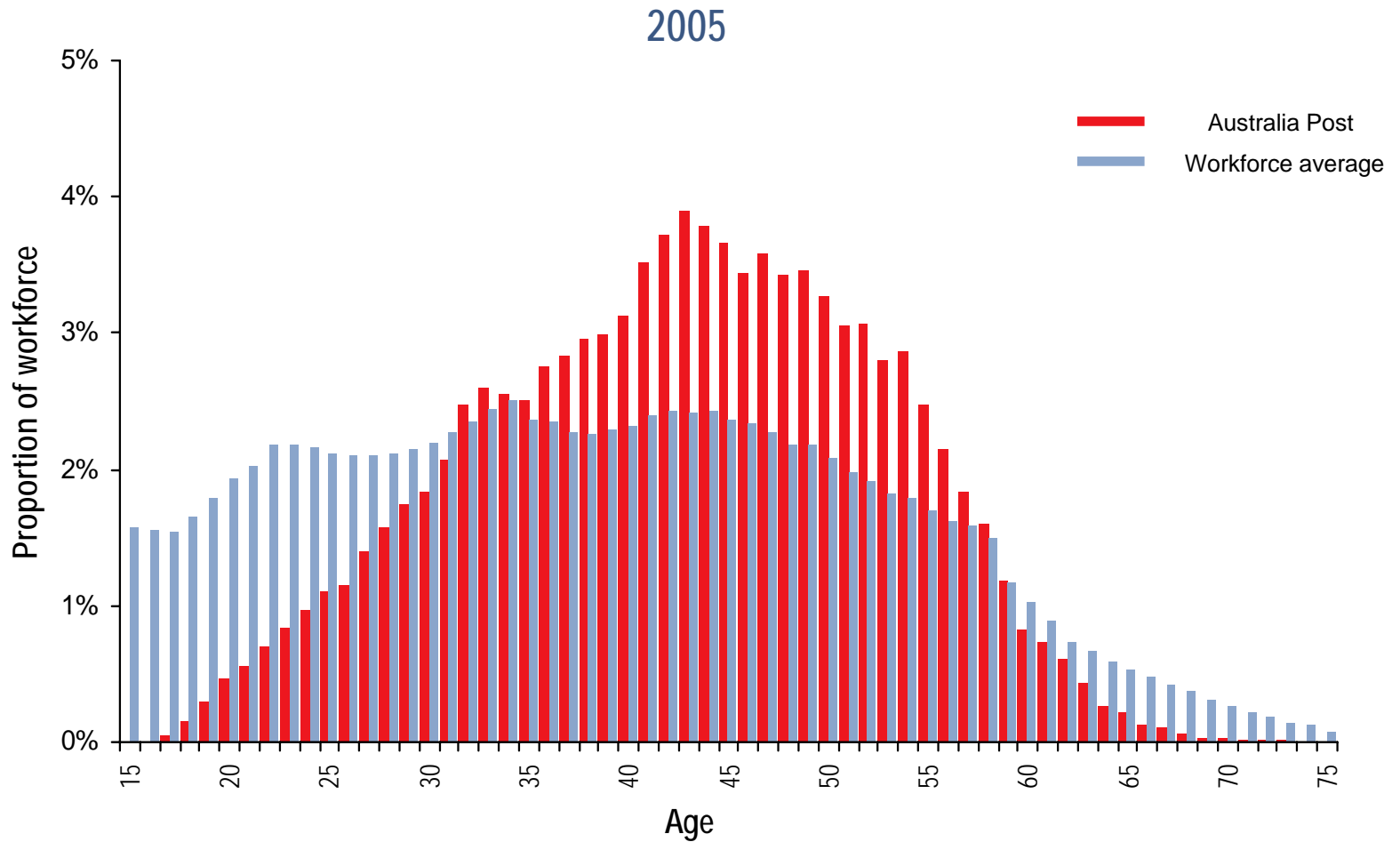
Australia Post workforce





A compelling call to action

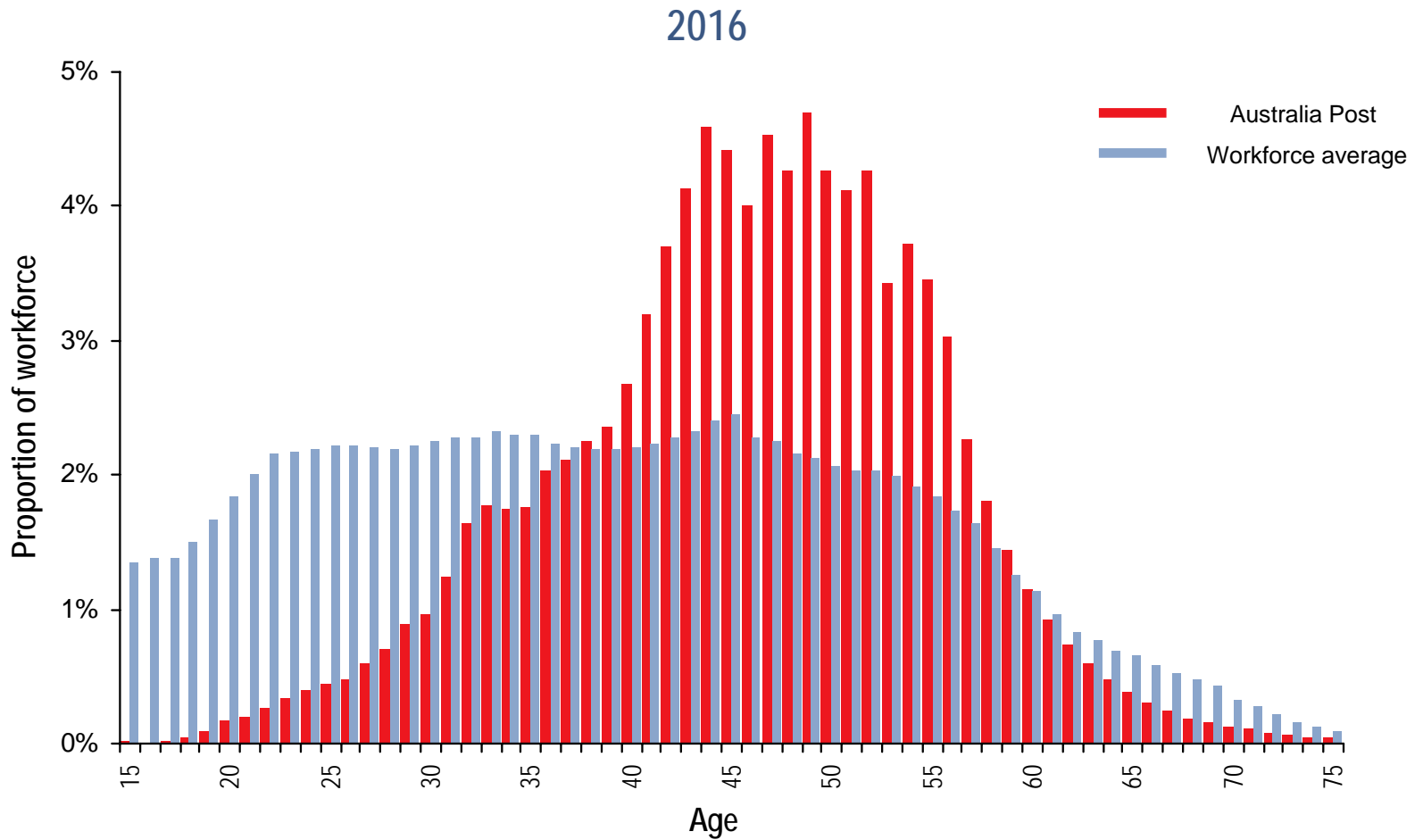
"If we do nothing..."





A compelling call to action

"If we do nothing..."

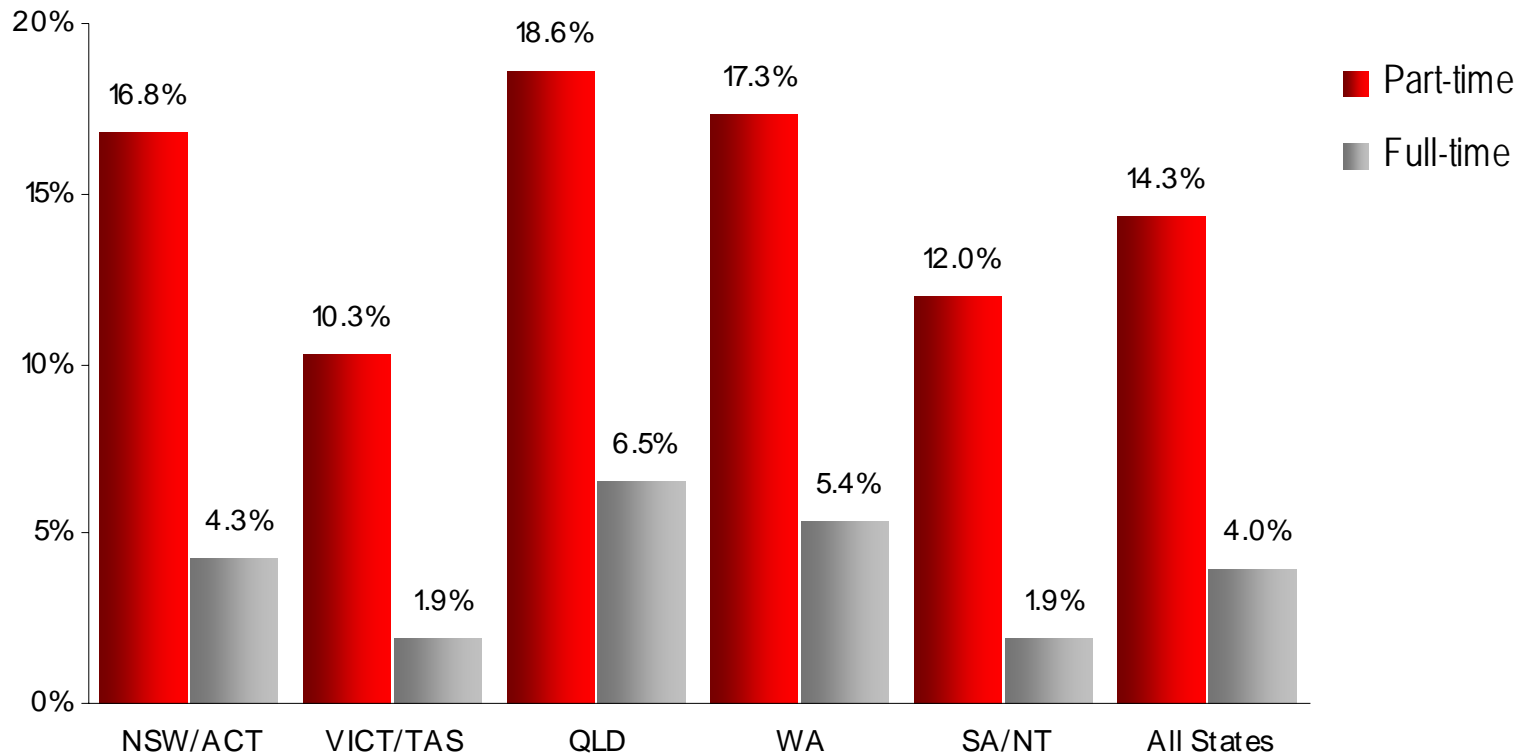




A compelling call to action

Part-timers

Resignation rates for part-timers vs. full-timers, FY2006

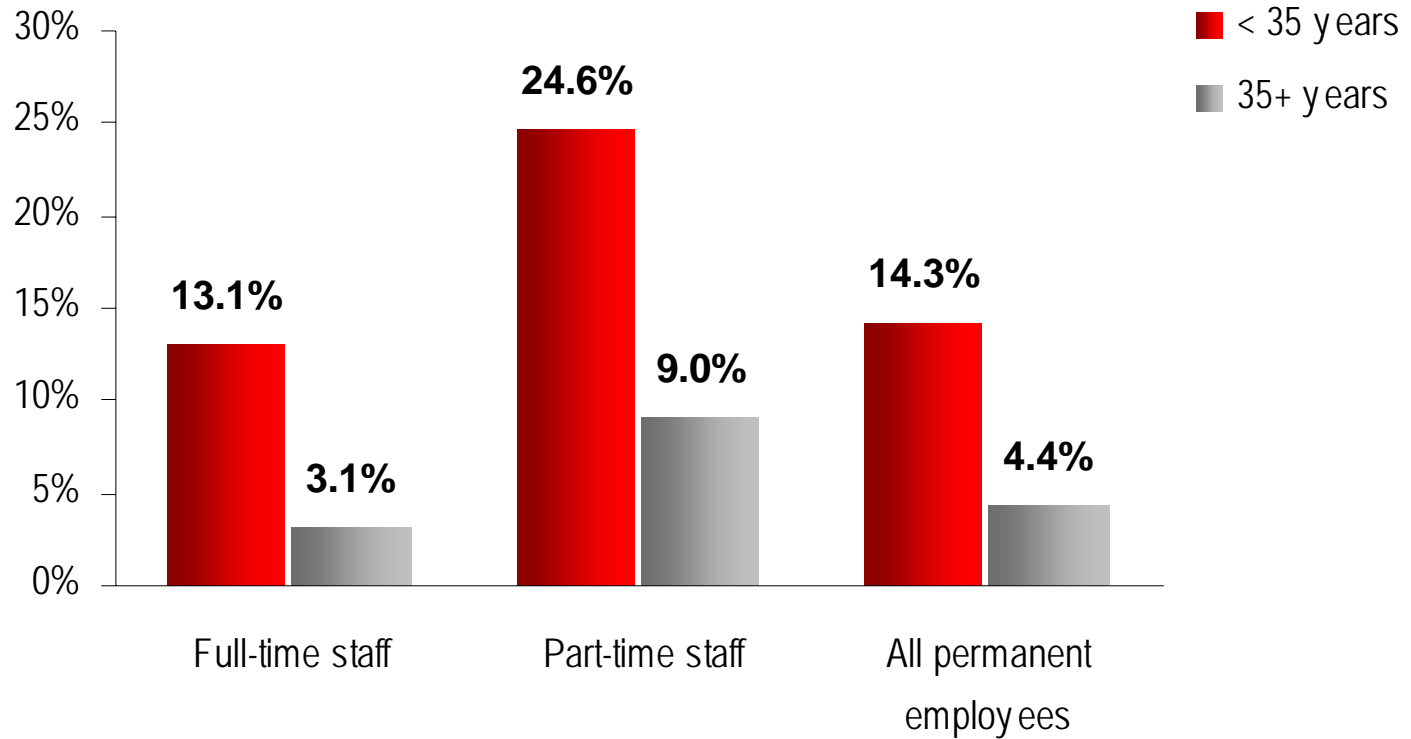




A compelling call to action

Young people

Resignation rates, FY2006



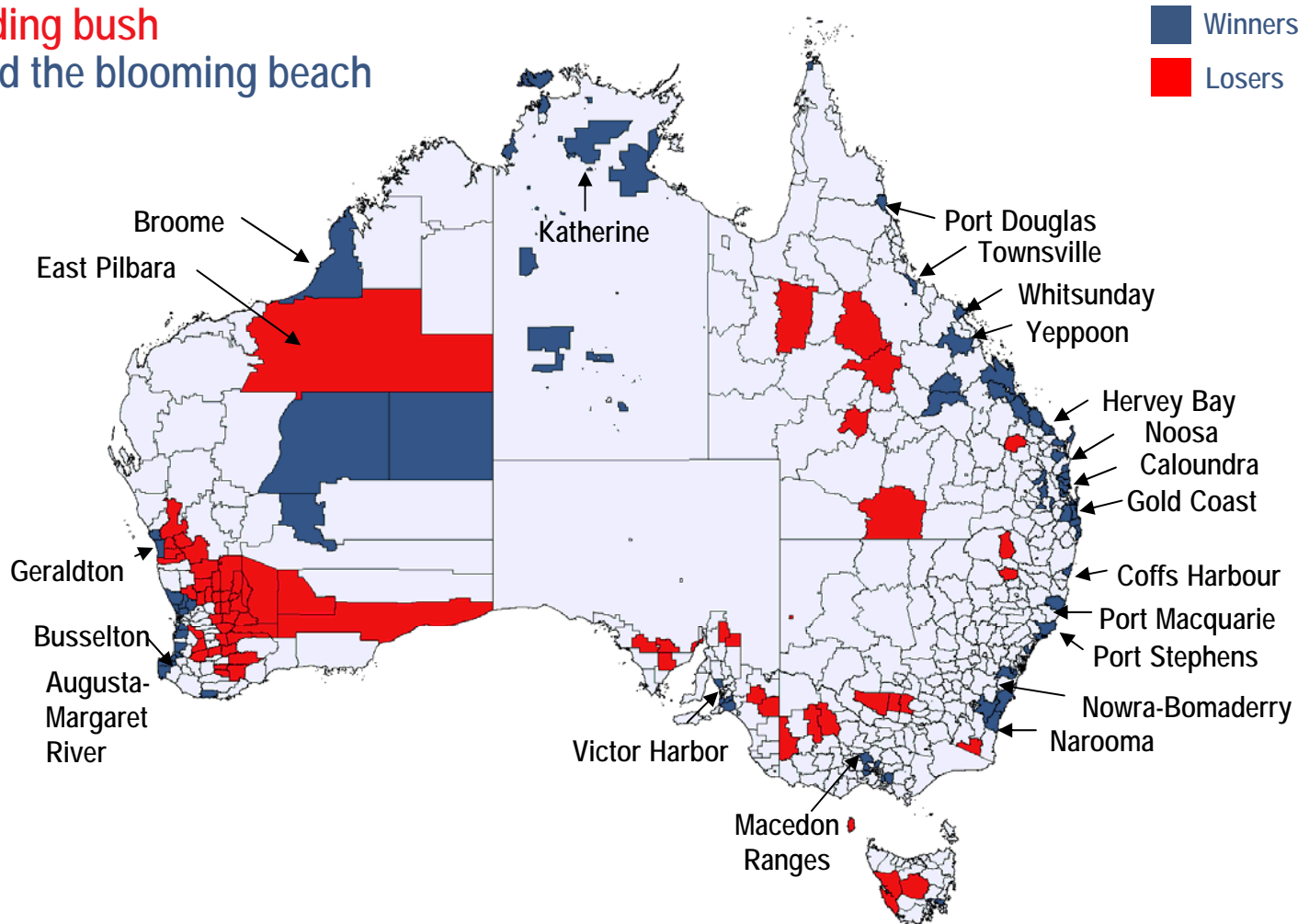


A compelling call to action

Our external environment – geographical change

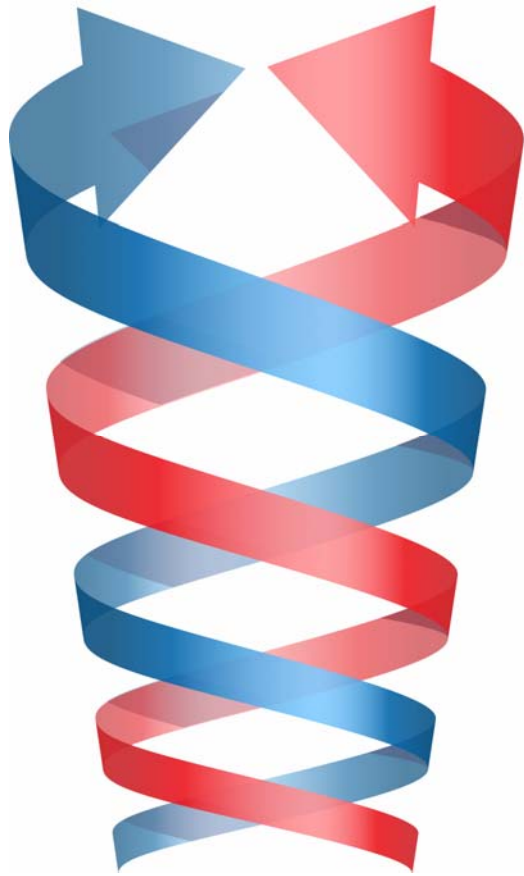
Bleeding bush

... and the blooming beach





Our response

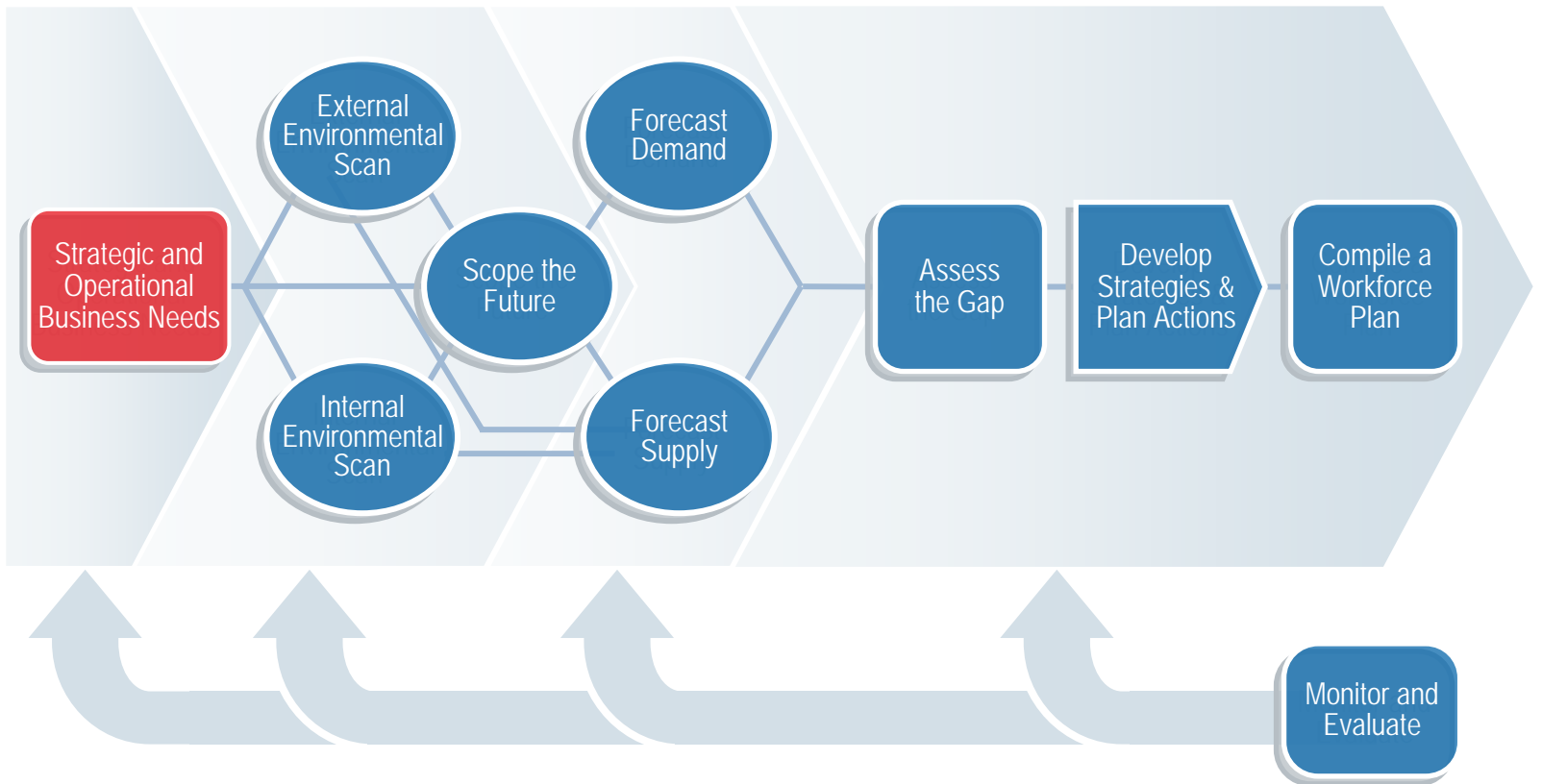


- 1. Better understand our future labour requirements**
- 2. Build the capability of HR and the business to respond**
- 3. Address our priorities**



1. Better understanding our future labour requirements

A workforce planning framework and toolkit





1. Better understanding our future labour requirements

Understanding Ageing Workforce Issues

- Investigating issues of ageing since late 1990's
- Studies include:
- 40yrs+ IT employees re access to development 2001
- 40yrs+ business wide re access to development & work-life balance 2002
- >35yo's call centre employees re retention study 2004
- Work and ageing 2005
- Life after Post – the post retirement reality study 2005
- Demographic audit re retirement/retention 2005



1. Better understanding our future labour requirements

Life After Post Survey

- An opportunity to address some elements from our Life after Post survey:
- Address pressure to retire early
- Improve support of older workers
- Utilise the knowledge of older workers more effectively
- Provide a greater focus on retirement reality and financial planning

2. Building our capability to respond

Change management and organisation design

Change management

- Large change framework and toolkit
- Small change framework and toolkit
- Capability building
 - workshops, training, coaching
- Change management “community”

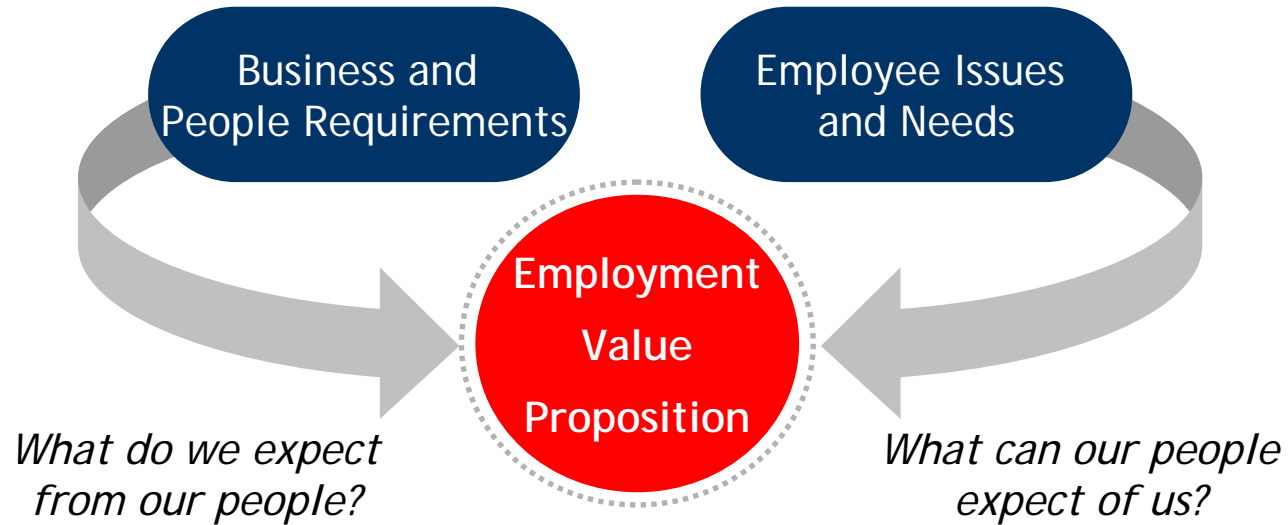
Organisation design


- Organisation design framework and toolkit



3. Addressing our priorities

Creating a compelling Employment Value Proposition





3. Addressing our priorities

From succession pools to managing talent

Moving a **program** from three talent pools of high potential high performing staff 'owned and managed' through Corporate HR

to

An integrated Talent Management Framework where

Talent = all employees

A **process** including a cascadable framework of tools and resources owned and managed by the broader business

3. Addressing our priorities

Managing Succession for Enterprise Critical Roles

Success Profiles

- *Clearly defined areas of success enabling more effective risk management*
- *Successors are mapped against enterprise critical roles*

Enterprise Critical roles are roles that:

- have significant business impact and impact on customer value;
- directly link to business strategy development or execution; and/or
- have little tolerance for extended vacancy

| | |
|---------------------|----------------------------|
| Experience | Knowledge |
| Competencies | Personal Attributes |

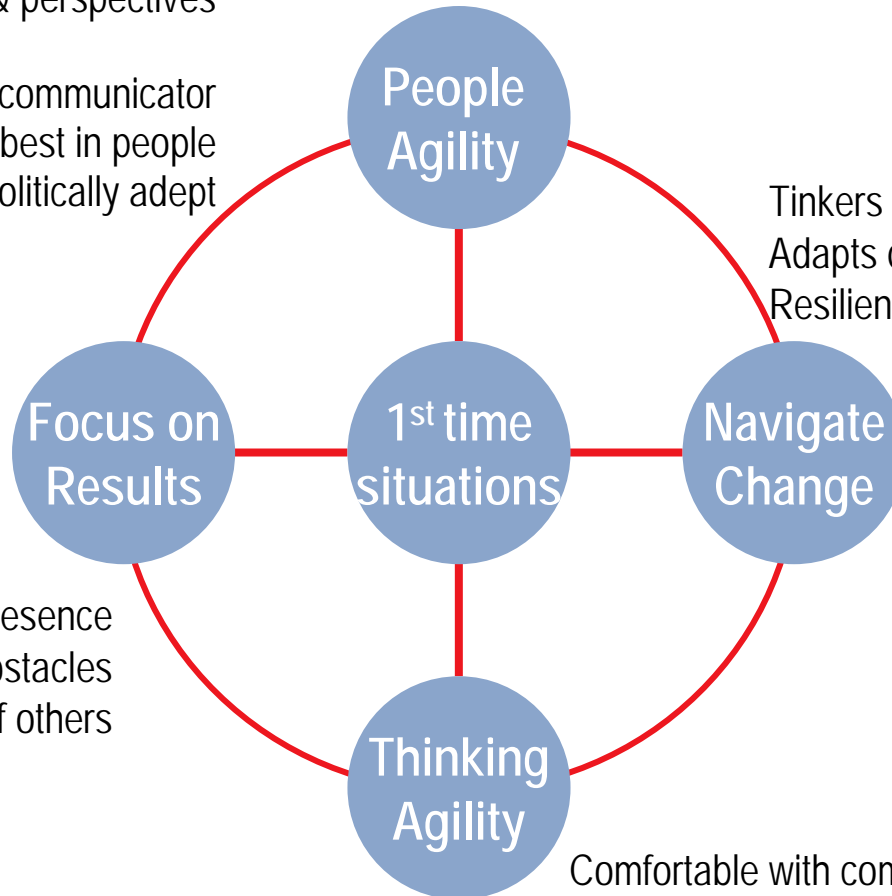
3. Addressing our priorities

Talent Management - Potential as assessed by Learning Agility

Self aware/ Continuous learner
Open to other people & perspectives

Good communicator
Brings out the best in people
Adaptable & politically adept

Tinkers & experiments
Adapts quickly when priorities change
Resilient



Has drive/personal presence
Overcomes obstacles
Inspires the confidence of others

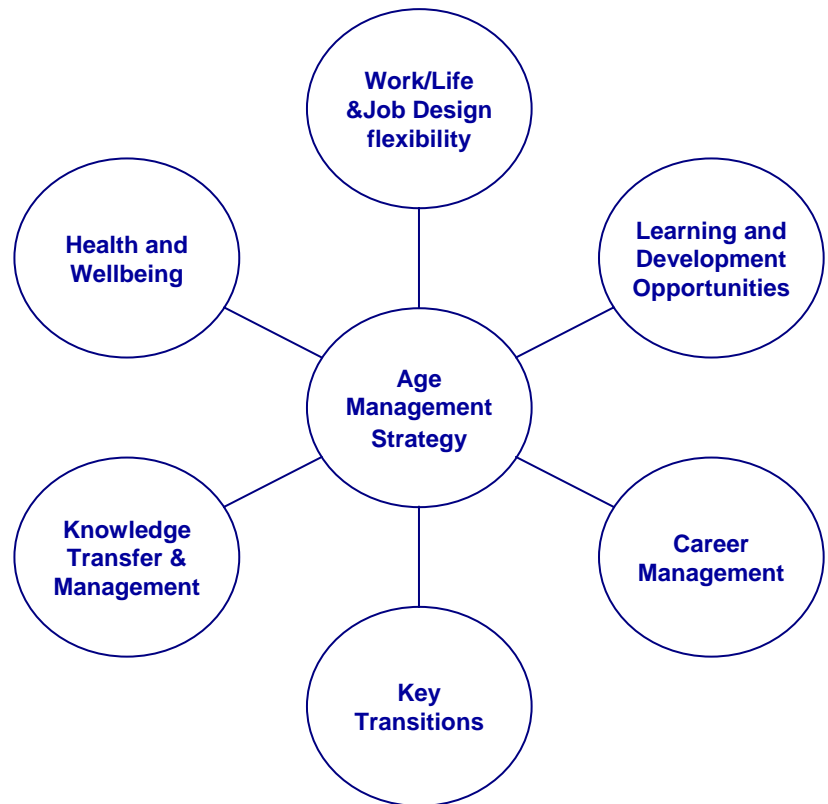
Comfortable with complexity & ambiguity
Curious
Makes connections, considers the big picture
Finds solutions to difficult problems

3. Addressing our priorities

Age management – Youth and Age Strategy

Age management is not approached as a discrete focus but as an additional lens through which workforce planning and organisation priorities and people practices are developed and implemented

- Manage the loss of people, knowledge and capability as significant numbers of Post employees move to retirement
- Support the attraction and retention of younger employees
- Develop a focus on the employment life-cycle – from student development opportunities through to transition to retirement.
- Adopt a holistic approach that encompasses all dimensions of age management
- Facilitate successful retirement planning and transition



3. Addressing our priorities

Fostering the health and wellbeing of our people

Australia Post has an extensive Health and Wellbeing program and includes partnership with government and public health bodies to target identified needs.



Employee Health and Wellbeing



Health Resource Centre



Better Health Website



STAYING CONNECTED



Elder Care Information Kit
A reference guide for Australia Post Employees



3. Addressing our priorities

Making our environment attractive for young people





Summary

- **Significant challenges for all Australian organisations in attracting and retaining staff**
 - growing economy
 - changing demographic profiles
- **Need to have workforce strategies that identify both current and future business needs**
 - workforce planning
 - change management
 - age and youth strategies
 - EVP
 - Talent Management