

# Mature Age

## Workforce Resource 2015



*A framework of recommendations for the management and retention of mature talent in local government*

## FOCUS AREA 2.1

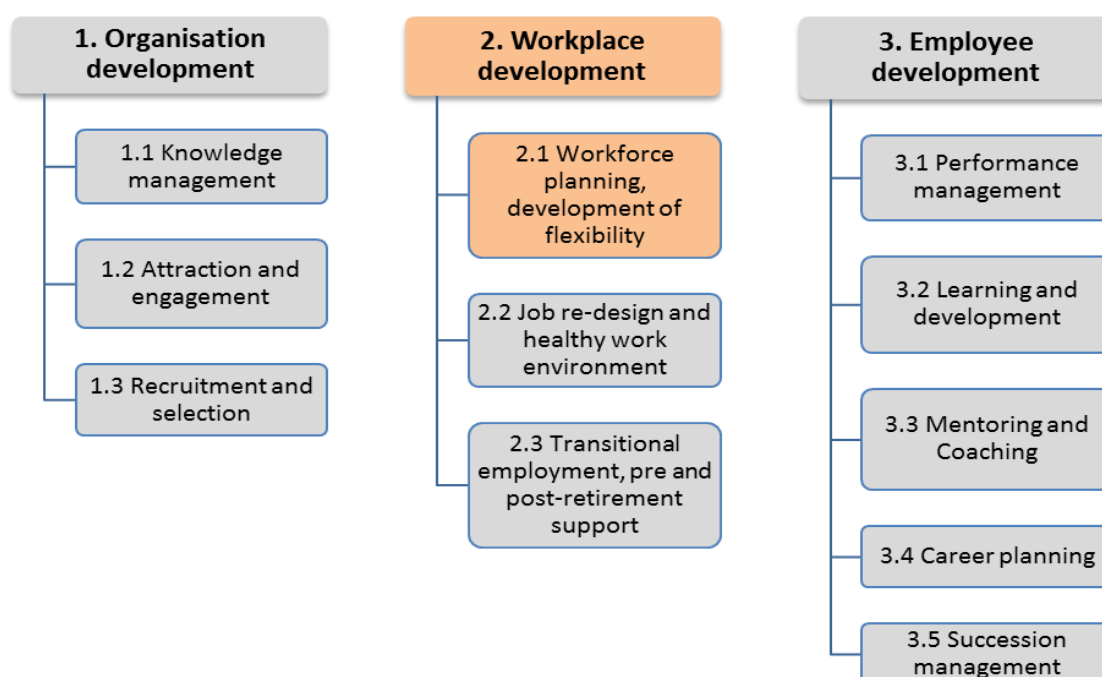
### WORKFORCE PLANNING, DEVELOPMENT OF FLEXIBILITY

The Toolkit is designed to be used by the Human Resources or Organisation Development (HR/OD) and leadership teams as they enhance their organisation's culture.

Suggested actions and strategies to help the mature age workforce may apply to the broader workforce as well and could contribute to fairer and more equitable work conditions and opportunities for all staff. Each organisation will already have in place human resource management policies and activities. It is not the intention of this toolkit to conflict with existing policies or actions. Rather, it can add value to the operations of the organisation by being used as stand-alone or integrated actions and initiatives.

Development initiatives are presented in a very broad way, with a set of actions identified as recommendations. Templates are not used in the Toolkit so that HR/OD practitioners can interpret recommendations in the most appropriate way that is aligned to existing initiatives.

There are many intended linkages and connections between the Focus Areas, which is an important factor as an aligned HR/OD strategy is developed and applied. The intention of the Toolkit is that work will be adapted and modified within each council organisation. Recommendations are not in any way intended to be prescriptive.



This Focus Area 2.1 of **Workforce Planning, Development of Flexibility**, provides ideas to help plan and create flexible working environments for mature age workers, where that is desired and possible.

**1. OVERVIEW – the need for change**

This Focus Area supports planning for mature age employees in the workplace, through offering a range of work arrangements that are flexible, and support work-life balance. There are many change management issues to consider in the implementation of this Focus Area.

These initiatives are frequently challenging to address and it must be remembered that the approval of flexible/phased work arrangements remains the discretion of the CEO, based on objective analysis of business benefit, legislation, organisational procedure, industrial instruments and the specific job requirements and work area concerned.

It is acknowledged that a number of these arrangements will also have application to the broader workforce under the national employment standards for flexible work arrangements. The intention of this Focus Area is to provide broader options within the context of phased work arrangements for mature age workers, possibly in transitional employment. Eligible employees include:

- full-time workers, aged 45 years and over;
- employees who are voluntarily seeking participation;
- employees who have sought independent superannuation and financial counselling;
- newly recruited mature age workers;
- past retirees who are re-engaged by the organisation.

**Note:** Due to some team and work requirements and commitments, it is recognised that this Focus Area may not have the same application for all employees.

**2. DEFINITIONS**

<b>Phased work arrangements</b>	These differ from standard flexible work hours in that phased work hours are typically applied for a pre-arranged period leading into formal retirement and are specified within the transitional employment agreement
<b>Purchased Leave</b>	Purchased leave enables employees to access additional leave in a given year in exchange for a proportional reduction in salary
<b>Transition to Retirement (TTR)</b>	The phase in an employee’s career leading into retirement, where the employee can access a range of career options and changes to support a longer working life. Normally defined as the 6 years preceding identified, scheduled retirement age

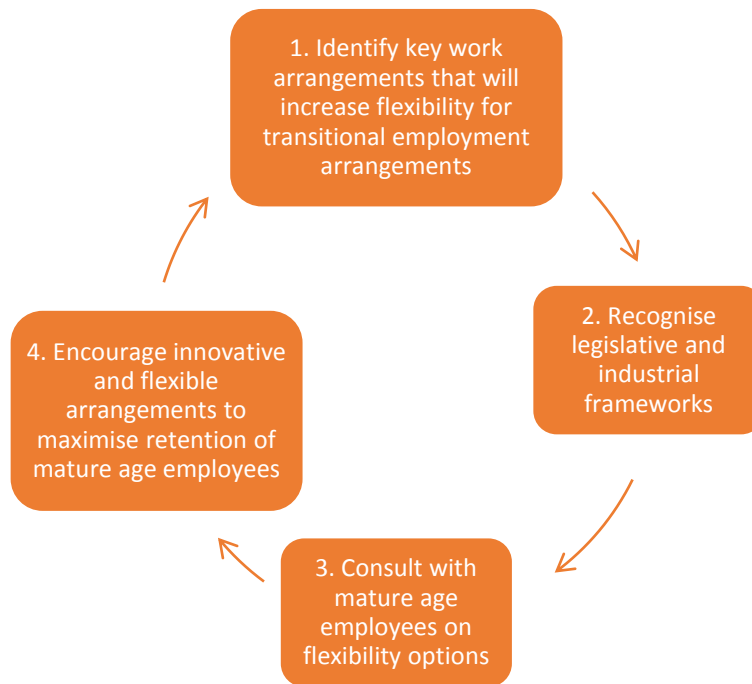
**Voluntary participation in TTR**

Transition to retirement is a voluntary process available for employees interested in extending their working life beyond traditional retirement age

**Workplace flexibility**

The situation where an employee and an employer make changes to when, where and how a person will work to better align individual and business needs. The concept is broader than just flexible work hours

**3. ACTIONS to address in this Focus Area include:**



This Focus Area includes the following opportunities for action:

<p><b>1. Identify key work arrangements that will increase flexibility for transitional employment arrangements</b></p>	<ul style="list-style-type: none"> <li>▪ Identify a range of contemporary work arrangements and practices that may be implemented to support increased flexibility for mature age workers transitioning to retirement</li> </ul>
<p><b>2. Recognise legislative and industrial frameworks</b></p>	<ul style="list-style-type: none"> <li>▪ Identify any legal, legislative or industrial compliance or regulations that would impact on the identified flexible arrangements</li> </ul>
<p><b>3. Consult with mature age employees on flexibility options</b></p>	<ul style="list-style-type: none"> <li>▪ Gain input from mature age workers regarding preferred options to increase flexibility during transitional employment</li> <li>▪ Recognise the non-homogeneous nature of mature age workers and consider all possible options to increase flexibility while maintaining business benefit</li> </ul>

4. Encourage innovative and flexible arrangements to maximise retention of mature age employees

- Gain the commitment of the organisation by negotiating with managers and employees, accepting of potential benefits and limitations to both parties and suited to the job requirements
- Leaders are encouraged to be innovative and apply contemporary human resource management principles and practices when assessing the merits of workplace flexibility strategies designed to attract and retain mature age workers

#### 4. WHO CAN CONTRIBUTE TO CHANGING THE CULTURE?

The **CEO** has the authority to approve or terminate any changed work arrangements under this procedure, and their delegated authority. The CEO has the discretion to depart from this procedure in exceptional circumstances.

**Managers** with delegated authority and responsibility for implementing these processes within their department or work area are required to ensure equitable opportunity is provided to all staff requesting the various flexible work arrangements.

**Employees** considering any of the flexible work arrangements listed or negotiated should be required to seek professional, independent advice regarding the impact of any proposed change in their work arrangements on their superannuation benefits and financial circumstances. No arrangement should be entered into until employees have fulfilled this requirement.

#### 5. POINTS TO CONSIDER WHEN ADDRESSING THIS FOCUS AREA

These notes are designed to support transparency, compliance and openness in addressing what can potentially be a difficult area of cultural change.

- Corporate approval to extend the range of workplace arrangements available to mature age workers may need to be gained prior to the implementation of any arrangement. Applications for flexibility in work arrangements by mature age workers should be submitted by an approved format.
- The extent of flexibility regarding work arrangements remains at the discretion of the CEO and should only be instigated where a business benefit to the organisation is identified and the staff members concerned have an improved opportunity to extend the quality and length of their working life.
- Managers will most likely be required to develop a business case to support approval for increased flexibility, including budget and forecasts.
- Any applications for variation to work arrangements can be approved and recorded within each individual's transitional employment agreement.
- Where flexible work arrangements are approved, employees should be aware of their responsibilities under such an arrangement and the circumstances under which these privileges can be revoked prior to entering into any agreement leading to the commencement of the varied work arrangements.

- Options for flexible work arrangements can be negotiated between managers and mature age workers in consideration of job requirements and the impact on the work team.
- Mature age employee transitional employment arrangements are voluntary and as such flexible work arrangements require the agreement of the employee and should not be imposed without their consent.
- Where phased work arrangements are approved, employees should be made aware of their responsibilities under such an arrangement and the circumstances under which these privileges can be revoked prior to entering into any agreement leading to the commencement of the varied work arrangements.
- Flexible work arrangements can be monitored and reviewed at 6 month intervals to ensure the arrangement remains of benefit to council and the employee/s.

### 5.1 Refusal, suspension or cancellation of agreed work arrangement

The following are the rights and responsibilities that employers and employees have in the cases of refusal, suspension or cancellation of agreed work arrangements:

- Where an employee makes application for a variation to work arrangements and it is declined, the employee should receive written confirmation within 21 days stating the reasons why the application was not successful.
- An employee has the right of appeal where they believe the process or reason for refusal, suspension or cancellation was unjust, unfair, not consistent with similar opportunities afforded to others or not in the spirit of transitional employment.
- Where flexible work arrangements impact negatively on operational requirements or have been suspended or cancelled due to employee abuse or poor performance, the CEO has the right to approve the withdrawal of the work arrangements or terminate the employee agreement.
- Where flexible work arrangements are cancelled, the Manager should write to the employee providing them with reasons why the arrangement is to be suspended or cancelled.
- Confirmation in writing should be provided to the employee confirming the reasons why the arrangement is to be suspended, terminated or removed from offer.
- Where an employee makes application for a variation to work arrangements and it is declined, the employee has the right to appeal the decision. In this instance, the CEO will have the final decision based on an analysis of the business benefit to council, the impact on customer service, and the work area.

### 5.2 Options for flexible work arrangements

The following arrangements may be approved to support mature age workers transitioning to retirement. These examples do not apply to all work areas and/or individual positions due to the nature of the work area. Confirmation of the arrangements that apply to individuals must be confirmed with the Manager of the work area:

#### Phased (reduced) work hours

Phased work hours are an incentive for mature age workers to extend their working life whilst balancing the demands of work-family-life responsibilities. This work arrangement will allow mature age workers to move from full-time employment to a gradual reduction in the number of hours or days they work. This strategy differs from standard flexible work hours in that phased

work hours are typically applied for a pre-arranged period leading into formal retirement and are specified as part of the transition to retirement agreement. Business benefits for council include:

- reduced turnover through increased retention of skilled and experienced employees that may otherwise have opted for early retirement;
- increased recruitment pool available to council through attraction to the range of flexible work options available to employees;
- increased opportunity to preserve corporate knowledge and professional relationships through timeframes that support structured and effective succession management and mentoring;
- creation of a flexible, responsive and committed workforce;
- potential for increased return on investment in training and development.

Phased work hours may also include:

- variable start and finish times;
- part-time work – fewer hours per day or days per week;
- part-year employment – months on / months off;
- variable year employment – one year on and one year off;
- flexitime arrangements;
- home-based work arrangements;
- short-term contract work.

#### Variable start and finish times

Variable start and finish times enable employees to stagger their start and finish times to help meet their personal circumstances whilst in employment. As with any phased work hours, the approval of variable start and finish times must support the job requirement and the capacity of the work area to maintain a high level of customer service standards.

#### Part-time work arrangements

Mature age workers transitioning to retirement may elect a reduction from full-time to part-time work, allowing them to work a reduced number of hours or days per week while still accruing benefits on a pro-rata basis.

#### Extended break arrangements

Part-year and variable year work arrangements are additional options that may be beneficial to council and employees. Part-year employment options allow for an employee to work for a specified number of months throughout the year and take an extended break for a nominated number of months before returning to the workplace. Similarly, variable year arrangements mostly relate to year on, year off arrangements.

#### Flexi-time system

Flexi-time is a system of flexible working hours that allows work areas to vary working hours to improve customer service and enable employees to better manage the balance between work commitments and their personal responsibilities. Flexi-time applies to those arrangements which allow employees to take accrued and banked time during defined core periods. Flexi-time options are reliant on having a formalised local area agreement in place.

### Home-based work arrangements (telecommuting)

Home-based work is a flexible work arrangement that enables staff to work their ordinary hours of duty away from the workplace (at a home-based or other site) on a full-time or part-time basis, or on another regular or temporary basis. Not all jobs are suited to working from home, therefore the home-based work options are not a blanket option available to all staff transitioning to retirement.

### Seasonal and short-term contract arrangements

*Seasonal work* – is a form of temporary employment that offers employers and mature age workers a variety of options for short-term contract or temporary employment arrangements. With the increasing number of retirees travelling around Australia, many still seek opportunities to balance lifestyle choices with employment opportunities to subsidise their income.

*Short-term contracts* – provide council and employees with considerable flexibility. This type of work arrangement is particularly suited to:

- short-term project work;
- work areas that have specific high peak output requirements;
- unplanned vacancies where the work area requires immediate support to deliver services;
- identified areas of skill shortage;
- re-engaging past employees/retirees;
- attraction and recruitment of mature age workers/retirees from a board experience base.

### Long-service leave

Where employees are eligible for long-service leave, application can be made to extend the period of time off by accessing leave on half pay arrangements.

### Annual Leave

Employees may also apply to extend annual leave by applying for half pay arrangements.

### Purchase of additional leave

Employees may wish to access additional leave in a given year in exchange for a proportional reduction in salary. Additional leave of up to four (4) weeks within any twelve month period can be purchased, or alternatively, employees may arrange to sacrifice a specified amount of money from each pay cycle over a four year period and use this money to fund one year leave (a fifth year in such a cycle) without pay.

Where an employee withdraws from the agreement or terminates their employment with the organisation during this period, unused purchased leave will be reimbursed on a pro-rated basis. Where purchased leave has been used, the employee will be required to repay any drawn leave.

### Access to part-superannuation

Access to part-superannuation can be arranged under current superannuation schemes as a transition to retirement option that supplements extended periods of leave. Employees will need to discuss transition to retirement pension arrangements with their superannuation fund.

## **5.3 Applying for variations to work arrangements**

Each of the phased retirement arrangements detailed in this Focus Area are supported with specific guidelines for their implementation and should be read in conjunction. All changes to work arrangements ought to be applied for as part of the transition to retirement process and be documented in the transition to retirement agreement.

Employees should negotiate preferred work arrangements with the delegated manager and make application through the formal process outlined for each specific work arrangement. Employees who believe they have not been provided a fair hearing or disagree with the decision have the right to follow a Grievance Process.

## **5.4 Review process and information support services**

The Human Resource Management Unit, or equivalent in each council, should play an active role in the review and evaluation of flexible work arrangements for transition to retirement initiatives. The HR unit should also provide information and support services to older workers and managers who have questions or concerns with transitional employment arrangements.

All work arrangements entered into should be formally reviewed, at a minimum, every six months, to ensure continued benefits to council and the employee. All information and application forms are available from the Human Resource Management Unit and all information, applications and agreements are required to remain private and confidential.