

# FUTURE PERSONNEL ENVIRONMENT 2005 - 2025

## Introduction

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This Chapter summarises the information presented in previous Scan 2025 chapters and also incorporates the personnel trends noted by national and international organisations. These findings are then placed in a context to consider the specific implications for developing Defence personnel strategy<sup>203</sup>.

## The Future Civilian Personnel Environment

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Over the next 20 years the personnel environment in Australia is likely to be shaped by the interaction of a number of trends including demography, climate change, educational achievement, technological advances, economic globalisation, international security, and social forces. Whilst these trends have been discussed in detail in previous Scan chapters, they will be summarised here in the context of the implications for the future Australian workforce.

### Demographic and Societal Changes

The Australian workforce will continue to grow but at a considerably slower rate than previously. There will be a shift toward a new profile of the national workforce. The workforce will be older, generally better educated, and it is predicted that there will be greater participation by females (with children), persons with disabilities, and people from different ethnic origins. Four distinct age generations (Generations Z, Y, X and Baby Boomers) will be represented in the workforce during this 20 year period, further challenging human resource management capabilities.

Due to the projected high demand for workers, it is likely that barriers to employment opportunities may continue to break down for females, minorities, the aged, the young and those with disabilities. Increased workforce participation of these groups will have implications for workplace arrangements. Increasingly organisations will be required by the 'personnel demand situation' to make changes to provide for the needs of such workers. Retaining older, highly experienced and skilled workers will also be a new priority for organisations whilst at the same time, the attraction, development and retention of younger workers will require significant human resource management and innovation.

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203. This chapter developed by Mr John Hearps, DSPPR.

Australia's demographic profile will change further over the next 20 years. Assuming current demography, by 2017 the number of labour market exits will outnumber entrants and by 2026, there will be 0.91 entrants for each exit. This suggests that beyond 2020 the speed of population ageing is projected to increase significantly, which would suggest ongoing labour supply problems for many industries.

The relative percentage of young people in the population will continue to fall whilst the relative percentage of older people continues to rise (from 12% in 2001 to 19% by 2025 and 27% by 2050). The future supply of young people is dependent upon stabilising fertility. Under current trends the number of persons aged 0-14 is projected to grow to about 4.2 million by 2025.

Marital status has changed significantly over the last three decades, with increasing probabilities of divorce and remarriage since the 1970's, many more children will be living in lone parent or mixed family households. By 2026, it is projected that there would have been a 19% increase in the number of children living in lone parent households.

The timing of births and marriages has shifted to older ages over this period. The effect of this trend is that for many, the responsibilities associated with having children later in life will also be combined with the responsibilities of caring for aged parents. These factors have the potential to pose significant challenges to people maintaining work and at the same time, coping with family responsibilities. This will particularly be the case for single parents – a group which will increase in size over the next 20 years.

The ethnic composition of Australia's population continues to evolve and on a per capita basis Australia has accepted more migrants than Canada, USA, or NZ so Australia's workforce and society is generally more diverse than most other nations. Nearly 25% of the population was born overseas with people arriving from 200 different countries. The changing ethnic composition of the population possess both challenges and opportunities for human resource management and society more generally. In the period 2002-2005, between 100,000 and 110,000 people arrived in Australia as immigrants each year and this level is likely to be sustained. The immigrant intake is generally skilled and well educated adding quickly to the economy.

The interaction of Australia's diverse community, in all capacities, with the rest of the world has created a network of people to people links. Australia's standing as a major educational centre contributes to sustaining these links. In the last 10 years some 800,000 foreign students, mostly from Asian countries, have studied in Australia.

In addition, in 2003, it was estimated that some 720,000 Australians lived overseas, almost 4% of the population. These expatriates play an important role in representing Australia and many hold important positions within other countries' economies and societies.

## Trade and investment; raising incomes and generating employment

The jobs of one in five Australians depend on exports, rising to one in four in regional Australia. Regional Australia generates over 50% of exports. Exporting firms pay better wages and offer better conditions of service than non exporting firms. Exporters also tend to invest more in technology, improved management techniques and the skills of their workers. To capture the greatest benefits from globalisation it is important that human skills are developed alongside infrastructure<sup>204</sup>.

## Skills Shortages

Specific skill shortages are likely to worsen as a consequence both of the increased economic demand for labour and workforce aging (retirement rates increase whilst new worker entry rates fall). The effects are likely to be felt particularly as the tail end of the Baby Boomer generation exit the workforce in 2025. Similar workforce profiles exist globally or are developing for most 'westernised' nations. Employment growth in western nations is also likely to be focused on those service industries geared to support the ageing population.

The pace of technological change could also be constrained if the scientific workforce is not developed. Further technological advances and changing global demands will continue to intensify the demand for a more highly skilled workforce. As technology delivers innovative ways of communicating and managing, resulting in changes in how businesses, government departments and agencies are organised. It is predicted that the nature of employment relationships will change with business structures becoming more specialised and decentralised.

Research and development remains a major area of concern due to the combination of the ageing of the scientific workforce and an under-supply of young scientists, engineers and technicians. This reflects underachievement in educational institutions and a perception of potential scientific and engineering students that other professional courses as less difficult to undertake and lead to better career rewards. Further exacerbating this problem is the increasing global demand for scientific innovation to help address issues such as human health, climate change, and energy and water resources. However, even if the scientific workforce shortages are addressed, there will still remain a strong requirement for skilled engineers and trades people to produce, install and maintain the new technology infrastructures required in the near future.

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204. *Advancing the National Interest – Australia's Foreign and Trade Policy White Paper*. Commonwealth of Australia, 2003.

Automation will continue to displace many low skilled workers in manufacturing industries as production lines become more sophisticated and specialised. It is predicted that new jobs will be created requiring higher skills, better education and learning processes. To attract these high skilled personnel it is predicted that these knowledge based jobs would be better remunerated and, due to technological innovations should be able to be undertaken in more flexible ways.

Rapid technological changes and increased competition highlight the need to ensure the workforce becomes more responsive and flexible to changes in technology and demand. The use of technology based learning is likely to increasingly assist employees in meeting these demands. Organisations that constantly up skill their workforce will achieve this flexibility to survive and prosper.

It is anticipated that knowledge workers will become more important, particularly those who have higher cognitive skills. Thus education, training and learning will become a dominant requirement for business, and a lifelong requirement for employees. Workers may change employment much more often, seeking out those organisations that align training with emerging technologies and thus guarantee future employability<sup>205</sup>.

Globalisation will continue to link nations by enhancing trade development and thus the formulation of new partnerships, alliances and understandings. This will further enhance the flow of capital, goods and services, knowledge, technologies and people.

The global workforce is likely to develop further with multi-nationals and recruiting organisations absorbing more of the national workforce's specialists.

The development of a low skilled global workforce to undertake tasks associated with the care of older people is most likely to occur in affluent nations with ageing population profiles. Such nations are also developing immigration programs to seek out the highly skilled workers of both developing and other developed nations. Australia is particularly at risk from national talent poaching although currently Australia gains more skilled workers than it loses and most younger Australians return to Australia in the medium term.

There is likely to be a shift away from permanent lifelong careers towards non standard employment (self employed or distant work arrangements). These arrangements will suit workers who seek a better balance of work and family obligations. Those who have disabilities or are older would also benefit from alternative ways of achieving work outcomes.

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205. Innovation & Business Skills Australia. (2006). *Business Services Training Package: A discussion paper as part of the Review of BSB01*.

Those organisations which are able to achieve flexible work practices are more likely to attract and retain staff in the environment of worker shortages. Subsequently, these organisations will potentially have higher participation rates and productivity whilst also being positioned to take advantage of demand growth for their products and services.

The impact of skills shortages may be limited by the use of technology. However, the utility of new technology to achieve a maximum outcome is dependent on the experience and expertise of the people using it and the organisation's management processes.

## **Health**

The ageing of the population is shifting the dynamics of health problems to be managed and the range of services being offered. By 2025, chronic illnesses will account for over 60% of the total cost of health services.

With a changing workforce profile, sustaining workers' general physical and mental health will need to be factored into strategies designed to enhance productivity. The cost factor associated with worker ill health will become even more acute due to the lack of suitable replacements, which will impact on productivity.

## **Climate Change and Resources**

Climate change and the related emerging issues concerning water and energy resources will challenge both global environmental integrity and global security. The environmental issues can only be addressed by a significant change to energy technologies and associated infrastructure. Increased investment in new technologies, infrastructure, and the associated increased demand for a range of workforce skills shall be required.

## The Future of the Global Workplace

Outside Australia, the global market for labour is also changing. In developed markets such as western Europe and the USA, companies face a rapidly ageing workforce and high labour costs. In China and India, and much of the developing world there are crucial shortages of suitable candidates to assist with the rapid expansion of these economies. It is against this pace of growth that companies can not attract and retain enough qualified workers<sup>206</sup>.

Whilst the USA workforce average for non-regular staff is just 3%, major companies are endeavouring to become more flexible with non regular staff comprising 10-25% of their workforce. This indicates that the bigger companies are ahead of the medium and smaller companies in their use of flexible staffing arrangements. It is predicted that higher uses of flexible staff across all levels of business and in the majority of industries will occur<sup>207</sup>.



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206. Boehm, Rodger L. (2006). The future of the global workplace: an interview with the CEO of Manpower. *The McKinsey Quarterly*, 11 January 2006

207. Boehm, Rodger L. (2006). The future of the global workplace: an interview with the CEO of Manpower. *The McKinsey Quarterly*, 11 January 2006

The following is a summary of trends which have been suggested will contribute to changes in the way businesses will run in the next 20 years:

<p><b><i>E-mail</i></b></p> <p>Future email systems are likely to become more sophisticated and efficient, allowing a greater variety of options for sending and receiving messages.</p>	<p><b><i>Organised Labour</i></b></p> <p>The focus of unions will shift to training development and identifying future opportunities for their members in emerging industries.</p>
<p><b><i>Business and education</i></b></p> <p>Increased access and partnering between corporations and educational institutions will occur to enhance the performance of students and associate them with future work prospects.</p>	<p><b><i>Companies working 24/7</i></b></p> <p>Companies will increasingly be open for business around the clock, seven days a week. Some 24 million American's already work in the 24/7 culture.</p>
<p><b><i>Artificial Intelligence (AI)</i></b></p> <p>Technological advances will improve the ability of AI to enhance efficiencies of businesses (For example: detecting financial fraud and using real time data to maximise the efficiency of trucking fleets, machinery, and network resources).</p>	<p><b><i>Workplace discontent</i></b></p> <p>Only 25% of workers feel a strong attachment to their employers, and 40% feel trapped in their jobs. Higher turnover in some organisations reflects discontent in the workplace and this places productivity at risk. Smart companies that value employees however, will gain a competitive edge by sustaining and stabilising their workforce.</p>
<p><b><i>Office Design</i></b></p> <p>Office design will become more important to enhancing future productive work environments, through reducing energy usage and promoting a 'healthy' work environment.</p>	<p><b><i>Superannuation</i></b></p> <p>Attracting and retaining quality staff in the future will become reliant on the development of superannuation plans.</p>
<p><b><i>Flexible work arrangements</i></b></p> <p>As work arrangements become more flexible, and with further technological advances, working from home will become a more common practice. There will still be a requirement for a central location where people attend work periodically to stay socially connected. New styles of work that combine technology and service will become more feasible as technology improves.</p>	<p><b><i>Child Care</i></b></p> <p>To support the workforce there will be an increased requirement for child care arrangements that employees can use in the event of emergencies as well as contractors offering innovative activities for company sponsored day care.</p>
<p><b><i>Women in the Workforce</i></b></p> <p>Increasing numbers of young women will earn university degrees and enter and progress through corporate careers. Companies will need to create an environment where a balance between work and home life is more valued. Temporary and part-time work and job sharing will create greater opportunities for women to re-enter an organisation after a break of several years.</p>	<p><b><i>Demand Outstrips Supply</i></b></p> <p>The convergence of declining fertility, retiring baby boomers, growing economies, educational underachievement and lack of skills experience in some professions and trades will create more jobs than there will be workers to fill them. The US expects this will occur by 2010, with 158 million people in the labour force but the number of jobs available will number 168 million.</p>

<p><b><i>Recruiting older workers</i></b></p> <p>Organisations will need to pay greater attention to the needs of older workers. Around 70% of older persons wish to work in some capacity during their 'retirement' years, largely for intangible benefits, such as enjoyment and a sense of purpose.</p>	<p><b><i>Mergers</i></b></p> <p>In the future, people management will play a pivotal role in corporate mergers, company acquisitions occurring as a result of one company seeking the other's workforce.</p>
<p><b><i>Freelancers and Consultants</i></b></p> <p>The use of freelance contractors and consultants is likely to increase further and the workplace will evolve into a continually shifting mix of employees and contractors. The risk to business is ensuring specific skill sets and experiences are available when required and not monopolised by a single contractor.</p>	<p><b><i>Wellness programs and performance</i></b></p> <p>Preventive health strategies focused on employees will be important to sustaining the workforce and maintaining productivity. Taking a proactive approach by educating and assisting employees achieve healthy lifestyles will enhance both performance and workforce participation.</p>
<p><b><i>The spirit of work</i></b></p> <p>People are seeking more purpose in their lives and jobs in the future will need to be meaningful and satisfying to attract and retain staff. Occupational analysis and job design may become important tools in developing jobs and careers, addressing underlying retention aspects whilst also lifting organisational productivity.</p>	<p><b><i>Security verses Privacy</i></b></p> <p>As technology continues to make in-roads into everyday work, security and privacy will become important issues. Terrorism has also highlighted the monitoring of personnel for security reasons.</p>

Source: Fast Forward: 25 trends that will change the way you do business. *Workforce*, June 2003, pp:43-56.

## Changes in the Australian Workforce and Employment

Australia's workforce now comprises three demographic generations: Baby Boomers, Generation X and Generation Y. The tri-generational workforce provides organisations with some significant challenges as each generation has a different view on how work and career paths should be structured and each has different needs. Thus, the ability to manage cross generational workforce issues will be a major challenge, noting the future workforce environment will be dominated by skill shortages. The retirement of Baby Boomers and the emergence of Generation Z employees into the workforce will start to have much greater impact from 2011 through to 2026.

Over the last 20 years organisations have moved from hierarchical to much flatter structures with more flexible ways of achieving work outcomes. Many of these changes have been driven by technological changes, competitive challenges, market regulation, increasing customer sophistication and the subsequent need to be more flexible and responsive to meet the dynamics of the work environment.

The resultant changes include<sup>208</sup>:

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Increased use of outsourcing,

The de-layering of management levels,

Re-structuring,

Use of non standard work arrangements, and

Traditional occupations have sought new skills and work processes.

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208. Innovation & Business Skills Australia. (2006). *Business Services Training Package: A discussion paper as part of the Review of BSB01.*

## Changes to employment

According to the Australian Council of Trade Unions (ACTU) the standard model of work has disappeared with only 7% of workers working 9 am-5 pm. There are also over one million casual workers in Australia. The number of casual workers is expected to increase further with one in three workers being casual by 2010. Over half the casual workers will be female with family responsibilities and they will demand more flexible work arrangements<sup>209</sup>.

Many organisations are now characterised by a small core group of full time permanent staff who outsource components of their operations to independent contractors, consultants, or temporary employees.

## The Rise of the Knowledge Worker

The underpinning competitive advantage both in current and in future organisations will be the ability to capture, store, transfer, and exploit knowledge. Knowledge is a key ingredient to drive innovation, increase productivity and to facilitate new products, processes and service developments. All workers shall require higher levels of cognitive and intellectual abilities than was previously expected<sup>210</sup>.



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209. Innovation & Business Skills Australia. (2006). *Business Services Training Package: A discussion paper as part of the Review of BSB01*.

210. Innovation & Business Skills Australia. (2006). *Business Services Training Package: A discussion paper as part of the Review of BSB01*.

## The Manager of 2020

The Boston Consulting Group Report '*2020 Vision: The Manager of the 21<sup>st</sup> Century*'<sup>211</sup> investigates the roles, skills and attributes of senior executives. The emergence of a tri-generational workforce will present managers with significant challenges in developing 'generational' specific leadership and management skills. The rise of China and India as economic superpowers and the continuing development of other Asian economies will result in a global labour market with significant levels of outsourcing to other countries. Managers will also need higher levels of language and inter-cultural skills.

There has been a distinct move away from the previous assumptions that senior executives with higher generic skills and knowledge could move seamlessly between industries. Managers of the future will be expected to have generalist management skills as a minimum, with deep industry expertise also required. Typically, the manager of 2025 will have worked within the same industry or stayed with the one company rather than having been recruited from another industry.

## Effects of change on organisational culture

The structural change occurring in organisations as a result of technological and market forces impacts on the culture of organisations and shape the way work relationships are established and maintained.

The standard bureaucratic culture of the hierarchically structured organisation operated typically as a top down system of command and control management with the focus on efficiency and standardised procedures. Modern organisations remain somewhat hierarchical, particularly in public sector organisations, but management responsibility has devolved. Procedural manuals are being replaced with principle based guidance, emphasising personnel development, business skilling and values. It is therefore likely that the way in which many organisations manage will alter slowly in the next 20 years largely in response to advancements in technology and changing demographics.

Future organisational leaders shall be cognisant of the impact of unplanned or poorly implemented change on the workforce as this will be their most important strategic asset and vulnerability. Organisational cultural and change management may offer the greatest possibility for enhancing workforce effectiveness in the future.

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211. Boston Consulting Group. (2006). *2020 Vision: The Manager of the 21<sup>st</sup> Century*. Sydney: Innovation Business Skills Australia.

Future managers will focus more on developing and maintaining professional teams and the relationships with other work areas. Increasingly, for public sector organisations in Australia, the mode of operation will be within ‘a whole of Government’ context. A growing dependence on inter-departmental coordination and cooperation is likely to have an effect on how the public sector workforce perceives its responsibilities, loyalties and career paths.

## **Australia’s International competitiveness**

The drivers for international competitiveness for Australia have been identified by both the Business Council of Australia (BCA) and the Australian Industry Group (AIG) as:

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World Economic Growth (the rate, distribution and sources of growth).

Innovation and Adaptability (education, skills and use of technology).

Technology (changes in technology in all fields).

Role of government (future structural reforms and policies affecting overall business environment).

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The key drivers for competitiveness highlight the important role personnel issues will play in achieving and sustaining the nation’s economic future.

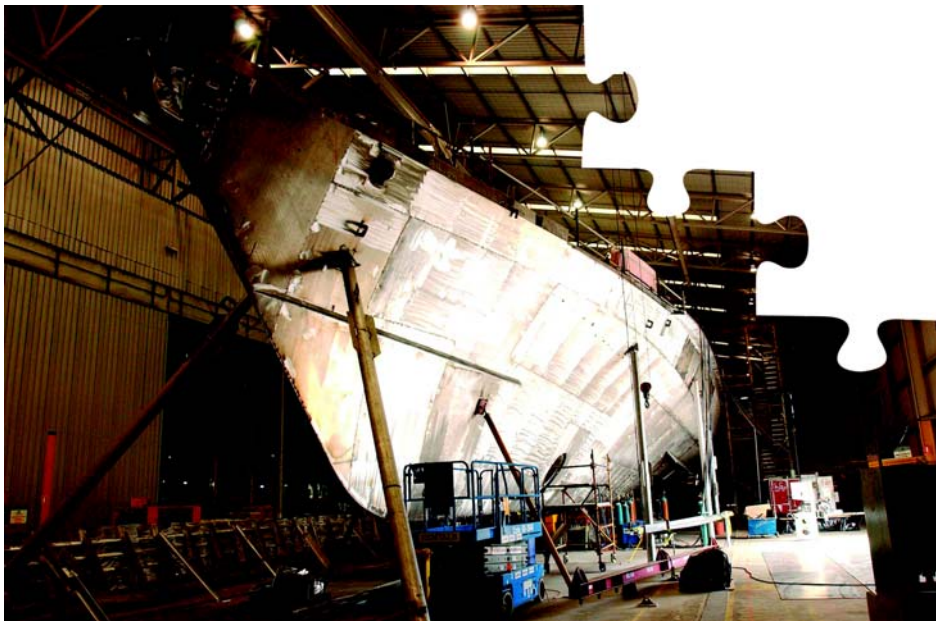
## Defence Industry - Personnel and Workforce issues

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The recently released *Defence Industry Policy Review 2006 Discussion paper*<sup>212</sup> profiles the changes in the Defence industry environment and notes the challenge of maintaining an military arsenal that is growing in size, diversity and complexity – a task that won't be made any easier, in the medium term by skills shortages in the broader economy.

Competition for many of the skills required by Defence industry is particularly fierce with the mining and resource sectors attracting these skill sets. Structural and longer term impacts have occurred across the Defence industry sector. Traditionally defence industry was able to rely on the Defence Department to provide a reservoir of skills which during periods of demand could be called upon but, due to micro-economic reforms and the higher demand in the economy for these skills the reservoir is no longer available.

Defence industry has moved further into private ownership and commercial pressures limit the willingness and ability of firms to carry the training costs so as to develop their own workforce. At the same time Defence industry employees have become better informed about opportunities in other sectors and sought work elsewhere. Demographic aspects and an ageing national workforce profile will exacerbate the situation further. Defence industry will therefore need to compete more vigorously and effectively with other industry sectors, and to develop its workforce perhaps in partnership with Defence and other industry sectors.



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212. *Defence Industry Policy Review 2006 Discussion Paper*, Commonwealth of Australia 2006.

# International Military – Security and Personnel Issues

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This section has been developed into a summary at Annex A and considers the international military situation and related personnel aspects in order to compare the Australian Department of Defence with the international Defence community.

## Defence Strategy

The following data is drawn from *Australia's Military Strategy 2015*<sup>213</sup>.

Australia's broad security interests no longer equate to only defending its territory. Australia's interests are global in scope and defined as much by geopolitics as they are by geography. Interdependence in a global sense means that Australia's interests can be seriously threatened without an attack on our territory.

## Key Capability Implications

Defence will continue to provide capability for a broad range of tasks ranging from conventional deterrence to humanitarian assistance. The rebalancing of capability post 2001 continues with a primary emphasis on versatility.

To rebalance, Defence will:

- Provide a wider range of options for Government;
- achieve networked interoperability in key capability areas with the US; and
- expand domestic security capability in a whole-of-Government framework.

In this way, Defence capability will be optimised to allow the ADF to lead or contribute to coalitions in our region while at the same time providing the capability to contribute to other discretionary contingencies.

The future strategic security environment is likely to become increasingly complex due to the inter-relationships operating across the following four dimensions of conflict. These 'conflict dimensions' encompass significant personnel elements and to be militarily successful in a future security environment will need to be considered. The personnel elements concern having the right type and numbers of personnel with the right skills, experience, resources, organisation and leadership, in the right place at the right time. The personnel elements required thus reflect directly into the arenas of workforce recruitment, development, sustainment, retention and transition.

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213. *Defence 2015*. Department of Defence, Defence Capability Strategy, 2006.

## Dimensions of conflict

### *Physical dimension:*

Includes land, air, space and maritime environment. Complexity increased by potential adversaries choosing to operate in restricted terrain that reduces the technological advantage of advanced sensors and creates difficulty in distinguishing between combatants and civilians.

### *Network dimension:*

Contains multiple sources and transmission paths for communication of information between allies, potential adversaries and non combatants. It includes cyberspace and the electromagnetic spectrum used for communication transmissions. Complexity is increased by the volume of modern networks and communication systems.

### *Temporal dimension:*

A dimension of time and its compression by the near instantaneous and global transmission of military actions to civilians and other audiences with a corresponding compression of tactical, operational and strategic level of war.

### *Human dimension:*

Covers intangibles such as human thought, culture and values. Complexity is increased by the number of potential adversaries and ease by which adversaries can communicate and form relationships.

Defence in developing how it may address these future conflict dimensions. Defence will need to be very conscience of the personnel requirements necessary to achieve military success within the emerging personnel environment.



## Defence Culture

The Government's requirement for Defence to become more businesslike and interact more effectively with industry has meant that tensions arise between the operational imperative of the Department and the economic and business imperatives of Government.

Future cultural strategies for Defence will possibly focus on the development of leaders who have broader management skills and have gained exposure to and understand the operational requirements of a highly professional military organisation. It is anticipated that future leaders will require the high level business, economic and social skills to manage a large and complex organisation.

Leadership development should also begin much earlier in an employee's career to provide the depth required at middle management. Career paths for executive levels will possibly include some industry and operational placements where this is possible and practicable, as well as exchange programs with other government organisations.

## Summary and Defence Implications

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Similar to many organisations in Australia, Defence is starting to experience the impact of personnel shortages across many professions and trades. Operating in parallel is a worsening security situation regionally and globally which may demand even more from an already heavily committed organisation.

The Defence White Paper 2000 indicated that the Australian Defence Force (ADF) will need to grow in order to meet Defence strategic objectives.<sup>214</sup> To provide the people required, the White Paper recommends that the ADF change its culture and approach to ensure its people feel valued. More specifically, Defence must:

**'Demonstrate high quality leadership; retain more skilled and experienced people; recruit effectively; and offer high quality education and training programs.'**<sup>1</sup>

1. Department of Defence 2000, *Defence 2000 – Our Future Defence Force – Defence White Paper 2000*, p.40, para 7.13.

This White Paper underpins the Defence Strategic Workforce Plan 2007-2017<sup>215</sup>. This plan is updated regularly and it considers new data from sources such as the Defence Personnel Environment Scan.

214. Department of Defence 2000, *Defence 2000 – Our Future Defence Force – Defence White Paper 2000*, p 40, para 7.8.

215. Defence Strategic Workforce Plan 2007-2017 is currently being progressed for release in late 2006.

The personnel implications to be considered by Defence are:

There will be an intensification of the 'global war for talent' and many 'talent' battles have already commenced. During the coming decades, the competition for skilled individuals within local and global markets will become fierce as organisations compete for the same shrinking pool of qualified candidates.<sup>1</sup> Defence critical employment categories will be in high demand in other industry sectors.

The changing nature of the Australian workforce will present a number of challenges to Defence's ability to recruit and retain desired personnel. In the coming decades, Australia's rapidly aging population and declining labour force participation rates will adversely impact on Defence's ability to meet and maintain its workforce goals. According to the Defence Workforce Plan 2006-2016, Defence will find itself faced with a reduction in the quality and quantity of available recruitable candidates.<sup>2</sup>

Personnel within the generation Y group are technically savvy and demand constant opportunities to learn new skills, develop and grow. This group of learners expects real-time access, personalisation and access to learning communities. This group is possibly the most vulnerable to poaching.<sup>3</sup> Defence needs to understand this age cohort both for recruitment purposes but particularly in regard to gaining their medium and longer term commitment.

The development of organisational commitment via the building of both trust and a learning culture will be extremely significant to achieving overall organisational success.

The achievement of Defence recruitment and retention profiles for the entire workforce will depend on the organisations ability to offer a compelling employee value proposition and to develop a culture suited to the emerging environment. The employment offer must be based around competitive remuneration, superior career delivery systems designed to enhance job satisfaction, development (training, education and learning) and be considerate of the individuals 'age and stage' of their life and career.

The introduction of 'lifelong learning' programs will assist in addressing the high demand for skills in our increasingly knowledge-based society. Lifelong learning encompasses formal and informal learning for personal as well as for employment-related purposes. It requires the development of a culture of continuous learning as well as an infrastructure to support it. To embed such a learning culture in an organisation should provide a significant advantage both in operational terms as well as in strategic value.

Network Centric Warfare (NCW) training and education will require advanced and highly sophisticated tools with a high level of realism. NCW will have a profound effect on Defence's recruitment, training, education, organisation and culture.<sup>4</sup>

Emerging concepts and technology developments in the realm of training and development will radically change the way in which training is designed and delivered. An enterprise eLearning system (CAMPUS) has been implemented. CAMPUS provides the infrastructure to enable Defence to provide quality eLearning/blended learning solutions through the Defence Restricted Network to all personnel.

One of the biggest challenges facing organisations during the next decade is knowledge transfer. Knowledge, skills and know-how will be lost as an increasing number of the Australian workforce retire and leave the workforce. Organisations will need to put in place techniques, processes and technologies that will facilitate knowledge transfer and bridge the knowledge gap.

Workforce sustainment will become a crucial issue as there may be only limited scope to enhance recruitment and the current retention initiatives can only achieve so much.

1. IBM, 'War for Talent puts pressure on Australia's HR professionals says IBM Study', <http://www.ibm.com/news/au/en/2005/06/20050607.html>. Accessed December 20, 2005.
2. Department of Defence, Defence Workforce Plan 2006-2016, p 17, para 83a.
3. See Kruse, Keven 2004, 'Buckle up: Generation Y is Here,' in Chief Learning Officer, [http://www.clomedia.com/content/templates/clo\\_col\\_elearning.asp?articleid=410&zoneid=46](http://www.clomedia.com/content/templates/clo_col_elearning.asp?articleid=410&zoneid=46). Accessed on December 20, 2005.
4. NCW Roadmap, p 6.

The issues covered in both *Part 3 Australia and the Global Personnel Context* and *Part 4 Future Personnel Environment* have been summarised in Table 61 with the *Strategic Personnel Issues* and specific *Defence Personnel Implications* noted.

The Scan 2025 has covered a myriad of data and taken us on a journey through the majority of issues likely to affect the future personnel environment. The consolidated data presented can thus be utilised to inform, guide and develop personnel policies to help address the possible future personnel environment.



# Conclusions

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Defence will be required to make significant personnel policy changes in how it recruits, develops, sustains, retains and transitions its people to account for the emerging demographic, societal, workplace/workforce, economic, climate, health, educational, globalisation and technological trends.

The following personnel issues are important:

- There is a global economic struggle between nations, organisations and communities to achieve high talent workforces.
- Australia's rapidly aging population and declining labour force participation rates will adversely impact on Defence's ability to meet and maintain its workforce goals.

Consequently

- Many Defence critical trades and professions are unlikely to recover to full strength in the short or medium term due mainly to high global and local skill demand.
- The quantity and quality of available recruitable candidates is likely to decrease.
- The development of organisational commitment via the building of trust, provision of a compelling employment offer and having a learning culture suited to the emerging environment, is critical to achieving overall organisational workforce success.
- Techniques, processes and technologies will be essential in facilitating workforce knowledge transfer, skill development and the delivery of a learning culture.
- Workforce sustainment will become significantly more important.



