

Australian Institute of Management - News Release

AUSTRALIA'S WORKPLACE SKILLS CRISIS

Melbourne, December 15, 2009

Australia has a chronic workforce skills shortage, according to the findings of a major survey released today.

Seventy six per cent of more than 2,000 executives surveyed by the Australian Institute of Management said their organisations have a workforce 'skills gap'. Furthermore, 71 per cent of the executives surveyed by the Australian Institute of Management said they believed the skills gap was impacting on organisations across the state or territory in which they lived.

"The size of the skills gap identified in our survey will escalate as economic conditions improve and that means an increasing number of Australian organisations face the risk of underperforming," the CEO of the Australian Institute of Management VT, Ms Susan Heron said today.

"Our survey data shows that 40 per cent of Australian organisations are already seeing a negative impact on profits and performance goals caused by the skills shortage.

"To turn this situation around, organisations will need to boost their investment in training and development and put more effort into attracting and retaining talent and enhancing workplace culture."

The survey, 'Australia's Workforce Skills Gap' was conducted by AIM VT in October and November this year. A total of 2,163 executives from a broad spectrum of employment sectors in Australian industry and government participated in the survey.

Ms Heron said a positive result from the survey was that corrective action is being taken to fix the skills crisis. Respondents said the number one solution currently being adopted by their organisations to address the skills crisis was 'investment in training and development'.

Survey participants said the single biggest skills deficiency in Australian organisations was 'leadership'. The major skills deficiencies identified by respondents were:

- Leadership 45%
- Professional or industry specific skills 43%
- Process and project management skills 36%
- Managerial 31%
- Communication/interpersonal skills 31%

The survey data revealed that skills gaps in Australian organisations were most prevalent in middle management ranks. Fifty one per cent of respondents said middle managers have the most significant skills gap - next highest ranked were customer service employees and senior managers (both 25%).

Survey respondents said the skills gap was smallest at the top level of Australian management - CEOs, Board directors and business owners (8%).

Sixty nine per cent of respondents said the skills gap was putting 'more stress on employees'. Fifty two per cent of respondents said the skills crisis was causing 'lower staff morale'.

Ms Heron said the survey data showed that managers were being put under increasing pressure to perform and to work long hours to "try and bridge the skills gap."

"This situation is unsustainable because you can't expect employees to keep 'over performing' indefinitely. The answer lies in addressing the skills gap as a critical management priority," Ms Heron said.

The Australian Institute of Management is the nation's major provider of management development, executive insight and research. It is an independent, not for profit organisation with more than 28,000 professional members and more than 5,000 corporate partners across Australia. The Institute is a federated organisation with each state managing its own operations.

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