

Employee Retention in the Red Meat Industry

A Best Practice Model based on Literature Review,
Stakeholder Perspectives and Current Industry Data

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Project Description

The purpose of this project is to develop a theoretical model of best practice for employee retention within the Australian meat processing industry. Specifically, the project objectives were as follows:

- ◆ Review the current literature on the potential factors influencing employee termination in the meat processing industry
- ◆ Gather stakeholder perspectives and experience(s) that influence employee retention in the meat processing industry
- ◆ Establish the current state of employee retention/drop off in the meat processing industry at the three, six and twelve month time points
- ◆ Synthesise the current research and stakeholder experience(s) into a testable hypothesis
- ◆ Generate a theoretical testable model of industry best practice aimed at improving employee retention

Project Content

This project contains the methodology, summary and analysis of:

- ◆ A narrative literature review focused on the factors that influence employee retention within the meat processing industry, in addition to the relevant literature from broader industry perspectives.
- ◆ Stakeholder interviews with operations and human resources managers, occupational health and safety staff, supervisors and floor workers concerning their perceptions of the factors relevant to employee retention and turnover within the Australian meat processing industry.
- ◆ Current industry data on turnover rates and related descriptive statistics collected from five meat processing plants in Australia.

Project Outcome

A narrative literature review was conducted of relevant Australian and international databases. The key themes identified included:

- ◆ Opportunities for training and advancement
- ◆ Non-pecuniary benefits
- ◆ Communication, management and human resources practices
- ◆ The person to job fit
- ◆ Perceptions of alternative employment options
- ◆ Negative affectivity and job stigma
- ◆ Perceptions of alternative employment options
- ◆ Job satisfaction

These themes were used to inform the multiple stakeholder interviews. These were conducted at five meat processing plants and included the perspectives of plant managers, human resources and recruitment staff, occupational health and safety staff, floor supervisors and floor workers. Their responses, along with the narrative literature review, were synthesised into a series of recommendations for improving employee retention in the Australian meat processing industry.

Suggestions are presented in relation to candidate onboarding, training practices, internal communication, non-pecuniary benefits and reward and recognition, competing employers, job factors, and human resources practices. Refer to Section 7: Conclusions and Recommendations (Table 4) for further details.

Data was gathered from five plants, representing a total of 10,286 terminations across 28 plant-years. Average annual turnover across the 28 plant-years recorded was 35% and ranged from 16% to 54%. The 95% confidence interval of this estimate is 18% to 51% total turnover per year.

On average, 33% of employees terminated within their first three months of employment within the meat processing industry. An average of 39% of employees terminated after 12 months of service (as low as 33% but as high as 50% in the sampled plants), 61% of employees do not maintain their employment to the one-year milestone. The remaining employees who terminate were split evenly between the 3 to 6-month and 6 to 12-month time points.

Of the 61% of employees who do not maintain their employment to the one-year mark, approximately half of them leave within three months. Of these, half leave within thirty days. This suggests that the potential shock of entry causes new workers to leave their jobs shortly after commencing employment within the industry. This is a worthwhile focal point for addressing the sharp turnover rate.

Finally, recommendations are made as to theoretical industry best practice for employee retention within the industry on the basis of the findings from the analysis of the data.

Benefit for Industry

To date, this is the only analysis which has sought to pool previous work on the topic and to analyse the literature with respect to its application to the meat processing industry. This project was conducted by an organisation and staff with deep connections to and familiarity with the meat processing industry. Specific recommendations are made which are likely to be practical across the breadth and nuance of the industry.

Stakeholders should familiarise themselves with the concepts and discussion within this report in order to consider how they might apply the recommendations to their plant in order to improve employee retention. The data concerning current trends and sample estimates of turnover rates among plants can be used for benchmarking for plants to compare their employee retention performance against that of their peers. This report should inform and stimulate broad discussion within plants and at industry conferences as to the different strategies they may adopt to improve the current challenges presented by employee retention.