

# Employee Retention

Development of a research-based employee Retention Framework of Excellence for the meat processing industry

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## Project Description

To improve retention meat processing plants need to understand what factors makes their employees decide to leave, or remain with, their employer. This retention project interviewed over 750 people and collected quantitative retention information from 25 plants. This qualitative and quantitative research was analysed to identify the conditions that placed the right people, in the right roles, doing the right work. After extensive industry consultation a Retention Framework of Excellence was developed. The Framework is a practical, comprehensive and cohesive guide for the industry to implement new retention practises, improve existing retention practises and better integrate systems across the plant and/or company. Response worked with participating plants to create and implement individualised Retention Frameworks focused on short-medium term objectives and created a training platform to support long-term, industry-wide retention outcomes.

## Project Outcome

In 2017/18, Australian Meat Industry leaders voiced concerns about high turnover rates. When turnover was assessed in 2019, across 25 plants, it was found to vary from 21% to 108% with a very high average of 62%. New employees contributed to most of the turnover; with more than half of new employees leaving within six months and more than two thirds leaving within 12 months of engagement. It was found that:

1) Early-stage employees reported a high level of positive sentiment during the “Application to Interview” phase of employment (82%) but this dropped to 67% during Induction, and 52% by the Ongoing Development phase. This suggests that new employees are quite positive and willing at the start of the recruitment process but the job realities may not match their expectations.

2) The most critical period for long-term staff retention is 30–180 days after engagement. The number of staff leaving in the first 30 days was not related to final staff turnover but the number leaving in the 30–90 or 90–180 period was correlated with staff turnover. We speculate that plants with good retention practises can quickly identify when employees are ill-suited to meat processing work and assist them to exit their employment. Resources can then be focused on providing long-term support (30–180 days post-induction) to employees that can thrive in a meat processing environment.

3) The size of the plant, and the plant parent company, is negatively correlated with turnover. This means that smaller plants or companies had higher turnover and larger plants or companies had lower turnover. We think this is because larger enterprises have economies of scale to implement user-friendly and comprehensive systems to measure, report, and respond to, employee turnover.

The Retention Framework of Excellence (Fig. 2) was developed to assist the industry to develop practical and cohesive retention practises. The different elements are summarised below.

**Strategy & Structure:** A workforce strategy assesses future plant requirements (e.g. technological changes, products produced, markets

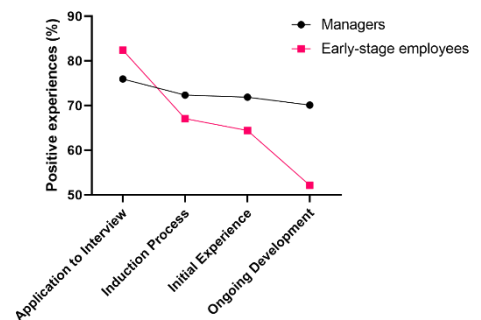


Figure 1: Positive experiences decline over time for early-stage employees

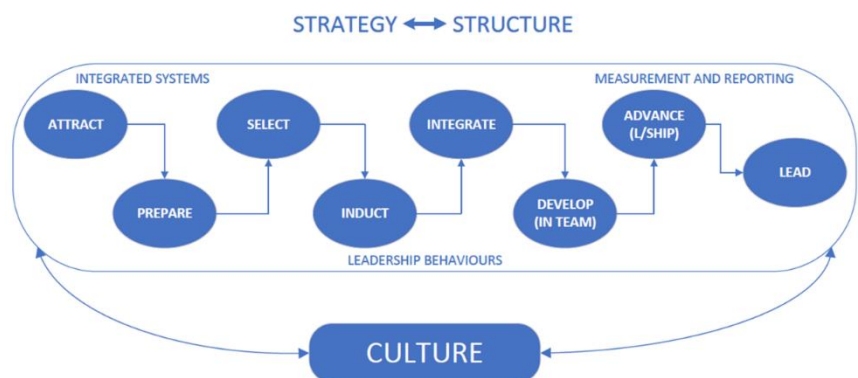


Figure 2: The Retention Framework of Excellence

served) and what the organisation needs to do to meet those needs. Many plants in this study did not have a clear workforce strategy.

**Integration of Systems:** Well-designed retention programs integrate information from different systems (e.g. HR and operations) and clearly articulate who has system authority. Information in the participating plants was often siloed to one plant division. The resulting lack of communication reduced production efficiency and created inter-departmental conflict.

**Measurement and Reporting:** The measurement and reporting of retention was cursory and ad hoc in many of the plants studied in this project. Plants which had robust systems to measure retention and respond to retention issues showed lower turnover.

**Accountability and authority:** Role clarity was a problem at many plants. It is important that it is clear who oversees the different systems/processes highlighted in the Retention Framework.

**Attract:** The two main factors attracting new employees to your organisation is the plant's reputation and the engagement of the plant in the local community. This is because new employees were often referred by existing employees or from informal or formal connections with community groups (e.g. school, employment agencies, sporting organisations).

**Prepare:** Because the meat processing environment is physically and psychologically a demanding environment, plants should consider preparing potential new recruits for the role before they undergo the interview and induction process.

**Select:** Selection processes were commonly well designed and executed. The inclusion of Operational Leaders in the selection process is beneficial as it familiarises new staff with leaders on the plant floor and gives leaders a greater sense commitment to their team members.

**Induct:** High performing plants had thorough inductions that included plant tours, classroom instruction and on-the-job training. The provision of lunch with inductees' supervisors was one example of a way to make new staff more comfortable in the workplace.

**Employee Integration:** Our research has highlighted that the withdrawal of support too soon after engagement is contributing to high turnover in meat processing plants. Long-term mentoring, such as buddy systems, can help staff integrate more easily into their new workplace.

**Develop and Advance:** The provision of development and advancement opportunities are critical to work satisfaction as pathways that support employee development foster employee engagement. In the current study, the plants with most the highest retention rates had well designed plans to develop and advance their workforce.

**Lead:** How people perceive they are treated is one of the most important factors influencing retention. An interesting finding in this study was that many people in the organisation can be viewed as leaders by new employees (e.g. trainers, HR, laundry room staff, security). Thus, it is important that organisational systems mandate leadership behaviours that treat people humanely, and that these practices are not just directed at frontline leaders but modelled across the entire plant.

**Conclusion:** The overuse of short-term employees (and some labour hire practises) has resulted in decreased investment in new employees. Employers are looking for longer term employment options (e.g. the Pacific Labour Scheme) but, at the time of writing, the local and international labour market remains fraught. This project has caused numerous plants to make significant changes to their retention practises and improvements in retention rates have already been reported. However, sustained industry-wide effects will require concerted and persistent application of the principles outlined in the Retention Framework of Excellence. It is imperative that plants across the

entire industry are assisted to develop better practises to improve their retention outcomes and that plants continue to measure, report and respond to, retention issues. Leadership development programs, like the Certificate IV, Diploma, Advanced Diploma, and Graduate Certificate, now include reference to these retention findings, thereby providing a sustaining building block for the industry to continue to benefit from this project.

### **Benefit for Industry**

By becoming aware of the reasons for staff turnover and retention, and the possibilities to improve retention within meatworks, the industry will be able to apply this to their recruitment practises and workplace culture to retain staff.

### **Useful resources**

Videos, case studies and worksheets are available for the different element of the Retention Framework of excellence.