



Attract and Retain Staff

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Table of Contents

Management theory	3
Motivational Factors	4
Work Expectations	5
Generational Differences	7
Adjusting to Generational Differences.....	8
Employers of choice.....	9
Recruitment	9
Orientation	9
Induction	9
Orientation plan - Sample	10
Exit Management	11
Organisational Culture.....	12
A positive organisational culture	12
Retention programs	13
Benefits of performance management.....	14
Winning the talent War	15
References	16

Management Theory

Staff retention is high on the list of strategic priorities for most employers in Australia. In the NT this is emphasised to a greater extent due to the limited talent pool and transient workforce. Apart from casting the recruitment net wider and hoping to attract long-term staff, there are many measures that can be taken to retain staff. Staff retention is closely linked to job satisfaction, rewards, motivation and organisational culture, therefore to understand how to provide the workplace that retains good staff, it is essential to understand some critical aspects of management theory.

Early 1900's	Taylor, Gantt, Fayol	Scientific Management
1920's	Mary Parker Follett Participatory	'Power with' not 'Power over'
1930's	Elton Mayo Environment impact	Human relations 'Hawthorne studies'
1940's	Abraham Maslow Motivational Factors	'Hierarchy of needs'
1950's	Peter Drucker Fred Fiedler	'MBO – Stats and controls' Contingency Theory
1960's	McGregor Frederick Hertzberg	Theory X and Y Hygiene Factors
1970's	Henry Mintzberg	Interpersonal, Informational, Decisional
1980's	Legislation Social and policy reform Quality International competition	EEO, Anti-Discrimination Service standards TQM, ISO Standards
1990's	Redundancies Flatter organisations and 'virtual organisations', insecure workers, outsourcing, empowerment	Service industry growth Strategic alliances, learning organisations, supply chain man't
2000's	Constant change, management becomes Leadership and Management, broader skills required	Learning organisation, knowledge and IT, cause increased demands of managers. Situational Leadership.

How does this theory affect our ability to retain staff, or the methods we use?

As the management theories have developed over the last hundred years, so has our workforce. In adapting and changing our styles of management and leadership, we have created a workforce that has expectations based on their experience and current management practices in a range of industries.

Where in the early 1900's it was management practice to simply measure outputs and productivity in terms of units and dollars, management practices graduated to consider the psychological needs of workers by the mid 1900's. The two finally combined in the 1960's with motivational and leadership theory. Later influences on the expectations of our workforce were based on legislation, such as EEO, Anti-Discrimination and Safety legislation and regulations.

This is best summed up by Frederick Hertzberg's Hygiene Factor theory (Cole, 2005). This theory assumes that workers cannot be motivated by extrinsic factors, only intrinsic factors. In order for these intrinsic motivations to be activated, there are certain basic expectations that people have of their workplace. These basic expectations are Hygiene Factors. Where the hygiene factors are not met, employees cannot be motivated. When Hygiene Factors are met, employees are considered 'neutral', and are in a state ready to be motivated.

Motivational Factors

Motivation and satisfaction is further dependent on the job and workplace providing the 'motivational factors'. Hertzberg explains there is a direct correlation between the satisfaction of the motivational factors and the high level of satisfaction of employees that leads to commitment, and for employers, can provide an improved rate of retention.

Frederick Hertzberg's Hygiene Factor theory.

HYGIENE FACTORS (must be met or motivation and commitment is not possible)	MOTIVATIONAL FACTORS
Job knowledge – instruction, information	Meaningful and challenging work
Physical – safety, welfare, layout	Recognition for good work and skills
Interpersonal relations	Feeling of achievement
Security – job, policies, fairness, consistency	Responsibility
Status – title, classification, privileges, status	Opportunities for learning, growth, advancement
Economic – remuneration, super, insurance, parking facilities	Financial gain



By ensuring that the hygiene factors as described by Herzberg are met for all employees, we expect that they are then in a position where they are able to be motivated, and therefore derive job satisfaction from opportunities for development, responsibility, achievement, recognition and challenge.

Too often an organisation will spend time and resources on the higher level needs and neglect to perfect the basics. All these factors lead to a positive, collaborative and successful organisational culture. A positive and inclusive organisational culture can provide a work environment that encourages and rewards employee retention.

Work Expectations

Research shows that when you have clearly defined, well-communicated expectations, you will be happier and more successful than people whose expectations go unspoken or unrealized. Whether you are working with a team, transitioning to a new job, or simply making the most of your daily routine, you share a common goal with your employer: you both want to make it work.

There are ten expectations that have been defined within a “Work Expectations” profile, the following gives you the meaning of each of the expectations, in order for you to define those expectations that are important to you, therefore providing you with an understanding of the best “work/job fit” as you plan your career.

AUTONOMY: expectations reflect a desire to have the independence or freedom to make decisions about how to do a job. Those who highly regard this expectation usually want to have input into their goals and to be able to decide how they will achieve them. When people’s autonomy expectations are spoken and met, they can freely express their ideas and viewpoints and use their skills and abilities to impact their environment. They trust their own judgment and look for ways to solve problems and create positive change.

BALANCE: expectations reflect on both personal and professional goals and a desire for co-workers and supervisors to understand the importance of all of one’s commitments. Those who rate this expectation highly frequently have as many obligations outside of work as they do on the job, and they consider all of these important. Although they expect occasional imbalance, they do not want their work to suffer or because of their personal life, nor do they want their personal life to suffer because of their work.

CAREER GROWTH: expectations reflect a desire to make progress toward career goals. Those who rate this expectation highly may want increasing authority and/or status at work. What they do for work is as important to them as their performance. Those with high expectations for career growth expect continued success and opportunities for skill development and career advancement. They also expect that their organisation’s leadership has a practical plan for achieving its goals.

DIVERSITY: expectations reflect a desire to work with others from a variety of backgrounds with varied points of view. Those who rate this expectation highly believe that differences in personal history, perspective, and opinion are important, if not essential, to a successful workplace. They want colleagues to be willing to discuss their ideas and concerns, and they expect that everyone’s opinions will be considered, regardless of position or status.



ENVIRONMENT: expectations reflect an emphasis on the quality of the social and physical environment at work. Those who rate this expectation highly want to enjoy their work place. They expect a socially comfortable atmosphere and an environment that is supportive of their mental and physical needs.

EXPRESSION: expectations reflect a desire for a work environment that allows people to be themselves. Those who rate this expectation highly give importance to expressing their identity, values, and creativity through their work, and they believe that being authentic is important. They want to work to reflect who they are, as well as what they can do.

RECOGNITION: expectations reflect a desire for a work environment where good work is acknowledged and rewarded. Those who rate this expectation highly want the value of their work to be clear to others. Recognition comes in a variety of forms and means different things to different people; they may want to be rewarded for their successes with acknowledgement public praise, or an increase in status.

STABILITY: expectations reflect a desire for job security and a work environment that remains relatively unchanged. Those who rate this expectation highly want to know that as long as they do their job well, it will be theirs. They expect that the nature of their work will remain fairly unchanged. They also prefer that the structure and goals of the organisation remain relatively constant.

STRUCTURE: expectations reflect a desire for clear instructions regarding what to do, how to do it, and what resources are available. Those who highly rate this expectation want to know others' expectations of them. They want to be given clear direction about the purpose of their work and the specific outcomes they are supposed to attain. They may want to be sure that guidance is readily available when they have questions about how to get the job done.

TEAMWORK: expectations reflect a desire to make collaboration a highly valued and commonly used method for reaching work objectives. Those who rate this expectation highly want to view themselves as part of a team that shares its knowledge and skills to attain agreed-upon goals. They expect colleagues to cooperate with each other and be committed to helping each other succeed.

Generational Differences

Generational Brackets

Description	Born	Age in 2007
Seniors	Before 1925	82 +
Builders	1926 – 1945	62 – 81
Baby Boomers	1946 – 1964	43 – 61
Generation X	1965 – 1981	26 – 42
Generation Y	1982 – 2000	7 – 25
Generation Z	2001 +	6 +

Table of Generational Differences

Influence	Baby Boomer	Generation X	Generation Y
Role Models	Men of Character	Men & Women of Character?	What is Character?
Television	<i>I Love Lucy</i>	<i>Happy Days</i>	<i>Big Brother</i>
Musical Icons	Elvis Presley	Madonna	Lady Gaga
Music Mediums	LPs & EPs	Cassettes & CDs	Digital (iPods & MP3s)
Computer Games	Pong	Pacman	X-Box
Money	Earn it	It is not everything	Give it to me
Loyalty to Employer	Work my way to the top	Shortcut to the top	Give me Saturday off or I'll quit
Respecting your elders	Automatic	Is earned	Whatever!
Sex	After marriage	On the backseat	Online
Change	Resist it	Accept it	Want it
Technology	Ignorant of it	Comfortable	Feel it in their gut
Justice	Always prevails	Up to the courts	If you can afford it

Ramifications for Business owners and managers:

Gen Y are the highest turnover generation. They want management to be constantly available and to provide feedback, however they don't provide it the other way. It is often difficult to identify if they are dissatisfied until they have left. They are hesitant to participate in processes such as exit interviews unless they 'trust' their employer. They are by nature more sceptical of management and authority. They want to progress quickly to the top job and have no patience to wait. They may accept several positions and not actually commence any if it doesn't suit their time table. In terms of resignation, they often fail to provide notice or work out the notice period and simply walk out. Monetary penalties are generally not a consideration.



Gen X expect feedback and are willing to give it, sometimes too willingly! They generally agree to internal processes as long as it is done in non-threatening manner. They are by nature more loyal and generally work out their notice period, as financial penalty is a strong consideration. Gen X generally look for a more stable workplace and tend to stay longer in their job roles.

Baby Boomers are almost retirement age, usually willing to participate and provide feedback. They are loyal to retirement funds and keen to fulfil work responsibilities. Baby Boomers commit to the right employer and plan to stay until retirement. They lack patience with the younger Y Gen and often have difficulty working with them in the workplace.

Adjusting to Generational Differences

Whilst some business owners and operators still believe that it is 'my way or the highway', approach is not effective in retaining staff, particularly with the Gen Y employees. To get the best from employees and to encourage them to stay in your employment, business owners and managers need to understand the generational characteristics and adapt this understanding to their business practices. In general terms, the organisation is the entity which needs to adapt. Employed retention can be achieved across generations by ensuring the following is reflected in your organisation:

- Adjust our management style
- Understand motivators
- Situational Leadership
- Provide direction
- Provide structure
- Role responsibility
- Develop team culture
- Rewards and Recognition
- Collaboration
- Flexibility in hours
- Encourage self-reliance
- Skills development
- Two-way feedback
- Lead and Manage



Employers of choice

Being known as an employer of choice in the labour market can you provide a competitive advantage when you are recruiting for staff. The 'employer of choice' approach is reflected not only at the time of recruitment, but in the way you conduct every business function. This includes:

- Sound and Consistent Recruitment
- Orientation and Induction programs
- Performance Management processes
- Exit Management processes
- Positive organisational behaviours (culture)
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Recruitment

The employment relationship commences prior to commencement of a new employee, and usually prior to any application being received. The first instance a person sights an advertisement or is contacted informally about a job opportunity, expectations are formed. This is the beginning of the psychological contract, and is the point at which employers need to communicate their business vision, values and ethics, to ensure that the right people form the right impression of the organisation. This relationship approach continued right through the recruitment and selection process and into the employment, creating a set of expectations for both parties.

Orientation

The orientation experience may make or break the employment relationship, as the psychological contract commences during the recruitment process, therefore expectations have already been established. The program must then reflect the expectation that the new employee has of the organisation. Ensure that the process reflects all that has been promised during selection and recruitment. This is achieved by demonstrating these behaviours prior to and throughout the orientation process. Explanation of work conditions, meal breaks, over-time, leave allocation and other employment conditions should already have been explained and agreed as part of the recruitment and selection process, however it may also be covered during Orientation as reinforcement of the policies.

Induction

Induction programs reassure new employees and provide them with guidance through the first few months of their employment. The length of time will depend on the position, level of skills required by the job, and on the amount of employee. An Induction program may be termed "on the job training", 'buddy system', 'shadowing', or 'mentoring'. Alternatively, an induction program may be designed around a range of documentation, with one employee appointed as the contact person. These systems are often used where the workforce is largely absent or roles autonomous. Induction programs are all aimed at providing support and assistance to allow a new employee to master their role in a shorter time frame, and ensuring that the performance and quality expectations are met. Valuable feedback can be gained by the organisation and the employee.

Orientation plan – Sample

Orientation Checklist	Completed
Access	
Security passes	
Car park	
Equipment	
Suitable chair, desk, waste bin, etc	
Notepads, pens, pencils, folders	
Computer and software	
Passwords allocated – profile completed	
Telephone connected, email address available	
Orientation package delivered containing	
Organisational literature, including flyers and newsletters	
Organisational chart	
Map of facility	
List of contact names for specific inquiries	
List of key industry terms and glossary of acronyms	
Annual leave documentation and process	
Copy of performance evaluation forms, dates and procedures	
List of benefits	
Copies of other forms (superannuation, bank, emergency contacts)	
Information on OHSMS	
Staff policy handbook	
Staff policy contract for signing	
Copy of employment contract	
Other:	
Introduction to team and management	
Tour of facility	
Emergency exits, muster points and location of emergency equipment	
Notify supervisor and employee of commencement	
Arrange meetings with key staff and/or stakeholders	
Discuss probation	
Assign 'buddy'	
Completed by:	Date:



Exit Management

Exit management is the terminology used to describe the management of employees leaving the organisation, using means that ensure that valuable organisational knowledge is retained and used for continual improvement. Although often aimed mainly at 'making the workplace a better place', the process of managing an employee's exit from an employer also assists other areas:

- Provides avenue for complaint so that employee feels that someone is listening
- Reduce damaging comments being made outside the bounds of the organisation where an ex-employee has been given an opportunity to voice their concerns
- Identifies training shortfalls
- Identifies gaps in expectations of employer and workers
- Creates opportunity to review the nature of the position if feedback warrants
- Provides opportunity for the employee to reconsider in some circumstances
- Provides process by which company property is formally recovered and recorded
- Ensures finality/closure for the employee
- The managed process reduces impact on productivity
- Provides opportunity to clarify termination payments

Guidelines for conducting Employee Exit Interviews

1. Exit interviews must be conducted preferably in person or otherwise by phone.
2. Clearly explain to the employee the purpose of the discussion. State that the feedback will be utilised by the relevant manager and human resources, as appropriate, to implement changes and improvements.
3. Assure the employee that whilst this is not a completely confidential process their anonymity will be maintained.
4. It is important to listen and be open minded. It serves no purpose to be on the defensive.
5. Stay focused on the employee.
6. Where the employee's answers are too brief, encourage them to expand their answer by probing further e.g. "Would you like to expand on this?" or "Can you tell me more about?". Be mindful not to lead the employee into an answer.
7. Review the information provided by the employee. Consider to whom feedback needs to be forwarded to ensure issues are addressed.
8. Where possible it is recommended that a local HR staff member participates in this process.



Organisational Culture

Key elements of Culture:

1. Shared Values
2. Organisational Beliefs
3. Behavioural Norms

Organisational culture contributes to staff retention in that the culture is what reinforces the willingness to stay in the job. Where organisations have poor and exclusive culture, they struggle to maintain staffing levels. Other areas of influence which can be affected by organisation culture are:

Attraction and Retention, Decision Making, Flexibility/Responsiveness, Motivation, Quality standards, Safety standards, Productivity, Accuracy (record keeping, accounting, finance), Punctuality, Compliance, Communication – Internal and External, Client relationships, and Company image/reputation.

A positive organisational culture

The organisation's Leaders

Walk the Walk & Talk the Talk

Project the values, integrity, ethics and beliefs that you want to form the organisational culture. Demonstrate the qualities of the organization, be consistent and truthful.

Respect others, Create the Vision, direction and ensure communication and feedback is maintained.

Vision and Mission

This must be known by all...."where are we going", What do we represent", "what is it that we do"?

Collaboration on these during planning process will ensure buy-in and commitment. This aligns the values of the employees with the values of the organization.

Policy and Process

Support the vision and mission with policies and procedures that guide behaviours.

Ensure performance plans support the overall organisational goals.

Set the boundaries.

Replace unwritten norms with formal rules and regulations and enforce them.

Rewards and Recognition

Ensure the behaviours are recognized and rewarded.

These must be team and individual, so they are flexible and reward the right people.

Demonstrate the individual and the team's value to the organisation.

Provide opportunity for advancement, development and involvement for those who demonstrate the required values



Symbols, Stories

Create new ones that reflect what you want them to, be creative. Make a story happen (eg. Reward someone publicly for an achievement, this makes a positive story that people will remember and repeat).

Empowerment and Inclusion

Ensure that where possible, employees are empowered to apply initiative, make decisions and contribute to problem solving. Include them in planning and allow them to take on responsibility for their own performance and actions.

Continuation of the Organisational Culture

Reinforce and reward the behaviours, norms and attitudes you want demonstrated. Address those that don't 'fit' with the organisational culture you need to reflect, remove them.

Recruitment of like-minded employees who "fit" with the attitude and values of the organisation. Recruit very CAREFULLY.

Consider the socialization of new employees to help them adapt to the culture. Redesign the socialization process if required so that only the positive influences are present to mould behaviour (through revised induction and engagement processes).

Retention programs

Organisations spend millions of dollars nationally to retain staff. The aim of these programs vary, and is often a 'flavour of the month'. Options include:

- Staff rewards programs
- Wellbeing programs
- Social outings and activities
- Profit sharing or Shares plans
- Remuneration benefits (accommodation, vehicles etc)
- Professional development bonuses
- Performance bonuses
- Gifts and other rewards

Whilst these programs do provide rewards, they don't alter the inherent qualities of the job or change the supporting culture of the organisation. It is important to take the holistic view when planning to improve retention. Consider the culture, internal and external environments, whether you are meeting the needs of your employees, and whether job satisfaction is a constant among your employees. Reviewing the organisation through focus groups and management feedback can also contribute to the development of plans and measures to improve staff retention. A strong and consistent performance management program will ensure staff expectations are constantly assessed and measured.



Benefits of performance management

Performance management has value in all areas of an organisation. From an individual perspective, a formal process provides the following:

Feedback on the achievement of goals;

This provides a form of recognition, motivation and reward for the effort expended in achieving the agreed goals.

Future planning;

The evaluation/review process allows for the opportunity for the development of future goals and the review of the position itself in terms of contribution to strategic goals. It ensures that every employee has goals that are linked to the overall organisational goals.

Empowers individuals;

Many individuals are enthusiastic about having input to their own direction and contribution to the organisations goals. By ensuring each person assesses their own performance against the goals and requirements, they take responsibility for the process and can develop improved self-reflection and increased commitment to their goals.

Personal development;

The process is generally used as a tool for planning professional development activities which contributes to aligning personal and organisational goals, and can also be an effective retention and reward. Training and development opportunities, and future internal development plans can be established through the review.

Salary and remuneration review;

Realigns performance with the required standards and expectations. The review allows feedback on the improvements demonstrated by individuals, and the opportunity to correct any deficiencies.

Contributes to a positive organisational culture;

Research proves that by contributing to the review and planning process, individuals are more committed, focussed and perform to a higher standard than those working in an 'exclusive' work culture.



Winning the talent War

The war for talent will not be won through salary alone. Grahame Doyle, a director of Hays recruitment, provides some tips on what else companies can do to attract and retain good staff.

Know what you are looking for. Retain starts with great recruitment. Clearly identify, by benchmarking great performers, what makes someone successful in your organisation. Make sure the individual fits these criteria. Include an assessment (or profile) of the individual's values and motivators in the recruitment process to ensure they are aligned with the company's or team's goals and values.

Induct and Train people well. Ensure that the people in your business have everything they need to do their jobs well. This commences with Induction and their knowledge of the Company mission, vision, values, and standards of conduct as well as internal processes.

Communication expectations. Let employees know what is expected of them in terms of technical output and behaviour. This commences with recruitment and continues through Induction.

Performance management. It's no surprise that employers of choice have solid performance management methodology, such as a robust, regular appraisal system that is user friendly and to which managers are committed. Formal performance feedback is critical and is an excellent opportunity to ensure talent is engaged.

Career development. Not everyone is interested in career development, but top talent always is. It can be difficult for small organisations to offer opportunities, but career development is not restricted to promotion. Can you offer additional responsibility such as supervising other employees, coaching and training others, managing projects and chairing meetings?

Quality of managers. Front line managers are they key to retention. How good are your managers at motivating and inspiring their team members? Managing performance, good and bad? Setting useful goals? Providing useful performance feedback? What does your organisation do to develop its managers?

Inclusion. Ensure employees feel included and are empowered to make decisions. Allowing people to be part of the decision making process, especially when it affects their jobs and the overall direction of the company, engages them with your business.

Rewards. Well developed reward and recognition programs work as long as there is a fair and equal system of processes for rewards. Research shows that employees prefer financial, or a combination of financial and non-financial rewards, over straight non-cash benefits.

Attractive package. Not all organisations can offer a competitive salary. If you can't, you should try to offer attractive benefits package, which could include flexible hours, weekly or monthly office lunches, life or health insurance, sports events and a work/life balance.

Recognise unique talents. Recognise and understand the unique talents of each staff member and utilise them wherever possible.



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