Retaining quality employees

Why is this important?

The cost to a business of losing a valued staff member is 50 – 100% of the annual wage of that person. This is the result of both the direct and indirect costs of unplanned employee turnover. Direct costs are such things as the cost of recruitment, the cost of training a new person and the cost of mistakes made by the new person while they are becoming familiar with the business. Indirect costs are things such as reduced business performance, increased stress and the effects of reduced job satisfaction while the remaining staff run the business short-handed.

Making an effort to retain employees who might otherwise be lost can add value to a business in terms of improved work performance and labour productivity.

Matching employer and employee needs:

It is a fact of life that employers and employees change over time. The changing needs or behaviour of one or both parties means that job responsibilities and/or satisfaction are affected. To retain quality employees both parties need to determine if their needs are compatible, or if new arrangements can be found to accommodate the changing needs of either party whilst still providing both parties with the required outcomes.

If, having recognised an issue and attempted to remedy it, there is still incompatibility between employer and employee needs then there is no value in retaining that person. Any attempt to do so will almost certainly be short lived and will benefit neither employer nor employee.

What does an Employer Need?

- To get the work done efficiently and effectively, and
- To be able to pass on responsibility with confidence that tasks will be completed to a high standard.
What does an Employee Need?

The needs of an employee are different for each individual so you should spend time getting to know your employee and what motivates them. However, some of the following needs have been identified as generic to most people:

- **Money** – while money is not necessarily the primary driver of most employees, people do need fair remuneration.
- **Control of their work** – this includes such things as the power to influence some farm decisions and may also include having the opportunity to meet their responsibilities through planning their own work load.
- **Leadership** – employees need a vision of what the business is working towards, with clear expectations and directions as to how they are contributing to this in their daily work.
- **To belong to the in-crowd** – being kept up to date with what management is up to, and why decisions are being made, helps people feel that they are an “insider” in a business. This gives people a sense of social belonging. Improving the quality of interpersonal relationships in the workplace will increase staff retention by developing a culture of belonging.
- **The opportunity for growth and development** – this includes education and training, a career path and stimulation from outside sources such as discussion groups.
- **Appreciation and respect** – from the employer (and other team members) so the employee feels valued and a sense of achievement about their work.
- **A balance between work and other parts of life** – this includes knowing as well as possible when the working day will start and stop, so that the rest of life can be planned around work. Rostering systems, to allow adequate time off and effective planning of time off, also contribute to a work/life balance.

Management tools to assist with staff retention:

These are focussed on communication and spending time getting to know your employees and what motivates them, at work and in life.

- **Discuss your business plan with employees and how it can contribute to their success.**
- **Ensure that you have regular performance reviews.** These give both you and your employee an opportunity to talk about what is important to each of you, what is being done well, what could be improved and the tasks which are ahead.
- **Work with your employee to develop a career plan which describes their goals and help them to map out the steps needed to get there.** Then determine how you can help meet their needs through allocating responsibility, training and doing things differently on farm.
- **Ensure remuneration and rostering is fair or better than fair.**
Other ideas to improve retention:

Most people are highly motivated and satisfied when they really feel part of a team or a place. As the employer you can help people achieve this state of belonging by:

- Recognising and showing appreciation to their partner and family.
- Giving staff an opportunity to buy into the business, e.g. own a small, growing number of stock.
- Organising sport or social events.
- Giving staff ownership of areas of work (eg calf-rearing) to increase personal responsibility and job satisfaction.
- Providing housing improvements.
- Profit sharing with senior staff members.
- Giving time off for sports or to attend children’s activities.
- Do a spontaneous act of kindness to thank staff, e.g. arrange a relief milker to provide an unexpected morning off, a staff bbq or movie passes for the family.

Further tips on retaining staff:

Do remember that all people are different – check with your employee that they value what you are offering/giving them.

Respect your employee. A good boss is often the biggest source of employee happiness.