



EMPLOYEE ENGAGEMENT & RETENTION TOOLKIT

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"I want to run a business that I would like to work at – a family place to work; I want to create somewhere that people want to spend their whole working life"

ACKNOWLEDGEMENTS

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The views expressed in this document do not necessarily reflect those of the Government of Ontario.

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PROJECT BACKGROUND & INTRODUCTION

In 2018, Four County Labour Market Planning Board completed a project¹ seeking to understand the experiences of employees and job seekers in Bruce, Grey, Huron, and Perth counties. Following many years of employer surveys² and consultations with local businesses, we wanted to reach out to those participating in our workforce in order to learn more about what motivates people to stay in or leave a job, what is valued in the workplace, and the relative importance of factors such as skills use, monetary compensation and opportunities for advancement. The following key themes emerged from that project:

- Workplace satisfaction is most highly correlated with:
 - Being treated with respect and dignity
 - Having positive relationships with coworkers and supervisors
 - Feeling work is valued and recognized by others
- Salary and benefits are not the top reasons for which people stay in or decide to leave jobs
- Work-life balance is a priority when evaluating happiness at work

In order to further understand these survey results, the current project seeks to establish a list of best practices for employee retention, based on in-depth interviews with business owners and managers, as well as focus groups with job seekers. In 2019, we reached out to local businesses with strong reputations for employee engagement and retention. Through one-on-one interviews with managers at these organizations, we have cultivated a list of best practices for retention. Additionally, we conducted two focus groups with local job seekers in order to further understand their experiences. In particular, we wanted to have a more comprehensive understanding of why people choose to quit employment, and what employers might be able to change within their workplaces in order to minimize this turnover.

This project is, therefore, comprised of the following qualitative data sources:

- Interviews with managers and business owners in the region who have been identified as having successful retention strategies, in order to review best practices
- Focus groups with job seekers, in order to further explore results from the 2018 Employee Survey, with a particular focus on why people are voluntarily leaving jobs and what might impact their desire to stay with a company long-term

A unique regional challenge faced by employers in our area is that the Stratford-Bruce Peninsula economic region – encompassing Bruce, Grey, Huron, and Perth – occupied the lowest unemployment rate in the province, at 3.7%, in 2018. Stratford-Bruce Peninsula also continues to have one of the highest labour force participation rates – the percentage of the population participating in the workforce – in the province. With few unemployed people in the region, most businesses are struggling to find enough employees to meet their needs.

In the 2019 EmployerOne Survey, 72% of surveyed businesses reported experiencing hard-to-fill positions during the previous year, and 37% of these employers spent over a year trying to fill these positions. Hard-to-fill

1 *Employee Survey 2018*: <http://www.planningboard.ca/reports/5725.html>

2 *EmployerOne Surveys 2015-present*: <http://www.planningboard.ca/reports/employerone-survey-observations/>

positions range from entry-level positions such as labourers to professional positions such as managers, chefs and nurses.³ A chronically low unemployment rate makes it even more crucial that we understand how businesses can strengthen and maintain their existing workforces.

Surveyed employers who experienced employee separations in 2018 reported that over half were due to employees quitting their jobs. In a region with ongoing low unemployment⁴ and increasing numbers of hard-to-fill positions, employee turnover due to quits is extremely costly to local businesses. The financial and human resources spent on hiring and training new employees are significant, particularly for smaller employers lacking dedicated Human Resources departments. Given this, our current project is focusing on employee retention as a key indicator of long-term business success. If we are able to identify factors contributing to retention, then we can explore how these strategies could be adapted to other businesses experiencing greater challenges.

Interviews with both managers and job seekers identified many of the same factors contributing to strong retention. Some of the most frequently reported factors were:

- Strong communication between employees at all levels of seniority
- Willingness to hear suggestions and incorporate changes where possible
- Compensation – including wages, benefits, “perks” – beyond minimum requirements
- Clear workplace policies, and fair implementation of these policies, for all employees
- Giving employees as much autonomy and flexibility as possible
- Offering ongoing training and advancement opportunities

In addition to these measurable factors, managers and job seekers also identified core values such as kindness, empathy, understanding and compassion. Development of soft skills was mentioned by several managers, and reiterated by many job seekers, suggesting that these workplace skills are crucial for creating a positive workplace culture that encourages employees to stay long-term.



3 *EmployerOne 2019*: <http://www.planningboard.ca/reports/employeronone-survey-observations/employeronone-survey-observations-2019/>

4 As of this writing, the unemployment rate for Stratford-Bruce Peninsula (the Economic Region encompassing Bruce/Grey/Huron/Perth) was 2.4%, which was the lowest rate in Ontario, and significantly lower than the provincial average of 4.9% (Statistics Canada, Labour Force Survey, November 2019 (reported in December 2019))

PART I: INTERVIEWS WITH MANAGERS & BUSINESS OWNERS

Managers representing four businesses in the Bruce/Grey/Huron/Perth area were asked about factors influencing employee retention at their companies. These businesses were selected based on their reputations as engaged employers with low employee turnover, as well as their willingness to discuss workplace strategies and policies related to retention. The goal of these interviews was to understand what these companies may be doing – either intentionally or incidentally – to help retain staff. These four businesses have staff sizes ranging from fewer than 20 to over 500 employees. They represent various sectors, and include both start-up companies, which have been in business for less than five years, as well as established businesses. This cross-sampling of local businesses has allowed us to explore a broad range of techniques used to retain employees throughout our region.

Companies with strong retention emphasize company culture. They deliberately and methodically determine their core company values and establish a workplace culture that both reflects and promotes these ideals. These companies are proactive about identifying and meeting the needs of their employees: They provide the tools, training and autonomy for employees to do their jobs well. Companies with strong retention have transparent policies and open-door management structures. Managers are accessible to staff, and willing to assist with whatever task is required to get the job done. They consistently show that their employees are valued by acknowledging and rewarding their staff as much as possible. Finally – and perhaps most importantly – companies with strong retention demonstrate compassion and kindness towards employees and are attentive to the work-life balance of each employee. These are companies that go out of their way to ensure that employees have time off when struggling with difficult personal situations, and go above and beyond to assist their employees when needed. Many strategies utilized by these companies are focused on how they can demonstrate

that everyone who works there is valued, both in the workplace and after they leave at the end of the day. As one manager reflected: “I want to run a business that I would like to work at – a family place to work; I want to create somewhere that people want to spend their whole working life.”

It is challenging to determine how companies can create or change existing workplaces in order to become places where employees would like to spend their entire careers. This is even more difficult in the current local labour market in which employees have the advantage of many vacant positions, and many employers struggle to find enough staff to meet demand. The managers we interviewed are taking concrete steps that help maintain their existing workforce. Some of the most tangible and effective examples they described do not require excessive monetary investments. However, they do require thoughtfulness and a willingness to implement changes. What follows is a discussion of nine key strategies that we believe many businesses could explore



when trying to improve retention within their companies. Not all strategies will be possible or applicable to all organizations, but what follows is a summary of clear, actionable steps that could be implemented, often without significant investment. As such, these may be changes businesses experiencing greater challenges could consider adapting as part of how they move forward and keep employees long-term in the current labour market.

A. IN-DEPTH HIRING PRACTICES

Several managers described lengthy hiring practices that include attention to company fit and assessment of a candidate's long-term potential within the company. By spending more time up-front with potential new hires, many businesses recognize that they will likely spend less time later dealing with the potential consequences of hiring the wrong person. These consequences can include embarking on additional hiring and training as a result of ongoing staff turnover, or negotiating interpersonal conflicts between a new hire and existing staff.

Some managers described two or three hour interviews, even for entry-level positions. These interviews often include either behavioral or task-based questions, and are designed to assess whether or not a candidate would fit well within: the particular role for which they are applying; the particular department or workgroup they will be joining; potential future roles as they advance in the company. Questions designed to engage the candidate in deeper conversation, and to engage in dialogue beyond what is typically expected in an interview, are common for companies with strong retention. Exceptionally, these managers are often treating every new hire as someone who has considerable long-term potential within the organization. With this in mind, they are often using interviews to assess characteristics such as motivation, willingness to learn, dedication, and passion for the industry. Employee suitability within the company, beyond the initial role for which someone is applying, is a key component of how these managers are identifying new employees.

Practical Tool for Employee Retention: Focus on in-depth initial interviews to bring the right people into the company. Use interviews as an opportunity to explore a future employee's long-term potential in the company, rather than focusing exclusively on the particular position for which they are being considered. Consider modifying interview questions to evaluate a prospective employee's growth potential within the organization. Set aside more time for interviews, if possible.

B. ACCESSIBLE MANAGERS

Many managers described the accessibility of managers and senior staff as a critical component of employee retention. This accessibility includes:

- Willingness to learn from employees
- Willingness to “pitch in” with tasks in order to meet deadlines
- Willingness to hear – and implement – suggestions for improvement
- Checking in with employees regularly, both informally and through structured reviews
- Managing by walking around: Managers need to be visible and approachable throughout the workday so employees feel comfortable addressing any concerns

PART I: INTERVIEWS WITH MANAGERS & BUSINESS OWNERS

In all cases, managers are viewed as part of the team, not as a separate entity from front-line workers. Their managerial responsibilities include open communication and availability to assist where needed. When evaluating retention, managers feel this “on the ground” style minimizes the hierarchical separation that is often felt between managers and front-line staff. Consequently, employees feel they are being listened to and can go to managers with feedback. Manager accessibility is deliberate, and contributes to strong communication between all employees.

Practical Tool for Employee Retention: Ensure that managers involve themselves in the day-to-day operations of the company, and are willing to both accept and give feedback regularly. Managers who are regarded as part of the team tend to be more successful at retaining employees. A manager’s ability to give and receive feedback may require an investment in supervisory training to ensure these skills.

C. FAIR COMPENSATION

Several managers discussed the need to pay fair wages, particularly in our current labour market which is characterized by a shortage of workers in nearly all industries. With competition for employees at all skill levels, employers with strong retention are aware that they need to pay more than the minimum required if they want to attract and retain good employees. Job seekers – particularly those with in-demand skillsets – have the ability to move to new employers if they feel they are not being reasonably compensated for their work. Although salary is not typically seen as the primary factor for which people choose to stay in or leave their jobs,⁵ surveyed employers were all aware that this is a demonstrable way in which they are valuing their employees.

A clear compensation package that allows employees to feel valued monetarily for their contributions is key to retention. However, managers discussed additional benefits – health/dental plans, flexible workplace schedules, additional time off – as frequently more important when evaluating why their employees stay. Service awards, recognition for attendance and rewards for long-term loyalty were all cited as important components of compensating employees.

Practical Tool for Employee Retention: Research and offer wages that align with the skills required for the position; if possible, pay above what is minimally required to recruit employees with those skills in the current labour market. More importantly, focus on overall compensation (including non-monetary benefits) and remain flexible to employee needs. If jobs allow it, be open to remote work, flexible schedules, or job sharing arrangements, depending on the needs of each employee and their role in the organization.

⁵ *Employee Survey*, p. 10: <http://www.planningboard.ca/reports/5725.html>

D. CREATING A COMPANY “FAMILY”

Managers with high retention describe their workplaces as feeling like a family. When asked what they mean by this, they identified the following attributes:

- All employees – including managers and business owners – demonstrably value and show respect towards each other
- All employees commit to helping each other when needed, in order to achieve shared goals and company objectives
- The company creates opportunities for staff to get to know each other beyond their workplace roles. This could involve family get-togethers, community volunteer activities, or group participation in extracurricular and recreation events
- The company is prepared to go above and beyond whenever necessary to assist employees who may be struggling

When company decisions are guided based on these sentiments, we see two things prioritized: First, employees are invested in relationships with their coworkers and everyone strives to make each other’s working lives as positive as possible. Second, long-term employment within the company is anticipated when employees are committed to each other and feel cared for within the organization.

Practical Tool for Employee Retention: Focus on creating a workplace where respect and kindness are core values and employees at all levels of seniority have opportunities to get to know each other outside of their job roles.

E. TRANSPARENT AND CONSISTENT WORKPLACE POLICIES

Everyone is held to the same standard, and this standard is clearly explained to all employees to avoid misunderstandings and misperceptions. Procedures and policies are clearly articulated and universally enforced. This consistency is extremely important, as employees are less likely to leave when they feel there is no favouritism and everyone is held to the same workplace standards.

Practical Tool for Employee Retention: Workplace policies need to be clearly and fairly defined, and universally enforced for everyone in the company. Without this, employees may believe there is favouritism or special benefits given to certain employees, which can create a negative workplace in which some employees may not wish to stay.

PART I: INTERVIEWS WITH MANAGERS & BUSINESS OWNERS

F. EMPLOYEE AUTONOMY

Companies with high retention give their employees as much control as possible over their jobs. They treat each employee as the expert and allow them to act accordingly. Practically, this involves listening to suggestions for improvement and acting upon those suggestions where possible, encouraging employees to establish best practices for key tasks, and allowing strong employees to show others how to complete tasks. Self-management of tasks, without excessive bureaucratic or administrative hurdles, is important. Treating employees as adults capable of managing their workloads and schedules, as much as possible within the requirements of a given role at the company, is important for retention.

Practical Tool for Employee Retention: Allow employees to determine the best ways in which to do their jobs. This may involve setting out new practices to improve efficiency, or seeking out training opportunities when requested by employees. Employees who feel empowered to take control over their work and how deliverables can be most effectively and efficiently achieved are people who are more likely to stay in their roles for long periods of time.

G. GROWTH OPPORTUNITIES

Companies with employees who stay long-term are committed to their professional growth. Of the managers we surveyed, these opportunities took many forms: Several managers described job rotations and opportunities to test new roles. Other companies have clear paths for internal advancement through formal, internally created training modules. Some spoke of using free online training programs or locally available training opportunities. In all cases, training was prioritized for several reasons: First, managers described how training and advancement opportunities are part of why employees – particularly those who are high-performing – will stay. Second, managers want to provide all available resources to their employees to assist them with their jobs. The opportunity to learn and apply new skills in the workplace is a necessary component of this objective.

Practical Tool for Employee Retention: Focus on employee potential when looking at long-term opportunities. Giving employees a chance to try something new, and to develop new skills, makes them feel valued and gives people a vision of what their long-term expectations and progression within the company could look like. This appears to be particularly important in smaller companies where managers may need to be innovative about finding new opportunities.

H. SOFT SKILLS DEVELOPMENT

Several employers talked about developing their employees' soft skills so they would be more capable of dealing with workplace conflict, and other interpersonal issues. Many managers also referred to the importance of developing soft skills in order to improve workplace efficiency and employee happiness.

Practical Tool for Employee Retention: Employees with strong interpersonal skills and self-awareness of how to best deal with others in the workplace are more capable of solving their own problems with coworkers and supervisors as they arise. Create training opportunities that emphasize soft skills development, and look for ways employees can practice and improve these skills on a daily basis.

I. FLEXIBILITY

In order to engage people at work, many employers discussed offering as much flexibility as possible. This included working around school and daycare schedules, providing work-from-home options where possible, changing work hours during winter weather to accommodate employees driving to and from work, and accommodating each employee as needed when circumstances change. While every job will not allow for these types of arrangements, employers with strong retention discussed how there is almost always a way to offer flexibility to improve the working conditions – or work-life balance – of their employees. Small changes to shift schedules, for example, may have a significant impact if new hours now allow an employee to meet children at the bus stop after school, or be home in time to meet other family obligations. Similarly, creating telecommuting options for employees with lengthy commutes may significantly improve quality of life.

Practical Tool for Employee Retention: Employers who allow flexibility where needed, or create flexibility when desired, may have employees who are more willing to stay with an organization. While not every company or every job is able to do this, a willingness to entertain flexible workplace arrangements is crucial to long-term retention.

PART II: FOCUS GROUPS WITH JOB SEEKERS

As noted earlier, when surveyed about reasons for voluntarily leaving jobs, respondents to the Employee Survey in 2018 gave a range of responses. The top responses are listed in order of frequency:

- I experienced harassment or bullying
- My schedule was unpredictable
- I found a different job that paid more*
- I was not using my skills/experience/education/training in my work*
- There were no opportunities for variety at work*

*Tied for third most frequent response

As a result of this survey data, as well as data from local employers revealing that a high percentage of employees who leave a job do so voluntarily, this part of the project explores the following questions in greater detail:

- What were the characteristics of the best employment experience you ever had, or the best workplace you could envision?
- What were the characteristics of the worst employment experience you ever had? What made this work environment a negative place to be?
- What was the strongest work culture you were part of, and what were the factors that contributed to you staying with that company?
- What processes do you think employers should have in place to deal with the possibility of workplace harassment and bullying? According to a 2016 Statistics Canada survey on workplace harassment: “Over 19% of women and 13% of men reported that they had experienced harassment in their workplace in the last year.”⁶

Based on the above four questions, several themes emerged from these focus groups:

A. POSITIVE EMPLOYMENT EXPERIENCES

The best employment experiences described by focus group participants included the following key attributes, which can be divided into tangible and intangible factors. Tangible factors include things that can be clearly measured and changed. Intangible factors identify criteria that may be more difficult to measure, yet contribute positively to an employee’s wellbeing. The majority of these could be classified as soft skills which have previously been identified as key components of workplace success, for both managers and employees.

6 “Workplace harassment refers to objectionable or unwelcome conduct, comments, or actions by an individual, at any event or location related to work, which can reasonably be expected to offend, intimidate, humiliate or degrade. Harassment in the workplace comes in a variety of forms, as it can range from interpersonal mistreatment, such as disrespect, condescension and degradation (often referred to as workplace incivility, to more physical forms of harassment such as physical assault (which may also be referred to as workplace violence), sexual assault, bullying or the threat of harm.” <https://www150.statcan.gc.ca/n1/pub/75-006-x/2018001/article/54982-eng.htm> [Retrieved October 2019]

Tangible Considerations:

- Salary that is more than minimum wage, or more than the absolute minimum required to hire someone with a particular skillset
- Opportunities for training and quick advancement into different and more challenging roles
- Workplace policies that are consistently followed

Less Tangible Considerations:

- Working with intelligent and engaged coworkers
- Flexibility around personal commitments
- Compassion
- Understanding
- Empathy

In conversation, both tangible and harder to measure criteria are important considerations when reflecting on why a workplace is positive. Tangible considerations more closely impact whether or not employees feel workplaces are fair and whether they feel they have opportunities to be promoted into new roles, learn new skills and expand their opportunities. Intangible criteria are associated with attitude, kindness, communication and the value that is assigned to employees in the workplace. Demonstrating compassion, such that employers remain flexible to changing needs of employees, is crucial to whether or not the work environment is regarded as a positive place to be.

B. NEGATIVE EMPLOYMENT EXPERIENCES

Negative employment experiences are associated with the following:

- Inconsistent enforcement of workplace policies or a lack of necessary policies
- Inadequate training
- Bullying
- Unfair or preferential treatment towards certain staff members
- Lack of compassion towards staff
- Lack of understanding concerning work-life balance

What employees identified as characteristics of negative workplaces are frequently the reverse of those factors previously identified as contributing to positive workplace environments. It is also noteworthy that negative employment experiences are not defined by the type of work employees are doing, the hours employees are working, or salary/benefits they are receiving. While we know these things factor into whether or not a workplace is desirable, they were not identified as the most important criteria. Considerable research has shown that value-based criteria – such as fairness, compassion and understanding – are most important when gauging whether or not employees are likely to stay.

PART II: FOCUS GROUPS WITH JOB SEEKERS

C. STRONG WORKPLACE CULTURE

Strong workplace culture is described by employees as:

- Friendly atmosphere between employees at all levels of seniority.
- Showing gratitude: Employees are told “good job” and “thank you” for their work.
- Working as a team: Everyone is involved and engaged when working together to achieve a shared goal.
- Ask for suggestions for improvement in the workplace, and respond to employee initiatives with excitement.
- Strong communication between everyone in the workplace.
- Managers who really listen to employees: Respondents referred to body language that reflects whether or not someone is listening including: looking up from a computer to look someone in the eye; turning to face someone when in conversation; setting aside time to talk to employees instead of rushing through impromptu conversations.
- Loyalty that goes both ways: When an employee is asked to work an extra shift or stay late, they are more willing to do this when the employer is also willing to allow an employee to leave early for a personal appointment or to pick up a sick child, for example. Many focus group participants talked about how they are willing to go above and beyond for a boss who is also willing to extend the same courtesy to employees when asked.

While workplace culture can be difficult to define – and challenging to create – the above responses suggest that, when asked, people can clearly identify factors that contribute to positive workplaces. One practical strategy employers could use to determine which of these things are most positively featured, or most notably lacking, in the workplace is to ask employees. For some organizations we consulted, this takes the form of surveys or focus groups; for others, direct feedback from employees is incorporated into annual review processes. Regardless of the manner in which feedback is being requested, asking employees about how workplace culture can be improved is key to determining what is working and what could be changed.

Three things are essential:

First, managers need to recognize the importance of asking for feedback from employees about what could improve the workplace.

Second, managers need to actively solicit this feedback from employees – either formally or informally – on a regular basis. Employees and job seekers mentioned the important distinction between managers who talk about talking to employees and those who actually make an effort to do so on a consistent basis.

Third, managers need to make a sincere effort to implement changes, where possible, that incorporate suggestions from employees. Our focus group participants recognize that not every suggestion for improvement is possible, nor is every piece of feedback something that can easily be implemented. However, those we talked to feel it is important that they be heard and acknowledged, and that managers make an actual effort to reflect

on their suggestions. Research suggests that having one's concerns validated is often as important to wellbeing as having those concerns addressed in practical ways. While validation is not always sufficient, the key point raised by many employees in our focus groups is that they want managers to take them seriously and listen to what they have to say.

D. POLICIES ADDRESSING WORKPLACE HARASSMENT

When asked about policies and ideal management approaches to dealing with the possibility of harassment in the workplace, the importance of policies was important, but the importance of consistently following those policies was seen as even more important for successful managers.

There is a difference between having good policies in place to deal with workplace issues and actually following these policies. Focus groups participants reported that workplaces may have Employee Handbooks or Human Resources Manuals that explain the company's response to workplace harassment; however, these policies are irrelevant if they are not being consistently followed by managers. Equally important to employees is the issue of fair policies in the workplace, such that everyone is treated the same, regardless of position or seniority. Many focus group participants described situations in which certain staff members did not experience any consequences for their behaviour because these individuals were friends or family with the manager, or because some positions within the company were considered more important and, therefore, negative behaviour was overlooked for some employees but not for others.

According to a recent Statistics Canada survey (2016): "Workplace harassment in the past year is associated with indicators of a poor-quality work environment. Specifically, continuously employed workers in the same job in the past year were more likely to report workplace harassment if they had fewer opportunities to provide input into decision making; less support from their managers or supervisors; unmanageable workloads; limited choice in the sequencing of tasks; more competition among colleagues; more frequent conflicts with managers or supervisors; and fewer good friends at work."⁷ If employers are mindful of this correlation between work environment and workplace harassment, one practical step they can take to try to limit the possibility of workplace harassment is to be attentive to how employees are involved in decision-making, whether they feel supported and autonomous over their work, whether there are steps in place to deal with conflict, and if attempts are made to create opportunities for social interaction amongst employees outside the confines of their job roles.

Employees who have experienced harassment are also more likely to leave their jobs.⁸ In a tight labour market in which there is high competition for employees, employers need to do as much as possible to ensure that they are addressing workplace factors that correlate with harassment and, correspondingly, with employee turnover.

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7 <https://www150.statcan.gc.ca/n1/pub/75-006-x/2018001/article/54982-eng.htm> [Retrieved November 2019]

8 Ibid.

PART II: FOCUS GROUPS WITH JOB SEEKERS

Practical Tools for Employee Retention: When asked, job seekers are able to readily identify the key components impacting workplace retention. Many of the key criteria raised in focus groups are the same as those indicated by managers in Part I of this report: Accessible managers, transparent and consistent workplace policies, and flexibility were all identified by both managers and job seekers.

Additionally, job seekers focused on the importance of traits such as compassion, understanding, empathy, gratitude and communication in the workplace. These soft skills have been identified as crucial to establishing a positive work culture. Recently, there has been more emphasis placed on soft skills in the workplace – seen through employer surveys⁹ and analysis of skills listed in job postings¹⁰ in the region. All workers, including management, should have ongoing opportunities to develop these skills. One practical tool for retention is to ensure that all employees have ongoing opportunities to learn and promote soft skills. Specific examples could include personality tests to explore strengths and weaknesses in the workplace, leadership training, or workshops that focus on specific skills such as empathy or effective communication.



9 *EmployerOne Survey 2019*

10 *Skills Profile 2018*: <http://www.planningboard.ca/reports/skills-profile/>

CONCLUSION & NEXT STEPS

Employers who were consulted as part of this project have an approach to employee engagement that could be described as an example of internal, instead of external, locus of control.¹¹ This psychological concept differentiates between those elements over which individuals believe they have control (internal locus of control) compared to those about which they believe they have no control (external locus of control). Research suggests that individuals who primarily hold an internal locus of control – those who believe they have control over most aspects of their lives – are happier and more satisfied than those who believe they have little or no control over their circumstances and corresponding happiness. The guiding question for these companies appears to be: How can we do our very best for our staff? Managers at these organizations are focusing on what they can control in order to instill a strong sense of belonging and commitment in their staff so that they feel long-term loyalty to the organization. Key strategies can be summarized as follows:

1. These companies are investing tremendous resources into each person they hire. They are hiring based on potential and long-term company fit, rather than prioritizing past industry experience or specific skillsets. They know what type of employee they need and have structured the hiring process around assessing variables such as commitment, resourcefulness, adaptability and enthusiasm. They have lengthy interviews for all positions, based on carefully constructed – often behavioural or personality based – interview questions.
2. These companies provide and prioritize ongoing learning opportunities. They are committed to mentorship programs, job rotations, and clear paths for advancement within the company. Managers at these companies recognize that helping their employees develop new skills and understanding their long-term growth opportunities will benefit the organization and encourage people to stay.
3. These companies make tangible efforts to reward strong performance and contributions in the workplace. Additionally, they typically go above and beyond minimum requirements for providing sick days, family days, vacation benefits, and flexibility. These are companies that understand that what their employees need to succeed and thrive in the workplace depends upon being able to meet personal responsibilities outside of work, and feel their employer is committed to helping them achieve strong work-life balance.
4. These companies are willing to make changes. Managers seek out input from front-line staff, and are open to changing things that employees identify as needing improvements. They actively solicit feedback from all staff, and treat each employee as the expert in their role.
5. These companies focus on soft skills for all staff. Organizations with strong retention recognize that helping all employees improve communication skills, learn to manage workplace conflicts, and understand how to cope with workplace stress are crucial to employee wellbeing. Additionally, some companies have invested in management training programs to ensure that when staff are promoted to management roles, they are equipped with the necessary skills to succeed in these positions.

¹¹ Locus of control theory was developed by American psychologist Julian Rotter as part of broader work on understanding personality differences and assessing the degree to which individuals believe they can control their circumstances and how this, in turn, influences individual success and happiness.

CONCLUSION & NEXT STEPS

Based on the above, employers who are concerned with retention within their companies could focus their efforts on these identified components of success, most of which have a limited cost investment which is often a barrier, particularly for small employers.

Correspondingly, the workplace elements managers believe are important for retention are often similarly identified by job seekers as key components of why they would consider staying in or leaving an organization. Based on this feedback, we can conclude that when asked, managers and employees identify similar measures of success concerning employee retention.

What may set these companies apart is that they have demonstrated a strong willingness to listen to input from employees and make changes when possible. Managers with successful employee retention are typically self-reflective about what is working, as well as what can be improved upon. Talking about valuing employees – both for their work contributions and as people – is important. However, it is essential for companies to take the next step and follow-up these value statements with tangible evidence that they are prioritizing their staff. This project has summarized strategies that are working for four local companies with successful employee retention, and discussed these strategies alongside feedback from job seekers in our region.

The question emerging from this research is: How can these strategies be adapted to suit the needs of other businesses? While the response to this is not straightforward – and the outcomes may not be the same for all businesses – our goal has been to identify key components of workplace retention that are working for some local companies. Recognizing that the four county area has extreme workforce shortages and corresponding labour market challenges, it is imperative that we work together to minimize staff turnover for local businesses. As labour and skills shortages continue to dominate many industries, we need to work together to address how managers and business owners can take steps to invest in employee retention and maintain the workforces they already have. Employee engagement is important to the long-term health of any organization, as engaged employees are more productive in the workplace and less likely to look for new employment. As such, in a tight labour market, we must prioritize and invest in the retention of current employees as much as the attraction of new ones.



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