

Workforce Development Retention That Works

Alberta Agriculture and Forestry
October, 2016

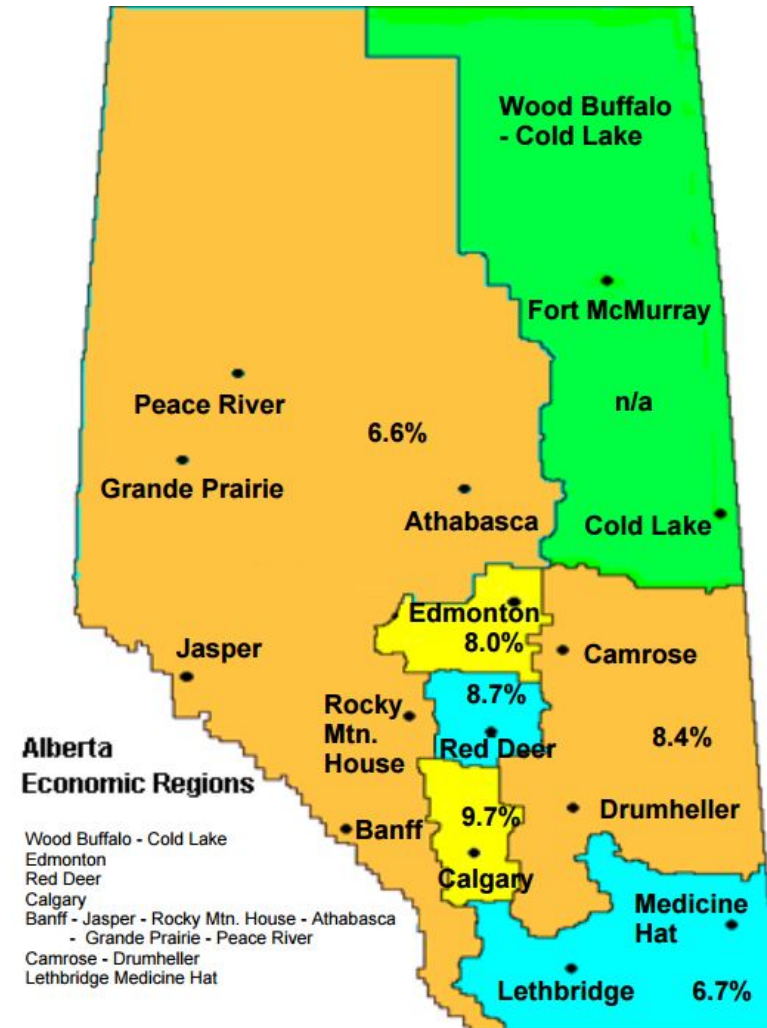
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Alberta's Labour Market

Current Labour Market

- Alberta's Unemployment Rate is **8.5%** (up from 6.6% in Sept, 2015)
- The map shows the unemployment rates as of September 2016, for each Alberta Economic Region
 - Edm 8.0%
 - Red Deer 8.7%
 - Cgy 9.7%
- Ag employment down 10,100 from Sept 2015 to 51,100 (2.7% of total employment)



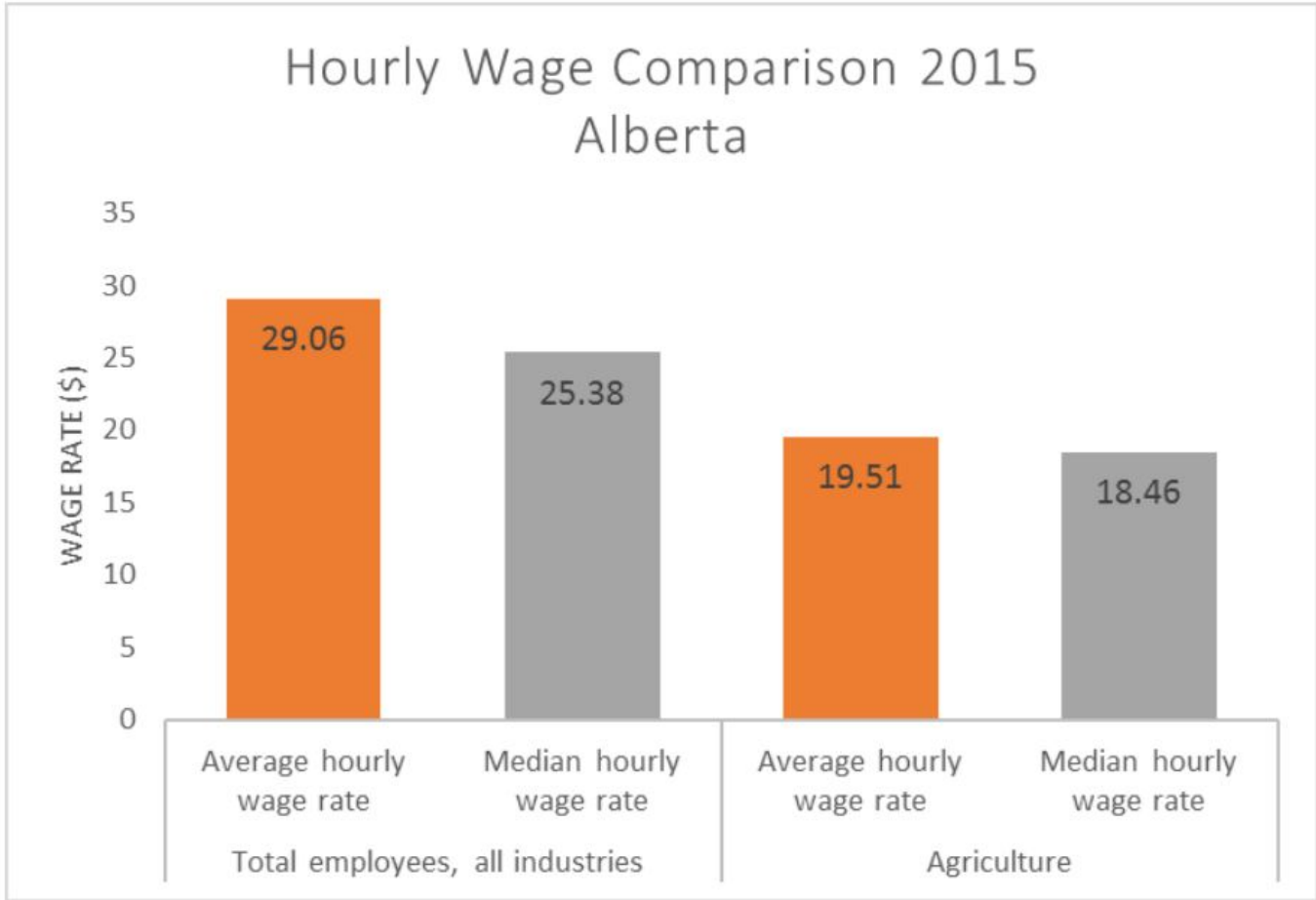
Current Labour Market

Characteristic	Alberta	Agriculture
Median Retirement Age (years)	64.3	75.7
Average Number of Hours Worked per Week	36.9	44.3
Multiple Jobholders (% of total employment)	5.6%	5.4%
Average Job Tenure (months)	88.8	235.1
Employees Under Union Coverage (%)	19.7%	N/A
Employees Working Overtime per Week (%)	17.2%	3.0%

Data Source: Statistics Canada, Labour Force Survey, CANSIM Tables 282-0022, 282-0031, 282-0042, 282-0078 and 282-0084, 2015, and custom tabulation (median retirement age)

Note: The percentage of multiple jobholders is obtained by dividing the number of multiple jobholders by total employment. This calculation method also applies to the percentage of employees under union coverage and the percentage of employees working overtime per week.

- **Sustainable labour force?**



Data Source: Statistics Canada, Labour Force Survey, CANSIM Table 282-0072, 2015

Note: The average hourly wage is obtained by dividing the sum of the wages of all the employees by the total number of employees. The median hourly wage is that wage below which half the employees earn and above which half the employees earn.

Workforce Retention

The Cost of Turnover

- Many studies show that the total cost of losing an employee can range from tens of thousands of dollars to 1.5-2X annual salary
- **New Hire Costs**
 - Time (staff hours and dollars) spent recruiting and training new hires
- **Termination Costs**
 - Exit interviews, severance, legal costs, time spent on termination
- **Loss of Productivity Costs**
 - Loss of productivity prior to departure of worker, during vacancy, during orientation & training and during transition
- **Exit Costs**
 - Costs of increased errors/defects, lost or dissatisfied clients, misused materials or equipment, decreased workforce morale, etc...

Cost of Turnover Calculator

- Example

Importance of Retention

- **Reduce costs associated with turnover**
 - Turnover created more turnover (spiral effect)
- **Increased workforce morale**
- **Increased productivity**
 - Economic value of employee over time
- **Enhances recruitment**
 - Effective retention strategies begin during the recruitment process
- **Good turnover?**
 - Actively disengaged employees

Importance of Retention

Cost to Value of an Employee

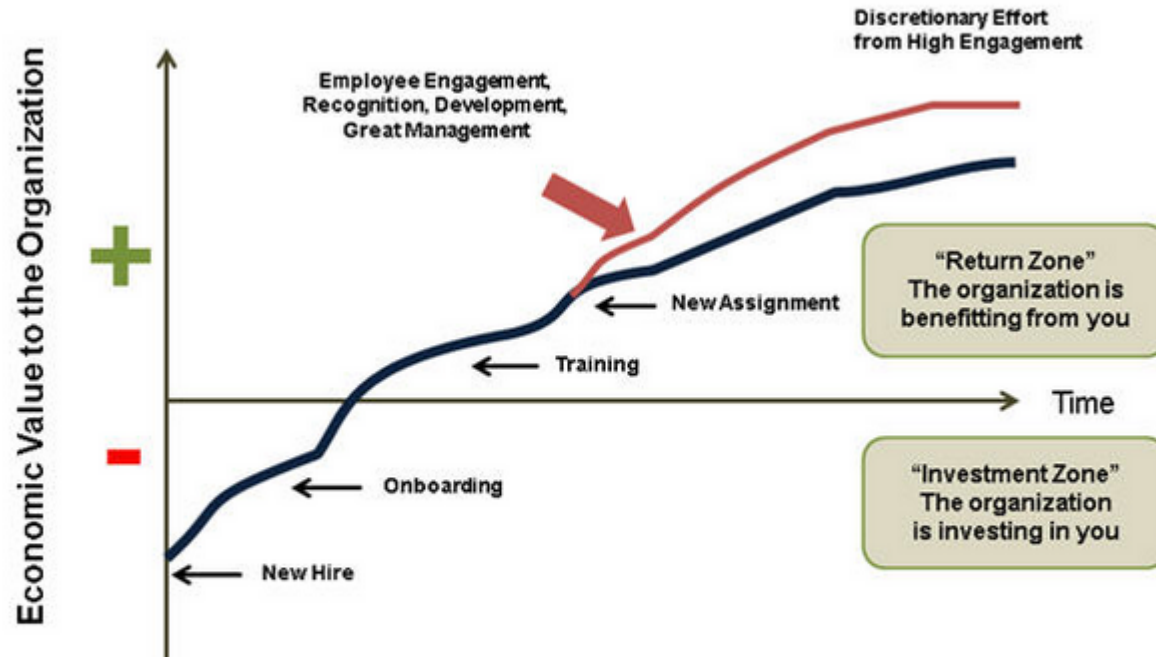


Fig 1: Economic Value of an Employee to the Organization over Time (C) Bersin by Deloitte

Retention Drivers

- **Compensation**
 - Significant but not most important factor (too little or too much can cause problems)
- **Job Fit**
 - Critically important. Are you attracting the right person for the job?
- **Career Opportunities**
 - Younger folks are motivated by growth, career opportunity, and meaning
- **Work Environment**
 - Does the job make use of an employees skills? Are they appreciated? Do they feel included in the workplace?

What does a Retention plan look like?

- **Responsibility**
 - Show trust
 - Invest in training
 - Hire internally
- **Respect**
 - Show appreciation
 - Be understanding of emotional/human challenges
 - Pay attention to how managers and senior staff treat new workers
- **Revenue Sharing**
 - Provides incentive
 - Connection with business environment
- **Reward**
 - Recognition (events, gifts, etc.)
- **Relaxation Time**
 - Be generous with time off (sick days, new babies, family events, etc.)
 - Manage workflow

What kind of programs can I adopt?

- **Increased Compensation?**
 - Not sustainable
- **Referral Program**
 - Costs less
 - Takes less time to recruit
 - Greater understanding of what job entails
 - Stays with company longer
- **Onboarding Program**
 - More productive worker
 - More productive faster
 - Stays with company longer
- **Rewards Program**
 - CARES (**C**ompensation, **A**ssistance & **B**enefits, **R**ecognition, **E**qual work/life balance, **S**ystem of career development)

Employee Engagement

- **Relationship between engagement and retention**
- **Connection between individual's motivation and organizational outcomes**
- **Kinlaws's 4 pillars of engagement**
 1. Clarity – goals, values, vision & bigger picture
 2. Competence – can they do what you ask of them?
 3. Influence – contribute to and determine the process
 4. Appreciation – performance, feedback, effort

Retention Practices to Consider

- Who is doing the hiring at your organization?
 - Are they passionate about the work that your organization does?
- Do you first attempt to hire internally?
- Do new hires share the values of the organization?
 - Do they know those values?
- Does your organization tolerate failure?
- Do you provide more than only negative feedback?

Workforce Development Initiative

Retention Improvement

- **Improve worker retention rates through employer identified initiatives**
- **Grant funded at 80% up to max \$25,000**
 - Funding for 3rd party to develop retention improvement plan or program
 - Examples:
 - Develop onboarding plan
 - Cultural training for supervisors
 - Update company compensation model

Productivity Improvement

- **Improve worker productivity through production or environmental process improvement.**
- **Grant funded at 80% up to max \$25,000**
 - Funding for 3rd party to develop productivity improvement plan
 - Examples:
 - Develop plan to improve packaging line efficiency
 - Improve production line design
 - Improve environmental waste handling procedures

- **Scott, AI and Gerard**
 - www.agriculture.alberta.ca/workforce

Questions?

Gerard Bos

gerard.bos@gov.ab.ca

780-980-4222