

HOW TO RETAIN GOOD EMPLOYEES

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Note, this presentation is meant to share general information about developing an approach to human resources management. The material in this presentation should not be used in place of legal, accounting or other professional opinions. Employers are encouraged to engage an attorney, accountant, consultant and other necessary professionals to ensure that their specific policies and human resources systems satisfy all necessary labor laws and business standards.

Audience Question

- From your perspective, how challenging is it for area farms and agribusinesses to retain employees?
 - *A = Not a challenge*
 - *B = Somewhat of a challenge*
 - *C = Major challenge*



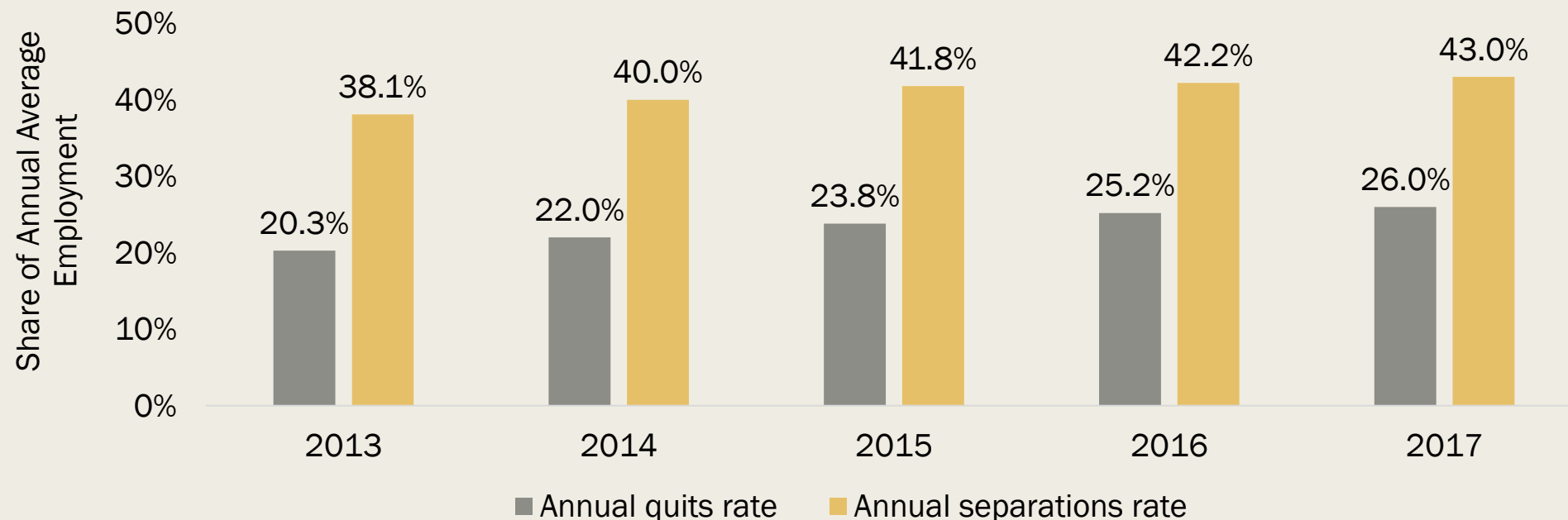
Retention

- Encourage good workers to stay.
- Losing workers incurs costs.
 - *Direct costs: severance, temporary workers, replacement, training*
 - *Indirect costs: lost know-how, drop in morale and productivity*
- Michigan State University Extension [cites](#) turnover costs (2012).
 - *100% to 150% for hourly employees*
 - *200% to 250% for managers*
- Estimate turnover costs for your operation.
 - [Turnover Cost Calculator](#) (Society of Human Resources Management)

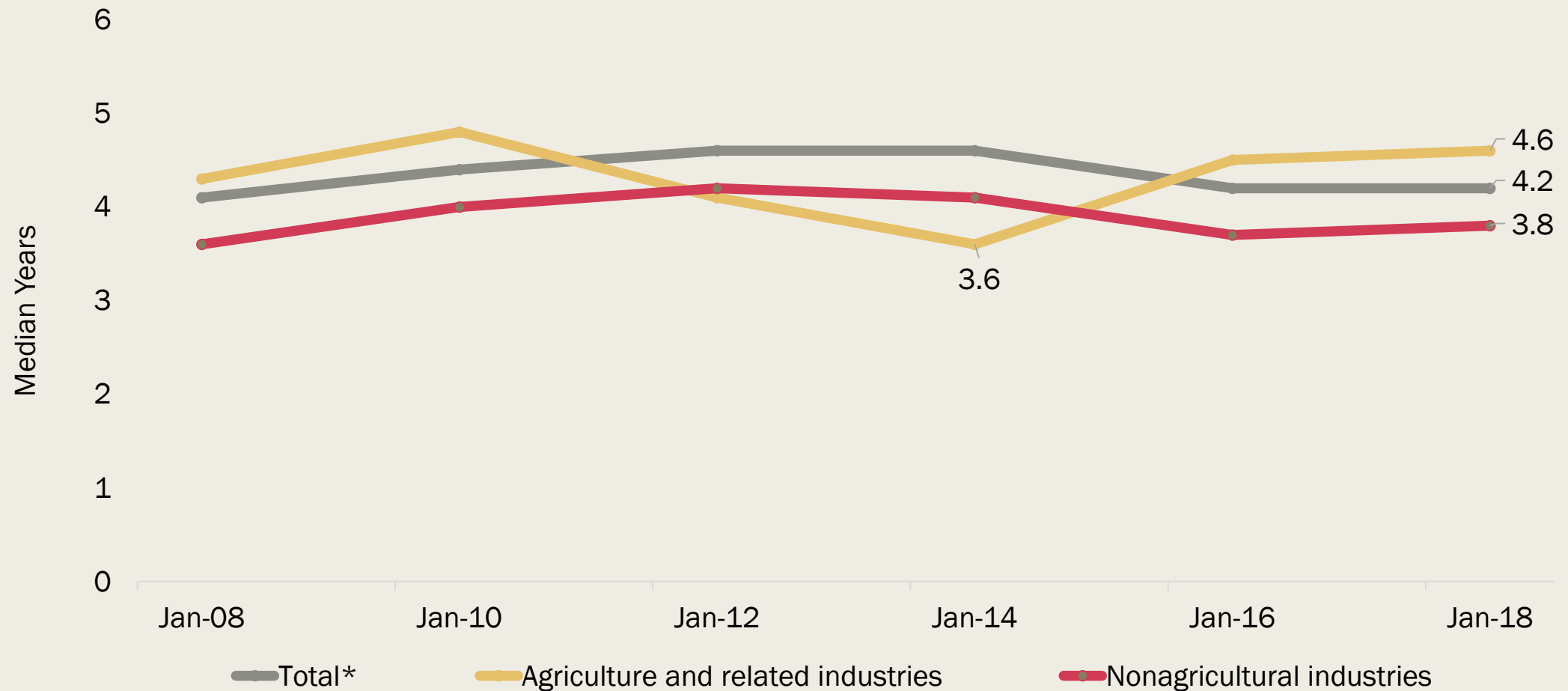
	A	B	C	D	E	F
1	Turnover Cost Calculation - Expanded Version					
2	(Formulas included)					
3	Essential Data					
4	Employee's classification	_____				
5	Employee's hourly pay rate:	_____				
6	Employee's supervisor's pay rate:	_____				
7	Staff pay rate (may be an average):	_____				
8						
9						
10		Hours	Wages	Total		
11	SEPARATION COSTS					
12						
13	Exit interview costs:					
14	Staff conducting interview				0.00	
15	Departing employee being interviewed				0.00	
16						
17	Payout of annual leave for departing employee				0.00	
18						
19	Other separation costs (unemployment benefits)				0.00	
20						
21	Total Separation Costs				0.00	
22						
23						
24	VACANCY COSTS					
25						
26	Temporary and contract workers				0.00	
27	Overtime of current employees				0.00	
28						

Retention Trends in the U.S. Labor Force

- As the economy has recovered, the U.S. has had growth in [quit](#) and [total separation](#) rates (Bureau of Labor Statistics).
 - *Quit: an employee voluntarily leaves*
 - *[Separation](#): quits, layoffs, discharges, retirements, location transfers, deaths, disability-related separations*



Employee tenure is another measure.



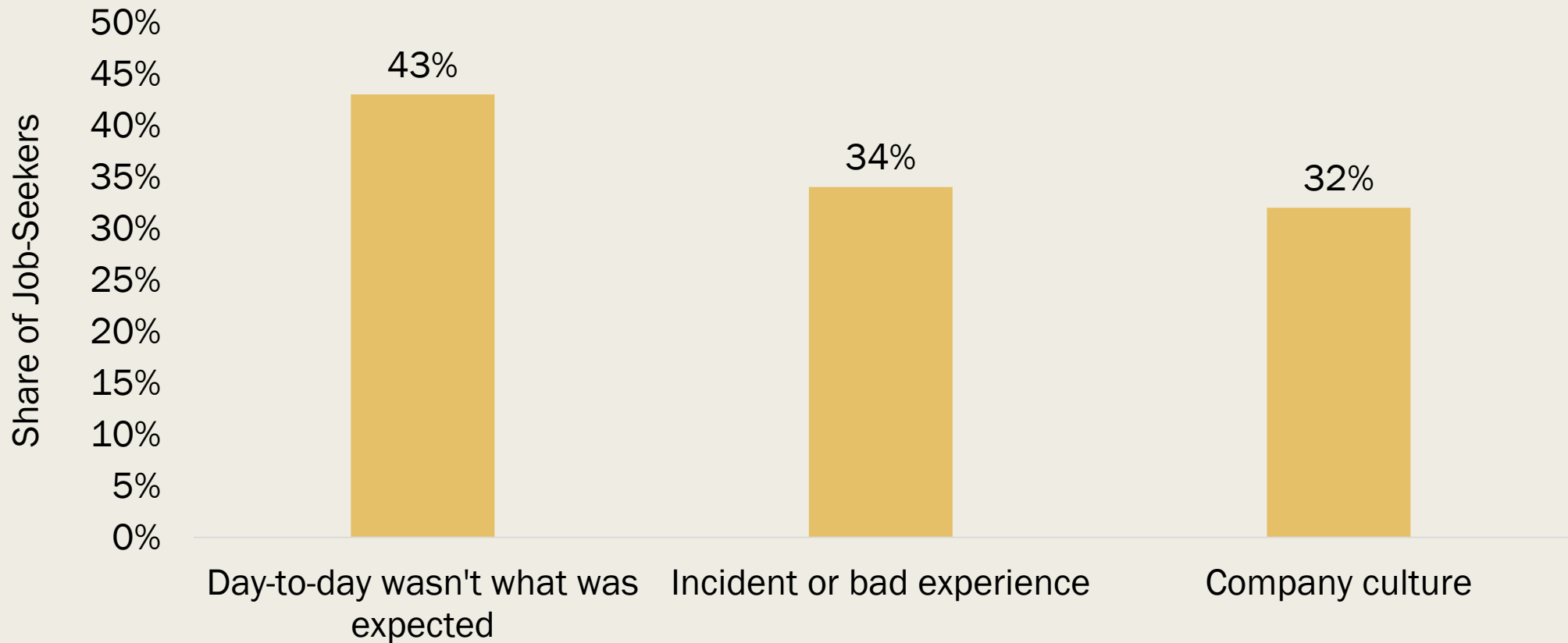
* Among workers 16 years old and older, wage and salary workers
Source: Bureau of Labor Statistics

Turnover happens in business.

- Too much turnover presents challenges.
- But some turnover can be good.
- [Employee Turnover](#) (Dairy Coach)
 - *Seek to understand why employees leave*



Nearly one in three job-seekers have stayed at a job for no more than 90 days (Jobvite). Why?



Source: 2018 Jobvite Job Seeker Nation Survey

Best Practices to Support Retention

- Offer incentives — financial or gifts — contingent on performance.
- Promote employees who have earned it.
- Offer training and continuing education.
- Provide spontaneous feedback.
- Support a positive work-life balance.
- Say “thank you” for their work and effort.
- Give public recognition.

Note —

The practices you choose don't necessarily need to be expensive. However, employees should value the practices you adopt, so get to know your workers!

Communication helps, too.

- Communication can make expectations clear and build understanding.
 - *Informal: impromptu staff discussions*
 - *Formal: employee manual*
- Establish a feedback loop.
 - *Conduct performance reviews for employees.*
 - *Request that employees take worker satisfaction surveys.*



Performance Reviews

- Enable the employer and worker to discuss overall worker performance.
- Assess performance based on objective (e.g., hours worked, safety incidents recorded) and subjective (e.g., attitude, flexibility) measures.
- Engage the employee's direct manager.
- A 360 review — requesting feedback from managers, direct reports, other coworkers or vendors — can give a comprehensive look at performance.
- Establish a frequency (e.g., monthly, quarterly, annually).
- Give the employee a chance to share his or her thoughts.
- Keep written notes from the review on file.

Sample Performance Review Questions

- What do you view as your top strengths and weaknesses?
- What resources would help you to improve your job performance?
- How do you plan to continually develop professionally?
- Between now and your next review, what goals do you plan to achieve?
- What do you see as future opportunities for the business?



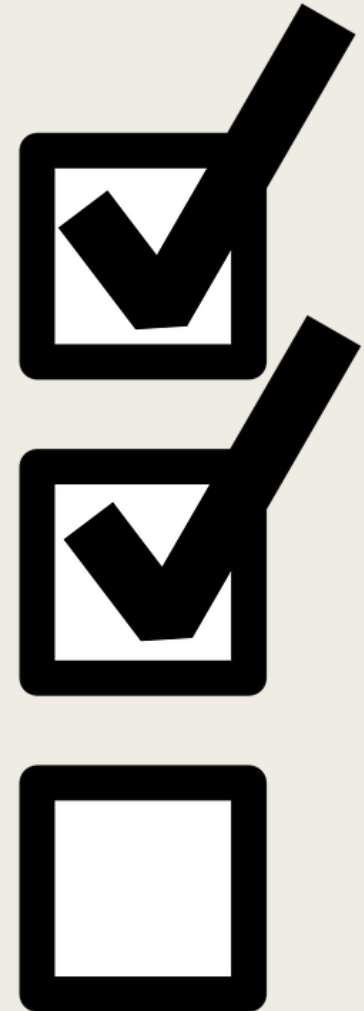
Audience Question

- Do you schedule regular performance reviews with your employees?
 - *A = Yes*
 - *B = No*
 - *C = Not applicable. I don't have any employees.*



Worker Satisfaction Surveys

- Questions focus on how well the business is fulfilling its employer obligations to workers.
- Examples:
 - *How well does the business supply the necessary resources?*
 - *How well does the business communicate with employees?*
 - *How well does the business offer fair, competitive compensation to its employees?*
 - *How well do you understand your work responsibilities?*
 - *To what extent are you satisfied with your job?*



QUESTIONS?

Photos used in this presentation were provided by the College of Agriculture, Food and Natural Resources.

Audience Question

- From your experience, what strategies have been effective for retaining employees?

