



**Focus:** Exploring Critical Perspectives on Workforce Engagement and Retention

A Timely Hospitality and Food Service Sector Monograph

Issue #2, October 2019

**Assumptions in this Issue:**

- 1. Employers** value and seek an engaged and stable workforce that is ready to meet and grow with business priorities.
- 2. Job Seekers and Employees** are motivated by social, personal and economic drivers to maintain income security and progress along promising career pathways.
- 3. Workforce Development Service Providers** in our communities are mandated and available to support employment goals for the most vulnerable job seekers and employees.

**At its most rudimentary level,** “Employee Retention” is defined as sets of outcomes, dependent on the ability of an organization to retain its valued employees and engage them in the wellbeing of their business.

**However, successful employers recognize** that effectively controlling attrition rates and nurturing stable and engaged teams are much more than a set of activities leading to desirable *outcomes*. Rather, meaningful employee retention efforts must be evidence-based and structured *strategies* integrated into every aspect of organizations’ human resource management activities, if the desired outcomes are to be *achieved* and *sustained*.<sup>i</sup> Employers who achieve desired retention outcomes understand that the most effective strategies give due consideration to a variety of perspectives, motivations and economic conditions at individual, organizational and community levels that drive attrition trends.

Studies across many industries have demonstrated that costs related to directly replacing an employee can reach as high as 50–60% of the employee’s annual salary, and that the total cost of turnover can reach as high as 90–200% of the employee’s annual salary.<sup>ii</sup> Canada’s high-growth economy is projecting staggering workforce turnover and shortfalls that are bound to further hamper employers’ ability to meet their workforce needs. The challenges caused by such workforce trends are forefront in employers’ labour force reality. This is especially true across those sectors – for example Hospitality, Food Service and Food Processing – likely to be highly impacted by the country’s labour market shortfalls.<sup>iii</sup>



In Conversation with Toronto’s Hospitality and Food Service Employers, promising insights **toward impactful retention and engagement strategies** emerge.

Toronto’s Hospitality and Food Service Employers represent one of Canada’s top growth industries as well of one of the country’s largest labour markets – and yet they are preparing to face one of the largest labour force deficits of all other industries in the coming decade.<sup>iv</sup> The experiences of these employers offer some timely insights toward impactful retention and engagement strategies that are likely to also resonate in other sectors.

When asked about their biggest retention challenges, Toronto’s Hospitality and Food Service employers plainly indicated that they feel well-positioned to support the development of technical skills for new entrants (on-boarding and internal training programs), but that they struggle when pinpointing and addressing the soft skill gaps of their entry-level workers. Sector employers concede that these gaps are of significant concern in retaining entry-level workers, and that many do not possess rigorous strategies to address soft skill gaps, except for discipline or termination. In addition, employers recognize that soft skill gaps amongst their entry-level employees can limit their organization’s ability to promote and advance workers from within.<sup>v</sup>

## Beyond employers' workforce reliability and growth priorities, it is

also important to consider other labour market perspectives when creating meaningful workplace retention and engagement strategies. Critical insights from employees as well as the workforce development service providers who are mandated to bridge the workforce needs of our communities' most vulnerable workers and their employers can be key to well-informed and effective strategic approaches.



**When we consider Employees' retention motivators,** it can appear that employees often leave organizations to take higher paying jobs elsewhere. However, a more careful analysis of workforce trends reveals that for most employees, pay level and pay satisfaction are relatively weak predictors of individual turnover decisions, especially in entry-and mid-level occupations where pay structures may be relatively consistent across a sector/region/occupation.<sup>vi</sup>

This insight points to more complex decision-making processes, beyond considerations of compensation alone, that can be strategically directed for the benefit of both employees and the businesses they represent.<sup>vii</sup> According Academy of Management Perspectives' latest findings:

- Career growth planning, job search and access to growth/training opportunities are among the strongest predictors of turnover decisions.
- Key attitudes such as job satisfaction and organizational commitment are relatively strong predictors of employees' decisions to leave.
- Management/supervision, work design, and relationships with other team members are also consistent predictors of why employees might choose to stay or leave.
- Pay level and pay satisfaction are relatively weak predictors of individual turnover decisions, especially when higher-pay opportunities maybe more limited.<sup>viii</sup>

As such, the factors that generally lead employees to seek out other opportunities, are revealed to be much more complex than financial compensation alone. "Organizations and managers can monitor and manage key aspects of the work environment that influence employee desire to stay or leave"<sup>ix</sup>. Identifying and implementing strategies that address broader issues such as job satisfaction, supervision, team relationships, and workflow will result in more effective retention and engagement outcomes.

**How** can employers best inform their strategic retention investments and effectively engaging their employees in the goals of their business ?

## **In our communities, Workforce Development Service Providers**

are mandated and available to support employment goals for the most vulnerable job seekers and members of our workforce. While more traditional approaches to workforce development have focused primarily on connecting job seekers to employment, program outcomes and learnings over the past decades are prompting an evolution in how we approach career access, stability and growth for vulnerable job seekers and workers<sup>x</sup>. As a result, innovative workforce development intermediaries are operating with the assumption that along the same continuum of skills development necessary to *gaining* employment, attention and strategic interventions must also be afforded to the development of skills necessary to *retaining* employment and *advancing*<sup>xi</sup> individuals along desired career pathways.

In this context, workforce development service providers and specialists like Hospitality Workers Training Centre (HWTC), can be engaged to assist with employers' retention and engagement efforts by:

- Pinpointing the root causes of workforce challenges.
- Developing evidence-based organizational strategies and interventions.
- Delivering on action plans that bridge the workforce optimization needs of employers and their valued employees.

Neither employers nor their teams are alone in meeting the individual, organizational and community-level workforce challenges of the coming decades. Working collaboratively with workforce development service providers can help employers and their employees gain quantifiable insights into their teams' performance, access community resources specifically honed for their needs, support empirical retention and engagement strategies, and demonstrate overall improvements to their human resource management outcomes.

*Meaningful employee retention efforts must be evidence-based and structured strategies integrated into every aspect of organizations' human resource management activities, if the desired outcomes are to be achieved and sustained.*

## ReSET to Forward: Targeted Mapping for Informed Retention and Engagement Strategies

**Retention Skills Enhancement Tool (ReSET)** is an example of how workforce development intermediaries can help create and support better trained, stable and engaged teams that are well-prepared to keep up with business objectives. Developed by [Hospitably Workers Training Centre \(HWTC\)](#) in partnership with [Futureworx](#), ReSET is an evidence-based approach to pinpointing retention and engagement indicators necessary to developing strategic workforce attrition responses.

ReSET is a first-of-its-kind, adaptive online resource, designed to help employers and employees map and develop the core soft skills that are essential for retaining and developing top skilled talent. ReSET provides a reliable and objective means of assessing the strength of individual soft skills for retention: **motivation, attitude, accountability, time management, stress management, presentation, teamwork, adaptability** and **confidence** against performance expectations and established workplace culture. ReSET can be used to support individual employee performance management as well as team or departmental unit performance improvements.

ReSET also acts as a guide to establishing interventions that will spur performance improvements and growth through positive employee engagement. ReSET helps employers track the effectiveness of their engagement interventions along five criteria: **work conditions, workplace pride, workforce support, growth opportunity, and compensation**. ReSET is a safe and constructive platform for employees to share observations and provide feedback on employee engagement priorities in a consistent, respectful, honest and timely manner. The cumulative data collected through individual performance and progress tracking can also provide valuable insights into the health of the organization and inform targeted investments in employee engagement activities.

ReSET will be piloted in Ontario in 2019.

### Want to know more?

**Read** our *A Case for Post-Employment Retention Skills: A Review of Literature* Report and our *Focus: Employee Retention Key to Workforce Objectives* Monograph.

**Learn** more about HWTC's sector-specific Hospitality and Food Service workforce development programs and resources.

**Join** the conversation on our social media:

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**Visit** Hawthorne Food & Drink, our social enterprise training restaurant, to see our work in action.



## References

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- <sup>xi</sup> Both upward promotions as well as horizontal mobility to more desired positions.