



**HOSPITALITY
WORKERS
TRAINING
CENTRE**

Focus: Employee Retention Key to Workforce Objectives

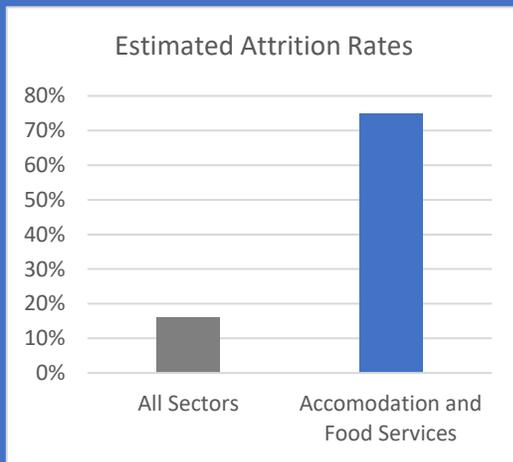
A Timely Hospitality and Food Service Sector
Monograph

Issue #1, July 2019

In this Issue:

How do Employers build skilled teams, ready to perform and grow with business priorities? **What** investments are most likely to optimize a productive and stable workforce? **When** is the best time for the optimal returns on such workforce investments? **Who** along Canada's skilled labour pipeline, is responsible for identifying and operationalizing such interventions?

In response to critical social and economic wellbeing questions over the past decades, most stakeholders across Ontario’s workforce pipeline have focused on helping unemployed job seekers “get training, build skills and find a job.”ⁱ With the assumption that ‘getting a person’s foot in the door’ will be sufficient to kickstart a productive career, the primary goal of dominant labour force interventions has been the provision and coordination of the transferable Essential Skillsⁱⁱ necessary for job seekers to gain employment as quickly as possible. Prevailing patterns of government investment, the focus of private and non-profit employment service agencies, as well as the most common employer recruitment and onboarding processes have placed the greatest attention on the soft and hard skill acquisitions necessary to get the job, with little to no further supports beyond the employment entry point.ⁱⁱⁱ



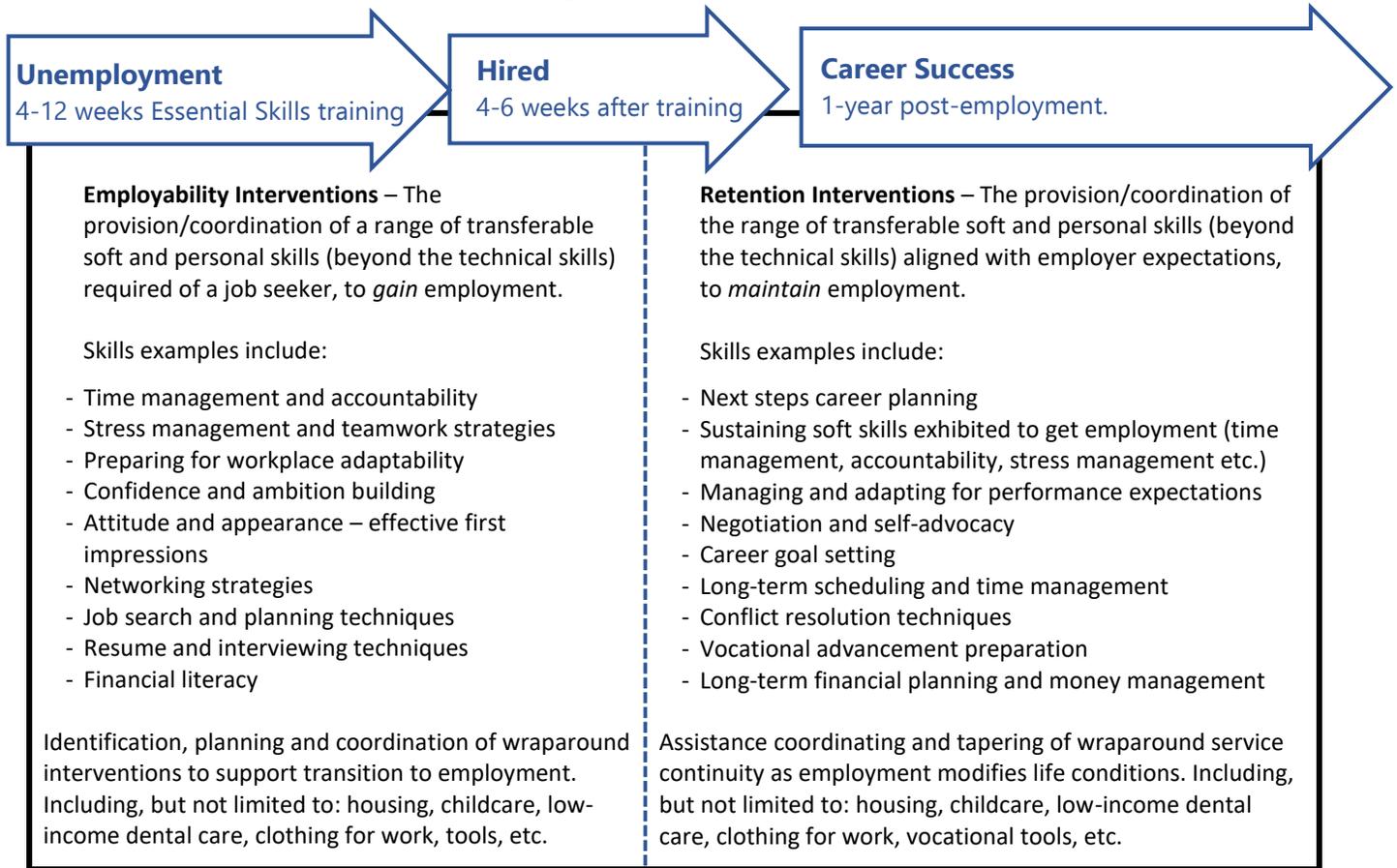
In more recent years however, new economic and workforce realities are pointing to an evolving approach: that along the same continuum of skills development necessary to *gaining* employment, attention and strategic interventions must also be afforded to the development of skills necessary to *retaining* employment and *advancing*^{iv} individuals along desired career pathways.

While the Canadian economy is growing rapidly, we are currently and for the foreseeable future, facing a general labour shortage, with “more than 40% of small and medium-sized businesses already having difficulty finding new workers.”^v While employment rates for

the country have been on a general upswing since the 2008 recession, “with an average of 16%, Canada ranks among the top countries in terms of employee turnover.”^{vi} Not surprisingly, “firms that are more affected by labour shortages are 65% more likely to be a low-growth company”^{vii}. The impacts of disruptive technology, an increasingly diverse and mobile workforce, as well as unprecedented retirement and turnover patterns are rife with risk for the skilled and stable labour market employers need to take part in Canada’s robust economic potential.

Along the same continuum of skills development necessary to gaining employment, attention and supports must also be afforded to the development of skills necessary to retaining employment and advancing along desired career pathways.

A Continuum of Skills Development Necessary for Career Success



The impetus and the opportunities for a shift in support of a more engaged, more stable and inclusive workforce is readily exemplified when considering Canada’s Hospitality and Food Service sector. While the Accommodations and Food Service Sector is one of the country’s largest and fastest growing industries with over 6% of the total workforce, employee turnover is a common and expensive problem for sector operators. Where the average turnover rate across all industries in Canada is at 16%, the average turnover in this sector across North America has been estimated at 70-80%^{viii} over the past several decades and is projected to increase in the coming years.

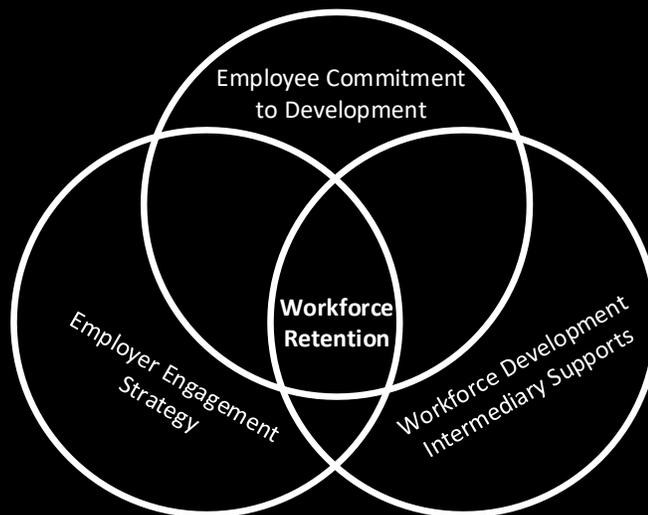
In such a consumer-facing industry, high employee turnover can make it difficult to meet customer expectations. It can also be costly to find, hire, and train new employees. The costs of replacing a single front-line employee, from recruitment to the point at which they are fully trained and productive, can exceed 30% of an employee’s wages.^{ix} Attrition also adds pressure on employees with negative impacts on morale, productivity, quality control – increasing absenteeism and the risk of health and safety issues, among others.^x These trends are especially true when considering the needs and potential of vulnerable job seekers, entry-level workers, and others who face more complex barriers to full participation in the labour market.^{xi}

Lessons from Comparable Jurisdictions

Employment retention and advancement (ERA) programs are demonstrating compelling workforce outcomes in the US, the UK and across other European jurisdictions.^{xii} Evaluation learnings and program outcomes offer several critical lessons for coordinating an effective employment retention strategy in the Canadian context^{xiii}:

1. The most effective retention strategies provide for continual assessment and development of both hard and soft skills, addressing deficits as they arise in the workplace.^{xiv}
2. Employment stability is determined by both the skills that help employees maintain their employment (job retention), as well as the efforts made by the employer to keep their employees (employee engagement).
3. Strategic retention strategies are most effective with the engagement and investment of all labour market stakeholders: Employees, HR and Supervisory Employer Representatives, as well as Workforce Development Intermediaries during all stages of planning and operationalization.

A Collaborative Approach to Continuous Workforce Development



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

To operationalize effective retention and engagement interventions and optimize existing workforce investments, a mapping of each individual employee's needs and potential (qualitative insights) in the context of the most locally relevant current industry trends (quantitative trends) is a critical first step. Such contextualized insights, when captured systematically and analyzed objectively, will help support:

- Informed and objective responses to individual and team performance issues
- Optimized workforce planning, stability and growth
- Evidence-based organizational decision making and responses to business opportunities

To address this critical step in workforce planning, [Hospitality Workers Training Centre \(HWTC\)](#), in partnership with [Futureworx](#), has developed a first-of-its-kind, **Retention Skills Enhancement Tool (ReSET)** especially for the needs of the Canadian Hospitality and Food Service sector.

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 full *A Case for Post-Employment Retention Skills: A Review of Literature* Report.

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.

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- ^{iv} Both upward promotions as well as horizontal mobility to more desired positions.
- ^v https://www.bdc.ca/en/documents/analysis_research/labour-shortage.pdf
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- ^{xii} Ibid.
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