

AWI R&D Update:

Attracting and retaining staff in the pastoral industry



Many rural-based businesses are adjusting to greater competition for skilled labour and the continued migration of people to urban centres.

Australian Wool Innovation (AWI) and Meat & Livestock Australia (MLA) commissioned a study to better understand and find solutions to the problems of securing a skilled and stable labour force for the pastoral beef, sheepmeat and wool industries.

Based on the findings of this national workforce survey, the pastoral livestock industries typically:

- Employ five or less staff on a single, family-managed property (chart 1); and
- Have an ageing workforce, with nearly half over 50 years of age (chart 2).

At the farm level, labour shortages cost an average of \$22,500 to \$112,500 depending on farm size. The average cost of turnover for a farm is around \$33,500 per employee.

Industry-wide, the average annual cost of labour shortages ranges from \$134 million to \$627 million. The average industry-wide cost of turnover is \$336-\$364 million each year.

The study highlighted the high hidden costs of staff turnover and the vital role employers play in attracting and retaining staff in the pastoral livestock industries.

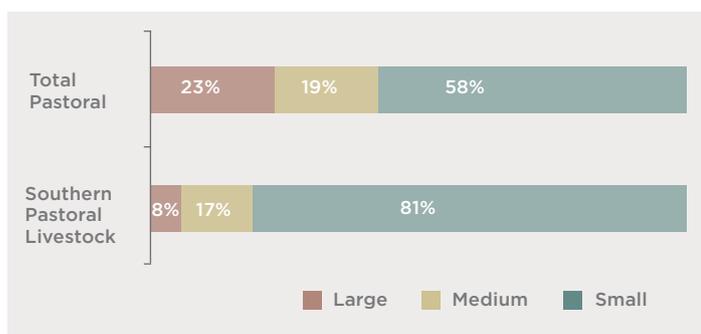


Chart 1: Percentage of survey participants by enterprise size

KEY POINTS

- Pastoral beef, sheep meat and wool industries have a high proportion of smaller family managed properties with an ageing workforce.
- Employees often grew up in the industry and prefer the lifestyle that comes with working outdoors and with animals.
- Reputation and job variety attract employees to an employer.
- Pay by itself does not attract or retain staff.
- Longer working hours increase the rate of turnover.
- Effective managers and long term financial security retain staff.

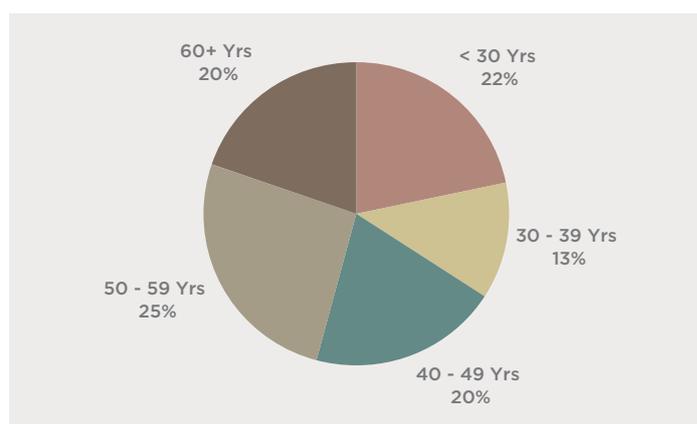


Chart 2: Age profile

ATTRACTING EMPLOYEES

Pastoral wool employees reported family background (71%), lifestyle (43%), working with animals (52%), working outdoors (52%) and variety in jobs as industry attractors.

The attractors are strongly related to the nature of the pastoral livestock operation and associated lifestyle, making it unlikely that a large portion of employees would be attracted to the mining industry with its sharply contrasting work environment and lifestyle.

Outdoor lifestyle

Employees attracted to the pastoral livestock industry often grew up in the industry and prefer the lifestyle that comes with working outdoors and with animals.

“Good variety of jobs, lots of fun”

“Minimum stress, stimulating and diverse duties and the lack of a feeling of ‘going to work’ is priceless”

Survey participants who had worked in the mining industry returned to the pastoral livestock industry because of the unsuitability of the lifestyle, social isolation and issues with management practices.

Key attractions to an employer

Attractions to an employer in the pastoral livestock industries differ by size of the enterprise:

- Small enterprises (less than five employees) offer job variety and opportunities to work independently.
- Medium enterprises (6-14 employees) attract employees through the quality of the operation, company reputation and more career opportunities.
- Large enterprises (15 or more employees) can offer more career opportunities, and promote the company's good reputation, pay and benefits.

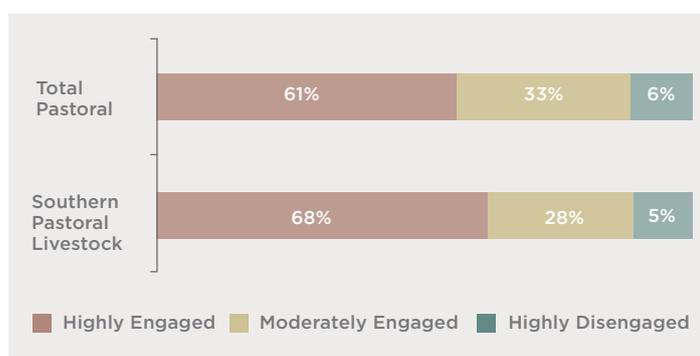


Chart 3: Level of engagement

ENGAGING EMPLOYEES

Over two-thirds of employees in the southern pastoral livestock industries are highly engaged (chart 3). They said they were satisfied with their job, committed, loyal, proud to work for their property/company, have good morale, feel trusted and valued, go the extra mile and believe they have a long-term future with their employer.

These results compare favourably with the overall Australian average of 21% of Australian employees who are engaged.

Meet employee expectations

Employees are more engaged in their work when employers strive to meet employees' top five expectations in order of importance:

1. Understanding what is expected of me at work.
2. Feeling trusted and valued as a person.
3. Having pride in working for the farm / station / company.
4. Being open and honest in dealings with each other.
5. Good quality accommodation.

Burnout is a critical issue

Highly engaged employees working more than 48 hours per week risk fatigue and burnout, and are at much greater risk of poor health, safety and social outcomes.

54% of employees in the pastoral livestock industries work more than 50 hours a week. In addition, 82% of these employees work 46-52 weeks per year, leaving little time to recuperate. Longer working hours increase the rate of turnover:

“Most employees in agriculture work dreadfully long hours with little time for a life with family etc. Farms need more access to information on work hours for employees, time sheets etc. Managers need to ensure fatigue does not affect employees”

Succession planning impacts engagement

Although 52% of surveyed properties reported having a succession plan in place, employees said a lack of proactive planning or contingency plans left staff and properties in a vulnerable position, forcing them to look for employment elsewhere. Only 37% of employers said that clearly agreed and documented succession plans were in place on pastoral wool enterprises.

RETAINING EMPLOYEES

Employees said they left pastoral livestock employers because:

- They saw better career opportunities elsewhere.
- They didn't feel valued, or their achievements weren't recognised.
- They lacked future certainty.
- Of poor leadership and communication.
- Wages were uncompetitive.

Enterprise size also affected staff retention:

- Smaller enterprises increase the risk of burnout for an ageing workforce due to long hours and more working weeks.
- Long working hours in medium-sized enterprises were challenging for mature and younger workers.
- Unchallenging and boring jobs demotivated younger employees of larger enterprises.



Employees want financial security and certainty

Financial security and certainty are key motivators for workforce retention. Pay, by itself, is not sufficient to provide financial security for employees working in an uncertain environment. Addressing an employee's sense of certainty about long-term employment will assist with their retention.

Effective managers engage and retain their current workforce

Employees are more likely to leave an employer than the pastoral livestock industry, so managers play a key role in engaging and retaining their current workforce.

Provide training to managers so they have the necessary communication, coaching and feedback skills to engage employees, specifically younger employees and foster teamwork.

ATTRACTING AND RETAINING STAFF

In the face of greater competition for skilled labour and the continued migration of people to urban centres, employers wanting to attract and retain staff face greater difficulties rather than less. For Australia's pastoral livestock industries to thrive, employers will either be forced to change by external factors, or to make changes by choice.

The AWI and MLA study identified actions for pastoral livestock industry employers who choose to change the way they attract and retain employees:

1. Communicate more effectively the competitive remuneration packages (cash and non-cash), work-life balance, flexible hours and the team / family / community atmosphere at work.
2. Build a sustainable workforce by:
 - Ensuring managers work sustainable hours and encourage flexible hours, time in lieu and taking holidays; and
 - Reviewing staffing, workload and method of working so employees can work efficiently without risk to personal health.

3. Provide financial security and future certainty to employees through fair and consistent remuneration packages. In the long-term, provide career opportunities, job enrichment for spouses/partners working on the property, and career coaching tools and training for managers. In family owned businesses, implement a clear, agreed and documented succession plan.
4. Adopt an inclusive and collaborative leadership style that involves staff in decision-making. Give female employees opportunities to experience leadership roles. Train managers in strategic planning, interpersonal communication and understanding the needs of younger employees.
5. Give regular formal and informal feedback on employees' performance. Recognise hard work, commitment and experience, and immediately address any individuals not performing effectively. Train managers in coaching and feedback.
6. Promote the reputation of the enterprise/company to build pride amongst employees and attract new staff. Make the workplace safe, healthy and harassment free, and supply quality equipment and accommodation.
7. Ensure employees continue to use their skills and abilities and encourage multi-skilling.

ACKNOWLEDGEMENT

Australian Wool Innovation and Meat & Livestock Australia acknowledge the matching funds provided by the Australian Government to support the research and development detailed in the publication.



TOOLS AND INFORMATION

Tailor your approach to attracting and retaining staff based on the recommendations for small, medium and large pastoral livestock enterprises. Call the AWI Helpline on 1800 070 099 or visit www.wool.com for your free copies of:

- AWI R&D Update – Attracting and Retaining Staff in Small Pastoral Enterprises (less than 5 employees)
- AWI R&D Update – Attracting and Retaining Staff in Medium Pastoral Enterprises (6-14 employees)
- AWI R&D Update – Attracting and Retaining Staff in Large Pastoral Enterprises (more than 15 employees)

Attracting and retaining staff in Australia's beef, sheep and pastoral wool industries – download the full report for free at: www.wool.com/Grow_Overview.htm

AWI products like the Plan for Success and Confident and Capable Producers modules in the **Making More From Sheep** manual (www.makingmorefromsheep.com.au) provide a background to wool enterprise planning and link to other modules on managing pastures and natural resources, and sheep production. Workshops in every woolgrowing state can help fit the principles to your enterprise.



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