

A10 Talent Survey 2010

Solving the people retention problem in the war for talent

All signs indicate that the 'war for talent' is set to re-ignite as organisations attempt to achieve sustained growth. This report confirms that the majority of Queensland employees left their previous employer due to issues with management. It is clear that managers have the greatest influence on employees' decision to stay or depart an organisation. In addition the A10 Talent Survey identified that autonomy at work and work-life balance, are the main motivators for remaining with a current employer

Retaining your talent: The relationship between autonomy and turnover intentions

As business confidence steadily improves, and investment in mining and infrastructure projects are projected to power economic resurgence, organisations are increasing their hiring intentions, especially those with high turnover issues. A recent national CEO survey revealed that organisations are beginning to place a higher priority on talent management and consider the need to retain skilled labour as a critically important factor in their ability to sustain growth.

All signs indicate that the 'war for talent' is set to re-ignite and has already started as organisations attempt to achieve sustained growth. The A10 Talent Survey conducted by Livingstones Australia, supported by OnTalent, confirms that the majority of Queensland employees left their previous employer due to issues with management. It is clear that managers have the greatest influence on employees' decision to stay or depart an organisation. In addition the A10 Talent Survey identified that autonomy at work and work-life balance are the main motivators for an employee remaining with their current employer.

This survey identified that once Queensland employees have good managers they will look to their work-life balance, and that a lack of organisational flexibility may be the trigger for moving to another employer. Interestingly, A10 Talent (a survey of 747 employees along the Eastern Seaboard across industries) indicates that this issue is now of stronger concern for male employees. Organisations will need to re-examine their policies around flexible working arrangements if they want to retain or attract talent.

Ensuring the employee's personal need for autonomy matches the job design and requirements will significantly increase retention. In addition to previous findings, the survey revealed that restrictions in decision making will most likely cause employees in managerial or professional positions to leave their employer. Job design, clarity of roles, and delegations play a vital part in ensuring Job Autonomy is well communicated during recruitment. Selection and assessment methods are available which assess an individual's need for autonomy and can be incorporated within selection processes.

The A10 Talent Survey indicates that Queensland employers need to consider approaches to improve their management quality and correctly match employees need for autonomy with that offered in the role. Uniquely Queensland employers are advised to also consider the potential work-life balance issues, if they wish to retain key employees.



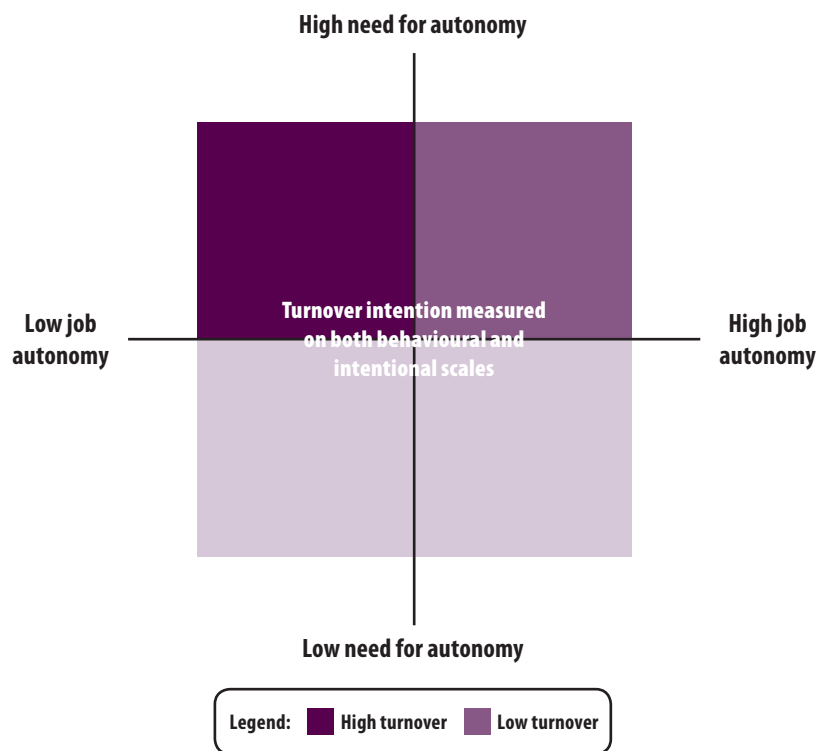
All signs indicate that the 'war for talent' is set to re-ignite and has already started as organisations attempt to achieve sustained growth.



Autonomy at work is the key to employee retention

The survey conducted with QLD and NSW employees identified autonomy at work as a critical influencer in reducing employee turnover. Results suggest that the relationship between a job's inherent characteristics and employees self autonomy affects their turnover intention (See diagram below).

Employees who have higher needs for personal autonomy are more likely to change employers. However, their intention to leave can be reduced when organisations provide them with high levels of work autonomy.



If the job role is inherently low in autonomy, then selecting and recruiting highly autonomous individuals will increase their likelihood of turnover.

Managers can take several actions to address the impact of autonomy, such as:

1. Realistically determine the autonomy needs of the role when drafting position descriptions and person specifications
2. Determine the scope and the extent of autonomy available in the role, and ensure this is clearly outlined
3. Measure applicants expectations of autonomy for the job and determine fit



Tip

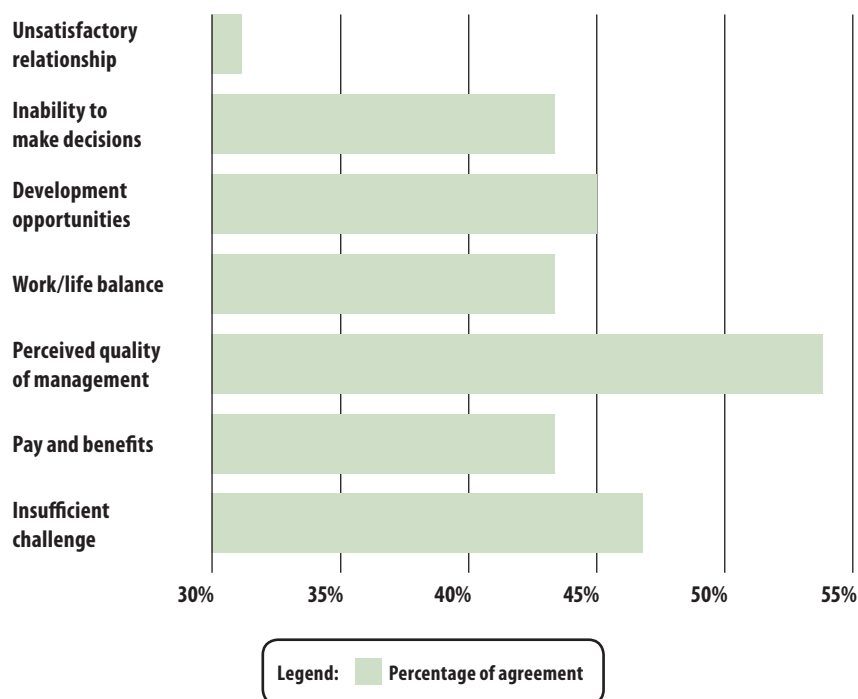
To increase employee retention, practitioners should assess the level of job autonomy in the role and communicate this to prospective employees.

Employees don't leave organisations, they leave their managers

It is well known that leaders have a tremendous impact on the performance, attitude and behaviour of their team members.

Even though the reasons employees left their past employer are still under significant debate, the A10 Talent Survey results suggest that quality management was the most influential determinant.

Figure 1: Percentage of agreement on the reasons for leaving previous employer



Over 50% of S.E. QLD employees left their previous organisations due to dissatisfaction with management quality.

Note. Percentage of agreement represents the proportion of respondents who rated 'agree' or 'strongly agree' to the reasons for leaving their previous organization.

These survey findings reinforce the vital role which line managers play in the retention of key staff. Therefore, organizations need to recognize the importance of developing the leadership capabilities of their managers within the workplace. Coupled with the insight that autonomy is a key influence on employee retention, managers need to communicate job related expectations and actively recognise and engage employees in the development and implementation of business level strategies.



Tip

Management quality can be improved through leadership training and coaching.

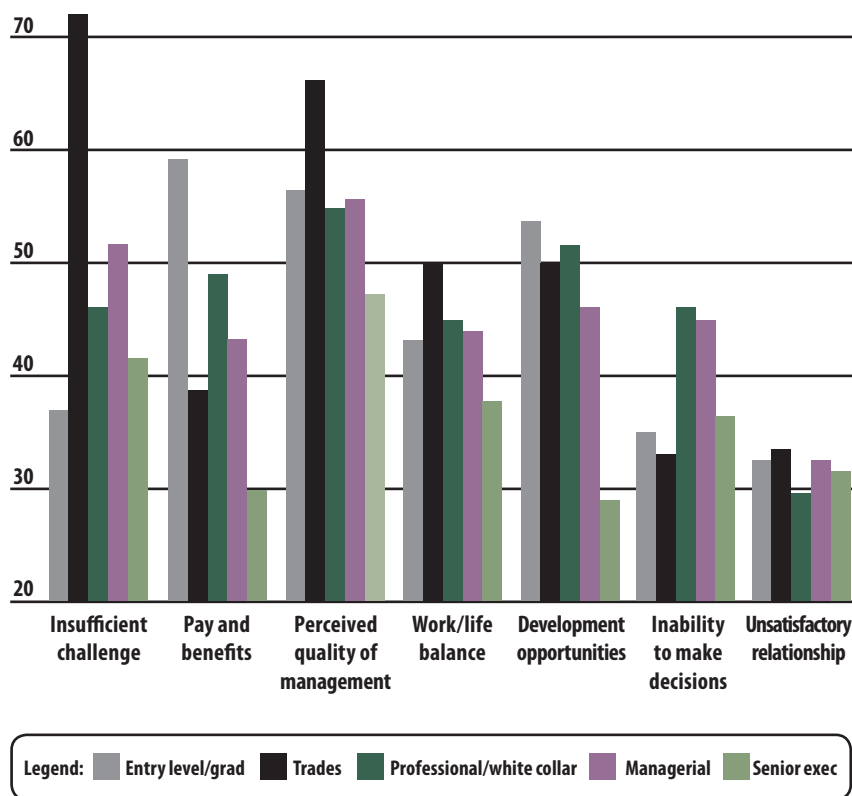
Tailoring the strategies to your employee's needs

Like all approaches, there is never a one size fits all solution. Closer examination of the survey results indicate that reason for turnover varies across professions and industries (See Figure 2 below):

- For trades, lack of challenge in the job is the strongest influencer of turnover.
- For entry level or graduate positions, a lack of training and development opportunities will make them seek alternative employers.
- Freedom and independence to make decisions is critical in retaining employees in professional or white collar and managerial positions.

This variation highlights the importance of understanding both the requirements of the job role and the expectations of the employee. Recruiting for fit between what is needed in the job and how well the employee meets these requirements will reduce autonomy related turnover.

Figure 2: Reasons for leaving previous employer across position types



Tip

Ensure your retention strategy addresses employee's needs, not every profession has the same underlying retention issue.

Targeting the retention strategy to your employees career developmental stage

Reinforcing what is well known to HR professionals, growth and mastery opportunities are especially vital for younger employees but less important for those who are over 45. For mature aged employees, work life balance seems to be of more concern. Although on average there was no difference in employees rated levels of self autonomy, younger employees (18-25 years old) rated themselves as having higher needs for advice and guidance while finding it more difficult to start new initiatives.

Aged 18-25	<ul style="list-style-type: none"> • Stronger need for guidance and advice • Seeks autonomy and challenge • Lowest self rated job autonomy
Aged 26-35 & 36-45	<ul style="list-style-type: none"> • Inadequate pay and benefit most common reason for turnover • Seeks mastery and professional development opportunities
Aged 45+	<ul style="list-style-type: none"> • Highest self rated job autonomy • Lower turnover intentions • Work/life balance critical for retention • Mastery and development opportunities not the main drivers of retention

People with high need for autonomy should be matched with a highly autonomous job to reduce their turnover intention.

Organisations with strategies to develop young professionals need to be cautious of the impact of management and autonomy. According to the survey data, younger employees may be less inclined to express initiative as they are more likely to perceive their job to have lower levels of autonomy. Therefore, it is critical that initiatives are in place to provide guidance and advice for younger employees such as coaching or mentoring from managers. These programs can assist younger employees to understand when and how to use their initiative which will result in improved performance and retention. line managers play in the retention of key staff.




Tip

When recruiting, different age demographics look for different things from an employer. What you offer needs to be tailored to the prospective employee.

Work-life balance, the next trigger for employee turnover

Survey data suggests that now we have entered more optimistic times, employees are more likely to leave current employers to seek additional opportunities for reasons such as work-life balance. Employees were asked to rate the likelihood that each of the listed triggers would cause them to leave their current employer. The table below shows that work life balance would most likely trigger employees' intention to leave their employer. Contrary to common perceptions, male employees are more likely to change jobs due to work life balance issues compared to females.

Relative ranking	Triggers	
1	Work-life balance	 Note Male employees are more likely to change jobs due to work life balance issues compared to females
2	Management quality	
3	Lack of challenge	
4	Pay	
5	Workplace relationships	
6	Inability to make decisions	
7	Development opportunities	

Survey results suggest that Work-life balance is the most likely trigger that would cause employees to leave their current employer.

As the threat of downsizing and economic uncertainty slowly fades to the back of employees' minds, the importance of maintaining well-being and a balanced lifestyle is again becoming a top priority for employees. Perceived quality of management was ranked second as likely triggers of turnover, emphasizing again its importance to employee retention. This pattern indicates that management quality is fundamental to an organisation, thus it needs to be continually developed and sustained as it will be critical to employee retention in challenging times. During more positive outlooks, work-life balance issues should be considered a priority. The impact of work-life balance on male employees in Queensland highlights that this is not a gender issue but a lifestyle choice



Tip

When drafting policies, organisations should address work-life balance as a lifestyle rather than gender issue.

South East Queensland workforce up close

A core component of the A10 Talent Survey is an examination of reasons and triggers of turnover in the South East Queensland workforce. Survey results indicate that S.E QLD employees have the lowest levels of turnover intention compared to all other regions. This presents an excellent opportunity for S.E. QLD organisations to proactively address employee retention issues. Core issues that organisations need to address across states are management quality and opportunities for development and mastery (the table below shows the top rated reasons for leaving previous employer across work locations). Understanding of common retention issues that arise in organisations will aid the selection and implementation of retention strategies.

Rank	SE Qld	QLD (other region)	NSW	Other regions
1	Lack of quality management	Lack of quality management	Insufficient challenge	Lack of quality management
2	Lack of training	Work/Life balance	Lack of quality management	Insufficient challenge
3	Inadequate pay	Inability to make decisions	Lack of training	Work/Life balance
4	Work/Life balance	Lack of training	Work/Life balance	Lack of training
5	Insufficient challenge	Inadequate pay	Inability to make decisions	Inability to make decisions
6	Inability to make decisions	Insufficient challenge	Inadequate pay	Inadequate pay
7	Unsatisfactory relationships	Unsatisfactory relationships	Unsatisfactory relationships	Unsatisfactory relationships

Survey results suggest that Work-life balance is the most likely trigger that would cause employees to leave their current employer.



Tip

When drafting policies, organisations should address work-life balance as a lifestyle rather than gender issue.

Summary

In summary, the A10 Talent Survey identified three key influencers on employees intention to leave or stay with an employer, these are: autonomy at work, management quality and work-life balance. Several strategies were proposed to address these issues including:

- Realistic assessment of autonomy expectations in each job role. This will increase the fit between employee's personal need for autonomy and the level of autonomy available within the job design.
- Strategies that promote self development, acquisition of skills mastery and challenge will increase retention of younger employees
- The importance of management in retaining talent should not be overlooked. In particular, communication of expectations and engaging employees in the development and execution of business strategies will enhance employee retention.
- Work/life balance should be the next top priority for organizations to prevent employee turnover in better economical times.

▼ More Info

For further information regarding the Report please contact Mike Allen at Livingstones Australia.

Survey Background

To better understand the influence of autonomy and mastery expectations on employee retention, Livingstones Australia and OnTalent conducted an online survey of QLD and NSW employees in July 2010. A total of 747 employees responded to the survey which consisted of 20 questions focused on their preferred levels of personal and work related autonomy, and their reasons for leaving employers.

Participants were equally spread across gender and predominately employed in the S.E. Queensland region. The data is mostly comprised of participants who are Australian born. Over 60% of respondents were between the age of 35 to 55 (Figure 3) and majority of them were either in a managerial, professional or white collar position (Figure 4).

Figure 3: Distribution of participant age

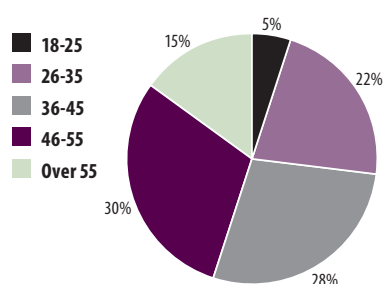
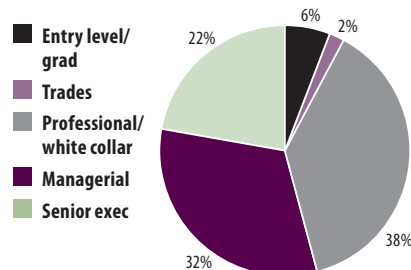


Figure 4: Distribution of participant job position



About the authors

OnTalent

OnTalent is a specialist recruitment agency. We partner with clients to deliver guaranteed outcomes.

Our diverse clients value the advice provided by our consultants, because of their experience in individual market-sectors. This specialist industry focus ensures that only well-qualified talent is recommended, and backed by our six month guarantee. Our areas of specialisation include:

- Executive and managerial
- Engineering, Technical and operations
- Information technology



Livingstones Australia is a unique team of industrial relations, psychology and human resource specialists who deliver practical and holistic people solutions to employers. We operate on a national basis from our Brisbane office.

