

CASE STUDY

DEVELOPMENT OF AN EMPLOYEE RETENTION FRAMEWORK IN THE MEAT PROCESSING INDUSTRY



AT A GLANCE

- 3-year research project (completed in September 2022)
- 25 participating processing plants Australia wide (small family-owned plants to large multi-site organisations)
- 747 respondents (including management and employees)
- 16,249 data points collected through plant visits, extensive interviews and quantitative data collection

OVERVIEW

The Australian Meat Processor Corporation (AMPC) is the specialist research and development (R&D) provider for red meat processors in Australia. AMPC currently represents 108 members across 137 processing sites, who vary from small family-owned businesses to large multi-site corporations. Together, the red meat processing sector contributes about [100,000 direct and indirect jobs](#) in Australia and in 2020–21 had a turnover of [\\$19.2 billion](#), making the sector an important part of Australia's economy.

THE CHALLENGE

Employers in the red meat processing sector have been suffering from high labour turnover for years, adding considerable cost for business. Labour attraction and retention is the single highest input cost for red meat processors at nearly [60% of total operating costs](#) (excluding the cost of livestock). In addition, at the start of the project in 2019, the majority of plants were estimated to be operating at only 80% capacity, with many delaying or cancelling expansion plans because of unfilled jobs.

High employee turnover not only impacts productivity at a plant level, but also the industry's international competitiveness. If the sector is to maintain current production levels as well as seize development opportunities, they need to identify and address the retention issues prevalent in the sector.

To help understand the full extent of the issue, AMPC wanted empirical data to clearly identify the current rates of retention and the industry's ability to retain a stable workforce. Importantly, they also wanted to identify the underlying reasons behind turnover and develop a roadmap for change.



THE SOLUTION

Response Group was approached by AMPC in 2019 to help develop a research-based employee retention framework for the industry, and bring about the transformation that was required to address the industry's high turnover. Over a three-year period our team worked with 25 plants nationwide in three distinct phases:

Research phase

The project commenced with a research phase, which involved analysing employee data across all participating plants to identify the current average turnover rate for industry. Plants were also able to compare their turnover data in reference to other plant's deidentified data. In this phase a total of 16,249 data points were collected through plant visits and quantitative data collection. Interviews were also conducted to gain the sentiment of employees and to understand the real drivers of poor employee retention – why do people leave the industry, and why do people stay?

Development phase

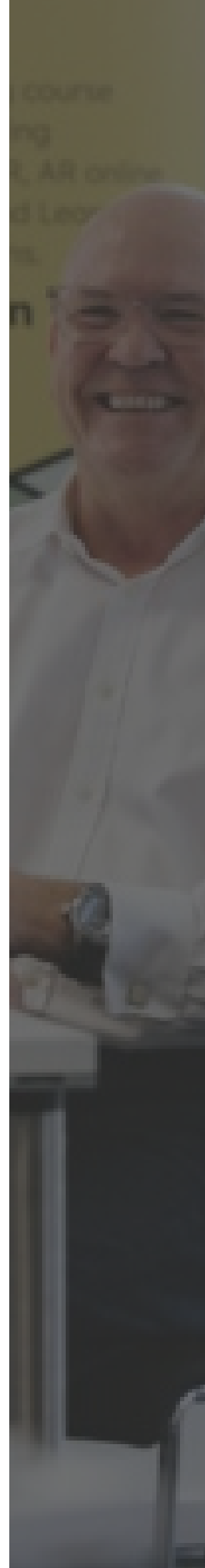
Based on the data and insights captured in the research phase, the team then worked with plants in the development phase, where an Employee Retention Framework was developed. The framework included a set of 12 broad-based retention practices that were shaped by common issues experienced by most of the twenty-five participating plants.

Adoption phase

A clear priority of the project was not just about understanding 'the what', but to drive lasting change for the sector and recommend the 'now what'. During the last phase of the project, we continued working with participating plants in the adoption of priority actions that would make a measurable difference. We conducted one-on-one workshops with plants to develop strategies that would make the most impact, given that each plant would have different priorities. We also created best practice guides, a framework of excellence and case studies to showcase how each lever of the framework could be practically and effectively implemented.

Challenges

When COVID-19 brought the world to a halt in March 2020, unforeseen challenges with travel and conducting workshops emerged for the project. To ensure plants were able to remain focussed on their retention priorities, we conducted workshops and reviews with plants online. We also developed a Community of Practice (CoP) – an online platform where senior leaders could share knowledge and expertise, exchange ideas and problem solve with their peers. Despite these logistical and operational challenges, participating plants demonstrated flexibility in managing disruptions and continued to prioritise their employee retention strategies.



THE RESULTS

The project concluded in September 2022, with the adoption of plant-level retention initiatives currently in progress. AMPC Program Manager of People and Culture, Amanda Carter, comments that the project has empowered participating plants to strengthen their retention strategies and implement practices that are already making an impact at a plant level. Amanda notes that as retention begins to improve across the industry, there will also be a natural transition to improving attraction rates and overall industry perception.

Additional funding from QLD & NSW Government

As a result of the research outcomes plants were able to benefit from state funding from Department of Employment, Small Business and Training (DESBT) in Queensland and Department of Education in New South Wales to develop leaders based on the recommendations from the study.

Clear benefits for industry

The project has made an important contribution to helping the sector understand the reasons behind high employee turnover and what change is required. A detailed report was produced that summarises the findings of the exit interviews, focus groups and survey data, and which identifies key factors that underlie employee turnover. The report's findings then informed the development of a targeted retention plan for the sector, including over 20 resource guides and tools.

Informing strategy

Prior to the project, the Australian red meat processing industry did not have benchmark data in respect to employee retention. As a result of the project, there is now a clear industry-accepted rate, and plants are able to accurately track and analyse employee retention rates to inform their workforce strategies. AMPC have also used the project's data to set the ambitious target of halving the industry employee turnover rate (current average of 61% as identified by the project) from 2020 to 2030.



FEEDBACK FROM INDUSTRY

“With Response Group’s support, we now have the data and insights that will help forge a clear path for strengthening employee retention in our industry. The project was expertly managed, with clear and helpful communication from beginning to end. Despite Covid restrictions presenting a range of obstacles, Response Group were a flexible and versatile partner, quickly adapting project plans and going the extra mile to deliver.”



SPOTLIGHT ON A PLANT

JBS Longford

While outcomes can take many years to generate, some of the participating plants have already achieved positive results. Based in Tasmania, JBS Longford were one of the participating plants who worked with Response Group to create targeted retention strategies that would move the needle in their plant. Some of the results JBS Longford have achieved following the project include:

20%

decrease in employee turnover for new hires after 30 days of employment

3%

decrease in absenteeism (absenteeism now sits below 3%)

20%

estimated increase in employee engagement (based on a reduction of lead actions and non-approved leave)

34%

increase in training of production employees (a key component of the company's retention strategy)

The JBS Longford case study can be read in full [here](#).



FINAL REPORT

Response Group presented a final report to AMPC in September 2022 which can be viewed by the public [here](#).



CONTACT

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