

Retaining Workers

Some degree of turnover is normal and healthy in any workplace, particularly in seasonal businesses and others that adapt to variable demand throughout the year. But when there is a culture of high turnover, this starts to get expensive – and in many cases, offering pay raises and improved working conditions costs operators less in the long run.



COSTS OF RETAINING WORKERS

- Higher wages, salaries
- Increased perks and benefits
- Paid sick days



DIRECT COSTS OF REPLACING WORKERS

- Separation pay
- Overtime and increased wages to cover departed staff
- Advertising vacancies, interviewing and screening applicants
- Training costs, including reduced productivity of staff doing the training
- Legal and compliance costs associated with undertrained staff



INDIRECT COSTS OF REPLACING WORKERS

- Lowered productivity (understaffing, overworked staff, reduced staff expertise)
- Customer dissatisfaction
- Workplace culture that discourages staff loyalty

BENEFITS OF RETAINING WORKERS

- Retention of expertise
- Better customer relations and trust
- More repeat customers
- Increased sales revenue
- Happier and more productive workforce
- Reputation as a good employer makes it easier to attract staff



WORKPLACE CULTURE

An unhappy or uncomfortable workplace is a main reason that people leave jobs. Exactly what makes a workplace so negative is a complicated question, but it generally means a workplace where employees feel unsafe, unvalued, and unwelcome. Pay is certainly part of that: if someone feels that they are being paid substantially less than they deserve, they will leave. But it also has to do with feeling that they are listened to, respected, and valued – that they are more than 'just' an employee. Offering things like paid sick leave and a predictable schedule not only signals a respect for an employee's time, but also reduces absenteeism and lost productivity.

Costing Out Happier Staff



It can be easy to underestimate the costs of losing valued members of staff, and to overestimate what it takes to change the workplace culture so that your staff want to keep working for you.

The **Better Way Alliance** has shared some useful calculation tools to help inform business decisions around wages, but you should also think about the unique circumstances

of your business. What kinds of changes are possible, and what are the benefits that you could introduce to make your workplace more welcoming?



HAPPIER STAFF

Happier staff are more productive, and tend to foster better relationships with clients and customers. Other than the standard items in the calculation tools, what are some of the ways you can support your employees' happiness and wellbeing? Talk to your staff about their experiences, and how they might be improved.

Perks and benefits unique to your business (e.g., free ice cream, use of canoe, familiarization trips)

Ways that staff can have their voices heard (e.g., suggestion box, smartphone app, feedback function in HR software)

Under-utilized resources that could be repurposed (e.g., turn storage room into a quiet space)

Ways to recognize and reward staff performance (e.g., free meal)

Improved scheduling tools (e.g., predictable hours, timetable well in advance, clear process to swap shifts)

HIDDEN COSTS

Before experimenting with the online calculators to consider the costs of retaining vs those of replacing employees, think about your business and the costs that might be specific to your enterprise.

Example item	Cost per employee	How many employees over the past year?	Total cost over the year
Buy uniforms for new staff	\$60	5	\$300
Extra management time for supervising new guides	\$500	2	\$1000
First Aid course for new hires	\$150	3	\$450