

Increasing Retention of Seasonal Employees



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Problem Statement:

Vasta Construction Company, Inc. was founded in 1993 to meet the growing demand for quality and professional structural bridge repair services in the Ohio region. The family-owned and operated small business is continually staffed by five employees but triples annually to include seasonal laborers. The role of a Vasta laborer requires extensive travel, mandatory overtime and work more physically demanding than positions of similar pay and qualification at competitor locations. Additionally, due to the small staff size, upward mobility and leadership roles are limited.

These factors contribute to decreased employee satisfaction and high turnover rates for seasonal employees and result in increased time and money spent training new-hires. Laborers seldom communicate reasons for employment changes as this typically occurs during the off-season. As a result, management is limited in understanding employee motivation and satisfaction from the laborer perspective.

The proposed project aims to encourage increased employee-management communication using anonymous employee surveys to increase management's understanding of employee motivators and needs related to workplace satisfaction. This information will influence an action-based plan to increase employee motivation and satisfaction and decrease high laborer turnover.



Summary of Research and Reflection:

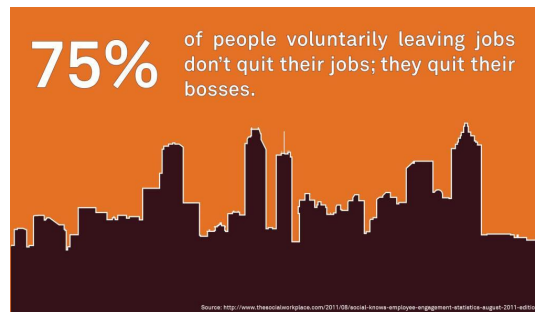
Fact Finding Methods used:

- Informal management interview
 - Formal and/or documented methods of internal communication are not currently utilized by Vasta management.
 - Employee feedback is obtained via casual employee-management conversations.
 - Conversations occur in group settings (training sessions, holiday parties).
 - Conversations include questioning regarding: ways to better the company, suggestions for improvement, perceived company successes and unresolved problems requiring resolution from the employee perspective.
- Survey
 - A voluntary, anonymous survey comprised of ten questions.
 - Nine of the ten questions required participants to circle: strongly agree, agree, or strongly disagree for responses. Question five provided a scale of desirability and an option for write-in responses.
 - Six out of nine laborers chose to participate in the survey. The three opting not to participate did so due to language limitations, specifically an inability to read and/or speak English.
 - Site supervisors did not participate in the survey.



Key Findings:

- Informal management interview results:
 - Employees regularly address management for physical needs like new tools or lumber. Some of these requests are necessary for job completion and others reflect employees' desire for more expensive or feature specific models of equipment.
 - Additional comments recalled by management include employee requests for greater clarification in determining individual job roles on the jobsite by site supervisors.
 - The findings from the management interviews suggest high employee comfort levels discussing material needs, but a failure to address more personal topics including job satisfaction and motivation.
 - According to management 90% of verbal employee questioning beyond the scope of material requests resulted in noncommittal replies of "everything is fine." This may be an indicator of employee reluctance to divulge information due to fear of reprisal by management or coworkers, particularly since questioning occurs in a group setting.
 - The information gleaned from conversational questioning of employees is extremely limited.
 - The conversational approach is problematic regarding its reliance on management's ability to recall information since no method of documentation is used.



- Survey results:
 - Six questions discussed employee perceptions of management. These questions discussed communication (feeling heard, positive feedback/recognition), feeling valued, and management's professionalism. Positive responses indicated overall positive perceptions of management.
 - The majority of responses to management related questions merited responses in the "agree" category. These responses although positive indicate room for managerial growth and improvement.
 - Laborers rated required travel for the position poorly. Half of respondents marked "strongly disagree" in response to "I enjoy the amount of travel time my job includes."
 - Responses to "I am proud to work for my organization," obtained more promising results of "agree" or "strongly agree."
 - As did the question "I frequently think about quitting my job." Participants unanimously marked "strongly disagree" for this response.
 - Question five required participants to rank proposed incentives according to desirability. The following results are listed from most to least desirable:
 1. Cash bonuses

2. Paid promotions
 3. Choice of customized tools
 4. Title promotion (no pay increase)
 5. Employee parties
 6. Gym membership
 7. Dining gift card
- The survey provided useful information regarding employee needs and required minimal costs in time and money to supply.
 - It also provided a valuable system of documenting employee needs and monitoring employee satisfaction and motivation over time.

Causes to be Addressed: (according to prioritization)

- Undisclosed reasons for employee turnover:
 - Exit interviews are difficult when turnover is most prevalent in the off season. Incorporating employee stay interviews to discuss: employee likes/dislikes, strengths, interests in learning opportunities, ideas for department/company change, demoralizing aspects of job,¹ etc., will help management find roles more personalized to employee skill sets and personal satisfaction.
 - Additionally, turnover records should be analyzed to segment the populations of laborers most commonly leaving the organization.² Are high performers leaving or

¹1. “Establishing an Effective Employee Turnover Strategy,” 2014, Halogen Software Inc., <http://www.halogensoftware.com/learn/how-to/establishing-an-effective-employee-turnover-and-retention-strategy>.

²

2. Ibid.

are low performers leaving. Is turnover specific to one team? If so supervisors may be particularly hard on staff or unable to efficiently lead. This can be addressed with training or mentorship to alleviate the problem.

- Groups with the highest retention rates should be used for models of best practices. Other managers and teams can learn from this group.

- Limited upward mobility/leadership opportunities:

- Despite the small staff size at Vasta, the internal communications function provides increased opportunities to recognize employees based on performance and commitment to the organization in terms of years worked.
- Unpaid title promotions ranked fourth in desirability in the survey suggesting employees are interested in increased recognition with or without pay.
- Title promotions provide recognition and prestige within the organization but do not require additional training costs or salary increases.

- Physically demanding work:

- The degree of hardship the job entails cannot be changed.
- However, by increasing recognition opportunities for employees through personalized incentives like title promotions and customized tools, management will increase employee satisfaction by showing appreciation for employees' hard work and performance. Recognition is a powerful tool.
- Past employee-management conversations show employee desire for greater involvement of site supervisors in determining on-site employee roles. Site

supervisors should validate this concern by assessing individual workloads and rotating tasks of particular difficulty among able employees to maintain fairness.

- **Mandatory Overtime:**
 - Mandatory overtime is a requirement of the laborer role; however this is currently rewarded at Vasta by increased pay.
- **Extensive travel:**
 - Although this ranked extremely low in regards to employee satisfaction, this is the factor least likely to change. The company must travel to accommodate client needs.



Internal Communications Objectives:

- The specific objectives of the action plan are:
 1. To generate increased communication between management and employee stakeholders using employee feedback surveys as a catalyst for non-judgmental employee-management communication. Surveys will be distributed once every three months or 3 times per season.
 2. To increase employee satisfaction and motivation. Employee surveys will include a numerical range for job satisfaction and motivation ranging from 1-10. Combined employee averages for employee satisfaction and motivation will be

expected to increase 2% annually beginning within the first year of plan implementation.

3. To develop an incentive program by the end of the current year's working season (November) based on the data received in the laborer surveys and other forms of employee communication.

4. To begin tracking employee turnover and segmentation of turnover. This will initiate at the start of the 2015 working season. Yearly turnovers should be averaged and comparatively analyzed to understand the effects of incentive based programs on employee retention and reasons for employee departures.

5. To reduce seasonal laborer turnover by 5% annually within the first year following implementation of all of the above objectives.

- Since Vasta is still in the initial stages of developing the internal communications function, additional research from similar organizations in the industry will provide valuable insight into potential problems to avoid and tactics to replicate during the development and adaptation of an internal communications plan.



Recommendations:

- To distribute surveys to laborers gauging employee satisfaction and motivation.

- Provide three surveys per season and link incentives to employee needs dictated in surveys.
- Future surveys will occur in July and October of 2014.
- Averages will be analyzed by management during the off-season to compare against projected organizational objectives.
- According to findings from the Corporate Leadership Council, “Moving from strong non-commitment to strong commitment decreases the probability of departure by 87%.”³
- To develop translated versions of the survey for non-English speaking/reading laborers.
- To implement title promotions based on outstanding laborer performance as determined by management.
 - Employees will be informed of this new incentive during the next monthly meeting on May 16th. Voting on most valuable performer will occur at the end of the season.
 - Titled employees will be responsible for mentorship of new-hires and take on leadership responsibilities on the job-site.
- To determine bonuses based on yearly corporate profits.⁴

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⁴³. “Driving Performance and Retention through Employee Engagement: A Quantitative Analysis of Effective Engagement Strategies,” *Corporate Leadership Council* (2004): 1-43, <http://dspace.knust.edu.gh:8080/jspui/bitstream/123456789/4936/1/Aidoo,%20Yaw%20Sarpong.pdf>.

4. Susan Heathfield, “More Tips to Reduce Employee Turnover: You can Reduce Employee Turnover,” *About.com* (2014): 1, http://humanresources.about.com/od/retention/a/turnover_tips.htm.

- Pay employees a split of 15% of the year's profits to link organizational success and personal success.
 - The link will increase commitment to the organization and lead to decreased turnover. It will also motivate employees to work toward larger profits to gain greater bonus amounts.
 - To provide 20% commitment raises to employees reaching their second year of employment at Vasta.
 - Survey results reflected almost unanimous selection of the cash bonus incentive as most desirable.
 - Cash incentives for commitment to the organization will motivate employees to stay at Vasta longer.
 - To provide three days PTO for the employee voted by management and employees as the most valuable performer for the season.
 - In addition to engaging employees, this will encourage teamwork and professionalism among coworkers interested in gaining peer votes.
 - The winner is exempt from winning (not voting) the next year.
 - To incorporate stay interviews into employee-management relationships at least once annually.
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- Perform interviews during the middle of the work season to better address likes, dislikes and learning interests of the employee.
- To provide bi-seasonal site supervisor trainings focused on providing constructive feedback, clearly defining work roles, fairly distributing work roles, providing merit based recognition and mentorship training tactics.



- To record and track turnover rates beginning after the season's initial training meeting. This is the first required activity for returning employees and will inform management of employees not returning for the new season.
 - This will initiate in early 2015.
 - High retention groups will be used as models for best practices
 - Low retention groups will be analyzed for links to leadership problems.

Anticipated Consequences of Implementing Recommendations:

- The budget will be affected by new incentive, PTO, and salary costs resulting initially in decreased profits annually.
- Additional time costs for site-supervisor trainings and stay interviews.

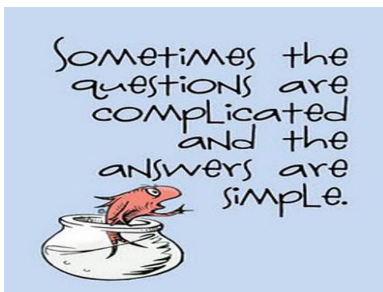
- Bonuses dependent on corporate profitability mean fluctuation in bonus amount based on yearly profits. Lower earning and bonus years may result in employee dissatisfaction.
- Budget limits may require decreasing proposed monetary incentives or only implementing select recommendations.
- To monitor effects of the plan, past turnover rates should be averaged against turnover rates occurring after recommendations are implemented. This should be an ongoing process.
- If recommendations prove ineffective, further input from employees should be obtained and new strategies discussed.

Feedback Obtained on the Recommendations:

- The recommendations for the plan's implementation occurred with joint owners of Vasta and the organization's safety director. These representatives are the primary decision makers of the organization and will be responsible for continuation of the action plan in the following months.
- Management agreed monetary incentives provided the potential for greater employee motivation and satisfaction, but worried greatly about the added business costs of implementation.
- The recommendation for a shared percentage of the yearly corporate profits going toward yearly bonuses proved particularly challenging for a worried management concerned about drastic profitability fluctuations leading to low employee bonus amounts and increased employee dissatisfaction.
- Management was receptive to providing employee surveys but felt three might be superfluous and instead suggested one during early training and one during the working

season. Financial concerns again surfaced from management regarding employees using paid hours to take surveys during the work season.

- Management appreciated the concept of a contest rewarding the most valuable performer and plans to implement this idea within the next few weeks but at a decreased reward amount. However, management adapted the recommendation from PTO to a cash prize to avoid paying additional union costs.
- Management agreed stay interviews might prove useful and informative.
- Recommendations and proposed timelines to track and record turnover rates proved highly amenable to management.
- Management agreed to consider incorporating increased title promotions as prestige awards for exemplary performance.
- Overall management seemed very agreeable to all recommendations not involving monetary incentives.



Reflective Essay

As a novice in the public relations industry, the Action Research Project provided valuable knowledge in regards to developing and implementing a plan of action for a legitimate organization. The experience proved rewarding, particularly regarding management's decision to continue using certain recommendations post student involvement, including bi-yearly surveys. The suggested recommendations for implementation of incentive strategies are based on data

collected in the initial employee survey and later adaptations will reflect new data from additional surveys. Adaptations to the surveys are needed to increase the benefit of the tool and produce greater data accuracy.

Many of the technical problems of the survey, like formatting and wording, surfaced during survey evaluation. Question five asked participants to rank incentives from most desirable (one) to least desirable (seven). This resulted in certain participants using only ones and sevens to rank desirability and other participants ranking incentives using a range of numbers from one to seven. This affected overall results and shows a need for greater clarification of the question's instructions.

The available responses for participants also need to be re-formatted to include a "disagree" option. Currently two positive responses are shown, but only "strongly disagree" is provided for negative feedback. This likely generates participant bias toward more positive responses since a greater range of positive responses are provided. It also may suggest an explanation for the high amount of "agree" responses, as this is the only mid-range response.

Employees responded well to survey participation and only three laborers opted not to participate in surveys as a result of language limitations. The inclusion of translated versions of future surveys will likely result in universal employee participation. The willingness of employees to participate in surveys also provides opportunity for survey growth.

Future surveys will focus on open-ended questions and provide more room for employee comments. The original survey relied heavily on circled responses to minimize time costs and encourage greater participation. Open-ended questions will allow for greater employee input and an ability to truly tailor incentive programs to meet employee needs. The establishment of online

surveys will additionally improve the communication strategy and prevent possible lost or damaged surveys on the job-site.

Future questions will also incorporate the feedback obtained from management during the initial survey. A strong focus on developing employee suggestions and opinions regarding non-monetary motivators and conditions of satisfaction will be used to counteract budget limitations. Projected costs for incentives proved to be management's primary complaint with the proposed recommendations of this project and proved a valuable learning experience for project developer.

Overall, the project allowed for a practical understanding of the research and effort necessary to develop a usable plan for a real-world organization. The feedback from organization representatives provided valuable critique of theoretical planning and forced acknowledgment of limitations like budgets. For a student not yet engaged in public relations work this provided a valuable learning opportunity from both a theoretical and practical perspective. The plan proposed many recommendations, but only a select few resulted in actual implementation by Vasta after extensive adaptations to costs and future survey content. The project provided a truly challenging and insightful experience in creating organizational recommendations not only appealing in a theoretical sense, but useful and efficient from a real-world perspective as well.

Company Background:

- Established in 1993, Vasta Construction Company Inc.'s mission is to provide quality structural bridge repairs and professional service to clients in the Ohio area.
- First generation American citizens, Alicia and Bill Stavrou, founded Vasta on a ten-thousand dollar bank loan.

- Vasta provides a working model of the American Dream actualized.
- Vasta's headquarters are located in Grafton, Ohio.
- The company is now entering its twentieth year in the construction industry.
- Vasta provides a variety of roadwork services including but not exclusive to: epoxy injection, concrete patching, fiber wrap systems, floor coating, sand blasting, steel painting, bridge and drainage cleaning, safety training, equipment training.
- Vasta employees work closely with the following organizations: ODOT, The Ohio Turnpike Commission, NASA, NEORS, RTA and private sector operations.
- Vasta is one of a select few Ohio construction organizations headed by a woman.
- The organization is recognized for attention to timeliness requirements, job performance and client satisfaction.
- As a family owned and operated business, Vasta is as invested in establishing mutually beneficial employee-management relationships as it is dedicated to client satisfaction.
- Vasta strives to treat employees fairly and include employees in quality improvement processes to increase operational efficiency and staff morale.
- Vasta is an organization dedicated to evolving in the construction industry and its readiness to adapt to facilitate organizational growth sets it apart from industry competition.

Vasta Employee Survey (results underlined)

This is an anonymous survey so there is no need to write your name on this. Please answer honestly and THANK YOU for your participation!

1. I am proud to work for my organization.

Strongly Disagree Agree 4 Strongly Agree 2

2. I frequently think about quitting my job and leaving this organization.⁵

Strongly Disagree 6 Agree Strongly Agree

3. I feel management communicates well with employees.

Strongly Disagree Agree 4 Strongly Agree 2

4. I enjoy the amount of travelling my job includes.

Strongly Disagree 3 Agree 3 Strongly Agree

5. Please Rank the below incentives from most desirable to least desirable (1=most desirable, 7=least desirable). Feel free to write in other incentives that would motivate you.

Cash bonus (1) Dining gift card (7) Choice of customized tools (3) paid promotion (2)
Title promotion/greater responsibility (no pay increase) (4) employee parties (5)
company gym membership (6)

6. I feel my management team values my work.

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http://humanresources.about.com/od/retention/a/turnover_tips.htm.

- Strongly Disagree Agree 4 Strongly Agree 2
7. I feel comfortable approaching management with problems and ideas.
Strongly Disagree Agree 2 Strongly Agree 4
8. I feel management acts professionally.
Strongly Disagree Agree 4 Strongly Agree 2
9. I feel my jobsite supervisor listens to my input.
Strongly Disagree Agree 3 Strongly Agree 2 (1 no response)
10. I feel that my management provides positive feedback/recognition.
Strongly Disagree Agree 2 Strongly Agree 4

Final Project Outline (original version)

Head:

Increasing Retention of Seasonal Employees

Problem and Direction:

Vasta Construction Company, Inc. was founded in 1993 to meet the growing demand for quality and professional structural bridge repair services in the Ohio region. The family-owned and operated small business is continually staffed by five employees but triples annually to include seasonal laborers. The role of a Vasta laborer requires extensive travel, mandatory overtime and work more physically demanding than positions of similar pay and qualification at competitor locations. Additionally, due to the small staff size, upward mobility and leadership roles are limited.

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Notes