

What's culture got to do with it?

The Role of Organisational Culture in the Recruitment and Retention of Staff in the Community Services Sector

Literature Review

Workforce issues have been identified as important in the service sustainability agenda. The relative impact of workforce attraction and retention...is a pressing issue across all service areas. Some larger agencies are in the process of developing more strategic approaches to the issue of staff attraction and retention by investing heavily in "people-focused" management activities. (UnitingCare Australia 2009: 8)

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TasCOSS
PO Box 1126
Sandy Bay TAS 7006



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SECTION A: WORKFORCE DEVELOPMENT

Introduction

This literature review has been undertaken as part of the Workforce Development Project of the TasCOSS Industry Development Unit and supported by funding provided by the Tasmanian Department of Health and Human Services. The project aims to explore the major issues relating to recruitment and retention of staff in the community services sector. In particular, it will examine the connections between organisational culture and worker satisfaction and how this impacts on willingness to continue to work for an organisation.

This project is also informed by the Community Services Industry Plan which lists as a major priority the need to secure a workforce for the future. The plan recognises that one of the key elements to achieving this goal is that “organisations must be equipped to support staff, and to ensure their health and wellbeing in the workforce.”

Workplace development is an issue that encompasses many parts, all of them interrelated. The need for comprehensive, across the sector workforce planning in the community services industry is critical, particularly in the current context. Issues including the ageing population, insufficient research, documented skills shortages – or at the least difficulty in attracting skilled workers to the sector - limited career pathways and training infrastructure (including identified competencies, training delivery – eg distance education which is an issue for Tasmania, a highly regionalised state), the silo structure of the sector, lack of collaboration, and how change, often driven by the government’s reform agenda, is managed, all need to be thoroughly investigated and unpacked in order to ensure a workforce for the future. Organisational culture, which is impacted on by issues like lack of resources, reporting onus, reliance on volunteers and competition for these, is also an area that requires closer scrutiny.

Current thinking on workforce development is no longer primarily focused on skills shortages and training alone. According to the Service Skills Council, “Workforce development involves a major paradigm shift. It refocuses thinking away from an almost exclusive orientation on training to one that encapsulates factors such as organisational development, change management, evidence based knowledge transfer and skill development. The primary goal of workforce development is to reduce barriers that limit effective work practices and to provide more effective ways of improving workplace flexibility and productivity.” (Service Skills Council 2009: 2). And part of these effective work practices are the critical tasks of recruiting and retaining staff.

National Context

In its 2009 Environmental Scan, the Community Services and Health Industry Skills Council (CSHISC) notes that “the community services and health industries are the third largest employer in Australia, employing 1,134,200 people across a diverse range of occupations. The 1998 and 2008 Labour Force Surveys of the Australian Bureau of Statistics demonstrate that in a ten year period, the workforce grew more than a third in size (see Table 1), and this trend is projected to continue.” (CSHISC 2009: 5)

Table 1: Total Employees in Health and Community Services, 1998 to 2008, ('000 employees)

	1998	2008	Change	%
Health Services	612.1	825	+212.9	+34.8%
Community Services	206	299.40	+93.40	+45.3%
Health and Community	—	9.8	—	—
Total	818	1,134.20	+316.20	+38.7%

Source: Labour Force Survey, November Quarter 1998 & 2008, ABS.

According to the CSHISC, “Community services comprise around a quarter of the combined industry’s workforce, a proportion which has not changed significantly in the last ten years... The trajectory of government policy indicates that the community services workforce will grow in size and, potentially, in proportion to health.” (CSHISC 2009: 10)

The CSHISC notes that a major difference between the community services and health sectors has been the difference in the qualification composition of the two industries’ workforce. “The health industry is dominated by university-educated workers, while community services are dominated by VET-qualified workers and have a larger proportion of workers with no post-school qualifications. This composition reflects two traditional assumptions: that doctors and nurses are the first choice in delivering health services and that community services work does not require high levels of education and training. Both of these assumptions are coming under increasing pressure and the workforce composition of both industries is likely to shift dramatically in the coming years.” (CSHISC 2009: 7) Indeed, we are already witnessing the professionalisation of the community services sector.

This move to a more formally skilled workforce is by no means the only major shift in the current climate of change. Recently representatives of ACOSS, the COSS network and the Australian Community Services Industry Group met to discuss issues related to the development and sustainability of the sector. Following this meeting a communiqué (July 2009) was sent to stakeholders which identified challenges the sector is facing now and into the future. Included in a comprehensive overview of identified challenges were:

- workforce sustainability
- award modernisation
- portability of employment entitlements
- the changing nature of contracts with all levels of government, but especially the federal government
- the implications of the shift from output to outcome reporting and towards individualised, consumer-directed purchasing
- the COAG national reform agenda
- ensuring the viability of smaller community services organisations

Governments at both state and national levels have increased investment in service delivery; nonetheless stakeholders report that there are still high levels of unmet demand. The ACOSS Community Sector Survey, the only annual survey providing an overview of the non-profit community services and welfare sector across the country, identifies increases in services and service gaps. The Community Sector Survey of 2009 found that respondent community services

organisations provided assistance to over 3.1 million clients in 2007-2008 and in the same period, respondent agencies reported that although the services provided increased by 19% on the previous year, the agencies turned away one in 12 people accessing a service, a 17.3% increase on the previous year. In other words, the trend indicates that although demand has grown, capacity has not. The survey report notes that “Services in highest demand are long term and crisis housing and health services (including mental health and drug and alcohol services.” (ACOSS, 2009: 2)

Tasmanian Context

In a 2008 report by TasCOSS on the Not-for-profit Community Services in Tasmania, it was noted that there is little comprehensive and reliable data on the composition of the sector - information on employment numbers, income and expenditure and workforce characteristics such as wage levels, qualifications and gender and age profiles. (TasCOSS 2008: 3) There are, however, some general indications of what this data may look like. For instance, we know that there are at least 368 community service organisations providing a range of health and well-being services to the community. According to the Australian Bureau of Statistics (ABS), “In November 2006, 7400 people were employed in approximately 350 organisations across the Community Services sector in Tasmania.” (ABS 2006)

John Furness, Project Manager with the Department of Economic Development, Tourism and the Arts, stresses the lack of sector-wide workforce data as an impediment to developing good workforce strategies and believes that often, organisations put the cart before the horse by developing strategies without proper planning. (Pers. comm. 2009) In discussions with the Tasmanian Community Sector Peak bodies, it is clear that there have been a significant number of workforce development projects undertaken across the community sector. Often, though, these projects represent only a part of the picture and don't lead to broader workforce planning projects because the funding for this work dries up at their conclusion.

There is currently a climate of government reform in Tasmania which impacts on community services sector workforce issues in this state. A recent project issues paper by the Mental Health Council of Tasmania outlines State level reforms which impact specifically on the mental health sector but also on the community services sector as a whole. These include:

- Throughout 2008, the state government Department of Health and Human Services (DHHS) signaled its intention to significantly increase its outsourcing of service provision to the community services sector, including mental health services. This increases demand for an appropriately skilled workforce.
- The DHHS also announced a significant and fast-paced program of reform of its funding and contracting relationship with external providers. These cover changes to funding levels, shifts to outcomes reporting and the implementation of quality assurance frameworks. Many of these reforms have already been implemented through Mental Health Services and will not necessarily impact directly on MHCT members and constituents. However this experience means other sectors may seek the experience and skills that the mental health workforce has developed.

- The DHHS reforms include structural changes that bring together previously separate agencies. In 2008 two amalgamations took place: Mental Health Services with Statewide Specialist Services into primary health; and Children and Families, Youth Justice and Disability Services. It is likely that similar structural reforms may be further implemented within the DHHS portfolio. These reforms are focused on streamlining entry points and referral pathways, and have significant implications for the way community services provide support and work together. These have implications for skills mixes and competencies for direct care workers and management. (Mental Health Council of Tasmania 2009: 4)

Within this reform framework and with a population ageing faster than elsewhere in the country and the range of other issues identified as impacting on workforce development, it is sometimes difficult for organisations to put into place practices that will attract staff and keep them.

The Tasmanian Department of Economic Development, Tourism and the Arts runs an Employer of Choice program that presents awards to businesses which “create truly engaging workplaces. These organisations are more likely to attract and retain skilled workers and their workplaces are significantly more productive and sustainable.” According to the Department’s website, these Employers of Choice:

- create a work culture that encourages new ideas
 - acknowledge and reward employees’ contributions and provide regular constructive feedback
 - facilitate opportunities for development, learning and career growth
 - value fun, flexibility and fairness
 - support work–life balance and social responsibility.
- (http://www.development.tas.gov.au/workforce/employer_of_choice/employer_of_choice_awards)

The notion of an Employer of Choice as promoted by the Department is one that translates across sectors and provides a good basis for fostering an organisational culture which attracts and retains skilled, motivated workers.

SECTION B: RECRUITMENT AND RETENTION

Background

Recruitment and retention are the two major workforce development issues. There have been many research projects in the community services sector aiming to improve recruitment and retention of the current and future workforce in the sector. (Tasmania. DHHS 2006; NSW. Department of Ageing, Disability and Home Care 2006; Infohorm Consulting Services 2008; Duraisingam 2005)

The factors that keep people in a job have been the subject of much discussion both here and in other developed economies worldwide. There are also many schemas and tables available to describe various interpretations of these factors. One example is that given by Nancy S. Dickinson of the Jordan Institute for Families, University of North Carolina Chapel Hill School of Social Work. In her presentation for the Resilient Families Need Resilient Workers Symposium (Melbourne, Australia 23 June 2009) Dickinson noted the top ten “Push Factors” which drive staff out of a workplace as:

- 1 Mismatch between the person and the role
 - 2 Mismatch between the person and the organizational culture
 - 3 Expectations not met
 - 4 Insufficient opportunities for growth and advancement
 - 5 Insufficient recognition or appreciation
 - 6 Problems with direct manager/supervisor
 - 7 Dissatisfaction with pay
 - 8 Stress
 - 9 Lack of work life balance
 - 10 Loss of confidence in the organization, particularly the leadership
- (Dickinson 2009: 4)

Many of these factors as listed by Dickinson relate to the broader issue of organisational culture which will be examined in greater detail later in this paper. Dickinson’s list is not a comprehensive list of factors that are widely identified as impacting on recruitment and retention of staff. Other factors which impact on recruitment and retention within the sector include competition with other sectors, low prestige of many community sector jobs, skills shortages, the high onus of increasing government regulatory, compliance and administrative requirements, and organisational change.

Low wages and benefits

Invariably, when it comes to the community services sector, remuneration is identified as the major reason for high staff turnover. (Ride 2007:31; CSHISC 2005: 54). A joint project by the University of South Australia’s Social Policy Group and SACOSS found that, “There was a belief that the most common reasons for voluntary turnover were directly related to salary and conditions being less favourable in not-for-profit community service agencies than in the public sector or for-profit organizations.”(Carson, Maher, and King, 2007: 138)

The TasCOSS 2008 industry profile, *Solid Foundations Challenging Futures: Not-for-profit Community Services in Tasmania* quotes the Australian Institute of Health and Welfare (AIHW) which, referring to the biennial ABS Survey of Employee Earnings and Hours, states that “the survey shows that community services workers have relatively low earnings compared to workers in other industries.” (TasCOSS 2008:16)

The AIHW notes that, “According to the 2006 survey, the average total weekly earnings of full-time nonmanagerial employees working in all but one of the community services occupations was lower than the average for all occupations (\$1,045 per week). The average weekly earnings of social workers (\$1,055) were above the average for all occupations, while child care workers (\$656) and education aides (\$673) were below the average... Average hours paid for also varied among the occupations.” (AIHW 2007: 335)

It is arguably true that low wages may have a negative impact on retention rates within the sector, but what are the factors that encourage people to stay despite the low wages? Nancy Dickinson lists the following “Pull Factors”:

- Characteristics of the worker
- Nature of the work
- Co-workers
- Supervision
- Agency climate
- Community relationship

(Dickinson 2009: 5)

Competition with other sectors

The Community Services and Health Industry Skills Council (CSHISC) notes what it calls “a new and increased emphasis on a low-cost, high-efficiency funding model” (Community Services and Health Industry Skills Council 2008: 20) which impacts on the workforce primarily by creating a climate of competition between sub sectors within the community services sector, between the health and community services sectors and between the sector and other sectors including the government and for-profit sectors. According to the CSHISC:

Creating a policy framework which introduces and bolsters competition in these sectors could be argued to deliver benefits in the form of keeping costs low, and ensuring there is less ‘waste’ in service delivery as organisations are required to refine and deliver closely to the targets specified (Productivity Commission 2002). However, there is also evidence that these competitive elements can undermine attempts to build a sustainable and appropriately-skilled supply of labour. A recent report conducted in the ACT community service industry compared a range of occupations and found that direct competition between government employers and NFP employers is contributing to some alarming pay differentials. (Community Services and Health Industry Skills Council 2008: 20)

The same CSHISC report also identifies other consequences of a low-cost environment including “a-typical pressures in terms of delivery expectations - organisations feel the weight of

delivering services in an ethically 'meaningful' way, while under the constraints of a resource-poor environment. There are further dangers created by competition, because it closes the scope for collaboration between providers on a range of key HR and management issues. When service providers, as employers, are required to compete for labour, the ability for these agencies to work cooperatively across a sector to meet service need becomes constrained. The low-cost environment also constrains the ability to use pay to lever improvements to skill. ." (Community Services and Health Industry Skills Council 2008: 21-2)

The implications for planning training and skills development is another potentially negative outcome of the low-cost regime as it can "undermine organisational ability to centrally monitor training options, forward plan for skills development, assess and nominate preferred training providers, let alone monitor outcomes of training provided. A low-cost funding environment also directly and indirectly affects workload management strategies, and these impact both on- and off-the-job training access." (Community Services and Health Industry Skills Council 2008: 23)

Devaluation of skills and low prestige jobs

There is a body of research that identifies the historical devaluation of care-giving which places it within an innate, "feminine" context – ie the extension of domestic female care-giving into the work sector.

The high proportion of work roles defined under the broad label of 'care' has deep implications for the skill profile of both sectors because it is widely acknowledged that care-giving remains devalued in both social and economic terms. Researchers and commentators point to a number of different ways in which this devaluation has been produced, and is reproduced. In historical terms, women have been the primary caregivers in western societies and in many non-western societies (Wood 1994). This care-giving was seen to be a 'natural' or innate tendency, so therefore was not considered to be skilled or, indeed, valued (Crompton 2000). Feminist economics notes the devaluation of female labour, and the failure of the market economy to acknowledge and comparably pay women for caring roles (Waring 1990). The continuing segmentation of the labour market is also a manifestation of devaluation of care work, with women less likely to enter non-traditional sectors of the labour market that might attract higher wages (Pocock & Alexander 1999). (Community Services and Health Industry Skills Council 2008: 37)

The low prestige of many community sector jobs and the fact that the sector has a predominantly female workforce remains a contentious issue for many researchers and service providers. The value of the work done by this predominantly female workforce is not reflected in wages and conditions. A submission by Aged and Community Services Tasmania contends that:

The Federal Government through its funding policies (such as the use of COPO in aged care) contributes to wage discrimination against women. There needs to be some acceptance that our society may have achieved pay equity within sectors but has failed to address the structural inequity in wages across sectors. The

Federal Government has the ability to take responsibility for their policies that encourage this inequity. This needs to start with the provision of appropriate funding for the care sectors so they can provide opportunities for women to enter the sector; offer real career paths; and afford appropriate wages. (Aged & Community Services Tasmania 2008)

The CSHISC also identifies the current trend of a shift by some sector organisations and governments to recruiting practices which favour psychometric testing as a further example of the devaluation of skills.

The rising popularity of psychometric testing as a standard part of recruitment processes in the health and community services industries also illustrates the way in which labour activities comprising 'care' components are more likely to be perceived as 'innate' rather than 'acquired' skills. Qualitative studies into changing recruitment processes note growth in the use of behavioural and psychometric testing in the assessment of applicant suitability, particularly in the community services industry. This technique has been embraced among some community care operators as a way of dealing with notoriously high-turnover positions and in some cases has supplanted traditional skill and qualification frameworks as a way to measure applicant suitability. (Community Services and Health Industry Skills Council 2008: 39)

In 2004 the NSW Department of Ageing Disability and Home Care used a psychometric test as part of the bulk recruitment for 600 vacancies in residential care. (KPMG 2006: 66) This was considered a successful exercise but it would be interesting to see if it delivered an improved retention rate.

Skills shortage

There is much anecdotal evidence that Tasmanian community service organizations have difficulty recruiting skilled staff. The idea of a shortage seems straightforward: the supply of workers is not sufficient to meet the demand at current rates of pay. But on closer inspection 'shortage' is a surprisingly slippery concept. To quote the United States Bureau of Labor Statistics, '... there are no objective measures or direct indicators of skill shortages'. (Richardson 2007: 8-9)

As previously noted, vacancies may go unfilled, not because there is no one available who can do the job, but because the wages and conditions on offer are unattractive. There is a current emphasis on occupational analysis to determine where the skill shortages are and will be in the future. According to the CSHISC, this focus can conceal "a conceptual confusion between poor recruitment approach (a workplace and HR level concern) and a bona fide labour shortage of an occupation (a system wide shortage of a skill set). In Australia, there is certainly recognition of this misconception within federal government policy frameworks with the claim that "*the term skill shortage is often a surrogate term for more general recruitment difficulties*" (Australian Government 2007; Community Services and Health Industry Skills Council 2008: 5)

Both Australian and international research (Australian Government 2007; Richardson 2007) stress that it is imperative that this concept of a skills shortage is unpacked, arguing, as CSHISC does for example, that “workplace level HR issues (for example, a recruitment strategy in need of refinement) cannot be solved by a system-wide response geared to supplying differently skilled labour.” (Community Services and Health Industry Skills Council 2008: 5)

Government regulatory, compliance and administrative requirements

In April 2007 the Victorian Council of Social Service (VCOSS) commenced the Showcasing the Community Sector project, funded for three years by the Victorian Government through the Community Sector Investment Fund (CSIF). Amongst its findings on the main issues of concern “raised by employers in the community services sector” was “the increased reporting requirements with no apparent way to compensate for time lost to service delivery.” (VCOSS 2007: 7)

This issue of reporting requirements is one that is frequently raised in reports and submissions from service providers and is of particular concern to the smaller organisations. (Ryan, Christine, Newton Cameron and McGregor-Lowndes, Myles 2008) For workers who are already stressed by increased workloads and who are on low salaries, this onus can well be the straw that breaks the camel’s back, as a UnitingCare report points out:

While remuneration is one critical issue in workforce attraction and retention, the demands of government regulatory, compliance and administrative requirements are another. Care staff work in non-profit social services at lower salary points than other sectors because they want to provide care to people. When care staff is required to spend one third to one half of their time on administration, often in hostile compliance or accreditation environments, it is difficult to retain them. (UnitingCare Australia 2009: 8)

In 2009 five community service organisations were interviewed by TasCOSS on issues regarding reporting, compliance and government paperwork. The findings collated in the report *Reporting, compliance and government paperwork - Burden? Obligation? Tool? are:*

1. Different funders/programs all require different reporting.
2. Lack of feedback from funder.
3. Untimely feedback on fixed-term project reports.
4. Frequent changes to reporting formats/templates/questions.
5. Costs to develop adaptive databases that simplify data capture and reporting for multiple programs appear prohibitive for small to medium organisations.
6. For small to medium organisations, the CEO and/or Board are required to do a significant amount of reporting work.
7. Lack of coordination between government programs, and State and Federal Government.
8. Some DHHS programs require individual clients to be identified in reporting. This is In Service standards and/or the outputs reported against can be restrictive and unduly reduce an organisation’s flexibility to deliver services

- in responsive ways to meet changing community needs. This is particularly so in Federally funded aged care provision.
9. In some cases, the level of reporting required to demonstrate compliance with quality standards:
 - has increased over time, increasing the level of administration needed
 - there has been no increased funding to meet increased reporting demands
 - the data collection and reporting load has led to reduced service delivery
- (Tasmanian Council of Social Service 2009: 4-6)

Clearly, compliance translates into an onerous task for many community services organisations and is likely to impact on employee satisfaction.

Managing organisational change

Organisational change is not uncommon within the community services sector and is an issue in workforce development strategies. A literature review by National Centre for Education and Training on Addiction (NCETA), made the point that “Organisational change is often a time of significant uncertainty and upheaval for employees. Consequently, concerns related to justice, equity and fairness are likely to be salient during periods of organisational change.” (Skinner, Freeman, Shoobridge, & Roche 2003: viii)

The authors of this report noted that research on the management of organisational change has identified a range of strategies to assist organisations to successfully manage change to avert the types of negative outcomes. They listed as key strategies:

- development and implementation of a policy outlining the organisation’s support for the organisational change and clarifying the change
- providing employees and other stakeholders with opportunities to participate in decision making
- employing a change agent to facilitate the change process by contributing to problem-solving, providing support to staff members and encouraging staff commitment to change (particularly useful when there is a low readiness for change amongst employees)
- “institutionalising” organisational change using strategies such as reward systems to encourage adoption of change, clear and timely communication to employees regarding new work practices and procedures resulting from the change, and providing training to ensure a smooth transition into new roles and responsibilities.

(Skinner, Freeman, Shoobridge, & Roche 2003: viii)

Organisational change impacts greatly on organisational culture. It can present an opportunity to “get it right” or, as noted by a Department of Health and Ageing report, “... sweeping changes, such as those brought about by massive cost-cutting, can cause cultural changes so traumatic that workers within the organisation are left floundering.” (Australia. Dept Health and Ageing 1998: 6)

SECTION C: ORGANISATIONAL CULTURE

What Is it and Does Size Matter?

Despite the ubiquity of the term 'organisational culture' in both popular and scholarly management literature, it remains an ambiguous concept, whose practical application is recognised as being far from universally successful.

Those who take a pluralist perspective and recognise the existence within organisations of diverse sub-cultures arising from factors such as professional affiliation, status, social or divisional interactions, argue that organisational success springs from the effective leadership and management of diversity, and that cultural change or maintenance efforts have to be undertaken through programs specifically designed for different segments of the organisation. (Willcoxson, Lesley and Millett, Bruce 2000: 95)

Larger organisations that deliver services across a broad area are good examples – in larger organisations different sections or teams do not work so closely together eg a research and development section as opposed to a frontline support team.

Centrally, I am arguing that if we want to retain workers we must focus attention at the level of organisational culture, structures and processes, and our capacity to lead with high levels of emotional and social competence. If we fail to do so the impact of our efforts in relation to qualifications, preparation and quality improvement will all be significantly diminished. (Gibbs 2009:2)

It is important to note that there should be some congruence between what the community services sector does – ie support of people disadvantaged socially, or by health or other issues – and how organisations within the sector treat their staff. Certainly, no-one within the community services sector would deny that this was the intention of their organisation and yet, organisational culture is an issue that has not been explicitly addressed at a sector-wide level.

There has been, on the other hand, a lot of research done in the private corporate sector. (Carr 2002; Gray, Denston, Sarrov 2003; Willcoxson, Millett 2000). Although this research is specific to the private sector it may provide some inspiration to the community sector. The first major nationwide study which compared perceptions of organisational culture in small, medium and larger organisations by Gray, Denston and Sarros found that size did indeed matter. Small to medium organisations demonstrated greater flexibility, flatter structures which help manage change and were more likely to provide more supportive environments than larger organisations. The report noted that:

The findings indicate that small organizations were perceived as more supportive, competitive, innovative and performance-oriented than large organizations. Consequently, the findings provide grounds to reject the notion that small organizations can only be successful by imitating large organizations. (Gray, Denston, Sarros 2003: 9)

This finding is backed up by a 1998 report by the Department of Health and Ageing, which states that “organisational culture can also be a 'bad' thing. Particularly in very large organisations the culture can become somewhat stagnant and resistant to change.” (Australia. Dept Health and Ageing 1998: 6)

Recruitment and Retention

The culture of an organisation includes shared ideas, values and behaviours that affect the experience of working for that organisation. There is by now sufficient evidence that an organisational culture that: is empowering of its staff, particularly by allowing input into decision-making and planning; that offers opportunities for professional development and training; and that has sound management and supervision processes, will attract and retain employees.

This notion of organisational culture and its significance in terms of staff recruitment and retention is one that has been taken up nationally, particularly by the AOD, Disability and Mental Health sectors. It is an area that requires further exploration in Tasmania. And yet this is an area requiring critical attention and which impacts on recruitment and retention. As the report of Victorian HACC New Entrant Development Project (2003) puts it, “...the culture and reputation of the employing body was also seen as something which could be both an incentive which attracted people to work in Community Care or, in some instances where the organisation has a poor reputation as an employer, a disincentive. This view was reinforced by participants in the pilots.” (Victoria. Department of Human Services 2007: 29)

Many researchers and workers within the sector name organisational culture as critical to staff retention and an important issue to prioritise if the work done on improvements to skilling, training and quality are to have a real impact. In her presentation to the Resilient Families Need Resilient Workers National Symposium in 2009, Dr Judith Gibbs argued that “if we want to retain workers we must focus attention at the level of organisational culture, structures and processes, and our capacity to lead with high levels of emotional and social competence. If we fail to do so the impact of our efforts in relation to qualifications, preparation and quality improvement will all be significantly diminished. (Gibbs 2009: 2)

In 2008 Infohrm Consulting Services produced the report of its Workforce Development Initiative, a project conducted for Disability Services Queensland. According to this report:

Retention is a function of the organisation’s culture and structure, management quality, recruitment and selection practices, compensation policies and career development opportunities, and can be seen as an outcome indicator of the combination of these factors. High turnover can have severe consequences for an organisation in terms of cost, efficiency, productivity and customer service and can exert this effect through the cost of recruitment, cost of training new employees or replacement staff, and lost productivity as new employees take time to reach full capacity. Effects can also be shown on morale, workload and stress levels of existing employees. (Infohrm 2008: 34)

A recent article by Marnie Green identifies four “cultures” which deliver higher rates of employee retention: “Effective retention cultures include an intense focus on choice, balance, development and care.” (Green 2006) She goes on to elaborate on each of these as follows:

Choice: Empowering employees to make choices in how they work and the recognition they receive, which “are all characterized as innovations in human resource management.”

Balance: This includes work/life balance initiatives like flexible hours and family-friendly benefits.... “recognizing the impact a balance-focused work culture can have on the retention of top performers.”

Development: “High rates of retention are clearly linked to the amount of attention the employee gets in terms of their professional development and growth.”

Care: This is described in two ways – inspiring employees to care for their organisation which “may be derived by following a committed and ethical leader.” And care and support of staff by management –employees need to feel listened to, feel that they are respected, their skills valued and their day to day achievements recognised. (Green 2006)

Recognition and valuing of employee contribution

In the Department of Health and Human Services (DHHS) 2006 report on Mental Health Services, the first priority for the sector was identified as the recognition and valuing of employee contribution which includes:

- Recognise and reward for employee contributions
- Improve conditions of employment
- Provide good quality line management
- Improve perception of parity (fairness) in remuneration
- Enhance recognition of NGO work and expertise
- Promote a positive image of mental health in the community
(DHHS 2006: 4)

It is of significant importance in a low paying sector that workers are supported by other kinds of rewards beyond the intrinsic “feel good” factors. According to a 2005 Workplace Support being publication by NCETA “alternatives to financial rewards include:

- Public recognition of effort and contribution
- Opportunities to work on preferred activities (and / or a break from less desirable work)
- Time off or flexi-time
- Support for professional development activities (e.g., financial contribution, time off)
(Skinner 2005: 9)

The authors of this work also suggest that it is a good idea to ask the workers themselves how they would like to be rewarded, claiming that “Developing reward systems that are based on workers’ needs and preferences is likely to be most effective.” (Skinner 2005: 9)

Others also stress the important role of the employer in rewarding workers for performance. (Dickinson 2009: 3) Recognition and valuing of employee contribution is closely related to a culture of workplace support and supervision.

Workplace support and supervision

The role of managers and supervisors is critical to workplace support - as an NCETA report maintains: “Support from managers and supervisors is particularly important. This is due to their status in the organisation and capacity to influence working conditions.” (Skinner 2005: 9)

NCETA lists three levels of workplace support as: managerial / supervisor support; social / emotional support; and instrumental support. An overview of this support schema is illustrated in the following table:

Table 1: Overview of types of support provided by organisations, supervisors and coworkers

	Social / emotional support	Instrumental support
Organisation	<ul style="list-style-type: none"> • Ensuring fairness of treatment • Providing valued rewards • Ensuring supportive supervision 	<ul style="list-style-type: none"> • Ensuring good job conditions (physical safety, job security, promotion paths, autonomy) • Addressing work overload
Managers /supervisors	<ul style="list-style-type: none"> • Channeling / facilitating organizational support • Providing positive social interaction (praise, encouragement, caring, respect) • Recognising and reward good work • Involving workers in decision-making 	<ul style="list-style-type: none"> • Addressing role ambiguity or conflict • Providing access to high quality resources and equipment
Coworkers	<ul style="list-style-type: none"> • Providing positive social interaction (praise, encouragement, care, respect) 	<ul style="list-style-type: none"> • Providing help and advice • Filling in when others are absent • Assisting with heavy workloads • Providing constructive feedback • Appreciation and recognition • Sharing duties and responsibilities

(Skinner 2005: 5)

Job design and job quality

Employees leave organisations because they are unhappy with their current “employment proposition, being the mixture of tangibles (pay and benefits), and intangibles (supervisor relationship, work/life balance, work content, career path, trust in senior management). If this is unsatisfactory, they search out other opportunities where, presumably, that employment proposition is better.” (Infohrm p36)

The Victorian HACC New Entrant Development Project Report (2003), quoted above, points to the seven job enrichment principles as proposed by Frederick Herzberg (Herzberg 1966), to inform appropriate job design for Community Care Workers. These are:

1. Removing controls while retaining accountability, to increase responsibility and feelings of personal achievement.
2. Increasing the accountability of employees for their own work, thereby increasing responsibility and recognition.
3. As far as possible, allocating a complete, natural unit of work to an employee, thereby affecting responsibility, recognition and achievement.
4. Increasing job freedom through additional authority, and thus increasing responsibility, recognition and feelings of achievement.
5. Making reports available to the worker as well as the supervisor, and thus recognising contribution.
6. Allocating new and more difficult tasks, thus ensuring individual growth and learning.
7. Assigning specialised tasks, thereby allowing individuals to become expert in particular areas and to grow.

The report goes on to maintain that “These principles hold true for all work, including Community Care. All people need to feel they have meaningful work. Community Care work offers employees many intrinsic rewards, but employers need to design work, supervision, support and training to make the work as interesting and attractive as possible.” (Victoria. Department of Human Services 2007: 30)

A Canadian study into job quality in non-profit organisations describes the extrinsic and intrinsic rewards as important aspects of job quality. This research identified intangible or intrinsic rewards as highly ranked amongst Canadian job seekers. These kind of rewards included finding work which was interesting or rewarding. The employment relationship was also described as important in a job and more Canadians who had been surveyed “ranked ‘respect’ as ‘very important’ than was the case for any other job feature.” (McMullen and Schellenberg 2003: 8)

The report also described, as other important dimensions of job quality, “the opportunities that employees have to participate in decisions that affect their job or workplace and the presence of a culture of openness and information sharing...[and] the opportunity to develop and use one’s skills and abilities.” (McMullen and Schellenberg 2003: 8)

Innovation

The Infohrm Consulting Services report *Workforce Development Initiative: project report* for Disability Services Queensland made reference to “five cultural aspects that are important traits of organisational culture for driving employee effort and intention to stay: communication, integrity, innovation, flexibility, and customer focus.” (Infohrm 2008: 41)

Providing a culture that values and promotes innovation is an issue taken up by Maree Fudge in the Mental Health Council of Tasmania’s *Developing the Tasmanian Community Mental Health*

Workforce Project Issues Paper. This paper notes that “Finding innovations in business processes, staff attraction, retention and skills development is an important pathway in addressing the challenges and making the most of the current opportunities.” (Mental Health Council of Tasmania 2009: 6)

The New Zealand study, *Whakamārama te Huarahi*, also made some very important points in relation to innovation and effective teams. “Functional teams are essential to the retention and efficacy of the workforce. Organisations need to intervene where there is tension or dysfunction. Understanding the problem is critical, for example; systems problems (e.g. poor role clarity), process problems (e.g. poor referral pathways) or individual issues (e.g. poor team participation), and addressing the problem at the correct level is important. Managers and leaders (clinical, cultural and consumer) themselves need professional development to enable them to support high functioning team cultures, innovation and internal continuous improvement processes.” (Wille 2006: 28)

The corporate sector recognises the importance of innovation for organisational culture. A 2003 study, *Size Matters*, found that “Support for innovation has been identified as an important aspect of organizational culture because innovation enhances organizational effectiveness in rapidly changing environments.” (Gray, Denston, Sarros 2003: 4)

Impact on Training

Organisational culture has also been found to have an impact on impetus to train and training transfer. According to CSHISC: “There is a body of work that points to the fact that the conditions under which training occurs, and the impetus to train is sparked, vary depending on the size, profile and culture of an organisation.” (CSHISC 2009: 39)

One report identifies aspects of the work environment likely to influence training transfer - “A range of workplace and organisational factors have also been identified as central to the effective transfer of training into work practice. The degree to which an organisation supports training transfer has been found to impact employees’ ability and motivation to translate learning into job performance.” (Skinner, N., Freeman, T., Shoobridge, J., & Roche, A. 2003: 95)

Exit interviews

According to the Inforhm report quoted elsewhere in this paper, “An organisation with a low retention rate must implement strategies to address this. To formulate action for improvement, additional data will also be required, such as exit and post-exit data, employee satisfaction and motivation surveys and 360 degree feedback.” (Infohrm 2008: 34)

This report goes on to stress that successful retention strategies depend upon managerial accountability. This accountability is supported by goals and targets which can be informed most effectively by an understanding of why people are leaving an organisation. If accurate data “is not collected, analysed and used to inform retention strategies, they may be ineffective and costly to the organisation. This data can most easily be collected through exit interviews and surveys.” (Infohrm 2008: 34)

There is some debate about the value of the exit interview. As a management tool, the exit interview has generated both acclaim and criticism. Some maintain that it is a useful management tool which can play a major role in helping organisations identify issues which impact on retention rates while others believe it to be a waste of time. It is clear that there needs to be a well-thought out process in place if exit interviews are to deliver positive outcomes. For example, exit interviews should not be conducted at the last minute, ie final day or even week of work; they should result in some action based on the information obtained during the interviews, even if that is only discussion at management level.

A New Zealand study into the Child and Adolescent Mental Health Workforce found that “Staff satisfaction surveys and exit interviews are an under-utilised source of essential information regarding retention. Such initiatives can be difficult to sustain on a continuous basis, however a series of coordinated snapshots in key areas could be considered (for example, in regions with chronic workforce shortages, high attrition rates or distinctive demographics).” (Wille 2006: 33)

Exit interviews do not appear to be uniformly conducted across the Tasmanian community services sector either. This is not surprising given that people do not want to burn their bridges when they leave a job and it is a “small world”, particularly in Tasmania. Added to this is the time impost of organising exit interviews especially in the smaller organisations. However, if an organisation has problems with retention, the exit interview should be investigated as another tool which can assist in identifying underlying issues impacting on decisions to quit a job.

Nancy Dickinson goes further and suggests a “stay interview” which asks the new employee “What will it take to keep you?” She asserts that this could be the basis for an Individualized Retention Plan which allows for early intervention for employees in the process of disengagement and demonstrates the value and importance of each staff member. (Dickinson 2009: 14) Dickinson also lists “Best Practices for Stay Interviews” as:

- Climate of safety and trust
- Regular and consistent
- Stand alone interview; independent of performance review or case consultation
- Courage
- Willingness to listen and respond with empathy
- Willingness to change
- Willingness to advocate for staff

(Dickinson 2009: 15)

Conclusion

Workforce development is an area of increasing concern and urgency for the community services sector for all the reasons outlined in this paper. In particular, finding and keeping staff are critical issues in a climate where, for various reasons, community sector organisations will continue to be challenged to attract and retain qualified and committed employees. These are not issues that can be resolved by concentrating only on one area within the workforce development matrix. Workforce planning and the collection of comprehensive, across the sector data is the basis of good workforce development strategies. However, organisational

culture is something that organisations can work on independently to a large extent. It is an issue that requires an organisation to turn its attention internally to make some informed and significant changes in creating a workplace that people want to be part of – to become, in effect, an employer of choice.

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