TITLE OF THE PROJECT: Staff Retention and Engagement in the Rail Industry

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Project website http://www.railcrc.net.au

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Keywords
Staff, retention, attraction

Summary
Retention and engagement of staff is important. Even in times of higher unemployment and greater economic uncertainty, such as the present, it is still crucial for organisations to be able to keep good staff. The ‘war for talent’ does not end when labour shortages end – talent is always limited. Retention is the process of physically keeping the staff member in the organisation, whereas engagement is the psychological involvement the staff member has with the organisation.

Recent reports suggest that the rail industry confronts significant and intensifying strategic challenges that may well require a reinvention of its workforce management polices and strategies. This is particularly true in the area of employee retention and engagement. The loss of key
employees, the loss of knowledge and capability, the cost of attracting and replacing those who leave, and the cost of retention programs pose a significant threat to the performance of the rail industry. The complexity of the problem suggests that industry responses need to be based on sound knowledge of current and potential polices and strategies across the industry.

Both concepts of engagement and retention are critical to ensure a highly productive workforce. It is no use having good personnel if they are just as likely to leave, and there is little utility having staff retained in the organisation if they are not engaged with the organisation and what it does. This project will be important to the rail industry since it will provide an understanding of what is currently happening in rail organisations, and, in turn, what strategies can be implemented to enhance retention and engagement of rail employees.

Background

Current global economic conditions are exerting an adverse influence on most organizations and are requiring them to adjust current physical and human resource plans in order to accord with these oscillations in the business environment. These conditions, however, do not alter but reinforce the importance of effective workforce management, in particular the retention and engagement of critical talent. When jobs are scarce, it may appear relatively easy to retain employees. However, this raises the question: Are we retaining the right workers? And subsequently: Are our workers ‘prisoners of war’, i.e., reluctant to stay but unable to leave? During a period of economic downturn, the prospect of retaining disengaged employees or employees who do not have the right skills sets for the future, is as much a problem for employers as the potential loss of highly skilled and highly engaged employees during times of economic prosperity. Furthermore, the well-known threats associated with demographic change, long-lead-times to competency for key roles, and labour supply quality concerns have not changed. These concerns will remain a feature of the labour market for many years to come. Accordingly, the competitive pressures regarding key and experienced talent are unlikely to improve to any great degree in the current economic climate. The current pressures and challenges faced by the rail industry strengthen the case for an alternative approach to retaining and engaging the necessary workforce resources required to sustain prosperity.

There are two inter-related strategies for studying employee retention and engagement. First, there has been a significant focus on explaining why people leave organisations (voluntary turnover). Recently, research has focused on the multiple pathways that explain leaving (Lee & Mitchell, 1994). Each pathway suggests different strategies for reducing voluntary turnover. Second, there is a growing emphasis on explaining why people stay (Rafferty & Griffin, 2006), and when they do stay why they choose to engage or not with their job and with the organisation (de Mello e Souza et al., 2008). This perspective opens up additional strategies for retaining and engaging employees; for example, the development of an engagement-friendly culture. A fine-grained analysis of the implications of these perspectives requires investigation of three levels of analysis; individual, organisational and industry.

Objectives

• To identify ways of improving employee engagement and retention for organizations within the rail industry and for the industry as a whole.
• To identify and document examples of leading practice in employee engagement and retention for knowledge sharing within the industry.
• To identify alternatives to retention and engagement to enhance organizational sustainability
and build organisational capacity through knowledge management.

**Description of work**

A case-study design will be used to address the research questions. The chosen cases will identify successful and unsuccessful strategies and practices for engagement and retention. Data collection methods have been chosen to complement the exploratory nature of the research questions.

The data collected in this research will facilitate the development of a model informed by theory and practice to enhance retention and engagement. As a result of developing this model, it will be possible to recommend human resource practices and policies, appropriate within the context of the rail industry, that represent leading practice in the retention and engagement of employees.

**Results**

<<NOT RECOMMENDED TO INCLUDE IN THIS SHEET, UNLESS RESULTS HAVE BEEN PUBLISHED BY THE CRC>>

**Additional information**

Duration: 08/06/2009–31/03/2011