

Staff turnover in the Victorian Treasury (B–Epilogue)

After receiving the consultant’s report, the Department of Treasury and Finance was swift to implement changes. A variety of new staff programmes were introduced and existing schemes overhauled.

Recruitment practices

One of the first areas to receive attention was recruitment. A guide was produced to assist recruiting managers, and training in behavioural interviewing was made compulsory. When interviewing potential employees, the recruiting manager’s supervisor was also required to sit on the panel, exposing candidates to even more senior staff. As Laurinda Gardner commented: “You’re really selecting people for the future of the organisation, not just that particular job.” And Gardner noted that “people skills” were playing an increasingly important role in job selection criteria: “We have had some significant recruitment decisions made where we haven’t picked the most technically skilled person. Especially where the position has involved managing people.”

Gardner recalled that recruitment rapidly went from being a low priority to very high on the agenda. Every two months, senior management met to look at HR performance data and to review exit interviews with recently departed staff. Although these changes were instituted relatively quickly, Gardner did not observe a great deal of resistance from managers – the problem was now too big to downplay or ignore. With regard to Accenture, the DTF’s HR contract was tendered out in 2001 and once again awarded to the company. They provided the same personnel services to the Department but were now much more involved in policy matters. Gardner noted that it was closer to a partnership-style arrangement. However, salary-wise the DTF was not given any extra leeway to entice staff to join or stay.

This case was written by Marinella Padula, Australia and New Zealand School of Government, for Professor John Alford, Australia and New Zealand School of Government, as a sequel to case 2004-6.1. It has been prepared as a basis for class discussion rather than to illustrate either effective or ineffective handling of a managerial situation. The assistance of the Department of Treasury and Finance is gratefully acknowledged.

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Other measures

Induction programmes were improved for newly acquired staff and a mentoring programme was introduced. This was not specifically aimed at reducing turnover, but part of an overall package addressing staff development. Laurinda Gardner also set up an alumni association for former staff. As for existing staff, several initiatives were launched. Training programmes were developed for managers that addressed people management and leadership skills. A third programme called “Management Essentials” dealt more with procedural and administrative matters. Where people management was part of a manager’s portfolio of responsibility, performance on this factor was now taken into account during annual reviews. However, programmes were introduced or updated to meet the needs of employees at every level.

Career Assist was a 24-hour hotline designed to help staff identify new job opportunities within the DTF and assist them with resumé and interview preparation. Indeed, the DTF made a concerted effort to move employees around the Department, exposing them to a broader range of activities and management styles. Gardner believed this was also effective in helping to reduce turnover. Flexible work practices were also improved, and information was produced for managers explaining the potential benefits of allowing staff access to carer’s or recreational leave, for example. Employee Assist was another programme on offer which provided personal coaching and counselling services to staff.

Results

In the years that followed the 2001 report, the DTF monitored turnover rates and was pleased with the results. Because there were numerous programmes running simultaneously, it was impossible to determine which initiative had the most impact, but from July 2001 to end of June 2002, the turnover rate had dropped to 14.4 percent. While it rose slightly the following year to 18.4 percent, it was still almost 10 percent below the 2000/2001 figure that had caused so much alarm. However during the 2003/2004 financial year the figure had dropped to 12.3 percent, very close to the ideal benchmark of 12 percent. Employees of less than two years’ tenure only represented 5.1 percent of departing staff during 2002/2003. During 2003/2004, that figure fell to 1.2 percent.

Although Gardner was pleased with the gains that had been made, she noted that these programmes were subject to continuous review and improvement. As of August 2004, there were still a few areas she was working on. “We’re still making improvements to recruitment and performance feedback,” she said, “I think the area we haven’t tackled as well as we would have liked is development of the individual. It’s one thing to shift managers to manage performance better, the next shift is to get them to focus on how to develop and coach people. It would have been nicer to do that earlier but probably slightly ambitious to have tackled that all at once.”

But, most importantly, the Department’s biggest problem was under control. As Gardner remarked: “We don’t see [turnover] as an issue now, which it certainly was before.”