



**Queensland University of Technology**  
Brisbane Australia

This is the author's version of a work that was submitted/accepted for publication in the following source:

Becker, Karen L., Hyland, Paul, & Soosay, Claudine (2011) Attraction and retention in rural and remote communities. In *25th Annual Australian and New Zealand Academy of Management Conference: The Future of Work and Organisations*, 7 – 9 December, Wellington, New Zealand.

This file was downloaded from: <http://eprints.qut.edu.au/48217/>

**© Copyright 2011 Please consult the author(s)**

**Notice:** *Changes introduced as a result of publishing processes such as copy-editing and formatting may not be reflected in this document. For a definitive version of this work, please refer to the published source:*

## ATTRACTION AND RETENTION IN RURAL AND REMOTE COMMUNITIES

**ABSTRACT** *Attracting and retaining a skilled labour force is a critical yet complex issue for rural and remote communities. This article reports the findings of a study investigating the current approaches to recruitment and retention in two separate Australian regions. Building on previously developed models, the research analyses the roles employers and the wider communities are playing, or potentially could play, in addressing issues that influence labour shortages. The findings of the research highlight the complexities of employee attraction and retention and emphasise the need for communities and businesses to work together to overcome labour shortages in rural and remote locations.*

Particularly in non-urban locations, attraction and retention of employees have become key challenges for organisations and communities, and continue to be issues demanding the attention of many stakeholders: managers, community leaders, regional development bodies and governments. Both businesses and communities suffer when there is a lack of skilled and unskilled labour. Attraction and retention of employees are influenced by factors both within the employing organisation and factors in the wider environment. If these factors are not addressed they will impact on regional communities. Studies such as Carroll et al.'s (2009) have reported that regardless of location, three different groups of factors influence an employee's decision to join, leave or remain with an organisation: outside factors (such as relocation with partner, leaving to start a family); internal push factors (such as a lack of contentment with the current job or work); or external pull factors (such as more attractive offers from other organisations).

To gain a better understanding of why skills shortages are not equally distributed across regions it is imperative to identify factors that are affecting attraction to particular locations in the first instance, assess the personal factors that influence employees' decisions to remain in a rural or remote community, and identify the roles that businesses and communities can play in retaining employees in rural and remote regions. Schoo et al. (2005) provide a partial answer to these questions by identifying three key domains that impact upon recruitment and retention in rural and remote regions: individual or personal, organisational, and community issues. Therefore, this paper aims to build on the research of Carroll et al. (2009) and Schoo et al. (2005) by examining the influence of internal and

external factors on attraction and retention of employees in rural and remote regions. Specifically the research examines:

*What organisational, personal and community factors influence employee attraction and retention in rural and remote regions?*

The research reported in this paper was conducted on behalf of an Australian state government department responsible for regional development, and was supported by regional development bodies in the participating regions.

### **EMPLOYEE ATTRACTION AND RETENTION**

One of the key imperatives emerging for businesses generally is the ability to attract and retain appropriate staff. Organisations that are seeking not only to survive, but to maximise their effectiveness in an ever-changing business environment, need to ensure that they are able to attract and retain appropriately skilled employees. When organisations are unable to acquire and keep the necessary skills for their businesses it is not only the business that suffers; the impact can be felt in the local and wider regional economies (Green & Owen, 2003).

Attraction and retention of employees is not a new issue for human resource management (HRM). In recent years, employee attraction and retention have emerged as quite separate issues to the related, but more traditional, HRM functions of recruitment and selection (Frank, Finnegan, & Taylor, 2004; Hausknecht, Rodda, & Howard, 2009; Jamrog, 2004; Ramlall, 2004; Scroggins, 2008; Waldman & Arora, 2004; Wright, 2006). The issue of employee attraction is a more recent focus of HRM literature, with the earliest works emerging in the early 1990's and growing in numbers in the new millennium (De Cooman et al., 2009; Devendorf & Highhouse, 2008; Kammeyer-Mueller & Liao, 2006; Mahony, Klaas, McClendon, & Varma, 2005; Ployhart, Weekley, & Baughman, 2006). The emergence of this discussion could be linked to the growing recognition of the importance of human resources to developing the capabilities of the organisation, but it has also been driven by the recognition of an increasing need to attract the best employees possible to counteract a skills shortage (Herman, 2004, 2005). However, often the proposed approaches to attraction in contemporary literature are aimed broadly across employment contexts, and few studies have identified the extent to

which particular approaches are used by organisations in regional areas where a wider and different range of social and community issues have a potentially strong influence on attraction.

In addition to attracting sufficient and appropriate workers, at times of very low levels of unemployment and an ongoing shortage of skilled employees (Australian Bureau of Statistics, 2010) there has also been a focus on the retention of employees. Ongoing labour problems have fuelled a debate regarding how best to engage employees in the workplace and as a result reduce labour turnover (Carroll et al., 2009; Hausknecht et al., 2009). Within the existing literature and research relating to retention of employees there are different schools of thought. Some studies have focused on the reasons people remain in an organisation (the retention of workers and the reasons they stay), whilst others focus on the factors that influence an individual's decision to leave an organisation with the intent of addressing these issues wherever possible. It has been found that retention practices in most organisations take the latter approach (Vos & Meganck, 2009); however, there has been a call for a more positive focus on measurement of retention rather than an examination of causes of separation or turnover (Waldman & Arora, 2004).

In a study by Hausknecht et al. (2009), there was a wide range of factors reported to impact upon retention including job satisfaction, extrinsic rewards, attachment to co-workers, commitment to organisation, organisational prestige, organisational fairness, flexible work practices and advancement opportunities. However these are all factors internal to the organisation and there has been scant attention paid to external factors such as availability of services and facilities in local communities. Hausknecht et al. (2009) also investigated factors that are less able to be addressed by an organisation but with an impact on retention including a lack of alternative jobs, the employee's existing level of investment in the company, and the convenience of location. One of the few to investigate external factors was Carroll et al. (2009) who began to explore factors external to the organisation that may influence labour turnover.

Even though efforts have been made to identify and address factors impacting on attraction and retention, and the HRM literature is debating these issues at least at the organisational level, it is apparent that further analysis is necessary. Focussing only on the organisational level or on taking

measures to attract individuals to rural and remote communities does not necessarily represent a holistic and integrated approach to this complex issue.

## **METHODOLOGY**

In order to address the gaps in current knowledge about factors impacting on attraction and retention in rural and remote communities, the study adopted an exploratory approach using a qualitative case study design. In this study, two regions were selected as case studies using purposeful sampling.

These cases were chosen based on the need to obtain data from regions experiencing difficulties in recruiting and retaining employees, particularly skilled employees, yet differing significantly in size, population, industry types, income levels and business demographics.

Focus groups and interviews (either face-to-face or via telephone) were conducted within the main centres of the two case regions: the Central Highlands and the Gulf Savannah, both located in the Australian state of Queensland. The objective was to identify the critical issues facing the communities in relation to skills shortages and the current practices being used to address these issues. The participants were identified based on their involvement in business and regional development activities and represented key organisations involved in employment and recruiting activities. Table 1 summarises the participants involved in data collection.

-----

Insert Table 1 here

-----

All records from the interviews, focus groups and secondary sources were loaded into NVivo, a qualitative data analysis software tool. Each document was analysed to identify themes relating to personal/individual, organisational and community factors in line with Schoo et al. (2005).

## **RESULTS**

Key comparable statistics (shown in Table 2) were used to identify the physical differences between these regions. It was found that the Gulf Savannah region is a very large but sparsely populated region relying heavily on the agricultural industry. In contrast, the Central Highlands is a much smaller region in terms of area, with approximately six times the population. Although agriculture is also prevalent and has a long history in the Central Highlands, mining is the main source of employment

within this region. It should be noted that many of the employees of these mining operations may not be recorded within these population figures due to ‘drive in/drive out’ employment arrangements, meaning they are recorded as residing in other regions.

-----

Insert Table 2 here

-----

Both regions in this study were experiencing skills shortages but the underlying causes, whilst similar, were not identical. The skills shortages in the Central Highlands were reported to be the direct result of an increasing demand for workers brought about by a rapid growth in coal mining and associated support industries. Mining companies were able to offer high wages and this had a flow-on effect as workers left less lucrative jobs to work in the mines. In the Gulf Savannah region several factors were reported to be underlying reasons for skills shortages, with the most common reasons cited being isolation and the tyranny of distance. For example one of the key centres, Karumba, is a drive of over 2100 km from Brisbane, the state capital.

All of these situations have a direct impact on the community, such as loss of essential services, disrupted consistency of education and strain on existing employees covering the work of vacant positions. Even when there are incentives in place, communities were experiencing significant difficulties in attracting and retaining skilled workers.

### **Organisations Addressing the Challenges of Attraction and Retention**

Of the contemporary organisational practices aimed at attracting employees often discussed in the mainstream HRM literature few were evident in the data collected. Analysis of the data identified three key approaches used at the organisational level to attract and retain: offering benefits and incentives, redesigning work to allow for increased flexibility in work arrangements, and finally the use of non-traditional labour pools such as skilled migrants.

In both the regions studied, the most common approach to attraction used by employers was to offer additional incentives or benefits in the advertised package. For example in the Gulf Savannah region, some workers were offered up to six weeks annual leave and others could ‘purchase’ additional leave through salary sacrificing. While in the Central Highlands, organisations that could

not compete on wages were utilising other attraction mechanisms such as paying sporting club fees and other costs associated with settling into a new community. In the Gulf Savannah region, police officers in remote locations were able to utilise highly subsidised short term housing on the coast so that they and their families could access health facilities and support services in a major centre.

In both regions, a lack of available housing was a key issue and, specifically in Emerald housing costs were significantly higher than expected due to the pressure from the local coal mining boom. It is common practice for large organisations such as mining companies to provide subsidised housing; however, one small carpentry business reported providing a house as part of an employment package just to attract and retain an entry level trades assistant. In the Gulf Savannah many employees had housing provided or highly subsidised by employers.

In many cases redesign of work (in particular the use of drive in/drive out or fly in/fly out labour) was a common approach to recruiting sufficient workers. This practice was introduced to allow workers to live in urban centres and travel to the rural and remote communities only for the purposes of completing a work roster and, whilst doing this, living in subsidised temporary accommodation. Their families remained residents of other centres perceived to be more appealing than the remote locations in which the mine was based. In the Central Highlands the use of fly in/fly out and drive in/drive out was widespread in mining and mining support industries. Businesses had a variety of shift patterns to allow workers to work a number of set number of shifts and then have a number of days off to return to their family.

However, mining companies were not the only employers taking this approach. In the Gulf Savannah the use of fly in/fly out approaches was prevalent in healthcare and associated services. Several specialised medical services such as doctors and dentists flew into communities on a regular basis. Some other services were also provided on a drive in/drive out basis with vocational education specialists for example driving from Mount Isa to Normanton (approximately 500 kilometres) to deliver training courses for mainly Indigenous trainees.

In addition to the use of labour from outside the geographic region, there were also two examples of the use of skilled migration to meet recruitment needs. In the Central Highlands region, mechanics were sponsored migrants on special visas recruited from the Philippines to work for a car

dealer, and this strategy was proving successful; however, priority had been given to ensuring the integration of these migrants into the community. In another, a large agricultural machinery supplier was also sponsoring and recruiting mechanics from Denmark to address the skilled labour shortage.

### **Personal Factors Influencing the Attractiveness of Regions**

Individual or personal factors were identified in the analysis of the data as playing significant roles firstly in the decision to accept a job in a region and secondly, whether to remain in the region for an extended period of time. In particular, family/partner integration and lifestyle expectations were the most commonly identified personal factors. In both regions studied, one of the most common personal factors creating difficulty in employee attraction was dual-career couples, or integration of a partner into the community. For those couples with both partners working, employment was required for both individuals, which often required a community network approach with finding work for both partners making relocation to the region more likely. However, even for those with a partner not requiring full-time employment, the integration of the accompanying family into the community was reported as being critical.

An important issue in attracting workers to a region is not only engaging the potential worker, but also the extended family in the decision to take up a position. In both the Gulf Savannah and the Central Highlands regions some employers had made substantial efforts to provide information for partners as a part of recruitment packages, and involved partners in the recruitment process including allowing them to accompany the applicant to the new region as a part of the selection process.

A number of examples were provided during the data collection of employees who resigned due to a partner being unable to integrate into the community or feeling isolated. One of the local councils in the Central Highlands region had instigated a network of partners (focused predominantly on women) in an attempt to provide social support for those not necessarily working full-time in the region. Another Central Highlands' local council has taken significant steps to integrate partners and families into the community in addition to integrating their new employees.

Coupled with the consideration of accompanying family or partners, many of the personal factors that impacted the attractiveness of rural and remote centres related to the lifestyle available in smaller communities. As one local council employee in the Gulf Savannah region suggested '*there is*

*a lot of freedom and you are able to make connections in small towns; the social life can be better than in cities as people have a sense of belonging and being part of the community*'. However, the social life can also be very different to that experienced in large urban centres and many examples were provided by the research participants of the rich social activities experienced by people in the Gulf Savannah, such as camp drafting, calf roping and rodeo riding. In both the Central Highlands and the Gulf Savannah, research participants emphasised that there was a lack of stress, a lack of traffic, plenty of fresh air and open spaces.

Many people interviewed believed they lived in proactive communities and even though they were experiencing some problems such as a lack of housing, overall they had a '*great outdoor lifestyle*'. However, in targeting the right employees it is important that employers identify qualified employees who will fit into the community. In the Gulf Savannah region several employees maintained that they had been misinformed or poorly informed about the services and amenities available in the community. This lack of information can have serious effects on new recruits to organisations in rural and remote communities. One example was given of a young single female teacher who was posted to a Gulf Savannah community and was so traumatised that she would '*cry herself to sleep at night*' until she was befriended by the young wife of a fellow teacher. She had moved from a coastal urban centre renowned for its beaches and nightlife and had no idea how to cope with the isolation and lack of amenities.

This mismatch of expectations was also evident in the Central Highlands region where the locals saw their communities as welcoming, while some newer workers reported problems fitting in when the local facilities did not meet their expectations in terms of amenities and lifestyle. However, employers in the main recognised that families and particularly partners who were comfortable in the community yielded employees who were prepared to stay, or as one employee about to leave the region due to family concerns despairingly explained, '*a happy wife means a happy life*'.

### **Community Factors Influencing the Attractiveness of Regions**

The key community factors identified during analysis related to the provision of sufficient and appropriate information about the town and region, the need for a community approach to attraction

and retention of new residents, and the importance of managing expectations from the point of view of the employee, the family and the community.

At a community and regional level, investment has been made in promoting regions; however, much of the promotion has focused on attracting tourists rather than residents. The key to attracting workers to a region is to provide relevant information about the communities in which employees will live and work. It is rarely the case that an individual worker is relocating; in most cases it is a couple or a family, and providing accurate information on the availability of mainstream resources such as healthcare, education, policing and retail outlets is critical. The research highlighted in both regions a consistent lack of available information aimed at potential residents. As a recently appointed school principal in a Gulf Savannah community indicated, he had searched the internet for information about the town, and made enquiries with the local school, hotel and shop to try to get information, without success. As he was quick to point out, *'when you cannot find information or pictures, you tend to think the worst'*. The picture of many remote communities from the outside is often worse than the reality.

Education is important for families looking at relocation and the Central Highlands were fortunate to have access to education at all levels. However, education in the Gulf Savannah region was problematic with only one community having secondary schooling. To overcome this problem parents in other communities and isolated farming properties are eligible for government subsidies to support children to attend boarding schools. However the schools with a high proportion of Indigenous students in some Gulf Savannah communities experienced significant educational challenges. In one case a local business owner who had moved to the region had withdrawn her children from the local two-teacher school and was home schooling because of issues at the school.

One positive example of a community addressing the attraction issue involved a partnership between Kuramba primary school in the Gulf Savannah region and a local large employer to produce a DVD about the school and the community for families considering relocating to their town. From the perspective of the local businesses and the newer residents who were recipients this was a successful initiative.

Availability of housing within the community was also an issue in both regions. In the Central Highlands there was a housing shortage with the rapid increase in coal mining in the region growing the population faster than houses could be supplied. However, it was difficult to build houses as there was a shortage of building tradespeople and often those individuals with these skills who moved to the region were employed by the mines. The shortage of housing in the Central Highlands had pushed up the prices, and good quality homes were being bought by people on high wages from the mines, forcing lower paid workers out of the housing market. To overcome the housing shortage the mining companies had set up accommodation camps with transportable buildings housing the single workers on either a fly in/fly out or drive in/drive out basis. In the Gulf Savannah, the entire region had a single builder who could not meet the demand for building work. Given the size of the region it was surprising to discover that there was a lack of available land for building in many communities, in some cases due to native title issues preventing the release of additional land.

While the communities had access to basic commodities, the choice was limited and many services that are taken for granted in large regional centres and metropolitan communities are not available in the Gulf Savannah region. The lack of choice could be addressed by online shopping but that was limited as there were only three mail services each week. There were no banking facilities although there were automatic teller machines, and the local post office provided limited banking in most communities. Other important services such as chiropractors, hairdressers and veterinarians were not available in any Gulf Savannah community and the region also had poor levels of transport with very expensive and irregular air services.

In contrast, the Central Highlands had local access to most services and goods and adequate access to a transport network with scheduled daily flights to the state capital and regular passenger bus and train services. This access could, however, be overstated by locals, with residents promoting that they were close to local beaches (*“only three hours” drive east*), but this was not limited to the Central Highlands with residents of Mt Surprise also claiming close proximity to the coastal towns of Cairns and Townsville (*“just four hours” drive away*).

## **DISCUSSION AND CONCLUSION**

The findings of this research identify some critical challenges for rural and remote communities and organisations seeking to attract employees to their region. There was widespread recognition that the community has a role to play in both the attraction and retention of new employees in the region.

However, as the findings from these two case studies also illustrate, the underlying reasons for labour shortages can be very different and as a consequence the potential actions to address these challenges may also need to vary considerably.

The aim of this research was to investigate the three categories of issues relating to rural and remote attraction and retention—personal/individual, community and organisational (Schoo et al., 2005)—and overlay this with the three sets of factors that influence an employee's decision to join, leave or remain with an organisation (Carroll et al., 2009). Whilst the factors offered by Carroll et al. (2009) were developed in an organisational context, it is possible to broaden the underlying concepts and consider the push and pull factors of attractiveness of rural and remote regions.

Our findings show that organisations are taking similar approaches to attract and retain workers in the rural and remote regions to those taken in urban centres; most employers offer higher salaries or wages, added benefits such as subsidised housing and flexible remuneration and working conditions. There were no incentives or benefits identified that were not available to at least some workers in urban centres. However the organisational level at which these benefits were made available to employees differed and those benefits usually associated with senior roles in companies in urban centres were being offered at lower levels of the organisations. The use of fly in/fly out and drive in/drive out labour to address labour shortages is not unique to regional areas. Many urban based businesses have employees who live in one city and fly or drive weekly to another city to their job or at least to conduct a large part of their work.

What is becoming apparent is that organisations are reaching the limit of what they can offer to attract workers to the regions. Many industries cannot offer higher wages and improved conditions. Escalation of benefits is not cost effective and in sectors such as government services they cannot compete on wages and benefits with the private sector to attract workers. As they approach the financial limits of their resources, some organisations are beginning to realise they need to address

personal and community based issues to attract workers to rural and remote regions. The organisation and the community need to have in place support structures for employees and their families. This means ensuring the orientation of not just the employee, but also partners and family who may influence the worker's decision to accept the job.

Another key finding for organisations, communities, regional development bodies and policy makers is the need to provide access to realistic information about the facilities such as schools, medical care, childcare and even shops, and to emphasise the lifestyle issues of the regional community. This means selling the benefits of working and living in a regional community, the facilities that are available, and broader community activities—not just providing information about the job and the employer or relying on tourism information.

While this study is limited to two regions in Australia, the findings have the potential to apply to many setting where workers and their families move to significantly different social contexts. Attracting, recruiting and retaining employees to work in rural and remote areas are complex issues and, as this research shows, there is no one right answer that can be applied to all regions. Any lessons for addressing skills shortages must take into account the regional context and be capable of assessing and addressing the particular issues faced in each community. Underlying the findings is the message that attraction and retention in rural and remote regions is beyond the remit of a single stakeholder. Overwhelmingly, the findings show that addressing labour shortages in a region cannot lie with employers alone, and a wide variety of stakeholders can play a critical role.

## REFERENCES

- Australian Bureau of Statistics; 8167.0 - Selected Characteristics of Australian Business, 2008-09 <http://www.abs.gov.au/ausstats/abs@.nsf/mf/8415.0?OpenDocument>; 22 March, 2011.
- Carroll, M., Smith, M., Oliver, G., & Sung, S. 2009. Recruitment and retention in front-line services: the case of childcare. *Human Resource Management Journal*, 19(1): 59.
- De Cooman, R., De Gieter, S., Pepermans, R., Hermans, S., Bois, C., Caers, R., & Jegers, M. 2009. Person-organization fit: Testing socialization and attraction-selection-attrition hypotheses. *Journal of Vocational Behavior*, 74(1): 102-107.
- Devendorf, S. & Highhouse, S. 2008. Applicant-employee similarity and attraction to an employer. *Journal of Occupational and Organizational Psychology*, 81(4): 607-618.
- Frank, F. D., Finnegan, R. P., & Taylor, C. R. 2004. The Race for Talent: Retaining and Engaging Workers in the 21st Century. *HR. Human Resource Planning*, 27(3): 12.
- Green, A. E. & Owen, D. 2003. Skill shortages: Local perspectives from England. *Regional Studies*, 37(2): 123.
- Hausknecht, J., Rodda, J., & Howard, M. 2009. Targeted employee retention: Performance-based and job-related differences in reported reasons for staying. *Human Resource Management*, 48(2): 269.
- Herman, R. E. 2004. Strategic planning for the impending labor shortage. *Employment Relations Today*, 31(1): 19.
- Herman, R. E. 2005. HR managers as employee-retention specialists. *Employment Relations Today*, 32(2): 1.
- Jamrog, J. 2004. The Perfect Storm: The Future of Retention and Engagement. *HR. Human Resource Planning*, 27(3): 26.
- Kammeyer-Mueller, J. & Liao, H. 2006. Workforce reduction and job-seeker attraction: Examining job seekers' reactions to firm workforce-reduction policies. *Human Resource Management*, 45(4): 585-603.
- Mahony, D. M., Klaas, B. A., McClendon, J. A., & Varma, A. 2005. The effects of mandatory employment arbitration systems on applicants' attraction to organizations. *Human Resource Management*, 44(4): 449-470.
- Ployhart, R. E., Weekley, J. A., & Baughman, K. 2006. The struggle and function of human capital emergence: a multilevel examination of the attraction-selection-attrition model. *Academy of Management Journal*, 49(4): 661-677.
- Ramlall, S. 2004. A Review of Employee Motivation Theories and their Implications for Employee Retention within Organizations. *Journal of American Academy of Business, Cambridge*, 5(1/2): 52.
- Schoo, A., Stagnitti, K., Mercer, C., & Dunbar, J. 2005. A conceptual model for recruitment and retention: Allied health workforce enhancement in Western Victoria, Australia. *Rural and Remote Health*, 5: 477-494.
- Scroggins, W. A. 2008. The Relationship Between Employee Fit Perceptions, Job Performance, and Retention: Implications of Perceived Fit. *Employee Responsibilities and Rights Journal*, 20(1): 57.
- Vos, A. D. & Meganck, A. 2009. What HR managers do versus what employees value. *Personnel Review*, 38(1): 45.
- Waldman, J. D. & Arora, S. 2004. Measuring Retention Rather than Turnover: A Different and Complementary HR Calculus. *HR. Human Resource Planning*, 27(3): 6.
- Wright, T. A. 2006. To Be Or Not To Be [Happy]: The Role of Employee Well-Being. *The Academy of Management Perspectives*, 20(3): 118.

**Table 1: Data collection**

Region	Data collection method	No of Participants
Central Highlands	Focus groups	18
	Interviews	95
Gulf Savannah	Focus groups	57
	Interviews	8

**Table 2: Key statistics for case regions**

	Central Highlands	Gulf Savannah
Number of local government authorities	5 (Emerald, Peak Downs, Bauhinia, Duaringa, Jericho)	3 (Croydon, Carpentaria, Etheridge)
Area	59,969 km <sup>2</sup>	133,236 km <sup>2</sup>
Population (2009)	30,403	3,335
Unemployment rate (Queensland 5.6% 2010)	2.6%	14.7%
Employment by industry (highest ranking industries 2006)	Mining 22.30% Agriculture, forestry & fishing 12.2% Retail 8.6%	Agriculture, forestry & fishing 33.2% Government administration & safety 14.9% Accommodation & food service 7.9%
Mean taxable income	\$52,600 (Qld average \$42,094)	\$39,825 (Qld average \$42,094)