

CASE 5: RETENTION MANAGEMENT

Case requirements:

- 1. Analyze the information contained in Campworld employee satisfaction surveys to determine which factors are likely to lead to premature employee separations.**

Case Objectives

Voluntary turnover is the final stage of the employment relationship. When voluntary turnover occurs, employees who have been screened, selected, socialized, and trained in the organization depart despite the organization's attempts to keep them. This clearly can be a considerable problem for an organization, since all the costs associated with staffing a new employee now must be incurred again for a new employee.

The Situation

Managerial turnover is a very sensitive issue for Campworld. The process of finding good managers obviously begins with recruiting. A very large number of individuals must be found during the recruiting phase, because, **only 12% of external applicants are selected to become assistant store managers and only 10% of external applicants are selected to become store managers**. After hiring, every manager, regardless of their status as internal or external hires, is put through a two month training program.

There is a downside to the process of training managers. Excellence in managerial performance is often observable from the outside as well because competitors can walk into the stores and see which ones are functioning well. It is common for particularly successful store managers to receive offers from other companies that are trying to capture some of the Campworld "essence."

The Employee Satisfaction Survey

The Campworld employee relations department **administered a survey every year** to assess the attitudes of employees towards several aspects of their employment. Given the overall organizational culture, it should be clear that employee satisfaction is an important issue. However, it is common for **less than 50% of the employees to complete surveys**.

The survey asks questions that can be broken down into four major topics, as follows:

Supervisor satisfaction

The supervisor satisfaction questions encourage employees to describe their relationship with their immediate supervisor and the extent to which they are satisfied with the direction they receive on a day to day basis.

Work satisfaction

Work satisfaction relates primarily to the degree to which employees believe that their tasks are interesting, fulfilling, and contribute to a meaningful life.

Pay satisfaction

Campworld realizes that because they place a great deal of responsibility in employees' hands, they need to ensure that employees feel they are being adequately paid for this additional effort. The company typically is a market leader in compensation relative to discount retailers like Target or Walmart, but pays slightly less than stores like Kohls, J.C. Penny.

Benefits satisfaction

The benefits package offered by Campworld consists of basic medical coverage for most employees, a 401K program, and maternity leave benefits. Additional benefits for higher level employees include 50% tuition reimbursement for undergraduate education.

Regional data

Table 7.1 contains summary information from the employee surveys, the “competition index,” and turnover. Because the most pressing concern is managerial turnover, only data for store managers and assistant managers is displayed. The data is collected by the staffing services division and then **summarized across stores for a five-year period**. Having this long term aggregated data makes certain that the results are reasonably robust.

The **competition index** is a measure of the number of local businesses that might draw employees from Campworld. The scale ranges from 1 to 10, with higher values indicating more competition. Some of the factors that go into the development of the competition index include the number of other retail establishments in the area, the total square feet of retail available, and the number of other Campworld stores.

Table 5.1 Turnover Data Across Locations

Region	Work Satisfaction (1-5)	Supervisor Satisfaction (1-5)	Pay Satisfaction (1-5)	Benefits Satisfaction (1-5)	Competition Index (1-10)	Turnover Rate (%)
Eastern Washington	3.2	4.1	2.0	4.3	5.3	33
Western Washington	2.9	4.4	3.9	4.5	7.2	41
Northern Oregon	2.1	3.6	1.5	3.8	6.2	27
Southern Oregon	3.1	4.8	2.7	4.5	5.4	24
Northern California	2.8	3.3	4.1	3.1	4.3	31
Idaho	3.9	4.2	3.0	4.1	8.3	48
Montana and Wyoming	4.4	3.3	4.1	3.5	3.8	36
Colorado	3.9	3.5	4.7	3.2	7.9	46
Utah	2.5	3.7	4.5	3.6	4.6	28
Nevada	2.3	2.8	2.9	2.4	3.7	33
New Mexico	3.6	3.2	4.8	2.9	4.2	28
Arizona	4.1	2.9	2.5	3.1	7.6	39

Correlations for individual surveys

Donald Morales has also developed a **correlation matrix** that describes the relationship between the four employee survey dimensions and turnover.

Table 5.2 Correlations between survey data and turnover:

		Turnover
<i>Work satisfaction</i>	Correlation	
	p-value	<i>NS</i>
<i>Supervisor satisfaction</i>	Correlation	-.19
	p-value	0.02
<i>Pay satisfaction</i>	Correlation	
	p-value	<i>NS</i>
<i>Benefits satisfaction</i>	Correlation	-.24
	p-value	<0.01

N=153

P-value < .05 indicates a statistically significant relationship between two variables

NS indicates NONsignificant p-value

Correlation (r) indicates the STRENGTH (and the direction: +/-) of the relationship between two variables: e.g., $r = .10$ weak (positive), $r = .25$ moderate (positive), $r > .60$ strong (positive).

Specific assignment details:

- 1) **Which geographical regions have the largest turnover?** Given the information in Table 5.1, **what do you think the main problem is across these different regions?**
- 2) Review the information in the correlation table (Table 5.2). What appear to be the **most significant problems** for Campworld (when it comes to turnover) based on **this** information? What should Campworld do to fix these issues? **Provide specific recommendations!**
- 3) **How could Campworld increase the response rate for the employee satisfaction survey? Provide specific recommendations!**

Please submit a 1 paragraph response (to each question).