

Retention strategy

Business



Introduction The purpose of this essay is to analysis Wallys Wonder Wash company case and discuss on the high turnover rate in the case.

Wally's Wonder Wash is a full service, high tech and high-touch car wash company owned solely by Wally Wheelie. Wally plans to add four more facilities and expand his business into bigger surrounding towns in the next 2 years. However, Wallys company has facing an overall high turnover rate on the past year of 65% for attendants and 20% for custom service specialist. Employees are one of the assets to an organization that helps organization growth in the future and success in the business. Cascio 2003) Lost the talent in company can definitely can make the company loss in productivity, co-worker's time, manager's time, operating errors and loss of client satisfactory. Wally should notice that if turnover rate still increasing, this is threat to Wallys company and it will fail to expand his strategies even will facing bankrupt in the future.

Some argue that sometimes the employee turnover is good for weed out the lower level talent, but generally employee turnover is associated with cost (Anonymous 2008).

Studies have shown that turnover rates can carry a price tag across the United States of \$25 billion annually, with the cost of hiring and training an hourly worker at 300 to 700 times the worker's hourly wage (McKeown 2010). According to recent study, in every industry, companies face the challenge of retaining the talent (Siegfried 2008). Retention strategy is a challenge to organization and is the critical to the long-term growth and success of the business (Siegfried 2008).

Retaining key talent and keeping productivity high will surely help the organization to succeed and get back into growth mode. Retention strategy is critically important for Wally to retain his employee to stay and work for him.

Furthermore, the major issues in Wally's case will be analysed and identify the major issues in the Wallys case. This essay will focus on how to reduce the turnover rate in Wallys company and give recommendations to solve those weaknesses to retain the employee stay.

Identification of major issues According to a Society for Human Resource Management survey, the top three reasons why employees leave their organization are because they want better compensation and more benefits, they are dissatisfied with their potential career development, and the last, which they are ready for new experiences. In contrast, most general studies show that working conditions, development opportunities and recognition are all large contributors to employee retention. (Anonymous 2008) which is a car washes worker and also responsible for maintenance and repair work on the machinery.

In addition, attendants also needs to provide customer services by asking customer if they have any requests and try to fulfill all their needs.

However, attendants start at a base pay of \$12 per hour with small automatic raises at a month and one year. In the case, most of complaints from attendants are salary is not competitive relative to other full-services car washes or many other entry-level jobs in the area. Remuneration is pay

and benefit that received by the individuals for their contribution to the company (Stone 2008).

In the Wallys company, pay is not relative even that all attendants must share equally in a customer tip pool but not according to their performance on the Job.

Better compensation or remuneration from another competitor has make the Wally lost the talent in his company. Most of the attendants illing resign their current Job and go for the higher paid and better compensation than Wallys company. Others than salary, the Wallys company also gives the lack of appreciation, recognition, and reward to their employees. Reward need to give according to the employee's performance but not just according to their ranking.

Since the salaries is low, and Wally still provide little welfare to his employees. This disappointed the employees and lost the trust to Wally for did not provide anything welfare and leave then go for another company.

People leave the managers more often than they leave the organization (Shilling . d). Most of employees will leave the irresponsible managers and go for another good conditional workplace. In the Wallys company, attendants receive brief training from manager before start working and most of the training from manager is hit or miss.

Furthermore, manager also provide no feedback or coaching from attendants complaints, this may be disappointed the attendants.

Wally also did not give any feedback according to his evaluation of the manager's performance. So, the manager also will not know their performance, and do not how to improve their performance in the working place. Feedback is especially important in developing and retaining new hires as the effective feedback can helps them understand what they are doing and builds the confidence and helps them to improve their performance (Branham 2005).

Exit interview is very important to help organization to ascertain the reasons why people are choosing to move on (Lanigan 2008). Exit interviews with departing employees are to provide valuable information that can use to retain remaining staff (Holbeche 2003).

Wally did not conduct any exit interview when the employees leave the company. The information was left by the employee always be forthcoming with nformation for fear of leaving on a bad note. Most of the complaints from the attendants are unreliable and Wally simply believes this without do any further investigation.

Possible solution create such a deep, unified commitment to the organizational vision that employees will be reluctant to server that bond (McCampbell, Stinchcomb and Leip 2009). Patricia, Schuster and Dertien state that: " Fast-growth companies have chosen an integrated view of total compensation and total rewards. They focus on career growth, including career opportunities for all employees, career acceleration for key alent, and technical career-tracks and skill-pay programs.

They share the company's success with people to make them feel part of the organization and its momentum. They provide integrated pay and total rewards programs customized to the workforce segment. They hire for creativity and focus on the company's core technologies. " Wally can learn this strategy from fast-growth companies to help him to expand his business successful in the future. Before the new hiring starting work, HR department recommend Wally should do the Job analysis before the new employees start working in the company.

Job analysis is a system provides information of Job content, Job requirement and Job context to determine what tasks, responsibilities and duty of knowledge and Job, abilities and skills of employee when they perform the Job (Stone 2008, 153).

Wally should encourage all the manager in the different department should know all the Job description of the attendants and so that the goal set is clear and can be achieve. In addition, Wally should provide the clear picture of each of the employees' duty and their role in the organization. By understand these, the employee will be more motivated to perform their Job well.

It also might reduce the complaints from customer about attendant's poor performance. In addition, Wally must establish clear objectives such as provide good quality of customer services for customer which company has a good reputation rather than other car services companies.

Therefore, it can keep employees informed about the company's strategy, direction and what need to forecasts. Let the employees can understand and <https://assignbuster.com/retention-strategy/>

need to be kept informed about the company's strategy and achieve quality level of Job are required which also help Wally growth more faster in his business.

The most crucial career development is not how to training or mentoring can be improved. But it is show that how to equip employees with the knowledge and skills needed to maximize their potential (Anonymous 2009). Career growth opportunities are especially important to incoming talent.

According to the AICPA 2006 Private Companies Practice Section Top Talent Study said that 80% of employee will be influenced by the career growth opportunities to decide to Join a firm, and 92% choose this factor as a key reason to stay with a firm.

Access to ongoing training and personal development, the employees often provides a strong incentive to stay with a company (Boe 2010). Wally can also provide self-assessment tools and career self- anagement training for all employees as many talents may not understand and often underuse their strengths. So, Wally can provide the workshop and other tools to aid employees in increasing their self-awareness and enhance their goal-setting efforts. talent for continues to work for the organization and improve their performance (Sahl 1990, 53).

Wally should contribute time for face-to-face communicates with each of the employee who works in Wallys company.

Through the communication between employees, Wally will more understand the situation happen in the company and solve it in times. Employees will be

more satisfied and happy within the workplace that has good communication with their employers. Since the attendants work as a team and complete all of the tasks noted. Team members should be training in communication skills that encourage respect for all team members. Wally should provide clear vision, strong and consistent communication, teamwork and respect for workers' efforts.

Otherwise, all employees may not be able to perform well in their job although Wally were establishing a clear objectives and goal organization if lack of communication.

Praise and positive feedback should be giving for the new employee when they do something right and reinforce their performance and make it occur again. Honest feedback also can determine employees can to know what expectation from employer to them in the job (Ellinor 2008). Training is important and is one of the retention strategies. Wally should conduct the training to the attendants and managers.

Wally should improve managers' leadership, communication and interpersonal skills through the training.

Wally has to provide company-sponsored training and tools to help managers to be better equipped to fulfill their responsibilities as coaches for manage the attendants and etailer. Some of the employee also request manager use the self-assessment tool available for enabling them to benefit from them as well (Branham 2005). People are always excited and interested in furthering their knowledge and use it as a benefit when a firm offers the courses Oustin 2008).

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Wally must know that offering the opportunities for the employee is to further their knowledge, work-related functions as well as career-focus training. Training can also help employees achieve the efficiency performance and solves the complaints from attendants about their salary.

To be effective, incentives and reward systems need to reinforces basic core values and enhance cohesion and commitment to goals and objectives. From the survey, money is the most important reason why people take or leave Jobs. Reward is effective tool to motivate employee's good Job's performance (Srivastava 2007).

Higher or lower reward given depend on employees' performance and behavioral on their job (stone 2008, 299). Reward based on employee's performance also good for company and it treat fair to the employees.

Wally can motivate employees by giving the more welfare to the employee. Wally an conduct a social events and outside activities so that employees can get to know each other. The social events are very useful for Wallys company because all the attendants work as team and it can help the attendants maintain the relationship.

Wally also can provide more welfare such as education and health care. Health care part time attendants.

Welfare in fitness allowance and 1 paid day off for birthday or Christmas party will motivate the employees in continue working with company. Among the returns an investment in benefits can bring an organization are employee attraction, loyalty, retention and productivity. Conclusion In

conclusion, Wallys Wonder Wash Company still growing and needs a lot of talent to help the organization to achieve the company objectives.

The problem of higher turnover rate will cause Wally losing the talent in the company; nevertheless Wally also will not achieve his business strategies in the next 2 years. Therefore, human resources management department must be set up in the Wallys company.

Career development is important to foster employee loyalty and involvement. Training and reward given to motivate employees perform well in their job. At last, communication with employees and honest feedback also important for employees to know their performance is good or bad. (2092 words) References: Lanigan, K. 2008.