

# Tanglewood case study-manager retention essay

[Profession](#), [Manager](#)



Retention of managerial employees at Tanglewood is extremely important to the organization, their mission, and the organizational culture that Tanglewood values. As the organization continues to exponentially grow; their staffing and recruitment processes and procedures have not been integrated to focus on retention management. This paper will examine the relationship between managerial performance and turnover, why managers leave, additional data that the organization should utilize, equal employment practices, and recommendations for strategic retention strategies for managerial positions.

**Relationship Between Managerial Performance and Turnover** Tanglewood has a strong preference to hire internally for managerial positions because turnover rates for managerial positions pose a competitive threat. Before and during the employment relationship, Tanglewood conveys that their organizational culture and belief is to promote within, and from the bottom up. Because turnover is significantly greater with entry-level positions, it is imperative that subordinates have strong leadership from managers, making managerial retention vital to the organization.

**Why Managerial Employees Leave** The top three reported reasons managers leave Tanglewood are: superior alternatives, better benefits, and dissatisfaction with the organizational direction. While Tanglewood maintains that they are generally a market-leader for compensation, their benefits are not distinctive in giving them a competitive advantage. Having benefits packages that “ are viewed at ho-hum in nature” (Heneman, Judge, Kammeyer-Mueller, p. 180) can be problematic for two reasons.

First, existing employees who are dissatisfied will be easily lured away by competitors even if the pay is equal or slightly less if their benefit package is better because the employee(s) are already looking for a reason to leave. Secondly, competitors who offer considerably better benefits will have an instant competitive advantage for those existing employees who could be enticed by the benefits packages offered by other retail chains, even if they are otherwise satisfied at Tanglewood. The organization should not assume that employees are 'lifers' with a strong loyalty to the organization.

Dissatisfaction with the organizational direction is not always avoidable, however, the psychological contract between employees leaving should be considered because it is an important element of employee perception.

When managers leave for reasons like, "It's too much of an uphill battle to make employee participation work here" (Kammeyer-Mueller, p. 53) the organization needs to consider that the issue may be avoidable because the underlying issue could be that this individual employee feels unsupported. Employees who leave for major life events is the most unavoidable reason given for managerial turnover.

Often times, there is absolutely nothing an organization can do to prevent this type of unforeseeable turnover. However, Tanglewood could look to minimize the loss of employee turnover by understanding what major life events the organization could accommodate employees with. For example, if Tanglewood ascertains that the major life event only requires two to three months off, they could offer to supplement the employees' income once

FMLA benefits have been exhausted with a contingency that the employee returns and remains employed for a determined amount of time.

This would show the employee that the company is loyal to them and in return the employee will hopefully be loyal to the organization. Regardless of whether managers are hired internally or externally, each employee participates in two months of training. The cost to hire someone new for a managerial position and train them is significantly higher than an alternative solution. Additional Data to Improve and Understand Managerial Turnover Total elimination of turnover in any organization is unavoidable; however, minimizing turnover is a very realistic goal that Tanglewood can address.

Tanglewood currently conducts satisfaction surveys and exit interviews. It is reported that on average, less than 50% of employees participate in the satisfaction surveys. Exit interviews are not structured, which leaves a great deal of manager discretion in how the data is gathered and interpreted. It should be noted that there is no mention of Tanglewood conducting post-exit surveys once an employee has left the organization. Equal Employment in Managerial Positions Currently, Tanglewood does not have equal employment for women and minorities in managerial positions.

Only % of women and % of minorities work as Assistant Managers, Store Managers, and Department Managers. This falls well below the four-fifths rule (or 0. 80) which indicates that disparate impact could be occurring. The “ underpinning value is that diversity and leadership should not be seen as divisible but integral to the development and enactment of leadership” (Morrison, Lumby, Sood, p. 278). Greater diversity in managerial positions

allows for a strategic competitive advantage that Tanglewood needs to actively pursue and encourage through their Human Resource Planning (HRP) practices.

Improving Managerial Retention with Intrinsic and Extrinsic Rewards The turnover rate for store managers and assistant manager is 34% annually in Washington. Turnover analysis' must look past simply collecting the data; the organization must decide what to do with the information and develop action plans. Top-management needs to provide momentum by clearly communicating their retention bundles. Extrinsic rewards are can take several forms. The most common form is base-pay compensation.

However, there are other alternatives that the organization could also explore, such as, loyalty bonuses, employee recreation, and tuition reimbursement. Loyalty bonuses should be directly linked to manager performance to recognize and encourage employees to strive to run their operations effectively, efficiently, and collaboratively. Extrinsic rewards could take many forms to include gym memberships, mini-vacations, and they should also be tailored to the employee to be more meaningful.

Reimbursement for educational degrees and certifications that are industry related conveys to managers that Tanglewood cares about investing in their careers. Intrinsic rewards allow the organization to make a difference in retention efforts; and are a valuable tool that can be utilized in employee motivation. Providing managers with a sense of meaning, choice, competence, and progress are all ways to provide intrinsic rewards and motivation. Typically, flexible working arrangements do not cost the

organization any out-of-pocket-expense and it allows employees to have a better work and life balance.

Tanglewood should establish programs, such as, ' manager of the month' to communicate wide-spread recognition for employees who crave external recognition. Intrinsic rewards are an inexpensive tool that Tanglewood should incorporate into their retention efforts. Recommendations

Tanglewood should critically assess the need of optimizing their operation through solid HRP policies and procedures in order to respond positively and strategically to competitive threats in managerial staffing. Benefit packages need to be adjusted as part of the entire compensation package to offer managers a stronger employee value proposition (EVP).

This should include giving employees who choose to opt out of benefit packages the option to receive higher compensation in pay to ensure that employees feel that Tanglewood is doing everything possible to retain them. EVPs should also include alternatives such as employee development programs, flexible working arrangements, and other perks that managers may not receive from competitors. To increase their understanding of employee satisfaction, incentives should be given to managers who are able to exceed a threshold for their subordinates who complete satisfaction surveys.

This would encourage managers to find creative ways to get employees to participate in surveys. Ultimately, this would help the organization to leverage their strategic staffing strategies because of their strong desire to promote employees from the bottom up for managerial position. Post-exit

surveys should be conducted for employees; this type of survey may yield better results than the exit interviews because employees will have less reservation about giving honest feedback once they have left the organization.

In return, this candid feedback can assist Tanglewood on how to address voluntary turnover. Developing diversity programs is a great way to retain managerial employees who are underrepresented. Retention problems with women and minorities could be occurring for several reasons which require the organization's attention. Underrepresented groups of protected classes do not want to feel like outsiders in an organization. Subordinates who could eventually be promoted to managerial positions also are acutely aware of management positions where the majority of representation is from white males.

Although Tanglewood has a strong desire for internal promotions this strategy may not give Tanglewood the diversity needed, therefore, external recruitment should be considered as an alternative to Affirmative Action Plans (AAPs) to minimize disparate impact claims. Due to evolution in society, Tanglewood will need to keep a competitive advantage by introducing new, innovative ideas for their managerial retention strategies. Benchmarking should be utilized on a continual basis to get a pulse on what competitors are offering so that Tanglewood can assess and adjust their strategic retention management practices. Identification of why managerial employees stay and leave is imperative to developing effective initiatives to aid in retention efforts. A commonly shared view on retention management

is, “ organizations should differentially invest in special groups of employees- the “ pivotal talent”-that are more strategically important to the organization (Silzer, R. F. , & Dowell, B. E. , 2010, p. 15).

Managerial attributes is a competitive strategy; investing in these employees who have gained strong organizational business acumen is imperative.

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