

## Case Study of Job Satisfaction: Retention Management

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**ABSTRACT :** *The case deals with the topic of job satisfaction and shows the result of unsatisfied employees. The case is about a fast growing medium-sized enterprise that fails in adapting the processes and structure of the company to the enormous growth. In the following case Mr. D. is very unhappy with his current job situation and decided to quit his job at Company X and go to one of Company's' X biggest competitors. The Managers of the company try to find out the reasons by doing an exit interview.*

**KEYWORDS** – *Job satisfaction, organizational behavior, retention management, sustainability*

### 1. INTRODUCTION

The case is written for MBA or senior undergraduate courses on Management and Organizational Behavior, leadership or strategy implementation. The case can be taught towards the end of a Management course to learn about organization and its behavior. This case can be used in the segment focusing on action and leadership. The case study structured in sections according to the real situation and discussed question that involved during this case study.

### 2. JOB SATISFACTION- RETENTION MANAGEMENT

It's Tuesday, 10 am and the executive board of a German medium-sized company is meeting for their weekly conference. The company is operating worldwide and hires in total approximately about 10,000 employees. Topic of the conference is that the fluctuation rate is increasing the last months.

**Manager A:** I am very unsatisfied with the current situation. In recent years we got so many letters of application and everyone was so proud of being part of our company. And now more and more of our employees prefer succeeding their career somewhere else and are going to start working at some of our competitors.

**Manager B:** Yes, I have recognized the same thing. We have to work on that. But I do not understand why this is happening and why our employees are applying for jobs in other companies although in our company everything runs so well and hasn't changed in recent time.

**Manager A:** Definitely we have to work on that! Let's do a deep analysis of our employer branding and employer attractiveness and some exit interviews with all the employees that are quitting their job. Already in the following days Manager A meets with an employee of the Marketing and Sales Department who has quit his job and will start at a competing company.

With the exit interview Manager A now wants to find out the main reasons for that.

**Exit interview:**

**Manager A:** Dear Mr D. Thank you that you take yourself the time for this off-site meeting. First of all I want to let you know that you belonged to one of our most appreciated and best-performing employees in the entire company. We regret very much on your notice of termination. But for us it is not very comprehensive why you have made that crucial decision. So what were the main factors for quitting the job in our company?

**Mr. D:** Hello A. Thanks for inviting me to your office. I feel very pleased about your compliments. But my decision about changing my employer is based on several factors and I am sure that it is the right one. As I have been working for your company since almost 15 years now I have experienced a lot in this company and now it is time for a change. Your company is so successful and growing so fast. Within the recent five years the number of employees have almost doubled in this location. But other companies of the same size offer better conditions.

**Manager A:** Thank you for being so honest. But I do not understand. Our working atmosphere is so good and we are doing our best to keep our employees happy. What can our competitors offer you more than we do?

**Mr. D:** Yes you are right. The working atmosphere, especially in my team, is absolutely great. I can trust them all and they are make efforts every single day to fulfill our targets and be successful.

But other companies of this size have e.g. a canteen and a coffee bar. Here I have to bring my food by myself everyday. I would rather prefer a warm and diversified meal. I understand that it is not profitable and sensible to build up some infrastructure like this for only 500 employees. But now we

are already 2,000 at this location, so now it is time to become more professional and adapt also infrastructure and benefits that are given to the employees to the size of company.

In addition there are differences in wages. Also the social benefits lag behind the other companies. They often offer something like a fitness center inside the company. Often they have some collaboration with some shops so that the employees can benefit from some discounts. In addition often the companies provide free coffee or some fruit baskets accordingly concerning on healthy lifestyle. Furthermore there is no clear and comprehensive ways of communication and processes. Just as an example; when I would like to offer a sales and negotiation training for my team there is no standardized process how to do that. In my point of view it is not quite professional. The other companies / your competitors have an appropriate HR development and training department that is responsible for providing you several suitable training offers. Even in other companies or organization the processes in the entire company are defined and clear to everyone. There were fixed templates and documents provided to be used in all departments.

**Manager A:** Oh I have never thought about that the way you are. Of course I have sometimes heard about the working conditions in the other companies, but we were quite sure that our employees are as satisfied as they were since years ago. Maybe you are right and we have to adapt to time.

**Problem:**

The main problem in this medium-sized company is that it was growing too fast. That was not healthy growth anymore. They hired a vast number of employees in departments like production, construction etc.. But the centralized departments like HR, Finance, Controlling did not expand and develop in the same way. The company just wanted to maximize the profit and accepted as many mandates / orders they were able to. This rapid and vast growth is the reason why the company could not adapt the processes and the structure of the company. Consequently the professionalism suffered because of fast happening, the employees just tried to cope with all the work and all the requests and tried to find out their own coping strategies and solutions. There was not enough time for creating some „company rules“ or policies and consequent procedural methods. So everything resulted in confusion. The way of working is not very effective. But why did the company grow so fast? Let's have a closer look at the market situation.

**Market situation:**

The company is acting in the high-frequency branch which is a very demanding and sustainable area. Because of all the progresses in technology, like in the automobile industry - e.g. the electric cars, in the IT branch. Data in general and data transmission of high volume is becoming more and more

important in our globalized world. So there was so much demand on the market and our company was overwhelmed with requests and inquiries. The failing of the company was that they didn't want to reject some of them. Of course on the one hand it is tempting to try to accept as much requests as possible, especially when you are focused on the profit. But on the other hand it can be quite harmful in the long-run as you can see in this case. So what to do now? Let's look for solutions and some measures to improve the situation.

### **Link between fast-growing and satisfaction of employees**

But before finding some potential solutions we have a closer look at the employees. How does the fast-growing company affect the employees working conditions and working environment.

- Firstly, they now there is a lot of demand on the market. So they are trying to do their best and to work as effective as they can in order to cope with all the enquiries. So the first problem is that they might be overloaded with work.
- As the company hires a lot of employees the single teams are growing very much, but a clear plan of vocational adjustment does not exist. In the end this results in kind of overstrained workers who have to find out their own way and strategy of doing their job. That is why the satisfaction of the workers declines.
- Apart from the unprofessional processes and the mess due to the vast growth, the employees hear about other working conditions at other companies of the same size. So it is likely for them to look for other opportunities / jobs in other companies. They often have a professional way of communication and professional processes / Structure and can offer lots of social benefits to their employees.

### **3. MEASURES**

The question is what the management of the company can do now in order not to lose their employees in future. The most important thing is that they have to recognize and understand the problem of the unhealthy growth. Therefore they should do some analysis and reports of the companies key performance indicators. It is important to have a closer look at the relation between the number of employees and the outcoming profit. Due to the unprofessional processes there can be seen that the relation between this two indicators develops in a bad way. Because there is no clear structure / processes it takes the employees more time to reach single targets as they have to create their own processes. This takes a lot of time and ends up in redundancy.

1. First of all do a hiring freeze. Before hiring even more workers there has to be made improvements and adaptations.

2. Secondly, do a Benchmarking with companies of the same number of employees and find out what working environment they have and what they can offer more to their employees.
3. Create an adequate retention management strategy in order to fulfil the employees' needs and to reach high workers satisfaction.
4. Maybe it is necessary to request a management consultancy as they have an unbiased view of the company and can help by working out some strategies.

#### **4. DISUSSION QUESTIONS**

- 4.1. The attitude of an employee indicates his behavior. Differentiate between the three components of attitudes and explain how they affect the employee's behavior by referring to the case of Company X.
- 4.2. Explain briefly what job satisfaction is all about and why it is so important for running a successful business.
- 4.3. Referring to the current situation of Mr. D., please analyse the reasons why Mr. D. is unsatisfied with his job
- 4.4. What are potential factors of employer attractiveness and what can be changed in Company X in order to boost the attractiveness
- 4.5. Create some ideas not to lose Mr. X. Also create a strategy of preventing further employees to quit.

#### **5. CONCLUSION**

This case study has presented the reflections of retention management that being implemented in organization that involved employees expectation to grow and seeking for a better grow provided welfare concerns through time. The decision to be loyal and serve the organization for specific long period depends on the internal satisfaction achieved by the employees.

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