Case Study: Retention: Deciding to Act

Wally’s Wonder Wash (WWW) is a full-service, high-tech, high-touch car wash company owned solely by Wally Wheelspoke. Located in a midwestern city of 200,000 people (with another 100,000 in suburbs and more rural towns throughout the county), WWW currently has four facilities within the city. Wally plans to add four more facilities within the city in the next two years, and later on he plans to begin placing facilities in suburban locations and rural towns. Major competitors in the city include two other full-service car washes (different owners), plus three touchless automatic facilities (same owner).

Wally’s critical strategy is to provide the very best to customers who want and relish extremely clean and “spiffy” vehicles and to ensure they have a positive experience each time they come to WWW. To do this, WWW seeks to provide high-quality car washes and car detailing and to generate considerable repeat business through competitive prices combined with attention to customers. To make itself accessible to customers, WWW is open seven days a week, 8:00 a.m. to 8:00 p.m. Peak periods, volume-wise, are after 1:00 p.m. on weekdays and from 10:00 a.m. to 5:00 p.m. on weekends. In addition, Wally uses his workforce to drive his strategy. Though untrained in HR, Wally knows that he must recruit and retain a stable, high-quality workforce if his current facilities, let alone his ambitious expansion plans, are to succeed.

WWW has a strong preference for full-time employees, who work either 7:30 a.m. to 4:00 p.m. or 11:00 a.m. to 8:00 p.m. Part-timers are used occasionally during page 736peak demand times and during the summer when full-timers are on vacation. There are two major jobs at WWW: attendant (washer) and custom service specialist (detailer). Practicing promotion from within, WWW promotes all specialists from the attendant ranks. There are currently 70 attendants and 20 custom service specialists at WWW. In addition, each facility has a manager. Wally has filled the manager jobs by promotion from within (from either the attendant or custom service specialist ranks), but he is unsure if he will be able to continue doing this as he expands.

The job of attendant is a demanding one. Attendants vacuum vehicles from front to rear (and trunk if requested by the customer), wash and dry windows and mirrors, dry vehicles with hand towels, apply special cleaning compounds to tires, wipe down the vehicle’s interior, and wash or vacuum floor mats. In addition, attendants wash and fold towels, lift heavy barrels of cleaning compounds and waxes, and perform light maintenance and repair work on the machinery. Finally, and very important, attendants consistently provide customer service by asking customers if they have special requests and by making small talk with them. A unique feature of customer service at WWW is that the attendant must ask the customer to personally inspect the vehicle before leaving to ensure that the vehicle has been satisfactorily cleaned (attendants also correct any mistakes pointed out by the customer). The attendants work as a team, with each attendant expected to be able to perform all of the above tasks.

Attendants start at a base wage of $8.00/hour, with automatic $.50 raises at six months and one year. They receive brief training from the manager before starting work. Custom service specialists start at $9.00/hour, with $.50 raises after six months and one year. Neither attendants nor custom service specialists receive performance reviews. Managers receive a salary of $27,000, plus an annual “merit” raise based on a very casual performance review conducted by Wally (whenever he gets around to it). All attendants share equally in a customer tip pool; custom service specialists receive individual tips. The benefits package is composed of the following: (1) major medical health insurance with a 20% employee co-pay on the premium, (2) paid holidays for Christmas, Easter, July 4, and Martin Luther King Jr.’s birthday, and (3) a generous paid sick-pay plan of two days per month (in recognition of high illness rates due to extreme working conditions).

In terms of turnover, Wally has spotty and general data only. In the past year WWW experienced an overall turnover rate of 65% for attendants and 20% for custom service specialists; no managers left the company. Though lacking data further back, Wally thinks the turnover rate for attendants has been increasing. WWW’s managers constantly complain to Wally about the high level of turnover among attendants and the problems it creates, especially in fulfilling the strong customer service orientation for WWW. Though the managers have not conducted exit interviews, the major complaints they hear from attendants are (1) the pay is not competitive relative to the other full-service car washes and many other entry-level jobs in the area, (2) the training is hit-or-miss at best, (3) promotion page 737opportunities are limited, (4) managers provide no feedback or coaching, and (5) customer complaints and mistreatment of attendants by customers are on the rise.

Wally is frustrated by attendant turnover and its threat to his customer service and expansion strategies. He calls on you for assistance in figuring out what to do about the problem. Use the decision process shown in Exhibit 14.11 to help develop a retention initiative for WWW. Address each of the questions in the process:

Do we think turnover is a problem?

How might we attack the problem?

What do we need to decide?

How should we evaluate the initiatives?