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MANAGER RETENTION AND THE
STEAMBOAT SKI RESORT

by

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PART ONE Introduction

The material for this paper centers on the Steamboat Ski Resort Corp. The ski resort was chosen for this study because of its need for a management retention plan. Steamboat was ranked as a top 10 international ski resort in North America by Snow Country Magazine (“Top 50 ski resorts,” 1997). It has maintained this distinction for many years. It has been noted for its idealistic “champion power” and its unpopulated vast terrain. In particular, it has always scored high in the customer experience categories for exceptional down-home friendly people. A chart, prepared by Net promoters.com, on customer and employee satisfaction which collaborates with the Snow Country ratings may be viewed in the Appendix.

This personal relationship between the community and the resort has historically been made possible through accessing and utilizing the local employment pool. In the beginning, this source of labor was the only resource available to the resort. Due to its remote location and the lack of competing wintertime employment opportunities, the resort was a primary employer in an area where seasonal workers needed winter jobs. The town of Steamboat Springs Colorado was in a perfect position to provide the winter resort with a labor pool made up of ranchers, farmers, and cowboys to run the ski school, ski lifts, staff food services, and fill any other staffing needs. It was not uncommon to find a “real” cowboy running the chair-lift, complete with a personable greeting and a warm smile. The small town, down-home friendly attitude soon became the signature of Steamboat’s service culture and one of its most valuable marketing tools.

As the resort grew, so did its staffing needs. Manager and entry-level positions became harder to fill and, when the positions were filled, staff did not stay long. In year-

round hospitality organizations, a survey found that even when managers were reasonably content with their jobs in the short-term, two out of five thought it was unlikely that they would stay with their company for five years (Ghiselli, La Lopa, & Bai, 2001). Presumably the retention rate would be even lower in a ski resort, due to the seasonal nature of employment. Other opportunities in the Steamboat community were attracting good managers, and other potential employees, while the existing managers and staff were becoming less satisfied with their jobs.

When the Steamboat Ski Resort restructured its business plan, benefits to seasonal employees were cut. The benefit package, which included a good healthcare plan, was a major contributor to employee retention. Dropping it had a great effect on the long-term employees, many of whom left after years of loyal service. The resort was able to halt much of the exodus by developing other ways to compensate front-line employees. There was a pay-for-performance model, which allowed motivated employees to make more money if they worked harder (“Have You Upgraded,” 2004). To replace those employees who did leave, more aggressive and further-reaching recruiting campaigns supplanted the local worker population with a mix of people from all around the world. This seemed to be working for the front-line employees; however, there was still no real strategy to attract and retain good managers. Managers lost many of their benefits and did not receive any other real compensation, in the form of wages or bonuses.

Purpose

The purpose of this paper is to establish a link between employee satisfaction and manager retention at Steamboat Ski Resort. The objective was first to discover the level of dissatisfaction among managers, and then determine if the managers' job satisfaction was related to their job retention. The problem was the organization had not yet recognized the different personal needs and requirements between managers and entry-level employees to allow for job satisfaction across the board. This factor was critical to the process of assuring job satisfaction among the managers. "This was determined in personal interviews conducted by the author."

Furthermore, the organization displayed an apparent lack of understanding and appreciation for the importance of a strong management-retention strategy. Once it was established that job satisfaction was linked to management retention, a better method of achieving job satisfaction among managers could be instituted. Satisfied managers would strengthen the relationship between all stakeholders, and the culture, as a whole.

Justifications

The question of whether job satisfaction is important in the study of management retention in the seasonal hospitality industry has been addressed by many authors and researchers. Only a handful of authors have addressed the ski resort industry specifically.

According to Jon Reveal, general manager of Aspen Ski Company, "I learned early on that we're in the people business. Every ski area has lifts, parking lots, restaurants, and machinery. Yet one is more successful than the next because of the way its management treats its employees" (as quoted by Campbell, 1993, and cited in Ismert & Petrick, 2004).

Managers and supervisors must be prepared to be collaborative, supportive, and nurturing of their people. The old management style of “my-way-or-the-highway” is a thing of the past (Herman, 2000). Herman goes on to describe managers and supervisors also need the same positive experience from their superiors as they are expected to give their employees. This statement contributes greatly towards the understanding of the importance of employee satisfaction at all levels in the corporation.

In general, the employees at a ski resort are younger and more transient than those in a more traditional industrial or corporate setting. Herman found that these young people were typically seeking a fun and adventurous experience; they did not seem to be pursuing career goals. Their job satisfaction came from living away from home, interacting with other people with similar interests and, mostly, from skiing. The entry-level jobs filled by these youthful transient workers rarely offered enough satisfaction in themselves to generate long-term job retention. It was the overall experience these people would return for (Herman, 2000).

In a study conducted by Williams (2000), there was a comparatively high turnover at all job levels at a seasonal resort. However, managers’ job satisfaction had to be derived from something deeper and longer lasting. Unlike the younger short-term employees, managers required more than skiing and having fun to find satisfaction in their work. These people were typically older, with families and mortgages, and needed the more traditional aspects of job satisfaction: a reasonable work load, a decent work week, good pay, recognition and, finally, benefits; most of which were apparently lacking in resort jobs (Williams).

People who choose to live in a ski resort still enjoy the elements of working outdoors and experiencing a safe and healthy lifestyle that a community such as Steamboat has to offer. However, the mission of this paper is to determine what can be done to retain managers from one season to the next.

Constraints

Some of the constraints on this paper are due to the limited research available pertaining to the ski resort industry in general. Most of the research on job satisfaction and employee retention is based on corporate models. Some seasonal properties were mentioned in the literature on employee retention; however, they were primarily based on restaurant and hotel operations, not ski resorts per se. Due to the nature of seasonal hospitality work, a connection is assumed between seasonal hotel and restaurant employee retention examples, and the ski resort.

While the personal interviews of current and ex-managers conducted for this study do not represent an overall majority of employees in the organization, the percentage interviewed do account for most of the ex-employed managers from the past twelve months. Some entry level employees were interviewed as employee respondent #4, and their job satisfaction attributes were scored and amalgamated. An average was made of all the respondents, so individual opinions were not included in this report.

Glossary

Several terms specific to the Steamboat Ski Resort, the ski resort industry and employee retention should be clarified.

1. *Champion power*: this was a term coined in the early days of marketing Steamboat Ski Resort. It referred to the very desirable lightness and consistency of the Colorado high-country snow. It was used to set Steamboat's snow conditions apart from its competition (Steamboat Ski Resort Trademark).
2. *Down-home friendly*: this phrase is used to describe the small town hospitality.
3. *Financial compensation*: is defined as salary, wages, and other monetary payment (direct compensation) or benefits (indirect compensation) (Mondy & Noe, 2005).
4. *Manager retention*: this term is used to describe job retention as it relates to managers specifically. Manager retention was used in measuring job satisfaction among managers (Goodwin, 2007).
5. *Non-financial compensation*: compensation, other than monetary, that adds value to the job (Mondy & Noe, 2005).
6. *Seasonal industry*: this term refers to a business, typically in the hospitality industry, that opens and closes its doors, or its operational capabilities are significantly altered, due to seasonal change, usually in regards to summer or winter operations (Ismert & Petrick, 2004).

7. *Service culture*: this term is used in many human resource management textbooks and literature. It usually refers to a company's desire and commitment to establishing a culture that makes service delivery second nature to all members of an organization (Gronroos, 2000).
8. *Top 10 ranking*: *Snow Country* magazine rates the best ski resorts in North America each year, ranking each resort in several categories. Steamboat scores high in the friendliness and hospitality categories in *Snow Country Magazine* ("Top ten ski resorts," 1997).

PART TWO

Literature Review

Introduction

Many companies have made the connection between customer loyalty and employee satisfaction, and employee satisfaction and profits. Shoemaker and Lewis (as cited in Ismert & Petrick, 2004) came to this conclusion when they attributed a company's poor performance to a lack of job satisfaction within an organization. There have also been many links between job satisfaction and retention. Managers play a lead role in job satisfaction throughout an organization; however, if the managers are not satisfied themselves, it is difficult for them to inspire others (Goldberg, 2004). Several of these connections are discussed in the literature reviewed.

Job satisfaction

Job satisfaction has always been a good thing, not only for employees, but for managers and employers as well. Job satisfaction can encourage a positive work environment, increase productivity and decrease staff turnover. High levels of absenteeism and staff turnover due to a lack of job satisfaction can affect the bottom line, as the use of temps, recruiting, and retraining take their toll (Syptak, Marsland, & Ulmer, 1999).

An article posted at MayoClinic.com (2007) looked at how stress levels mount when work was no longer satisfying and took a close look at the underlying causes of stress in the work place, as well as ways to boost job satisfaction.

A lack of job satisfaction can be a significant source of stress. Here were some reasons why employees may not be completely satisfied with their jobs:

1. conflict between co-workers,
2. conflict with your supervisor,
3. not being appropriately paid for what you do,
4. not having the necessary equipment or resources to succeed,
5. lack of opportunities for promotion,
6. having little or no say in decisions that affect you, and
7. fear of losing your job through downsizing or outsourcing (Anonymous, 2007).

In another study, Williams set up a group to identify standards of quality in the ski industry. These identified standards of quality were then compared to the results of a pilot test with 20 in-depth personal interviews with ski employees. The most common information was then given to a panel of four tourism experts at Texas A&M, who confirmed its validity. This process resulted in the identification of six standards of quality specific to working in the ski industry:

1. attitude towards management,
2. hourly wage,
3. employee benefits,
4. camaraderie,
5. job challenge, and
6. job satisfaction (Williams, 2000).

According to Vanhove, the growth of tourism employment in the future depends on many factors, and since most countries anticipate a steady increase in holiday

business, this puts more priority on issues related to tourism employment. Vanhove suggested three factors to improving productivity: (a) the use of better quality labor, (b) the use of better management, and (c) self-catering. Suggestions (a) and (b) cannot be accomplished without job satisfaction on the part of managers (as cited in Ismert & Petrick, 2004).

How manager job satisfaction is related to retention

There have been many articles written on the topic of employee and management retention. All of them talked about getting to know the employees to measure their level of job satisfaction. Some suggested that company's first find out what employees want and don't want. This was important so that management could know what attributes to track. It was important to learn what the people in the different departments within the organization found motivating, or energizing, as well as what sapped their energy. It was helpful to compare each group to see what was motivating each individual (Smallwood, 2007). There are many ways an employer could learn who his/her employees are, but you first have to ask (Dutton, 2003).

A study of more than 400 food-service managers found that well over 25% of the respondents intended to leave their positions in the near future. The study showed that the top reason given by the respondents for wanting to leave was salary and benefits. They also confirmed a direct connection between turnover and job satisfaction. The study explored the specific reasons for turnover and found job satisfaction at the top of the list, along with life satisfaction and internal conflict (Ghiselli, Lopa, & Bai, 2001).

The employee recruiting website Starchefs.com, where they specifically recruit for seasonal job positions around the world, posted an article on how to improve staff

retention in a seasonal business. The authors of the article *Spoil Your Seasonal Staff* (as cited in Starchef.com, 2005) recommended much of the same strategy for staff retention that was mentioned in Herman's book, including the importance of job benefits and a good wage.

According to Williams (2000), the top company to work for, as listed in *Fortune Magazine* was a retail store based out of Dallas. This company offered superior benefits, as well as above average wages. Some of the benefits offered were 135 hours of professional training per year, higher than industry standards in salaries, 40% employee discounts, and a management that fostered communication and support for its employees. These attributes reinforced the comments from Starchefs.com about the importance of employee benefits in maintaining job satisfaction.

The article found in *Indicators and Standards of Quality Related to Seasonal Employment in the Ski Industry* was the final piece of information supporting the importance of job satisfaction. The authors Ismert & Petrick concluded there were six attributes that contributed to employee retention. These attributes are listed:

1. Employee satisfaction with management.
2. Employee satisfaction with compensation.
3. Employee satisfaction with benefits.
4. Employee satisfaction with co-workers.
5. Employee satisfaction with job challenges.
6. Employee job satisfaction (Ismert & Petrick, 2004).

Manager retention

In the beginning, the seasonality of the ski business was what made it work for most employees. Now this very aspect of the industry is what makes it difficult to retain employees from one season to the next. It is inherently difficult for any seasonal resort, summer or winter, to maintain a staff through the off season (Ismert & Petrick, 2004).

The challenge was to provide enough job satisfaction to the seasonal employees so they will return year after year (Herman, 2000). The satisfaction has to be significant enough to override the inconvenience of having employment for only half the year. This was the basic fact about a seasonal resort: no matter how excellent the culture, there would always be a high turnover of employees (Messmer, 2006).

Herman mentioned the important role managers played in retaining and maintaining their employees. Employee retention involves being sensitive to people's needs and demonstrating the various strategies in the five families detailed in Roger Herman's book on employee retention, *Keeping Good People*. He describes the importance of assuring a positive experience within the five families in order to achieve real job satisfaction. Here is Herman's list of the five families:

1. environmental,
2. compensation,
3. relationship,
4. support, and
5. growth (Herman, 2000).

Spherion also described his top five drivers of employee retention in much the same way as Herman. He expressed that it was critical in the retention of employees to maintain all five drivers that make a job satisfying:

1. culture and work environment,
2. compensation,
3. training and development,
4. supervisor role, and
5. growth and earnings potential (Spherion, as cited in "Have you upgraded" 2004).

A comparison of Herman's five families and Spherion's top five drivers of employee retention showed that the basic concepts of these two scholars were the same. The literature has shown conclusively that there were several repetitive factors that help maintain satisfaction among employees and managers. If all these factors were being met, job satisfaction and retention would be assured; however, if one or more of these elements were missing, there could be problems retaining people for a longer term.

Employers and CEO of organizations have been focusing more on employee retention. To retain good managers and staff, it would be necessary to assure job satisfaction. Many of the scholars mentioned in this paper had attributed job retention to key factors, or drivers, in job satisfaction. Messmer (2006) discussed four drivers of job satisfaction: compensation and benefits, work environment, career development and advancement, and work/life balance. Once again, the important elements in Messmer's theory mirrored many of the other authors reviewed in this paper.

Advantages of manager retention

The hospitality industry has always been known as having high turnover. It was widely perceived as a high burnout, low retention business. The biggest expense line on any hospitality company's profit and loss statement was the cost of quality managers and staff, and the costs associated with building and rebuilding the team. The success of an organization was dependent on its ability to attract and retain quality managers (Goodwin & Associates, 2007).

At least, if the resort could retain its managers, there would be someone who knows his or her job and the jobs of those working under them. An experienced, qualified manager could help train and inspire others around them. Furthermore, continuity in management would enable a continuing thread from one year to the next, essential for assuring a healthy employment culture (Gronroos, 2002).

Today's labor force is different than the traditional industrial area (Covey, 2004). Supervisors must take responsibility for their own employee retention. If they don't, they could be left without enough good employees. A wise employer learned how to attract and keep good employees, because in the long run, this workforce would make or break a company's reputation (Herman, 2000).

Shoemaker & Lewis (1999) attributed poor performance to the failure of top management to see the link between customer loyalty and employee satisfaction and employee satisfaction and profits. The bottom line was that manager retention would be a more efficient way to run a company and a more effective way of increasing profitability.

With strong job satisfaction, employees would be more helpful and more productive. The customers' perceived service quality would be improved and, with it, revenue efficiencies which would affect the bottom-line by attracting and retaining those customers. The internal efficiencies would also increase through improved productivity and employee retention (Kotler, Bowen, & Mekens, 2003).

Labor turnover has always been a concern for managers because it disrupted production and service quality, as well as incurred costly recruiting and training measures (Taplin & Winterton, 2007). This situation was particularly bad in a tight labor market, such as that found in the ski industry, where there were just not enough workers to go around.

There is an apparent connection between employee satisfaction and guest satisfaction. When employees worked together enthusiastically, they tended to behave more like a team, which provided excellent service. Guests responded favorably to friendly and helpful staff that was quick and efficient (Spinelli & Canavos, 2000).

The Bubba Gump Shrimp Co significantly boosted its bottom line by increasing its attention to training, retaining, and motivating its managers. They saved half a million dollars a year in recruiting and training costs by training and motivating their managers. It was further discovered that retention was better if the referrals came from within the company (Berta, 2004).

Management retention tools

Management should continue to ask questions, verbally, and through questionnaires, about how their employees are doing and feeling in regards to their jobs. The attributes in job satisfaction that were high or low in satisfaction should be monitored

and tracked. This would determine whether those attributes could be enhanced to improve job satisfaction, or maintained in those with an already high satisfaction level (Smallwood, 2007).

When developing a recruiting strategy, the company should focus on ethics, as well as selecting the right “type” of worker or manager. Look for ethical behavior in the hiring process. Seek out applicants who would act with integrity. As for the right type of manager, Spherion asks; “what kind of worker are they? “ “Are they emergent workers, or just traditional workers?” Emergent workers are people who feel that they need more self control, more autonomy, and more empowerment. The traditional worker is a person who feels more comfortable with management providing a clear path for them to follow (Spherion, as cited in “Have you upgraded,” 2004).

Spherion continued to say, an emergent worker would be better suited to a company interested in promoting creativity and innovation among its managers. A manager who is an emergent worker, without the self-control and empowerment will not be satisfied in the workplace. Other attributes that contribute to job satisfaction are work environment, job security, and creativity. Spherion contends that organizations that make the transition from traditional to emergent management practices increase their likelihood of retaining emergent workers (“Have you upgraded,” 2004).

Smallwood (2007) goes on to identify some steps to achieve better retention in an organization:

1. Just ask questions: you can’t know your people without asking them first.
2. Observation by watching: watching your worker work is the best way to learn.
3. Track key performance indicators: pay attention to what works and what does not.

4. Make the improvements to the system, but first know the people in that system.

In the literature reviewed on job satisfaction, most of the authors mentioned that financial compensation was an important contributor to satisfaction. Mondy and Noe (2005) discuss two types of compensation in their text *Human Resource Management*. They mentioned direct and indirect financial compensation. Direct financial compensation is wages and salaries, and indirect financial compensation are benefits and other perks, such as healthcare, childcare, and paid time off (Mondy and Noe).

Indirect financial compensation

Several years ago, many companies, including Steamboat, discontinued their healthcare plan for all but a few year-round employees due to the rising cost of healthcare. One alternative for companies looking for ways to control healthcare costs could be a Wellness program. A manufacturing plant in Nebraska implemented a wellness program within their organization. By creating a health awareness and good health best practice, this company reduced their health insurance costs to half that of the national average (Miller, 2005).

A cafeteria plan with pre-tax payroll deductions for employees, and a co-payment, could be the answer to some of the managers' healthcare needs. This would allow Steamboat to offer a health plan, as a benefit, to all its management team. The company could also offer a life insurance plan that would be low in cost, and it would be a nice benefit to the managers with families.

The benefits for companies that provide day care for their employees are usually obvious. There are many managers within the Steamboat organization who are parents. It is a very competitive recruitment tool, and although the cost for such a benefit is high,

the loss in company revenues due to absenteeism is in the billions nationally. It has been found that more and more companies are providing on-site day care for their employees. More than 70 percent of employed parents have missed at least one day of work due to child-related issues (Perry, 2002). Most companies that have found a benefit to on-site childcare have been companies with more than 500 employees. Steamboat has 1,800 employees. If Steamboat discovers there is a need for a childcare center in the organization, it could help improve job satisfaction with some working parents. They would realize the cost savings of reduced absenteeism and better employee retention. To investigate such a solution to employee retention would be the best approach (Perry, 2002).

Paid time off (PTO) is provided for the purpose of rest, relaxation and a planned time off from the workplace or to attend to personal affairs. PTO is to be taken within the year accrued in order to receive the personal benefit intended. Management and staff have the responsibility to plan schedules that will not interfere with the ski resort operating requirements. In order to balance and meet service and staffing requirements, staff members and managers should plan time off schedules well in advance. It is a nice alternative and user-friendlier version of the more traditional sick day or vacation time (Mondy & Noe, 2005).

Summary of literature

It was originally thought the challenge of employee retention would be due to the seasonality of the ski industry. It has been noted that in some seasonal hospitality organizations, 100% of the operational staff may not return the next year (“Spoil Your Seasonal Staff,” 2005). With 100% attrition in staffing each year, a company’s recruiting

and training budgets would be financially prohibiting (Berta, 2003). Further field research and the literature review on job satisfaction and employee retention found that managers in the ski industry were not necessarily affected by seasonal closures. There was no question that a seasonal business had a high turnover rate in its entry-level positions; however, should there also be a high turnover in managers?

The goal of employee job satisfaction and retention would be far more realistic if there were experienced managers to help inspire the staff to return. The question then is: how does the company assure manager satisfaction? The literature and in-depth interviews concluded that managers needed more from their jobs than what was being offered to them. They needed better direct and indirect financial compensation (Mondy & Noe, 2005).

There were two kinds of compensation the managers at Steamboat received: financial and non-financial. The non-financial compensation was found to be not as important to the managers as it might have been for the younger entry-level workers. Nevertheless, all the managers seemed to be satisfied with the non-financial compensation. This was the satisfaction a person receives from the job itself or from the psychological and/or physical environment in which the person works. It was the direct and indirect financial compensation the managers were not entirely satisfied with, and in particular, the benefits (Mondy & Noe, 2005). Direct compensation was salary and wages. In the ski industry wages were never high, and people have known and accepted this fact.

Further justifications were made by conducting an in-depth interview of managers' job satisfaction levels and how those levels affected their decisions regarding

future career goals in the company. The field research that was conducted also confirmed much of the secondary research in this paper. It was apparent that many of the unsatisfied managers would have stayed in their jobs if conditions could have changed. Some people needed more recognition, while others needed more benefits. A good retention strategy should fulfill all or most of the job satisfaction attributes discussed in the literature reviewed.

PART THREE

Introduction

Steamboat Ski Resort has experienced a higher than normal turnover in department managers. Based on published research on seasonal job turnover, it could be assumed that the retention problem is inherent in the seasonality of the ski industry in general. However, the lack of job satisfaction among the managers seems to be the real problem.

The level of job satisfaction was discussed with some managers at Steamboat and, through the interview process, it was determined that job satisfaction was related to job turnover in many cases. The interviews were conducted over a 12 month period, in various departments within Steamboat Ski Resort, with the goal of determining if the high turnover of managers was a result of job dissatisfaction. After reviewing the material, there was some indication that managers at the resort were not fully satisfied with their jobs.

The labor pool

As Steamboat Ski Resort grew over the years, its staffing needs also grew, and soon the local labor pool was not large enough to maintain the much resort's increased needs. At the same time, the community was also expanding and diversifying. The small ranch community was developing into a trendy sampling of America. This latter segment was more educated and more employable than the original ski resort employees. These new and affluent immigrants to the community brought resources with them. More small and medium sized businesses opened up and offered alternative employment opportunities to the locals. These job opportunities drew from the same labor pool as the

resort. This left the resort consistently short of employees. The ski resort had to expand its labor pool far beyond the local population. In doing so, it altered the culture as well as the staff retention rate.

In the days when the resort was still able to utilize, exclusively, the local population for its staffing needs job retention and benefits were not issues. This was simply due to the fact that the employees lived in the community and needed the winter job opportunities. However, once the resort started recruiting outside the community, and from places outside the country, job retention became a real problem. For a while, the resort was able to slow down the high turnover problem, by offering attractive benefits and good healthcare to all fulltime employees, seasonal or otherwise. These benefits satisfied many people enough for them to keep returning from one year to the next. However, due to financial reasons, these benefits were dropped from the seasonal employee package. In addition to the lost benefit packages, the company was slow to adjust to the changing job climate. In this new job climate, the younger entry-level positions were still being filled, albeit with limited interest, although their jobs had no hold on them to achieve long-term retention, as was the case a few years ago.

The managers

The high turnover in employees was not just at the entry level positions; department managers and supervisor also experienced retention issues. In many cases manager positions were posted, but not filled, or they were the positions that filled last, by less qualified candidates. If a qualified manager was found and successfully recruited, they might leave within months, or they might not return for another season. There were always several key management positions available right up until the start of the new

season. In the 2006 and 2007 ski seasons, 11 of the 16 ski school supervisor positions were filled by new recruits. Almost half of the food & beverage management positions turn over each year.

In many areas of the resort, the regular entry-level employee experienced a high job satisfaction rate, both at the social and monetary levels. A waiter or ski instructor was making more money, working fewer hours, and having more fun, than most of his or her managers.

The Case of Steamboat

What factors contribute to a manager's job satisfaction at Steamboat? In response to this particular question, Steamboat would seem to be an enigma to the general reasoning for the high turnover in the seasonal business. The managers in Steamboat did not fall under the same category as the entry-level employees. They command a much higher salary than line employees and tend to be long-term residents in the community. Although the high cost of housing was a factor at other ski resorts, Steamboat generally had a greater inventory of affordable housing for the middle-income bracket than did other neighboring ski resort communities. Why, then, does Steamboat experience a high turnover in their managers?

For this question, an exploratory research project was initiated. The goal of the exploratory research was to diagnose the real situation behind the lack of manager satisfaction, screening many possible alternatives that appeared to contribute to the lack of job satisfaction, but which may not be the real issues behind the problem.

Exploratory research method

Interviews with three ex-managers/supervisors and an average of multiple entry-level employees were selected as examples for this report. Each respondent participated in a one hour in-depth interview. This approach was chosen for the informal format and the subject matter was not disclosed. The researcher chose this format to facilitate a bias and un-inhibited answer to the questions from the respondents (Zikmund, 2003).

Respondent #1

Steve was a ski school supervisor. Unlike other managers at Steamboat, who only lasted one year, Steve held his supervisory position for four seasons. He had a family and owned his own home here in Steamboat. Housing was not a factor, nor was the seasonality of the job. He had a construction business that he shut down in the winter.

What contributed to his dissatisfaction and eventual final retirement?

Each year his benefits were cut and the health benefits were a major factor in his continuing employment. According to Steve, as a self-employed person in the summer, with a family, he needed the health benefits that were discontinued by the ski area.

He believed that seasonal salaried employees were treated differently than full-time salaried employees. He said that the year-round guys had regular eight hour days, five days a week, whereas, he was expected to work ten hour days, five or six days a week. According to him, the rational for this discrepancy in work loads was that seasonal employees only had to endure the long hours for a few months.

The final straw was when the company decided to realize internal efficiencies by reducing the number of supervisors on staff (to control costs) and then expected the remaining staff to absorb the workload. They asked him to “take up the slack for the

missing supervisors without compensation.” As he put it, “Work more for less – you’ve got to be kidding” He quit in the middle of the season.

Respondent #2

Christina was the Thunderhead Lodge manager at mid-mountain. She worked under the Food & Beverage (F&B) director at the ski area. She was responsible for two restaurants and two cafeterias and a bar, as well as several satellite operations around the ski area. She managed the largest revenue channels in the F&B department, and one of the largest revenue sources at the ski area in general. This facility generated over \$35,000 in sales per day on average and employed 250 people.

The corporation conducted quality and efficiency control tests in all their departments. Under Christina’s management, her department received a higher score than ever before (under other managers’ control) and scored higher than any other department in the company. At the end of the year, she received the Manager of the Year award. Christina was a mother of two and happily married. She enjoyed the seasonal aspects of her job. She liked the idea of working during the school year and having the summer months off with her boys.

Reasons the company failed to retain Christina

The system was not set up to allow for any sort of job flexibility. She was required to be there nearly every day. There was a back-up manager, but the job responsibilities were so large both managers were needed at the same time. This limited time off greatly.

She had thought because the hours of operation were from 7:30am to 5pm, much greater than an eight hour day that she would be able to utilize split shifts, or alternate

am/pm shifts with her assistant. As stated above, because of the workload, they were rarely able to utilize a more flexible schedule.

She had to spend 50 and 60 hours a week just to stay balanced, and her salary was not enough to compensate. She mentioned that if she were paid more, her husband could have taken more time off to help with the kids; as it was, he had to continue working just to keep the family on track financially. As a result, their family-life suffered.

Respondent #3

Heather was the training manager. She was a dedicated, enthusiastic, and hard-working employee. Her job consisted of developing, organizing, and scheduling training programs for over 300 ski and snowboard instructors. She had to manage 25 trainers by selecting which trainer would work and which would not. She initiated several new programs and was able to enlarge the training budget beyond what it was before her tenure. She worked the long hours that were asked of her and did not complain. She was married, but did not have children. She was the third training supervisor, in as many years, and held that job for almost two seasons. She quit right in the middle of her second season.

Reasons her expectations were not met

As stated before, she did not mind working extra hours, if she felt it was going to make a difference. The problem, she believed was no one else felt compelled to match her enthusiasm. She said there was no team spirit.

She felt she was the only one pulling her weight and when she tried to inform upper management this, they did not support her. She felt unappreciated.

She was asked to make some changes, by her superior, in the training format. When those changes started to create friction among the training staff, her director did not stand behind her or defend the changes she was trying to implement. Heather felt betrayed. They hired her to change the quality of the product, but did not give her the budget to achieve that goal.

Employee respondent

A sample of employees from various departments in the organization was presented with the same series of question posed to the managers. The respondents from this series of interviews held entry-level positions in the company. The purpose of evaluating the quality of job satisfaction among entry level employees was not to assess the general level of job satisfaction in the community, but to compare these respondents' opinions with those of the managers. Below are some commonalities found when conducting in-depth interviews among entry-level employees:

1. In general they liked their managers.
2. Although the pay was not as high as they would have liked, it did not usually contribute to resignation.
3. Just about all of them, across the board, enjoyed the benefits that came with the job.
4. Their co-workers were a very important aspect of the job.
5. The job challenges were the only attributes that were considered unsatisfactory.
6. Their overall satisfaction was good.

Results

In the in-depth interview, a series of questions were used to assess the attitudinal and behavioral attributes of job satisfaction among the managers and entry-level employees. The respondents were asked how they felt about certain attributes of their job. Then they were asked to rate those attributes on a scale from 1 to 7, with 7 being most satisfying. Below are the questions used to facilitate the respondents' answers:

1. Did you feel management was supportive in your tasks? How was your attitude towards management?
2. Was the pay you received equal to the work load you performed?
3. Were you satisfied with the Employee benefits that were offered?
4. Did you feel there was camaraderie among your co-workers?
5. Was your job challenging enough?
6. Were you satisfied with your job?

The in-depth interviews revealed a clearer picture of the problem. It was found that job satisfaction was the issue. The managers at Steamboat seemed to be experiencing a higher than normal turnover in seasonal job positions due to job dissatisfaction. The construct that was measured was the apparent lack of job satisfaction among some managers. Furthermore, the respondents interviewed revealed that their levels of satisfaction were low in some or all of Ismert & Petrick's (2004) six attributes of employee retention. This lack of job satisfaction directly correlated with the low employee retention that the resort was experiencing. This conclusion led to the next step: further definition of the constructs that most directly effect employee retention and to what degree those concepts affect the managers.

To determine the extent of the dissatisfaction on the part of managers, a measure of the various constructs that contribute to job satisfaction, or job retention, was made. These variables were based on Ismert & Petrick's (2004) six attributes that contribute to employee retention. Once the specific attribute was identified, then its effect on the manager's behavior and attitude was measured and compared (see Table 1).

A mean score of the behavioral and attitudinal variables of the entry-level employee was used to compare against the manager's scores (see Table 2). These tables show an average score of all respondents interviewed. By using the Likert Scale (Schall, 2003) to measure the level of influence on the managers, it can be determined whether a manager's attitude toward his or her job affected their decision to quit.

Table 1

Mean response score of ex-managers

Attribute of manager retention	Level of contribution to resignation (Behavioral Variable)	Level of satisfaction (Attitudinal Variable)
Management	7	1.7
Compensation	4.3	2.7
Benefits	5.3	1.7
Co-workers	3.3	4.7
Job challenges	5	3.3
Job satisfaction	5.3	2.7

Table 2

Mean response score of entry-level employees

Attribute of manager retention	Level of contribution to resignation (Behavioral Variable)	Level of satisfaction (Attitudinal Variable)
Management	2.0	6.0
Compensation	2.0	5.0
Benefits	1.0	7.0
Co-workers	1.0	7.0
Job challenges	6.0	2.0
Job satisfaction	2.0	6.0

Schall (2003) points out that the seven-point Likert-Scale for measuring guest satisfaction in the hospitality industry is a “best practice.” This scale was also used to determine employee satisfaction by placing the six attributes that contribute to employee retention on a card and asking employees to rate those areas. In the article by Baloglu (2002), hotel guest satisfaction and loyalty were measured by using behavioral and attitudinal variables to determine the guest’s true loyalty. Baloglu goes on to suggest that by measuring both behavioral and attitudinal levels, not just one or the other, he could uncover whether a particular loyalty was true or motivated by other reasons. This same system was used to measure employee behavior and attitude to determine satisfaction and loyalty in regards to their jobs.

With the collective measure of the manager’s behavior and attitude towards their jobs, it became obvious that there were areas of their job satisfaction that could be

improved. A review of the results of these interviews and of the literature has led to the conclusion that something should be done to improve manager job satisfaction and retention. The final analysis of the manager's situation makes it clear that a plan to improve job satisfaction and retention would be beneficial.

Recommendations

Manager retention plan

To build a manager retention plan, a determination of the various ways of measuring and tracking what the manager's are feeling and thinking about their work should be established. This would be critical information to help develop a strategy for improved employee retention. Once a good communications strategy is developed and a better understanding of the needs and values of the managers are known, a stronger relationship culture will develop between the company, its employees, and the managers. With the accurate knowledge of what managers consider important, a plan for change can be implemented. According to the literature reviewed and the values listed in table 1 of this paper, changes should be made in the management style, compensations paid out, benefits offered, and the relationships between co-workers, but first find out what they want and don't want, and take the next four steps in manager retention:

Ask questions – questionnaires and interviews

In order to know what to track, it's important to first learn what the different groups in the company find motivating. What are the things that make them happy and what makes them mad. Ask questions. Compare these values with others departments and management levels in the organization. This could be accomplished individually in casual interviews, or through company wide questionnaires. This is information needed

to create a better place to work. Here is an example of some questions that could be asked:

1. What are the downers at your work?
2. What suggestions would you have for improving those situations?
3. Have you ever quit a job because you were dissatisfied?
4. If so, why were you dissatisfied?
5. What experiences now in your current position would cause you to look for another job?
6. When you compare our company to others, how do we compare?
7. What do you need from your manager?
8. If you were in charge, what would you do differently to attract employees?

Make observations

Make observations throughout the day. A lot can be learned by simply watching those people around the work place. Watch them when it is busy and when it is not. Observe them in various places, at town meeting, during lunch hour, at work, or during other non-work related activities. Spend extra time with loyal employees to find out what makes them loyal, and make the time to get to know the employees that perhaps are not loyal.

Track key performance indicators

Tracking performance indicators and providing good coaching to the manager's are valuable practices. Patterns in behavior and attitude among managers can provide important clues in the cause of potential problems before they create problems for the company. Create a simple system for tracking these important indicators. Organize the

information so that it can be used informatively. Here is a list of example performance indicators:

1. Turnover rates, especially voluntary turnover,
2. reasons for voluntary turnover,
3. average length of employment in different departments,
4. rate of absenteeism/tardiness,
5. use of sick leave, and
6. customer satisfaction and loyalty. - Is this satisfaction related to employees or management?

Implementation of plan

Once a good understanding of the kind of managers that are found in the company and their priorities, then management has a better chance to attract and keep good long-term employees. Use the information from all the resources available in the company, and then put it to work:

1. *Strategize*: setting priorities for improvement efforts based on what matters most to your managers.
2. *Develop*: preparing and training your managers to make competent leadership, effective teamwork, smooth changes, and exceptional customer service a daily reality.
3. *Act and adjust*: implementing improvement projects that will make your organization a stronger and stronger magnet for talented, productive people; adjust and fine tune as you track what matters most.

Finally, according to the data from the respondents interviewed, the managers wanted fair compensation for a reasonable workweek, good benefits with healthcare, and equal paid time-off as year-round manager receive

Conclusions

Having determined that managers were in fact not satisfied enough in their jobs for the company to maintain an acceptable level of retention, it was necessary to discover what was lacking in their job design and/or compensation (Ghiselli, Lopa, & Bai, 2001). The tables showed which job attributes contributed to management retention, and how each of those attributes affected the managers and entry-level employees. The next step was to determine what would satisfy the managers enough to retain them long-term. Some of the key drivers of job satisfaction were assessed to see what areas in the retention plan were lacking (“Have you upgraded,” 2004).

Steamboat managers tend to be older, married and with families, with real quantitative needs like paying mortgages and doctor’s bills. It was direct and indirect compensation the managers needed the most. The majority of managers were on fixed salaries and their hourly weekly contribution usually extended well beyond the 40-hour work week. This work load was particularly difficult for managers with family obligations, and the majority of them did have families.

The managers at the resort enjoy very few benefits in addition to those offered the entry-level employee. In fact, most of the non-financial compensation that contributed to job satisfaction at the frontline employee level, such as free skiing and having fun were not considered valuable elements in job satisfaction at the manager level. It was further discovered that many of the elements critical to job satisfaction, discussed in this paper,

were missing in the actual application. Managers were experiencing less job satisfaction than their employees in just about all measurable ways. The qualitative value of the job, or non-financial compensation, was no longer the driving force, as it might have been when those very same managers came to the resort as youth.

In the final analysis of the information compiled for this report, it was concluded that Steamboat Ski Resort needs to implement the four step retention plan recommended in this report. There was enough information in the literature and the interviews to confirm the necessity of such a retention strategy. By creating a culture of communication and observation, Steamboat Corporation would gain tremendous knowledge about its managers. Then they would need to create a system for tracking the data gained, and finally utilizing that information to implement a manager retention plan.

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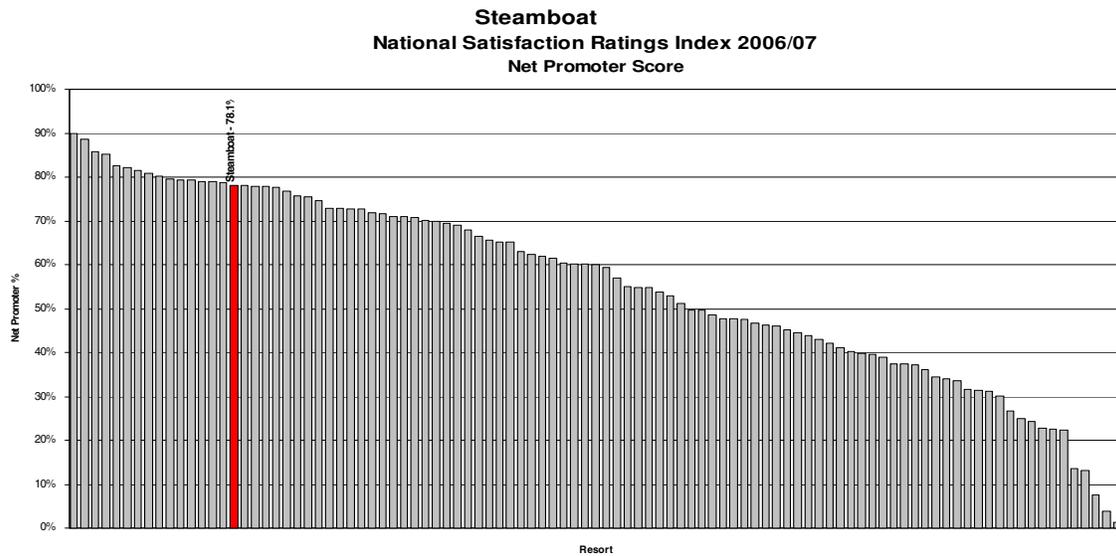
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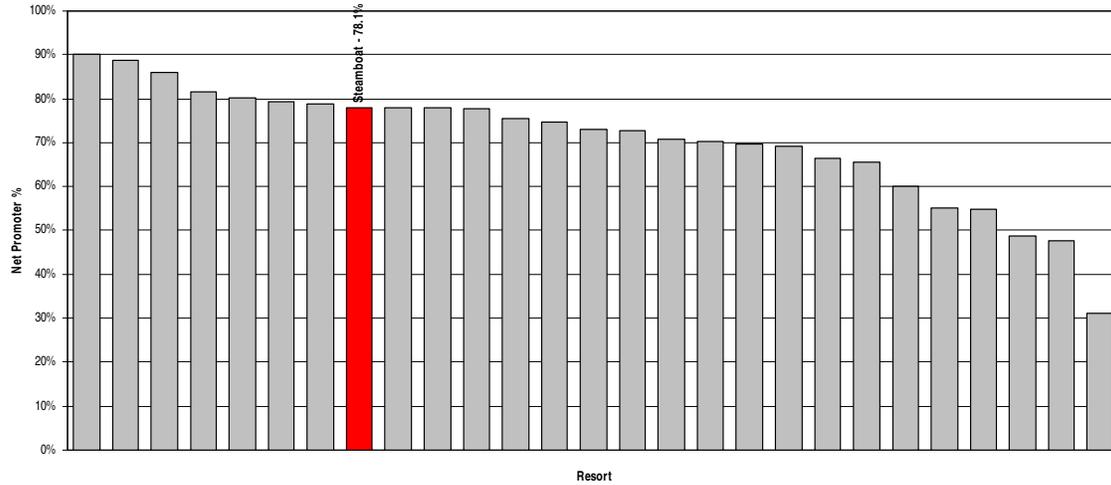
Appendix A

National Satisfaction Survey

The following tables were the most recent customer satisfaction survey conducted by Net Promoter. A national satisfaction rating index was developed with one simple question in mind; “would you recommend this to a friend?” In the last table, Steamboat employee satisfaction results are listed. Employee scores in satisfaction from this survey were consistent with the survey conducted by the author of this paper. They both conclude that employees in general are satisfied. There was no indication of manager satisfaction in this survey.



Steamboat
 Rocky Mountain Region Satisfaction Ratings Index 2006/07
 Net Promoter Score



Resort & Departmental Ratings

Overall Resort Experience

06/07: 8.8

05/06: 9.0

Length of lift Lines

06/07: 8.7

05/06: 8.9

Overall Value

06/07: 8.6

05/06: 9.7

Snow Surface Quality

06/07: 7.8

05/06: 9.1

Speed & Safety Control

06/07: 8.8

05/06: 8.6

Employee ratings mean of all

departments

06/07: 9.1

Note: The overall customer satisfaction scores for 2006 and 2007 seasons show high marks, confirming the Snow Country surveys.