Case Study *Green Mountain Resort (Dis)solves the Turnover Problem*

Green Mountain Resort was not expected to be in business for very long, not that anyone was making predictions. It was a small resort with golf, tennis, and, most notably, some skiing—on machine-made snow for the most part—set in the Appalachians. It was a fair distance from major population centers and had none of the history of the famous southern spas of an older era, places like the Homestead.

But it didn't have to stand fully on its own: it was built as a draw for buyers of vacation homes at Green Mountain. The resort was the center of sales hospitality and an attractive amenity of home ownership. Being a property owner got you membership in the resort with ski passes, discount golf, and the like. Salespeople pointed to the resort as a symbol of their commitment to community: they were not just selling lots; they were offering a lifestyle.

Of course, the salespeople also knew that when the real estate sold out, the function of the resort as a sales tool would disappear along with the sales staff, and, if this were like other similar developments, the resort would lose its luster and perhaps even go out of business. The resort wasn't there for vacationers but for buyers. Soon, there would be no more buyers. And soon after that, the resort would have to make it on its own, as only a resort.

The top management of Green Mountain at this time came to the operation when the original developers failed. They were sent in by the investment bank that had financed the original operation to put the place in order and get it sold. But the bank's workout team fell in love with the rural beauty and lifestyle and bought it themselves. Actually, it was a very complex plan that structured eventual ownership for the homeowners, with part ownership by the remaining management company that would continue to run the operation. The former bankers were committed to building an actual community, one they wanted to stay in themselves, and to having the resort become a first-class operation on its own. They were explicit about their goal: make sure that Green Mountain, the community and the resort, didn't go to seed when the land sold out.

With the new structure, the resort manager was an owner. He decided to stay on, motivated by his ownership share as well as the opportunity to have his own show, no longer just an adjunct to sales. Gunter had been part of the original management and had expected to eventually leave for another resort job, enacting a pattern typical in the hospitality industry. But now he was an owner, not just an employee, and he had a vision of a first-class mountain resort.

The architecture of the lodge, and of most of the vacation homes, was more up-country than ski-country. In contrast to this uniquely American look was Gunter, in his Tyrolean hat, his accent recalling his native Austria. He didn't wear lederhosen but would have looked natural in them. His wife, Hilde, actually had blond braids and, when they were together, you could only imagine that they were off on a hike to an Alpine meadow. Their house was perfectly Teutonic, immaculate, and welcoming in a way that made you think you shouldn't touch anything. Gunter was nothing if not rational.

That is why Gunter was worried about the turnover of staff. Green Mountain Resort was in a beautiful rural county, but that county was also the poorest in the state. That meant that it was hard to find good employees locally, and those that were good, whether local or imported, didn't stay long. High turnover meant added training, plus the predominance of novice staff. And it was mainly the best service people who moved on, leaving behind the poorest performers. That, Gunter knew, undermined efforts to build a first-class operation. Turnover had to be reduced.

There weren't a lot of options. In such a small operation, the opportunities for promotion were few and Gunter was faced with the irony that if he reduced turnover, there would be even fewer openings for advancement. Structural arrangements to keep people from leaving such as term contracts, benefits that took time to vest, and the like were seen as coercive and drove people away. Besides, such measures seemed out of character for Gunter and for Green Mountain.

The so-called hospitality industry, in its training and management development literature, saw turnover as a problem needing treatment, as well. One difference in the industry association view, however, was that turnover was defined as chronic, always there, something to be endured. All management could do, went the advice, was to minimize the debilitating effects: streamline training, simplify jobs, don't become dependent on individuals, make HR processes more efficient.

Gunter knew this perspective but didn't want to settle for a chronically sick organization. His efforts, though, had turned out to validate the industry view and even, sometimes, make things worse. Gunter also was beginning to see the paradox of his situation and recognize that he needed not just some new ideas but some new ways of thinking about his situation. So he called in a consultant.

The consultant was already working with the development company that was marketing the land and owned the resort but was not an expert in the hospitality industry. This was deliberate, as Gunter already knew the conventional industry take on turnover. Perhaps an outsider, someone with a fresh look, would see something new.

The consultant listened to Gunter's retelling of all he had done to reduce turnover, how it hadn't worked and had even driven away some of those he wanted to keep. After listening to the litany of failures, the consultant asked just what it was that Gunter really wanted, to which the reply was, reduce turnover, of course. It was said in a way that made the consultant think that Gunter believed he knew what to do and only needed help in the execution, help in finding a better tactic for reducing turnover.

The consultant told Gunter, with some embarrassment, that he couldn't really think of anything else to try. But he also was suspicious that, since nothing worked and some reasonable tactics just made things worse, they ought to try something different. The consultant suggested rephrasing the old aphorism, "If at first you don't succeed, try, try again," to say, "If at last you don't succeed, don't just try again, do something different." The issue now was how to break out of the set of failed solutions, all of which, even with their differences, left the situation essentially intact. What would be *really* different?

Since the so-called solutions continued to fail, perhaps a real difference would come from stopping attempts to solve the turnover problem. If turnover is so resistant to being changed, perhaps there is something functional about it. What if turnover were embraced, rather than scorned? The consultant suggested looking into what actually happened when good people left. Where did they go and what did they do? In short, Gunter and the consultant went after the answer to a new question: What is good about turnover?

Things looked different from this perspective. The best employees, the ones Gunter most wanted to keep, usually left for better jobs, jobs that required the good training and variety of assignments they had at Green Mountain. And they tended to be high performers in their new jobs, which led to more promotions. It began to look like turnover, an anathema to Green Mountain as an institution, was a good career development move for those who turned over. More investigation of those careers revealed—no surprise—that the best people, the ones Gunter wanted most to keep, did the best in their new jobs. But what was most interesting, they attributed their success, in large measure, to the training and early responsibility they had been given at Green Mountain. Their employers, usually other resorts, came to regard Green Mountain alumni as prime recruits.

The word got around: If you wanted great training, early responsibility, to get on the fast track, Green Mountain was the place to go. That meant that more smart, ambitious people began to apply for jobs at Green Mountain, expecting to work hard, learn a lot, and move on quickly. Gunter could now imagine the resort mainly staffed with these career builders, working hard and smart in order to learn and develop, and in doing so, providing exemplary levels of service. So what if turnover was high? The staff would always be highly motivated and other potential top performers would be waiting at the gate.

Now with an explicit strategy for recruiting high-potential people, offering them the promise of rapid career development, turnover might actually increase, but it would mean something different: It would be a sign, given the reformulated strategy, of success rather than an organizational problem. The situation had been reframed, the facts given new meaning.

Was the problem solved? The answer is both yes and no. No, the facts of turnover remained, but, yes, that no longer was troublesome. It might be better to say the problem had been dissolved, that is, it had been neutralized and, by being given a new context, now had no effect. What had once been a liability was now transformed into an asset and so there was no longer a need to engage in problem solving. The reframing of the situation rendered the failed first-order change efforts irrelevant, and so continuing efforts to reduce turnover could stop. Turnover had been a problem partly because of the efforts to get rid of it. (Problems are problems, in part, due to the ongoing efforts to fix them.) No more fix: no more problem.

This is an example of second-order change, one distinguishing feature of which is that change interventions are directed at the "solution." At Green Mountain, continuing efforts to reduce turnover were interrupted by the technique of reversal, that is, finding a plausible interpretation of the facts opposite in meaning to the generally accepted interpretation. (Turnover is bad, versus turnover is good.) With the new meaning, no fix was required, and when you aren't fixing something, there must not be a problem.

Green Mountain continues to fast-track new hires on to other resorts. Gunter has not moved to another resort but has expanded his own role to be a mentor.

Questions:

1. Which of the six change images discussed in this chapter can be identified in the assumptions about managing turnover that were held by
   - Gunter?
   - The hospitality literature?
   - The consultant?
2. How did these assumptions influence prescriptions for dealing with "the turnover problem"?
3. Choose another change image and apply it to "the turnover problem." To what new insights does it lead?
4. What conclusions do you draw from this about the statement at the start of the chapter that "if we only draw upon one particular frame, then this will take us away from thinking about what is going on from an alternative perspective"?

TABLE 2.6
Additional Case Studies

Tug of War
Sheffi, Y. (2005, September) *Harvard Business Review*
Yahoo!: Business on Internet Time
Rivkin, J. W., and Girotto, J. (1999) *Harvard Business School*
Reviving Yahoo!: Strategies That Turned the Leading Internet Portal
Gupta, V. (2003) *ICFAI Knowledge Centre, India*
The Rebirth of Air France (A), (B), (C), and (D)
Trepo, G., and Autier, F. (2001) *HEC School of Management, France*
Ricardo Semler's Employee Empowerment Strategies at Semco
Sumit, K. C., and Bala Kiran, V. (2004) *ICFAI Knowledge Centre, India*

Bibliography

Anderson, L. A., and Anderson, D. 2001. Awake at the wheel: Moving beyond change management to conscious change leadership. *OD Practitioner* 33(3):4–10.

Axelrod, D. 1992. Getting everyone involved: How one organization involved its employees, supervisors, and managers in redesigning the organization. *Journal of Applied Behavioral Science* 28(4):499–509.

Barge, J. K., and Oliver, C. 2003. Working with appreciation in managerial practice. *Academy of Management Review* 28(1):124–42.