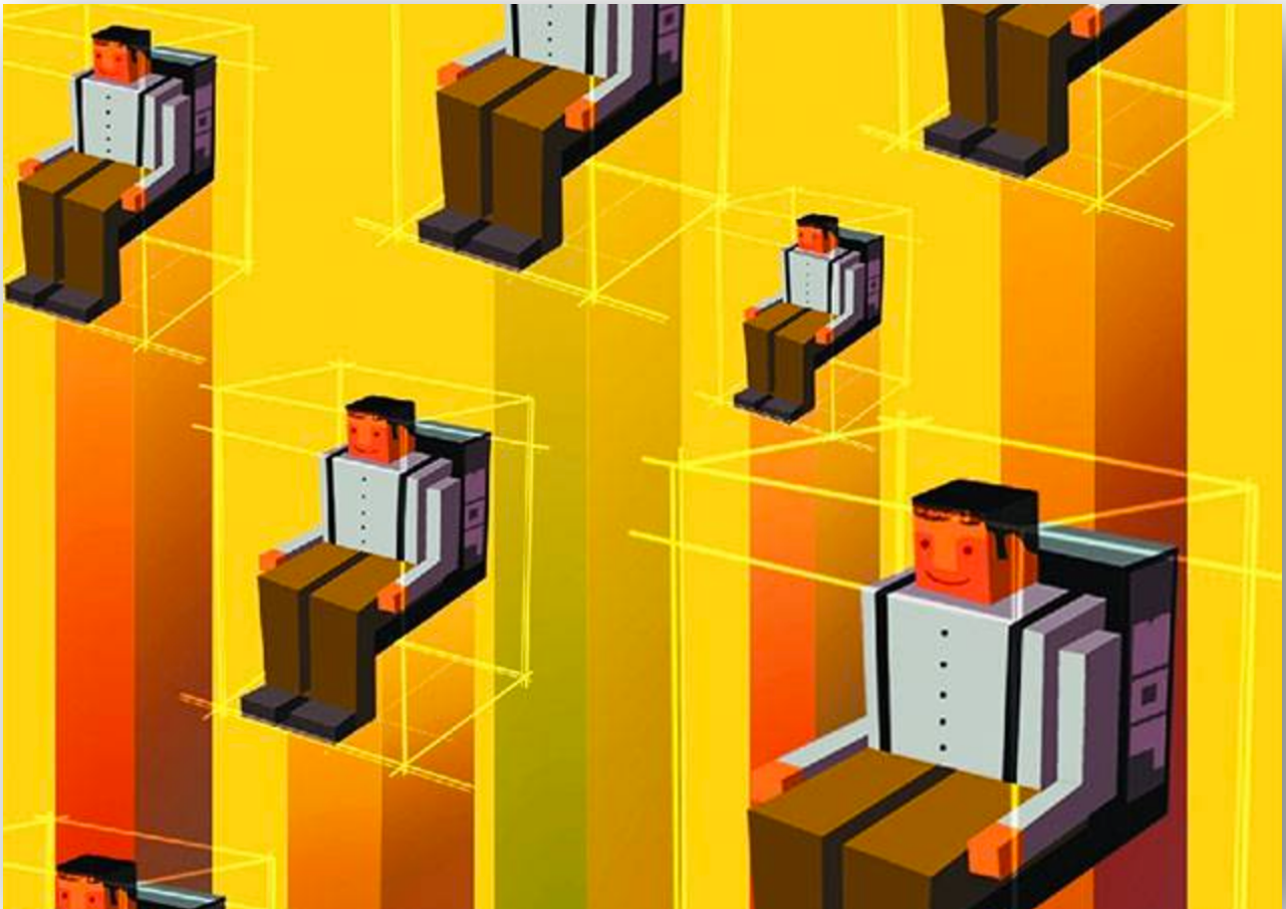

The Treadway Tire Company: Job Dissatisfaction and High Turnover at the Lima Tire Plant

Case Study Analysis

Berat Onur Ersen - 2016800075 - 29 Oct 2016



Introduction

The following is the analysis on turnover problems and attempts to solve high turnover rate of line-foremen in Treadway Tire Company.

Treadway employed almost 9,000 both hourly and salaried workers for its tire production plant in Lima, Ohio Plant. Lima plant had lack of productivity and efficiency in bottom-level production. New HR manager, Ashley Wall, was transferred to Lima plant to normalise high-turn over rate and unlock plant's potential to create a cutting-edge productivity by planning distinct actions.

Lima Plant

Treadway's Lima plant was one of eight production plants.

From 2003 to 2007, crude oil and raw material costs rose tremendously. There was no chance of controlling pricing of raw material so the best action was improving productivity by reducing turnover and creating efficiency in production lines.

Lima plant had undergone \$100 million expansion and modernisation effort in 2000 which resulted as increase in production capacity. While those improvements and investments were happening, unions were dictating pay increase, overtime rates and benefits to workers.

In 2006 Treadway shut down out-dated South Carolina plant and moved workforce to Lima plant.

Line Foremen

Treadway's tire plants were supervised by salaried, non-union workers called line foremen. They were responsible for outcome of the line workers.

Basically involved in 3 phases of the production : rubber component preparation, tire assembly, and curing / final finish, line foremen had a great affect on the productivity of the factory. They needed support from top management in terms of experience, knowledge and authority, but they were not.

Hourly workers were the workforce in factory with no particular expectations to be promoted to strategic of management level positions. Company should not expect outstanding effort from hourly workers. Foremen were to coordinate, control and optimise output from those people. Foremen were in the position of approving vacation requests, checking time sheets and solving payroll issues.

These line foremen with responsibilities, had serious issues with hourly workers to be solved and those were major problems causing them to quit their jobs.

Psychology , Training , Positioning

Being a foremen in Treadway required to be very patient with nerves of steel. Work environment was very unprofessional.

Foremen did not have necessary trainings neither to manage hourly workers, nor to manage disputes. They were working with little behavioural knowledge to do things right. A bomb ticking to explode.

Once plant manager tried to arrange a social activity but management did not appreciate. This proves huge power distance between management and foremen. Who would like to work with managers who put up wall between themselves and lower level workers?

Whenever a supervisor position was opened college degree outsiders were occupying those positions. There were no rooms for foremen to rise and become a supervisor. This was a blocker issue to plan a career path within company and when there was no hope for future then there is reason for their turnover.

Conclusion

Case is a problem case on seeking ways of creating job satisfaction on employees from whom company expects great productivity and commitment.

Ashley successfully addressed problems in foremen working conditions. Root cause of the problem stands to be too much responsibility on foremen's shoulders without authority and competence. Also planning a reasonable foremen recruitment policy and providing required trainings to learn and understand company processes were primitive issues.

Last but not least; every hard working employee expects to rise and wants to get reward of their work. Defining a career path for foremen will be the most efficient way of reducing high turnover rate.