

immediately putting new employees on the job, perhaps with the help of a more experienced employee for a day or two. Moreover, some new employees were unable or unwilling to attend the orientation session on a Saturday. All newly hired employees served a 90-day probationary period before earning the status of a “permanent” employee.

Tastee Max offered benefits to permanent employees who met two qualifications. Group health insurance was offered to all employees who worked (1) 13 consecutive weeks after completing one full year of employment with the company and, once eligible, (2) worked a minimum of 30 hours per week. To be eligible for the 401(k) Plan employees had to be at least 21 years of age and complete at least 1,000 hours of work in addition to one full year of employment. In addition, employees who worked at least 35 hours per week were eligible for 48 hours of personal time after completing at least 1,000 hours of work in addition to one full year of employment. The personal time benefit was increased on the second, fifth, and tenth year of employment after the benefit was originally received. Managers and Assistant Managers were granted additional time off: in their first year of employment store managers were eligible for 110 hours of paid leave per year, with allowance increases in the second and fifth year of eligibility. Tastee did not offer paid sick leave; all employees were required to use their earned personal time if they wished to be paid for work missed due to illness or personal needs. Because most employees worked less than 35 hours per week, supervisory employees were usually the only individuals who qualified for these benefits.

Tastee Max employed a progressive employee discipline policy to enforce company rules. The first violation of a rule or policy would result in a verbal warning to the employee; the offender’s supervisor would write and sign a brief description of the incident, which was placed in the employee’s records. A second violation of the same rule or policy would result in the employee receiving their first written warning. This document described the rule and the incident in which it was violated. After the supervisor and employee read and discussed the document, both parties signed the warning, which was placed in the offender’s records. The third violation of the rule or policy resulted in a final written warning, which again described the incident; again, both the supervisor and the employee signed the written warning after having read and discussed the document. A fourth violation of the rule resulted in the employee’s termination. In short, Tastee Max employed a sort of “three strikes” rule in which employees could violate a particular rule or policy three times before being involuntarily terminated for cause. All written warnings were kept in employee files for a period of one year. After this time, the company discarded written warnings for rule violations or poor work performance and each employee started with a clean disciplinary slate. Employees who voluntarily or involuntarily terminated their employment with Tastee Max were asked to complete exit interviews prior to departure, although doing so was not compulsory and many departing employees refused or forgot.

Employee Turnover at Ronda’s Store

Ronda had worked for Tastee Max for a total of six years. The last 18 months of her tenure was spent working at the Jubilee Mall store. Jubilee Mall was located within a few miles of affluent suburbs, three large companies employing several thousand workers and a university with approximately 15 thousand students. Its favorable location made the Jubilee Mall store one of the chain’s busiest and most profitable units; the store consistently ranked third or fourth in sales revenue among all Tastee Max restaurants. But Ronda admitted the restaurant had acquired a reputation for being a “problem store” among Tastee Max’s senior management due to the unit’s excessive turnover and employee-related problems. Approximately 25% of all newly hired