

Sinking in Sandy Dunes: A Mini Case for Teaching HR Basics

Abstract

Case studies are frequently used in management courses as an experiential learning tool to engage students in managerial decision-making. We provide an instructor-developed case study of a restaurant in a destination location where resort/tourism is the dominant industry. This short case (~2 pages) is best utilized as an introductory case in general management and human resource management courses. We provide a model for organizational analysis and problem-solving to address organizational issues. Here, we include the case itself and a course plan for introducing and debriefing the case.

Keywords: experiential learning, HR case studies, managerial decisions, problem-solving

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Method: The case study being introduced in the session was developed from a consulting project by the lead author. The local organization was seeking guidance to address employee concerns (e.g., recruitment and retention) and preserving their brand image as they were receiving negative reviews online. We were able to capture organizational practices that may be contributing to the some of the observed issues.

Findings: In developing the case study, we were able to create an experiential learning opportunity for students with a case that represented many of the challenges small and family-owned businesses experience. Some key findings were the lack for formally defined roles and responsibilities, lack of training of new staff, standard operating procedures for staff, and significant turnover. Each of these findings from examining the organization allows students to apply what have learned in management and/or HR courses to address the organizational concerns.

Classroom Execution/Learning environment: This case has been utilized in undergraduate courses in Principles of Management and Fundamentals of Human Resource Management to integrate what students are learning and apply to “real-world” settings. This case has primarily been used in “in-person” courses as they provide the best forum for class discussion of the case. It could be used in virtual or online courses and we would suggest the use of Discussion Forums to facilitate discussion among students.

There are three (3) key expectations/learning outcomes resulting from the case analysis:

1. Define organizational issues, distinct from simply listing general observations
2. Integrate management concepts and best practices to formulate recommendations to address the aforementioned issues.

3. Generate a written report in the form of a professional business memo directed to management of the firm to outline their analysis and recommendations.

Session Discussion and Objectives: The objectives of the session at MOBTS is to provide participants with a case to introduce early in management courses. In the session, we will provide the case overview as well as tools used to facilitate analysis/discussion with students. One tool is the Issues identification worksheet that reflect three levels of analysis: organizational, group/task, and person levels. A second tool is a checklist to formulate recommendations to implement in the organization (e.g., mission/vision statements, goals, strategies, performance management, and total rewards/retention). At the conclusion of the session, participants will have the resources to use this case in management courses for enhanced in-class engagement and managerial skill development.

Overview

Experiential learning is a growing area of interest for instructional design as faculty seek to enhance student learning and overall readiness for life beyond college. Kolb (1984) defined experiential learning as “the process whereby knowledge is created through the transformation of experience” (D. A. Kolb, 1984, p. 38). Experiential learning exercises provide an opportunity for hands-on learning experiences that link classroom learning with real-world applications. Case studies are widely used in management education as an experiential learning tool because they allow “hands-on” practice to reinforce learning in the context of an organization. The Association for Experiential Education (AEE) has provided some key principles for experiential learning that include:

1. Carefully chosen experiences supported by reflection, critical analysis, and synthesis

2. Experiences that require the learner to take initiative, make decisions, and be accountable for results, and
3. Actively engage the learning by posing questions investigating, and experimenting
(www.aee.org/what-is-ee)

We draw on the principles set forth by the Association for Experiential Education and utilize an instructor-developed case study to facilitate learning. This assignment can be used in multiple ways and across different courses in a management curriculum. This case was initially written for an undergraduate management course with an HR emphasis but could be applied in Principles of Management, Organization Behavior, or Business Strategy courses. The case assignment is best used after students have been instructed in an overview of effective organizations from a typical Principles of Management course where they have an understanding of the four functions of Planning, Organizing, Leading, and Controlling and could be used to reinforce learning for any of the key functions. This case can be used in an introductory HR course in the latter portion after the majority of content has been covered.

Managerial Case Study – Sinking in Sandy Dunes

The goal of this assignment is to engage in diagnosing organizational issues, evaluating and developing performance standards, and implementing appropriate actions for managing human capital and managing operations. This case can be used in introductory management courses or human resources courses.

Background:

Sandy Dunes is a restaurant in the Grand Strand region of Horry County, SC. The restaurant is family-owned and has been in operation for more than 35 years. While they have no formal mission statement, the restaurant desires to provide high quality service and food and create a memorable experience for those in the Grand Strand. The restaurant has two locations on the Grand Strand and is marketed as a family restaurant, meaning they target clientele that are tourists who are traveling with family. The menu consists of American fare with menu options including burgers, chicken, seafood, salads, kids' meals, and a variety of desert and drink options. Because they focus on serving families, the gratuity is automatically included in the bill regardless of the number of members in the party being served.

Both restaurant locations are open 8 months out of the year (closed November – February) and they focus on hiring seasonal workers each year. The restaurant managers and kitchen personnel are maintained each year but the wait staff/hostesses are hired each year. The company is privately-owned by a family who have hired a General Manager to manage all operations. The company has approximately 20 full-time employees to include a manager at each location and other staff to support operations and they hire an additional 20-25 seasonal workers to support both locations.

Sandy Dunes has been relatively profitable but revenues have been declining the past three years. A new General Manager was hired this year to address the issues facing Sandy Dunes and increase overall profitability. The General Manager of the restaurant has conducted some preliminary research from Yelp and Google reviews and has found that customer comments about the establishment are less than flattering. While the comments support that there is a family atmosphere and that menu options are affordable, they are less forgiving when it comes to the quality of service. Customer comments reflect that members of the staff are not friendly nor do they respond on regular basis by checking on customers for drink refills or additional items to be ordered. The General Manager has reviewed the hiring and training practices of the staff and found that staff are primarily hired based on the accessibility of a labor pool that will work for minimum wage and staff generally do not return for the next season. As a result, the restaurant is constantly hiring new staff each year but with very limited time for training. The General Manager has also learned that the training of staff primarily consists of learning the menu, processing orders, and closing out the checks when customers have completed their dining experience.

The General Manager is now seeking your expertise in terms of the best way to address the issues facing his restaurant.

Instructions:

You are being asked to consult with this restaurant in terms of the best way to address the organizational concerns. Using what you learned in this course, provide information (in detailed format) of what action steps you recommend for this restaurant and General Manager.

You may draft your response in Memo format (single-spaced, with double-spacing between paragraphs and 11-point font) addressed to the Sandy Dunes General Manager and provide explicit details of your analysis. Be sure to provide a rationale for the actions you suggest and the recommended course of action.

Introductory Management courses: The focus is primarily on overall strategy for a small, family-owned business. The can include a SWOT analysis, research best practices for food services industry, and operational strategies. The can be addressed in light of the four functions of management: planning, organizing, leading, and controlling.

Human Resources courses: The focus is primarily on people-management because they are the front-line of direct impact to the customer, thus, your recommendations should address managing the workforce in a way that maximizes productivity and ultimately profitability. You can address hiring strategy, performance expectations, compensation, and retention strategies.

Outline for case analysis:

1. What are the critical issues facing the business/firm?
2. Discuss the impact of those issues (e.g., customer service, morale, turnover, etc.)
3. Provide specific recommendations to address each issue based on established best practices.

Session/Instructional plan outline

The case study presented describes an approach to experiential learning that requires that learner to take on a role as manager/consultant in a business case scenario employing the model suggested by AEE. The case was developed as a short case that provides sufficient organizational information for students to gain an understanding of the work environment and evaluate the organization to identify issues, discuss the impact of those issues on the business and provide specific recommendations to resolve the issues. We employ a modified version of the problem-solving process common in management textbooks. The learning objectives are provided to link areas of practice with learning outcomes for management students. An overall course plan and company background for the case analysis is provided in *Appendix A* and it is recommended to review with students so that they can link the activity with management concepts and expected learning outcomes.

Instructional sessions: It is recommended that the case is taught over 2-3 class sessions outlined as follows:

Session I: lecture/discussion on what constitutes effective practices in organizations (Appendix B) and review steps in the problem-solving process (Appendix C). The appendices provide anticipated student responses/suggested answers. This session lays the foundation and allow students to review what they have learned in management and/or HR courses that provide the knowledge base to engage in the case analysis. In this session, the Instructor will also provide the case study for students to read and review in advance of Session II.

Session II: After students have thoroughly read the case study, the Instructor will facilitate in-class breakouts (or online forums distance learning/virtual courses). The forum/class discussion

should be to engage students in the first attempt to identify the issues (Appendix D). The instructor can provide feedback on student's assessment of the issues.

Session III: The final session is a case debrief facilitated by the Instructor to give feedback to students on the identification of the issues and associated recommendations. The suggested outline for this session is included in Appendix E to assist the Instructor.

Suggested framing and instructions to students:

The General Manager of Sandy Dunes is now seeking managerial expertise in terms of the best way to address the issues facing his restaurant. You are being asked to consult with this restaurant in terms of the best way to address the organizational concerns using problem-solving methods for learned in your management/HR course. This assignment requires that you integrate what you have learned and demonstrate your ability to apply it in workplace situations. The approach to performance management should be concerned with creating a level of *precision* (being exact and accurate) in how we address organizational issues with specific outcomes that can be enforced.

General management learning objectives:

- Evaluate an organization for efficiency and effectiveness
 - Assessing mission, vision, values, goals, and strategy
- Discuss the importance of problem-solving that influence organizational effectiveness
- Describe the ways in which the problem-solving method can be applied to attain organizational effectiveness

HR learning objectives:

- Evaluate recruitment and selection practices
- Define performance expectations and/or create job description to support hiring needs

- Discuss competitive compensation strategies based on industry and geographic trends
- Define retention strategies for incentivizing seasonal employees to return each year

The sessions would be conducted as suggested in the Instructional Outline above. We propose synthesizing the problem-solving process into a three-stage process for organizational diagnostics to include issues, impacts, and recommendations for enhancing organizational effectiveness.

1. Issues: What are the critical issues facing the business/firm? You may opt to categorize them into Product/Service, People, Process, or Profitability for clarity and organizing the analysis.
2. Impacts: Discuss the impact (positive or negative) of those issues on the organization (e.g., customer service, morale, turnover, etc.).
3. Recommendations: Provide specific recommendations to address each issue based on established best practices that have been extracted from your readings, course notes, and lessons learned from other organizations.

Case Debrief – Appendix E

The instructor-led debrief is facilitated using PowerPoint notes to reflect the three-step organizational management process with details from the case. The PowerPoint notes also specific recommendations for management and HR practices.

References

Association for Experiential Education, Experiential Education: The Principles of Practice,

Retrieved from <https://www.aee.org/what-is-ee>

The six step problem-solving process. Retrieved from Free Management Books at

<http://www.free-management-ebooks.com/news/six-step-problem-solving-model/>

Appendix A – Course Plan for Case Analysis

Course Plan for Case Analysis

- ▶ Review of key functions of management – Planning, Organizing, Leading, and Controlling
- ▶ Review best practices for effective organizations/effective people management
- ▶ Define problem-solving method to be used for analysis
 - Step 1: Problem/Issue Identification
 - Step 2: Define the impact of issue (with supporting evidence)
 - Step 3: Identify best practices (based on research/readings)
 - Step 4: Generate specific recommendations to address the issues identified
 - Step 5: Provide a timeline/priority for evaluating effectiveness of recommendations
- ▶ Use of discussion forums to have students generate responses prior to class discussion (Question 1 of case questions)
- ▶ Class discussion using think-pair-share to engage students to share their findings
- ▶ Provide specific case questions for student's responses:
 1. What are the critical issues facing the business/firm?
 2. Discuss the impact of the issues (e.g., customer service, morale, turnover, profitability, etc.)
 3. Provide specific recommendations based on research to address each issue (best practices model)
- ▶ Allow time for students' questions on the process (could be one class session)
- ▶ Case Debrief after student submissions of case analysis

Appendix B – Review of “Practices of Effective Organizations”

*To capture these elements and engage students, construct these lists using the Think-Pair-Share method or a Discussion Forum

Below are responses Instructors can provide as “answers” to students

Characteristics of Effective Organizations:

- Well-defined mission statement
- Well-defined vision statement (optional)
- Well-defined goals
- Well-defined strategy (ways in which they plan to accomplish mission and goals)
- Well-defined corporate value statement
- Organizational structure appropriate for the organization
- Company policies and procedures (standard operating procedures)
- Performance standards
- Professional ethics/professional conduct standards
- Defined business model to include inputs-processes-outputs
- Clearly defined outputs (e.g., product or service) linked to the mission statement
- Clearly defined jobs/roles
- Talent management practices – hiring, training, evaluation, compensation, and retention

Effective People Management Strategies:

- Clearly defined performance standards/expectations
- Realistic goals
- Honest and accurate performance feedback (ideally continuous)
- Work environment supports employee performance (e.g., resources, timelines, technology, etc.)
- Employee feedback mechanisms
- Incentives (can be non-monetary) that reward or generate appropriate effort
- Motivation strategies
- Training to address competency needs
- Development to address future needs
- Coaching/Mentoring to support performance management needs
- Discipline policies to address behavior in the workplace
- Effective management/leadership of employees

Appendix C – Six-step problem-solving method to be used for analysis

There are a variety of problem-solving methods presented in management textbooks and the one used below is comparable and readily available at <http://www.free-management-ebooks.com/news/six-step-problem-solving-model/>

- Step 1: Define the problem/issue occurring within the organization (include the impact on areas within the organization)
- Step 2: Determine the root cause(s) of the problem
- Step 3: Develop alternative solutions (based on readings, research, and class discussion)
- Step 4: Select a solution (specific recommendation to address the problem/issue)
- Step 5: Implement the solution (for case analysis, identify a timeline/priority for action)
- Step 6: Evaluate the outcome (limitation of case analyses but we will know the outcome)

Appendix D – Discussion Forum for introducing the case

Instructions: As you read through the case of Sandy Dunes, identify what you see as the **critical issues** facing the business. Be specific to identify the issue and evidence presented that supports your decision. This assignment is the initial identification of issues, thus, do not worry about making recommendations at this stage in the evaluation of the business.

NOTE: You are not making "evaluative judgments" but directly what you observe and/or the impact of a particular issue or behavior. When all students have participated in the Discussion Forum, provide a recap and provide feedback as you prepare for the full case analysis on Sandy Dunes.

Sample response to get students started: Failing to provide thorough customer service such as “checking on customers” and “refilling drinks”

Anticipated Responses: You can expect that students may not be readily able to classify what they observed/read about in the case and articulating them as organizational issues.

Recap/Feedback: The purpose of the discussion forum assignment is to have students begin the process of identifying issues. In many instances, this process will require them to move beyond observations (e.g. failing to check on customers) to issues (e.g., failure to define performance standards or hiring based on availability rather than qualifications).

Once students have identified the issues, we suggest having a debrief session with the class to provide feedback and confirm that students have clearly identified the issue.

People Management Sandy Dunes Case Analysis

Positives of Sandy Dunes:

- ▶ Operating for 35+ years
- ▶ Quality food that appeals to families (options)
- ▶ Family atmosphere
- ▶ Open during peak season, including months before and after
- ▶ Profitable for many years
- ▶ Management taking action

Issues/Concerns for Sandy Dunes:

- ▶ No clearly defined mission/values/goals for the organization
- ▶ Unclear/not specified performance standards
- ▶ Negative customer comments on quality of service – Yelp and Google
- ▶ Automatic gratuity does not incentivize staff
- ▶ Hiring not focused on company goals but availability in the labor force
- ▶ High turnover
- ▶ Limited/no training on customer service skills

Appendix E – Instructor-led Discussion of case for Debrief

The case debrief is recommended either immediately students have submitted the completed assignment or as you return the graded case assignment.

Sandy Dunes		
Issues	Impacts on Business	Recommendations for Improvement
Quality of Service – customer interactions with staff	Negative interactions result in loss of customers, declining revenue, poor image, and unclear standards	Company needs to define what they do and what they expect – mission, vision, values, and culture
Limited training on customer service behaviors	Employees have no performance standards or preparation for delivery	Define performance standards and train employees accordingly
High turnover rate	No continuity of employees or business practices	Address the issues driving turnover (e.g., seasonal workers and minimum wage) -
No formalized hiring strategy	Hiring workers willing to work for minimum wage but no focus on effort	Refocus hiring to define ideal employee and engagement with the business Hire well and use employee referral system to address turnover

HR Practices to Implement

1. Develop performance standards and specific and measurable behaviors
 - Use defined templates available online or Performance Evaluation criteria
2. Incorporate an evaluation system for continuity to include customer feedback as well as direct observation
 - Provide evidence based on research from restaurants in your local market (e.g., customer service surveys)
3. Provide on-going training for skill-building and motivation (e.g., round-up meetings, competitions, recognition, and coaching/mentoring)
4. Provide pay differentials based on performance
 - Provide evidence-based research from restaurants in your local market
5. Celebrate successes! Reward or Reinforce employees engaged in positive customer service.