



EMPLOYEE AND LABOR RELATIONS
STUDENT WORKBOOK



The Georges Hotel
Scenario D: Supervisors and Equal
Employment Opportunity

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Please note: All company and individual names in this case are fictional.

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THE GEORGES HOTEL

The Hotel

- 163 guest rooms, 65-70 employees.
- Front desk: 10 employees.
- Valet parking services: 8 employees.
- Housekeeping: 28 employees.
- Engineering and facilities maintenance: 4 employees.
- Management and administrative: 15-20 additional staff members assigned to departments throughout the hotel, including management, office support and sales.

The Garden Terrace Restaurant

- Approximately 35 employees.
- The restaurant is open daily from 5:00 a.m. to 10:00 p.m.
- In addition to restaurant dining, the restaurant provides 24-hour room service and full catering services for meetings, conventions and other hotel events.

THE GEORGES HOTEL

The Mitchell Family

- Jeff Mitchell: Chief executive officer, owner and brother of Chad.
- Chad Mitchell: Vice president of community relations, owner and brother of Jeff.
- Cindy Mitchell: Director of human resources and Chad's wife.
- Michael Mitchell: Sales and operations associate, Chad and Cindy's son and recent MBA graduate.
- Brandon Mitchell: Chad and Cindy's son who is studying for a degree in culinary arts and anticipates a career as an executive chef. Not currently on staff.
- Julie Mitchell: Jeff's daughter who is about to complete an MBA program at a prestigious university. Not currently on staff but expects to work at the hotel after graduation.
- Dale Elsner: Catering service manager in the Garden Terrace Restaurant and Cindy's brother.
- Numerous nieces, nephews, cousins and friends of the family are employed throughout the hotel.

THE GEORGES HOTEL

The Case

The Georges Hotel is a small European-style boutique hotel located along the Magnificent Mile in Chicago. It is co-owned by two brothers, Jeff and Chad Mitchell. The brothers grew up in the hospitality business; they were raised at the roadside motel their parents owned in the 1960s. Even as a child, Jeff loved the hospitality business. As soon as he was old enough, he worked side by side with his father and was happiest when greeting guests at the front desk and showing them to their rooms. He even enjoyed the less glamorous work and did not mind being asked to sweep the parking lot or to clean a room when housekeeping was short-staffed. It didn't matter what he did as long as it was motel work. He never tired of the guests, no matter how cranky they were on arrival. Jeff always greeted them warmly and was there again in the early morning to wish them bon voyage when they packed up their cars and drove away. Today Jeff is chief executive officer of the Georges Hotel. He makes most of the decisions and manages the hotel's day-to-day operations from his corner office on the top floor.

Chad is the younger Mitchell brother. He had no interest in working at the motel as a child, and he remains the same as an adult. Chad is vice president of community relations at the hotel, and he too has a top floor corner office. He still has little interest in the hotel business, though. He spends most of his time playing golf. When Chicago's weather precludes golfing, he jets off to his favorite courses in Florida and Arizona or to his second home in Palm Springs, leaving his wife, Cindy, to monitor his interests in the partnership. Cindy has no interest in golf, hates the hot climate of Palm Springs and greatly prefers her work at the hotel.

Cindy is the director of human resources. She has been a working member of the management team since the brothers bought the run-down hotel and renovated it to create the Georges. Although Cindy had no management or HR experience before her work at the Georges, she is a natural leader. She is personable, well respected by the staff and is an asset to Jeff in the day-to-day management of the hotel. In many ways, it's the perfect situation for all three Mitchells. Cindy loves her work, and her management role enables Chad to shun the office and remain nearly guilt-free while jetting from one golf course to another, and Jeff is not burdened by Chad's disinterest in the hotel. Instead, he has an excellent partner in Cindy, with whom he often consults on difficult decisions.

The next generation of Mitchells is already being groomed to take over when the time comes. Jeff's daughter, Julie, is nearly finished with an MBA program. She will start in sales and marketing after graduation and then move on to gain experience in operations and general management. Jeff wants her to have a solid background in all aspects of managing the hotel so she is fully prepared to assume the responsibilities of CEO when he retires.

Chad and Cindy have two sons, Michael and Brandon. Michael graduated with honors in his MBA program and is now a sales and operations associate at the hotel. Brandon is currently enrolled in a culinary arts program. He loves the creativity

and hands-on aspect of cooking, and Cindy doesn't expect they will get him out of the kitchen and into management. She and Chad anticipate that Michael will be the future CEO of the Georges Hotel.

Family relationships at the hotel include more than just the immediate family. Although Jeff has been divorced since his daughter, Julie, was five years old, Julie's mother came from a large family. There is an extensive network of nieces and nephews—all of whom are Julie's cousins—employed throughout the hotel. The same is true for Chad and Cindy's family. Cindy's brother, Dale, is the catering services manager, and a number of Cindy's cousins and children of friends are employed at the hotel.

These family connections at the hotel occurred spontaneously because Cindy always preferred to hire by referral. As a result, many employees brought in family members as new hires. Cindy and Jeff believe that family connections among employees benefit the hotel. When jobs are available, Cindy continues to hire by referral, reminding employees that family connections are valued and not frowned on. Family and employees are so important that when Jeff, Chad and Cindy wrote the hotel's mission statement, they agreed to equally emphasize hotel guests and employees. The hotel's mission promises guests exemplary service and a memorable hotel experience. For employees, it promises a superior work environment and continued support for a satisfying career.

To foster the family atmosphere, staff members are encouraged to invite family members to lunch. Families are always included in summer picnics and holiday parties that are hosted by the hotel. Employees post their children's pictures and announcements of new babies, graduations, weddings and other family accomplishments on the bulletin board in the break room. Cindy and Jeff try to remember the names and relationships of staff members so they can personally congratulate parents on their children's accomplishments.

The hotel has done well financially in spite of the expense of renovating the original structure. The hotel was generating a profit within two years of opening, and it continues to be profitable with a high occupancy rate and a solid reputation as a desirable convention venue. Jeff believes it is now time to build on that success and expand to a second Georges Hotel. He has had his eye on another run-down hotel near the riverfront section of Chicago for several years. It closed years ago and has been abandoned and boarded up while a lengthy court battle ensued over ownership rights and bankruptcy. The legal cloud finally lifted after years of litigation; as the current owner, the bank is looking for a solid buyer. With the Georges' history of successful renovation and with current interest rates at historic lows, Jeff believes the time is right for a second Georges Hotel in Chicago. When the second hotel is up and running, he wants to move on to a third. And then, who knows? Jeff envisions a chain of Georges Hotels in major cities across the United States.

As exciting as the possibilities are, Cindy believes that to ensure their success as a multiunit organization, they need more structured management and employee policies than they currently have. The HR department has primarily been an

administrative agency, and there hasn't been much need for things to be otherwise. There is no employee handbook, little formal policy structure, no employee complaint procedure and very little supervisor training. Cindy anticipates that a larger hotel organization will require a far more strategic HR department than she currently manages.

Nepotism has worked well for staffing the current hotel, but Cindy recognizes the downsides to hiring friends and family and knows it will not be adequate for staffing a multiunit organization. For example, there is an assumption among some employees that if you are a close friend or are related to a supervisor or a manager, you have a job at the hotel for life. Consequently, some employees do as little as possible with no repercussions, and supervisors are reluctant to discipline employees because they are probably someone's family member or good friend. There are also attendance problems, but everyone protects their friends and family, and employees have little accountability for performance. Cindy wants to resolve these employee issues before opening a second hotel. At the same time, she wants to ensure that the implementation of new policies will not diminish the positive aspects of family that are inherent in the organizational culture of the hotel—values she believes have contributed significantly to the success of the organization.

In Cindy Mitchell's Office

Cindy picked up her phone and punched in the number for Jeff's administrative assistant. She is calling to schedule a meeting with Jeff for later in the week. She has drafted some policy changes she believes are necessary for the new larger organization, and she wants to share them with Jeff.

"Jeff loves construction," Cindy thought to herself while she waited for the administrative assistant to answer. "I remember when we built the first hotel. He got so caught up in the building process that he forgot about the management structure needed to successfully operate the facility after it was completed. Adding a second hotel is a huge challenge and the perfect opportunity to solidify our management processes so we can replicate it to additional hotels as we add to the Georges. I'm excited to get started."

THE GEORGES HOTEL

SCENARIO D

Players:

- Cindy Mitchell, director of HR
- Howard, engineering manager.
- Dale Elsner, catering services manager in the Garden Terrace Restaurant and Cindy's brother.
- David, catering employee.
- Marie, catering employee.
- Lindsey, catering employee.

Cindy has a number of employee issues she wants to discuss with Jeff when they meet later in the week. She has often suspected that there is occasional inappropriate behavior among supervisors at the Georges Hotel, but employees have not come forward with complaints. There is not much she can do without concrete evidence. She knows that a manager in sales is a bit of a tyrant. She has seen his behavior in meetings, and she has heard him humiliate his staff in public and call their work “trash” when it’s not to his liking. When she talked to him about it, he was proud of his behavior. “I’m a tough boss,” he said. “That’s how I get results.”

An engineering employee recently resigned from the organization quite suddenly. When Cindy met with him to deliver his final paycheck and to complete some documentation, she asked him why he was leaving. He gave her the answer she expected. Employees who left the hotel always cited family issues or a job offer in another town that was closer to relatives. But this time, in addition to the standard excuse, the employee made an offhand remark: “Everyone knows it’s impossible to work for Howard.” Howard is the engineering manager at the hotel. When Cindy asked for more information about his remark, he brushed it off.

“Oh, I didn’t mean anything,” he said. “My new job is with my wife’s brother. You know, a family business. I have to be there.” Cindy said she understood, but when she tried again for more information, he wouldn’t say anything.

This is not the first time she has had an inkling of problems. As she stepped into the elevator with two kitchen employees this morning, she overheard a snippet of conversation about “bear-hug Dale,” but the conversation suddenly ended when the elevator doors closed behind her. *I know what that’s all about*, Cindy thought to herself as the elevator stopped on the third floor and the doors opened. Dale is the catering manager at the Garden Terrace Restaurant and Cindy’s brother. Cindy knows Dale is a teaser—she was the recipient of his teasing as a child. Unfortunately, Dale’s teasing continued into adulthood. He teases the young nieces and nephews at family gatherings, and nieces especially are recipients of Dale’s bear hugs. “But that’s just Dale,” Cindy thought as she stepped out of the elevator. “Everyone in the family

knows it means nothing but affection. Dale should know better when he is at work, though. I need to talk to him.”

Cindy sees Dale’s behavior as professional and appropriate in management meetings. She would be surprised, though, if she spent an afternoon in the catering department.

In Catering

Marie and David are the newest employees on Dale’s staff. Dale thought he was giving a compliment when he put his arm around Marie and told her that she had good potential. “You could make something of yourself,” he said, “if you’d lay off those tortillas and move your rear a little faster.” He gave her a little squeeze before she got loose and hurried away to the ladies’ room. Dale also had a habit of accidentally bumping into female employees and then leaning on them as he regained his balance.

As bad as it was for the women, it was not much better for the men. He called young men on his staff “ladies.” Dale thought it was particularly funny to tease David, who was young and blushed easily. He never called David by name but instead addressed him with “hey sweetheart” in a singsong voice. When David complained to some of the older employees, they said it was just Dale’s way and because he was related to the owners, there was no higher up to complain to. Nothing could be done. A long-time employee said to David, “Just hang in there. I’ve seen this before. Eventually he’ll find someone else to pick on and then he’ll lighten up on you.” For most catering employees, a good day was when Dale played golf with Chad.

Although the employees were not complaining to Cindy, they were complaining. There have been two equal employment opportunity (EEO) complaints filed against the Georges Hotel. The most recent was filed by Lindsey, a new employee in Dale’s department.

Dale was furious when Cindy told him about the EEO complaint. Cindy thought she had calmed him down and had the situation under control, but the next morning Dale fired Lindsey and then called Cindy to explain. After several minutes of listening to his tirade about Lindsey’s poor performance and his justification for firing her, Cindy settled him down, scheduled a meeting with him for later in the afternoon and hung up the phone. She sighed and shook her head. Regardless of whether this was her brother or any other employee, she needed to resolve the issue quickly.

SCENARIO D: QUESTIONS FOR UNDERGRADUATE STUDENTS

Cindy was concerned about the EEO complaints filed against the hotel. She will be meeting with Equal Employment Opportunity Commission (EEOC) representatives in a few weeks, and she wants to have the employee issues resolved as much as possible before the meeting. She wants to establish a process that will reduce the likelihood of future EEO complaints.

- What should Cindy do about Lindsey's termination?
- How should the organization manage the current EEO complaints?
- How can they reduce the likelihood of future complaints?

SCENARIO D: QUESTIONS FOR GRADUATE STUDENTS

Cindy has decided to address the inappropriate behavior of some supervisors. She is not interested in a quick fix or a simple warning to Dale. She wants a policy that can be applied consistently and that can be implemented at other locations when the hotel becomes a multiunit organization. She recognizes that a good system must address both sides of the issue. She wants a performance management system that will improve the supervisors' behavior and will provide an effective process to manage employee complaints.

- What should be included in Cindy's performance management plan for supervisors?
- Design an employee complaint procedure that protects employee rights and is supported by supervisors and staff.
- How can the performance management system and the employee complaint procedure be designed to enhance the organization's strategic mission of quality service for guests and support for employees?

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