

teaching note

Time for Change: A new leadership decision for Restaurant profit enhancement

Summary

This case study presents a thought-provoking situation about a new leadership decision to implement holiday specialty meals on Thanksgiving and Christmas Eve to enhance both the inn and restaurant's appeal and increase annual revenue. The new GM of the 49-room Inn's Restaurant located on a college campus in Arkansas believed that it would be a great way to draw more people to the restaurant. However, the implementation of these holiday specialty meals came with some critical implications. In order to curtail the negative implications, the GM had three time-line options for implementing the restaurant's holiday meal additions:

1. Implement both new holiday meals in the first year.
2. Implement both new holiday meals the following year, giving the staff a year to prepare.
3. Implement one of the new holiday meals his first year, and add the second meal the following year.

This case study provides an opportunity for undergraduate juniors and seniors, and postgraduate students in business and hospitality management programs to discuss issues pertaining to revenue enhancement, organizational culture change, open communication, decision-making, employee morale, and the implications of new management and leadership decision for a change.

Learning Objectives

By the end of this case study, junior and senior undergraduate/postgraduate students in business and hospitality management programs should be able to:

- Describe the importance of the following concepts in regard to the implementation of a successful change in an organization: participative leadership style, goal setting-theory, and open communication.
- Discuss some challenges a leader may face in an attempt to change the culture of an organization in order to enhance the organization's revenue.
- Describe the benefits of participative leadership style for implementing organizational change.
- Discuss how managers can improve morale during a time of organization's cultural change.
- Evaluate and recommend an effective form of communication for organizational change.

Prior to Class

Prior to class, students will be asked to read the case study and the conceptual framework regarding the case, including: goal setting-

theory, leadership/management styles, and the concept of open communication. They will be urged to prepare to answer the questions following the case and discuss the following concepts:

- Participative leadership (management) style
- Goal setting-theory
- Importance of open communication during a time of change

The implication of each concept on employee morale and turn over intention

Class Instruction

The class instruction for this case can take either of the two approaches listed below:

Approach 1 (45-50 minutes)

- Start the class by asking if the students have done the case assignment. Continue with a brief summary of the case and ask whether any of the students have experienced a similar situation (5 minutes).
- Present a power point presentation on the theoretical concepts of this case. Describe the following concepts: goal setting-theory, participative leadership (management) style, importance of open communication during a time of change, and the implication of each concept on employee morale and turn over intention (8-10 minutes).
- Divide students into small groups and urge each group to answer one or two of the six groups of questions following the case (7-10 minutes)
- Let each group present their answers (10 minutes)
- Reinforce the answers of each group (5 minutes)
- Class discussion on the implications of leadership/management behavior during an organizational culture change (5 minutes)
- Summary of the case's key points (5 minutes)

Approach 2 (75 minutes)

- Start the class by asking if the students have done the case assignment. Continue with a brief summary of the case and ask whether any of the students have experienced a similar situation. Then, ask students to form small groups (10 minutes).
- Ask each group to debrief the case study by discussing the following topics and answer all the six groups of questions following the case (20 minutes)

What is the case study about?

Background information about Inn's Restaurant

Theoretical concepts regarding the case

Implications of each decision options

What are the new GM's concerns?

- Probe the class about the theoretical concepts regarding the case (7 minutes)
- Let each group present their answers (20 minutes)
- Reinforce the answers of each group (8 minutes)
- Class discussion on the implications of leadership/management behavior during an organizational culture change (5 minutes)
- Summary of the case key points (5 minutes)

Discussion Questions for Use in Class

- Which timeline option for implementation makes the most sense for the company in your opinion? Why?
- Should the GM be concerned about the employee reaction to the changes? Why?
- Is the increased revenue more important than the employees concerns? Could there be devastating affects to the company if one or the other is ignored? In this regard, how should the GM assess the results of this decision using cost-benefit analysis given the quantitative and qualitative nature of the various potential outcomes?
- What steps should the GM consider in communicating changes to the employees?
- What are some possible points the GM could make to the employees to provide them with incentives for coming to work on widely celebrated holidays?
- What are some possible impacts of participative leadership style and goal-setting theory for implementing the schedule change? How would getting the employees involved in the decision-making process benefit the organization through the changes?

References

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Additional Reading References

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APPENDIX

Inn’s Restaurant Menu

Breakfast	
<p>Ella’s Cast Iron Skillet ... 10 Avocado and Chorizo Omelet ... 10 American Omelet ... 10 Farmer’s Market Omelet ... 9 Bagel and Lox ... 10 Classic Breakfast ... 8 Blueberry Pancakes ... 9 French Toast ... 9</p>	<p>A la Carte Thick-Sliced Peppered Bacon ... 3 Sausage Links ... 3 Two Eggs any style ... 3 Fresh Fruit and Mango-Ginger Yogurt ... 3 Home-Style Potatoes or Crispy Shredded Hash Browns ... 2 Wheat Berry Toast \$2 Biscuit and Gravy ... 4</p>
Lunch	
<p>Appetizers Steamed PEI Mussels with Grilled Crostinis ... 8 Maryland Jumbo Lump Crab Cake ... 6 Shrimp and Grits ... 9</p> <p>Soup & Salad Chef’s Choice Soups Prepared Daily Cup... 4 and Bowl ...7 Caprese Salad ... 9 Grilled Caesar Salad with Parmesan Crisp ... 8 Ella’s House Salad ... 6 Strawberry and Baby Spinach ... 7 (Add Grilled Shrimp 7, Chicken 6)</p> <p>Ella’s Specialties Grilled Salmon Pasta ... 13 New Castle Brown Ale Battered Cod ... 14 Chicken Marsala ... 13 Sweden Creek Shiitake Mushroom Pasta ... 12</p>	<p>Sandwiches <i>With your choice of Hand-Cut Fries, Hand-Sliced Potato Chips, Fresh Cut Fruit or Grilled Zucchini and Squash</i> Bacon Cheese Burger ... 12 Beef Tenderloin Sliders ... 12 Prime Rib with Horseradish Cheddar ... 11 Grilled Chicken Sandwich ... 12 Turkey Club with Candied Bacon ... 11 Chicken Salad on a Croissant ... 9 Caprese Panini ... 9</p>
Dinner	
<p>Appetizers Pan Seared Diver Scallops ...14 Maryland Jumbo Lump Crab Cakes ...12 Braised Pork Belly ...14 Shrimp and Grits ...12 Duck Confit Crepes with Sweden Creek Shiitakes ...11</p> <p>Salads Grilled Caesar Salad with Parmesan Crisp ...8 Honey Lavender Arugula Salad ...9 Ella’s House Salad with Slow Roasted Tomato ...8</p>	<p>Entrées Grilled Ribeye Steak with Argentina Chimichurri ...38 Grilled Beef Tenderloin with Green Peppercorn Demi-glace ...8 oz. Filet- 38 / 6 oz. Filet- 34 Salmon En Croûte ...28 Grilled Diver Scallops with Vera Cruz Sauce ...30 Grilled Berkshire Pork Chop in a Jamaican Jerk Marinade ...28 Pan Seared Duck Breast with Butternut Squash Gnocchi ...27 Grilled Bone-In 5 oz. Venison Filet with Chive Butter ...31 Local Free Range Supreme-Cut Chicken Breast ...25 Cranberry Raisin and Chiffonade Basil Bourbon Cream Sauce Pasta ...17 Chef’s Choice Vegetable Plate ...16</p>