

## case study

# Where Did Our Server Go? A Case of Service Failure in a College Hotel Restaurant

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## Introduction

In an ideal world, hospitality businesses would take great care to hire, train, and develop their employees and employees would be equipped and motivated to deliver consistently flawless service. Yet all businesses must anticipate the eventual (and sometimes disastrous) service failure. In fact, without a business first experiencing a service failure, they have no opportunity to excel in service recovery.

Turnover and poorly trained workers are major concerns in the hospitality industry. These factors contribute to the likelihood of service failure in an industry whose “product” is service. For educational institutions whose primary focus is not hospitality, there may be additional challenges, including a unique source of workers. Colleges rely on student employees for many campus departments, including food-service facilities such as dining halls, pubs, and quick-service locations. These facilities serve as a source of income for the college as well as a “laboratory” for hospitality students.

Some colleges may also operate conference centers and/or hotels that incorporate foodservice operations, including full-service restaurants. Such a restaurant may serve campus constituencies (e.g. students, faculty) and nonaffiliated guests, including dignitaries and revenue-generating event attendees.

This case study offers the opportunity to discuss several hospitality management issues for such a setting, including leadership, decision-making, employee motivation, and service failure and recovery.

## Teaching Objectives

By the end of this module, students should be able to: (1) recognize and describe the point(s) when service failed, (2) identify, describe, and evaluate attempts at service recovery in the case study, (3) suggest ways to prevent similar service failures in the future, (4) suggest feasible resolutions for such service failures, and (5) demonstrate an understanding of factors that might impact an employee’s performance.

## Case Study Scenario

Upstate College, a public, 4-year college located on the east coast of the United States, offers a hospitality degree program. In 2014, thanks to a successful capital campaign and a generous endowment from William ‘68

and Mary MacArthur ‘69, the college constructed a medium-sized hotel and conference center on campus. The College’s vision was for this facility to be self-sufficient within 10 years and to serve as a training ground for hospitality students. The MacArthur Hotel and Conference Center (“hotel”) had a “soft” opening during Fall Homecoming in October 2014 and its grand opening in December, 2014. The facility held several small holiday luncheons and dinners in November and December, primarily for campus departments. The first major conference was in January, 2015.

This particular conference happened to be an annual hospitality education conference attended by industry professionals, faculty, and students from around the world. The booking of this conference was a coup for Upstate College. It was an honor to be chosen as the host hotel, and Upstate’s hospitality students would have a prime opportunity to network with key industry representatives. The conference was also going to be the first major challenge for college and hotel staff. It was a large-scale, multi-day event with plenary sessions, workshops, breaks, lodging, and meals (including a formal awards dinner) taking place in the hotel. Staff would have their abilities stretched to provide the necessary services and resources.

With the 2008 economic downturn in mind, college administrators made several operational decisions for the hotel. Each major department would have full-time permanent managers, but the number of line staff would vary depending on guest demand, event bookings, and staff availability. Student labor would play a key staffing role, both in front and in back of the house. As most students attending Upstate College were local commuters, administrators anticipated that many would welcome the opportunity to work during the school breaks.

In addition, as the hotel was considered an auxiliary, for-profit arm of the College, the human resources functions would be handled by the individual managers for their own departments, not by the College’s Human Resources Office. Each manager was expected to have a basic understanding of the legalities involving each function as a condition of employment, but could contact the College’s Human Resources Office for the occasional question. The College intended to revisit these decisions in the future.

## The First Night of the Conference

On the first night of the conference, three hospitality faculty members from different schools met during the hotel’s evening mixer. They got along well immediately and decided to continue their con-

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versation over dinner. As it was late in the evening, they decided to patronize the hotel restaurant.

The restaurant closed at 10:00 p.m., so the faculty members decided to freshen up and meet back at the restaurant. They arrived at 8:00 p.m. and were seated quickly and pleasantly by the hostess. There was only one other diner in the restaurant.

### ***First Impressions***

The tables in the restaurant were clean and set with standard place settings. The faculty members thought it was serendipitous to have been seated with a partial view into the kitchen and service area. They saw two staff in the kitchen dressed in kitchen uniforms. The server, who arrived at 8:20 p.m., wore a name badge saying "Erica" and "Student Server."

### ***Erica's Background***

Erica is a hospitality student at Upstate College and entered college immediately after high school. As a single mother, she needed to work as well as study. Her advisor suggested that since Erica was interested in the restaurant industry that she apply for a position in the conference center restaurant. Erica obtained a dishwashing and cleaning position in the kitchen. Erica liked her co-workers and her hours. She also felt satisfaction at seeing everything clean at the end of her shift. An added benefit was that kitchen positions paid more than other student jobs on campus.

Erica was suddenly reassigned to be frontline wait staff in the college's conference center restaurant the morning the conference started because of a shortage of student workers. She was concerned because she had no work experience in front-of-the-house restaurant operations. Additionally, the usual staff orientation for new employees would not be held because the conference started that day, but Erica's supervisor told her that since she had been a customer at least once in a restaurant, she had to know how to serve people. She was also quite shy, but her co-workers tried to reassure her, saying she would "do great" because she was a hard worker and had a nice smile. Erica's biggest concern though was that her wages would be lower because she would be expected to supplement her base pay with tips.

### ***Second Impressions***

The faculty members noticed that Erica was dressed in a white button-down shirt, plain black slacks, and black sneakers. The shirt and pants were somewhat wrinkled, but clean. One sneaker had a stain. Erica seemed a bit nervous as she greeted the faculty members, and apologized profusely when she splashed a little water on the table. The faculty members attempted to put Erica at ease by making small talk, but after a few minutes, one of the faculty members interrupted Erica to ask for menus. She stopped talking and looked embarrassed. As Erica distributed the menus, she giggled nervously and said, "I hope you're good tippers!"

The faculty members asked about some of the local specialties on the menu. Erica's previous station had been away from the food prepara-

tion area, so she was unfamiliar with these items and had to go ask the chef. Erica then returned to take the faculty members' orders and left. The faculty members noticed the other diner in the restaurant had finished his meal and departed, leaving them the only guests.

### ***Where's Erica?***

The faculty members chatted for a while, but eventually noticed that there seemed to be a delay in receiving their meals. Erica was not in view, but the group saw what they believed to be their meals placed under a heat lamp on the pick-up counter at approximately 9:00 p.m. The faculty members jokingly asked each other if they should retrieve the meals themselves. Instead, they waited to see what happened.

At about 9:30 p.m., the faculty members saw Erica get up from a booth that had hidden her from view. She was texting on her cellphone while she walked to the pick-up counter. At the pick-up counter, one of the kitchen workers seemed upset at Erica and pointed at the meals on the counter. She shrugged and then brought the platters to the table. After she placed the meals down, she asked if she could bring anything else. The faculty members said "no." Without further comment, Erica left.

### ***Worth the Wait?***

The faculty members noticed that the appearance and quality of their meals were generally poor. The hot meals were cool or cold. A local specialty, fried plantains, were gummy and greasy. Two of the faculty members had ordered hot beverages, but they were not accompanied by the usual condiments such as sugar, cream, and lemon slices. Only one faculty member decided to eat his meal. The others were too dissatisfied and annoyed since it was quite late to be eating or to try and find someplace else in town. When Erica returned, they asked that the restaurant manager be summoned. Erica stuttered that she would find somebody and hurried away.

### ***The Restaurant Manager Arrives***

The restaurant manager arrived. As she was speaking with the guests, Erica was telling her co-workers in the kitchen that she wanted to quit. She had been happy where she was, but now she believed she was going to be paid less and she was very uncomfortable dealing directly with customers. The older staff member chided Erica, saying she should "keep her eye on the ball" and think of the job as a beginning, reminding her that many a manager started in the kitchen. "With the experience and education you're getting, you might even manage a top restaurant or hotel someday," he said.

Back in front of the house, the restaurant manager told the guests that she would not charge for the meals and offered them free desserts, but these were declined. She commented that it was very difficult to find and retain good employees, especially when the hotel was dependent on part-time student labor. She also wished that student workers could be more engaged and motivated, even in "just" part-time or entry-level positions. One of the faculty members gave

the manager her business card and offered a consultation.

## Concepts Related to the Case Study

### *Misleading Initial Foodservice Experiences*

For many foodservice staff, “restaurant work [may seem to be] neither a fun lifestyle choice nor the fulfillment of a foodie dream. It’s a job, a way to feed and house themselves and their families” (Woolever, 2012, p. 26). There are also often arduous physical responsibilities with line-level positions. Employees can be required to work at a fast pace at peak meal hours or during catering events, and these periods of intensive responsibility are often interspersed with long periods of waiting, often on one’s feet. Food preparation areas are often hot, cramped, and hazardous. Employees are apt to become wet and dirty because of food preparation, dishwashing, and spillage.

In many colleges, therefore, student workers in foodservice line-level positions are typically paid a higher hourly wage. Receiving a higher wage, however, may not be enough of an incentive for these employees to stay or to perform well (Tudor, 2011; Woolever, 2012). Employees may need to be motivated by additional or different factors, both intrinsic and extrinsic, and be motivated by different factors at different stages of their lives (Adams, 1963; Herzberg, 2003; Maslow, 1970).

For example, it would be important to note in employee orientation and training that the restaurant industry is the second-largest private sector employer in the United States and offers many opportunities for promotion. According to a recent study by the National Restaurant Association (NRA), 75% of restaurant employees believe that restaurants offer a career path of upward mobility and indeed, the first restaurant job held by 9 out of 10 restaurant managers, supervisors and chefs was an entry-level one. Moreover, 9 of 10 restaurant employees and owners indicate that they are “proud to work in a restaurant,” and 7 of 10 restaurant employees and 9 of 10 restaurant owners indicate that they “plan to work in the restaurant industry until [they] retire” (NRA, 2014).

### *Youth Labor*

Understaffing and turnover are major human resources issues in the hospitality industry and the impact can be significant (Alonso & O’Neill, 2009; Poulston, 2008; Van Dyke, 2010). In the foodservice industry, a need for an additional 1.3 million restaurant employees by 2021 is predicted (Franchising World, 2011), and for many of them, these employees will begin work at a young age as Erica does in this case study. Ninety-two percent of employees below the age of 18, and 69 percent of those 18-24 reported that their first paid position was in the restaurant industry (NRA, 2014).

However, the United States Bureau of Labor Statistics (BLS) has indicated that the 16- to 24-year old age group is shrinking. This group represented 24 percent of the total labor force in 1978 and is predicted to shrink further to only 11.3 percent by 2024 (BLS, 2015). While the

reliance on youth labor will incur turnover (Poulston, 2008), and management often considers such labor to be inherently transient and relatively uncommitted (Blenkinsopp & Scurry, 2007), meeting future employee and management needs will require proactive efforts to attract and retain employees.

With younger employees specifically, Poulston (2008) notes that the hospitality managers should not only ensure that their employees are trained, but especially in the case of young people, also offer “some degree of pastoral care” (p. 422). Young people are seen as a vulnerable group that is “likely to need more rather than less training, if they are to make a realistic contribution to their workplace” (p. 422).

### *Motivating factors for working and working in hospitality*

Although Erica was enrolled in a hospitality program and was working in a hospitality setting, she didn’t seem to be aware of the field’s growth potential, which could have motivated her to see her job change as an opportunity. This isn’t necessarily unusual for youth labor. Pay, convenience, and flexibility may be more common motivators (Blenkinsopp & Scurry, 2007). These seem to be important current motivators for Erica, a single mother who may need to have her basic survival needs met before attending to higher-order needs such as social, recognition, or achievement needs (Maslow, 1970). Tews, Michel and Allen (2014) postulated that enjoyment in the form of “fun activities, coworker socializing and manager support for fun” (p. 925) could also play a key role in retaining employees, but it did not seem that Erica was experiencing any enjoyment either, at least on this particular day.

For hospitality students in particular, Richardson (2009) noted that while there were many job factors that students thought were important, a low percentage expected that their industry would fulfill them. Therefore, students like Erica are possibly less likely to enter the field the further along they are in their studies unless they perceive and receive motivating cues and encouragement (Van Dyke, 2010). Otherwise, while employers may initially enjoy a large pool of ready labor, they may later face a dearth of qualified permanent employees and/or trained employees who can grow increasingly dissatisfied (Blenkinsopp and Scurry, 2007).

This situation is not limited to the United States, where this case study takes place. Blomme, Rheede, and Tromp (2009) note that retaining trained hospitality staff is becoming a “primary challenge” for the hospitality industry internationally. Tews, et al. (2014) indicate that annual turnover rates for entry-level hotel and restaurant employees can surpass a staggering 50 percent.

In the case study, Erica was plucked abruptly from one job and placed in a high customer contact situation without training. Unfortunately, in reality, the hospitality industry in general has a poor reputation for training (Poulston, 2008). This is ironic, as hospitality education providers typically expect students to have some industry experience during their academic careers (Shin & Lee, 2011).

Managers, however, may not wish to invest in training short-term transient staff, or they may be too busy with other responsibilities (Alonso & O'Neill, 2009). All too often, a "sink-or-swim" training approach as depicted in the case study seems to be normal (Poulston, 2008). Yet, does it make sense to then expect employees to provide stellar service? Are organizations really setting the stage for poor service quality and in the case of the foodservice sector, unsafe food handling practices that can actually harm guests? The results of several studies on how to motivate hospitality employees, particularly low-paid ones, to perform well are discouraging (Ellis, Arendt, Strohbein, Meyer & Paez, 2010; Shin & Lee, 2011; Tudor, 2011).

## Questions for Students to Consider Before Class Discussion

1. Recall and describe a service failure at a restaurant that you have patronized.
  - a. Was the service failure preventable? If so, how might the service failure have been avoided?
  - b. If the service failure was not in the restaurant's control, did that change your attitude towards the incident? How?
  - c. What did you do in response to the service failure? (Note: NOT doing anything is also considered an action). Why did you choose to do what you did?
  - d. What was the response from the restaurant staff or management? (Note: If you did not make the staff or management aware of the failure, anticipate what the response might have been). If you weren't totally satisfied with how the restaurant staff or management responded, what could they have done to satisfy you and encourage you to return?
2. If you operated a restaurant, what are some of the possible service failures that you would prepare for, and why is it important to do so?
3. What were the service failures in the case study?
4. Evaluate how you think the manager dealt with the service failures in the case study. What might you have done differently?
5. Based on what the manager offered as a solution, do you think that the guests experienced Magnini's "service recovery paradox?" Why? Do you think that the fact that the guests were highly trained in hospitality had an influence on whether they (versus untrained laypeople) would experience Magnini's service recovery paradox? How so?
6. What factors may encourage and discourage workers to stay?

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