

## *The Briargate Resort: An internship balancing act*

### Summary of the Case

Dave Hill, The longtime Head Golf Professional at the Briargate Resort, must decide what to do with the 45 interns he recruited for the summer now that one of his three golf courses has closed due to flooding from heavy spring rains. He has spent 15 years developing strong relationships with 24 university partners and he does not want to potentially sever those by firing some interns in order to save money. The Briargate Resort is a five-star, five-diamond resort and Dave must also assure that the resort's high quality service standards are upheld, while at the same time balancing his budget for the season, even though he has one less golf course to work with. Dave has a meeting with the resort President tomorrow morning where he must discuss his proposed personnel changes and revised labor budget for the summer season.

### Teaching and Learning Framework

This case can be used in undergraduate hospitality management courses during discussions of crisis management strategies or relationship management practices. Students should recognize that there are financial concerns and they should be expected to make some calculations about potential cost savings, however this case is more concerned with generating solutions when faced with a dilemma while still maintain relationships with the resort's university partners and seasonal staff. Of paramount importance is that service quality cannot be compromised, so a massive reduction of interns to save money is not a viable option.

Here are some ideas to consider for each of the discussion points.

1. *What ethical questions must be addressed by The Briargate Resort and Dave when making decisions on allocating work hours to interns, seasonal, and full-time workers?*

Essentially, this revolves around the fact that Dave had already made promises to a number of those that would be affected by these changes. Is it ethical to promise someone a job and then retract it? It may not be, but unfortunately, sometimes difficult business decisions need to be made, especially in the face of an unprecedented crisis. Dave had to be more concerned with maintaining high service levels than with breaking a few promises.

2. *What alternative streams of revenue could be generated from The Mountain Course property if the golf course remained unplayable for an extended period of time?*

Students might suggest that The Briargate keep the restaurant open at The Mountain Course to generate some revenue or rent out the clubhouse for weddings. They also might suggest

keeping the golf shop open or have unique ideas about ways to use the driving range or a limited number of golf holes. All of these are good suggestions; however, none of this was actually possible because the road up to The Mountain Course was also washed out. The resort did sell some of the golf carts that it no longer needed for The Mountain Course, which generated \$46,000, but other streams of revenue were not possible due to the severity of the damage to the area. Please see "What Did The Briargate Actually Do" for more details.

3. *What are some other ways that Dave could reduce expenses since The Mountain Course would not be open all season?*

In reality, the entire Mountain Course area was shut down, so they had to close the restaurant, clubhouse, and golf pro shop. This saved money in the form of maintenance, electricity, heating and air, water, etc. Expenses were also reduced because they no longer needed golf operations staff and did not need to water, fertilize, and maintain the golf course. Some of The Mountain Course full-time employees were reassigned to other areas of the resort, while others had to be terminated. Therefore, the largest reduction in expenses were labor costs.

4. *What would be the advantages and disadvantages of letting some of the interns go that had already committed to work at The Briargate Resort for the summer?*

The main advantage is labor cost savings. The case states that The Briargate projected to be short \$250,000 in golf revenue alone. Students have enough information to calculate the total cost for all 45 interns at an average of \$11/hour over the 14 week, 40-hour/week period ( $45 * \$11 * 560 = \$277,200$ ). Therefore, each intern costs \$6,160 for the season (excluding housing, meals, etc.) so The Briargate would need to cut 41 interns (\$252,560) to completely recoup the losses from golf. This is unrealistic since it essentially dissolves the entire internship program, however, students may try to use some combination of intern reduction (\$6,160) to help offset some costs. They can also calculate how much a seasonal employee would cost since they make \$19 per hour.

The main disadvantage is ruining the relationships with the golf and hospitality programs that Dave has spent the last 15 years developing, not to mention his reputation in the industry. The Briargate also depends on the interns to help provide the high quality service expected at the resort, and clearly service standards cannot be compromised, so a major reduction of interns is not feasible.

5. *What should Dave's priority list for maintaining relationships be because of the closing of The Mountain Course?*

Dave's actual steps are outlined in the "What Did The Briar-gate Actually Do" section, so his priority list was:

- Meet with the Briar-gate Resort managers of the affected areas to come to a decision
- Personally contact the university directors and internship coordinators of the changes
- Meet individually with the interns to explain their new job duties
- Meet with the affected seasonal staff to explain their reduction in hours
- Contact the groups that had booked The Mountain Course during the closed period

### **What did the Briar-gate Resort Actually Do?**

Dave Hill's first order of business was to meet with the managers of the various areas of Golf Operations including outside services, retail, locker room, tournaments, valet, assistant golf professional, and starter/ marshals. Dave made them all aware of the labor situation and subsequently called a meeting in his office to discuss the circumstances and what needed to be done. The group decided to move some interns into areas of the golf operations that they previously had not worked. The interns had been there for three weeks and were already trained for their position, however many had to be reassigned and retrained in order to perform the functions of their new jobs. They were moved to positions as starter/marshals, golf concierge's making tee-time reservations, locker room attendants, and shuttle drivers between the golf courses.

Dave's next step was to personally contact each of the Professional Golf Management Program Director and Internship Coordinator and discuss what was happening and to make the necessary adjustments to ensure that the program requirements were still being fulfilled. All programs require certain job experiences for internships and Dave had to make sure that the new responsibilities that the interns were being asked to do would be in compliance with the program's guidelines. While not all of the new job duties for the interns were under the present internship requirements, Dave made the case to the program and internship coordinators that they were all important functions of The Briar-gate golf operation and that work experience in these areas was still valuable to the interns.

After the university programs were contacted and it was mutually decided that the expanded job duties fell in line with university mandates, Dave made the interns aware that their job duties would soon be enlarged and that they would be working in new areas of the golf operation. Dave called each affected intern into his office for a private meeting where he communicated to them what was about to take place

and what changes in the operation necessitated the adjustments. He received outstanding cooperation and understanding from the interns, especially after they were informed that this was the only way to still get their 40 hours of work a week and that their university program directors agreed to the changes to their job duties. The interns appreciated that they would now be exposed to other areas of the golf operation and that learning these other job duties would be a positive work experience. Dave also encouraged them to serve as caddies on the golf course since it was another way for them to supplement their income and perform an important function within the golf operation.

The next group that Dave needed to communicate these changes to was the staff whose hours were being reduced or cut altogether. Potentially these could have been some of the most difficult conversations for Dave since he was telling people their hours were being cut or they would not be employed. However, Dave carefully selected only seasonal part-time employees who did not need the money to pay their bills, but strictly looked upon the seasonal work as an avenue to gain free golfing privileges and to enjoy the special camaraderie of a golf staff. The starter/marshals were affected the most since this was the position that had the most hours available to be given to interns. It was also a vital part of the operation where interns could gain valuable experience. Dave was relieved that the staff understood the predicament that golf operations was in and they accepted the news well. This cooperation was only possible because of the excellent relationship that Dave had with his personnel before the crisis occurred. The locker room and valet areas were also contacted and Dave worked closely with those managers to convey the message to the personnel involved. The retail interns were not affected as their primary responsibility was within the Golf Shop itself, and since it was unaffected by the rains, it was not necessary to make adjustments in that area.

The final affected parties that needed to be contacted were the groups that had made reservations on The Mountain Course for play during the season. The Briar-gate tried valiantly to rebook them on their other two courses but sometimes all of their efforts to accommodate the groups met with frustrating failure. Many times the other courses were already booked on the desired day and time that the group wished to play golf. In addition, activities and dinners planned to accompany the golf outings often proved too difficult to rebook. The list of details to satisfy these groups were numerous and varied, and unfortunately in the end, many groups simply cancelled their golf outings. Dave had a responsibility to The Briar-gate Resort to run the day-to-day operation in a prudent, professional and profitable manner. Because The Briar-gate and its golf club are five-star enterprises, it could not afford to let its service standards suffer for anyone. They decided it would be better to lose the group business this season rather than provide them with subpar service. Their hope was that the groups would be understanding of the situation and consider the

resort for their events in the future.

Many other very difficult financial decisions had to be made including how much money to invest into repairs of The Mountain Course to make it playable again. Independent contractors would need to be hired to determine the best course of action for the affected land area. Long-term decisions were ultimately delayed until the resort could be assured that the land that the golf course was on had completely stopped moving. An outlay of \$100,000 was initially paid to various excavation companies to remedy the land movement situation, but none of them proved to be successful as the land continued to move throughout the season. On a positive note, The Briargate was able to sell some golf carts that they no longer needed at The Mountain Course back to the manufacturer, which netted the resort \$46,000.

By decreasing the number of seasonal employees and reassigning the interns Dave was able to keep all of the interns employed for the summer and was also able to meet his budget without compromising the resort's high service standards. Incidentally, this took place in 2015 and The Mountain Course has still not reopened because the land continues to shift and remains unstable. Subsequently, Dave has only hired 32 interns over the past few summers and that has worked out well for the interns and the resort.

## References

- AAA/CAA Five Diamond Hotels. (January 31, 2018). Retrieved March 28, 2018 from [https://publicaffairsresources.aaa.biz/wp-content/uploads/dlm\\_uploads/2018/01/January-2018-5D-Hotels.pdf](https://publicaffairsresources.aaa.biz/wp-content/uploads/dlm_uploads/2018/01/January-2018-5D-Hotels.pdf).
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