



Freebirds Human Resources

Elli Malone, Georgia Koukatsikas, Jesus Alejandro, Lanz Dorenza

HRMA 3352

May 4, 2015

Table of Contents

Introduction.....	1
Company Problems and Solutions.....	1
Strengths and Weaknesses of Freebirds Solutions.....	3
Our Alternate Solutions.....	5
Why Our Solutions Are Better.....	6
Comparisons of HR Practices.....	8
Linking Class Principles.....	9
Conclusion.....	11
References.....	12

Introduction

To better understand how human resources is handled in the hospitality industry, we conducted an interview with a Freebirds restaurant general manager who also handles human resources, Stephen Coates. Through the interview we learned the three main human resource problems this particular restaurant faces and the current solutions they are implementing to correct these problems. We first analyzed their problems and solutions and pinpointed the strengths and weakness within these solutions. We then came up with some alternate solutions that we felt would be easy to implement and might work better in eliminating or reducing the issues. We also compared Freebirds human resource practices with Chipotles HR practices to understand the similarities and differences between the establishments because they have a similar atmosphere and working environment. We then identified principles learned in class to understand these problems and gain a better understanding of how human resource management works.

Company Problems and Solutions

We conducted our interview with the manager of the Freebirds Restaurant on Kirby and Old Spanish Trail, Stephen Coates. Mr. Coates was able to provide us with information about the human resource policies of Freebirds and how he uses this information to deal with problems that come up in the work place. He expressed to us that the three main issues that he has dealt with include employees bringing drugs to the workplace, employees having interpersonal relationships, and turnover.

The first conflict that we will talk about is an issue Freebirds faced with its employees bringing illegal drugs into the workplace or coming to work already under the influence. The specific problem faced at this particular restaurant is team members smoking marijuana in the

walk-in coolers during working hours when business was slow. The general manager first explained how this is a difficult problem to resolve, seeing as the company has a policy not to drug test employees for the simple fact that most of the potential employees are young and would be eliminated with a drug test. Because of this policy he said the only solution the company has come up with is to restate the company's policy of: "No consumption of illegal drugs on company property" and remind employees of how drugs can affect their work. He also provides a verbal warning to employees and keeps an eye on employees who are known for doing drugs before work or on company property as it does seem to affect their quality of work. Mr. Coates conveyed that this particular solution has not been successful thus far in eliminating the drug problem because employees continue to feel unmotivated and continue to come into work under the influence. This is an issue that needs to be resolved because use of any type of drugs affects an employees work pace and quality.

The second problem Freebirds faces is team members having inappropriate interpersonal relationships at work. Employees have been caught having inappropriate relations in the office area and the walk-in cooler. This problem completely distracts associates from focusing on their work and can affect work quality because employees are busy focusing on another employee instead of working. Freebirds solution to this problem was to obtain written statements from team members involved and also to transfer said employees to different restaurant locations. After this incident an open door policy was implemented stating that the door of the office should remain open during operating hours. Mr. Coates said that so far this method has been successful in keeping employees apart and from doing inappropriate things on property.

Thirdly, Mr. Coates talked about how turnover is a common human resource problem in the restaurant industry that Freebirds also falls victim to. During the interview he gave multiple

solutions that he is implementing to help diminish this problem. In an effort to minimize the turnover rate at this Freebirds location he went over the past hiring process and credentials for hiring a new employee. He realized that in the past, employees may have been hired too quickly and without a proper interview to see if the prospective employee is internally motivated to go far and move up in the company. Quickly hired employees were not tested on team work skills or trained working closely with a team. Without proper hiring and training practices, new employees were unable to fulfill their jobs to the best of their abilities or to company standards and end up quitting after being with the company for only a short time. After reviewing and recognizing this issue, the solution found was to start hiring people more strictly. Mr. Coates said he began hiring people with integrity and a motivation to move up in the company. Proper training began being given to employees and also continuing training with current associates to make sure everyone is on the same page as the company and are adhering to company standards. This current practice ensures that the right people are hired and properly trained. Mr. Coates conveyed that this method has helped employees feel more satisfied and comfortable with their positions, however he admitted that turnover remains an issue.

Strengths and Weaknesses of Freebirds Solutions

The solution to the first problem, consumption of illegal drugs, the resolution was to restate company policies. A strength of this solution is that employees are getting one on one time with the manager. A manager has the opportunity to take initiative and really try to get through to the employee. However this solution is fairly weak because there is no clear proactive action being taken to resolve the issue. By only restating company policies and not creating an active plan that gets employees motivated, employees may think that managers may not be interested in resolving the problem and simply do not care if they stop or not. This results

in no change in employees working habits and also a decrease in respect they have towards management. Although this solution seems weaker than it does strong we recognize that management action is limited because of the company policy not to drug test employees, and the solutions they may wish to implement might not be accepted by the company.

The second issue was interpersonal relationships in the workplace. The solution to the problem was to take written statements from all employees involved and transfer one or both of the employees to different locations. The solution offers many strengths as well as weaknesses. To begin, management properly followed company policy and took immediate action. The situation seemed to be handled professionally and no blame was placed on any particular associate nor did they ignore the problem or let it slip by. Its main strength is that it was successful in completely eliminating the problem and making sure it didn't happen again with those particular employees. A weakness however is that the situation could come up again with different employees, so although it is successful in eliminating the problem once it happens it is not preventative and offers no guarantee that it will not happen again with a different set of employees. Another weakness is that it may be inconvenient for employees because it could increase travel time to work and also cause stress of having to adjust to a new environment and team. It might make the employee feel dissatisfied in their job which could lead to the next issue we will discuss which is turnover.

The solution for the third problem of a high turnover rate was to make sure the right employees were hired and taking the appropriate time to train them. The solution seems effective and efficient because it has reduced the turnover rate. Its strengths are that it makes sure the right people are offered the right positions and also ensures that employees know what they are doing so they are less likely to be unsatisfied in their position. In addition it also creates

a strong team with a good working environment. There are however also some weaknesses to this solution. In the event where an employee needs to be quickly replaced, the long hiring process and training will either result in the training processes being overlooked and an employee being improperly trained or the restaurant being understaffed for too long causing strain to current employees.

Our Alternate Solutions

The Freebirds way of solving their problems were sometimes a bit informal. Although each solution had its strengths and weaknesses we felt that they may not always work or be completely effective in deterring wrong behavior. We came up with some solutions that we felt would be more understandable to employees and make for a better working environment for everyone.

Regarding drugs in the workplace we discussed how employees who are bringing drugs to work or using drugs before work are probably lacking motivation and feel like the employer is not really interested in their behavior. To change this perception you could offer benefits or rewards for employees who are excelling at work, arriving on time and who are making an effort to create a better working environment. After a certain amount of time employees who show improved behavior should be rewarded with some type of promotion or recognition such as employee of the month, additional off days or first pick when it comes to scheduling and choosing shifts. This should eliminate the issue because employees will have a reason to be performing to their full potential.

The second problem, interpersonal relationships between employees, we would take a different approach. We were in agreement with Freebirds open-door policy, however we would

take it a step further by having the doors removed in office areas where employees had been caught and cameras would be installed in the storage area to discourage employees from having inappropriate interactions here. You could also make sure employees have separate break times and multiple employees are not going on break at the same time. This would help insure that all interactions employees have with each other at work are purely professional and do not get out of hand.

The last problem Freebirds faces, is turnover. Tying this issue back to Herzberg's theory, you would first have to identify and then eliminate dissatisfaction on the job. Using what we were told from Freebirds the most important thing to do in eliminating the dissatisfaction would be to make the work meaningful for team members by creating an environment where they feel respected and valued by the company. Secondly, you would create conditions for satisfaction, this can be achieved by offering opportunities for achievement, advancement and recognizing good behavior or milestones achieved by employees. If an employee showed good behavior and leadership qualities for a certain amount of time, we would offer more responsibility and promotions. Lastly, you would continue showing interest in employee growth by checking in with them to make sure they are satisfied with their work conditions and job performance. Monthly performance reviews would be given in order to give employees feedback and let them know where they stand with the company. The goal of this solution is to keep employees motivated and satisfied in their job.

Why Our Solutions are Better

We developed solutions that we felt would be easy to implement into the Freebirds policies. We recognized that the Freebirds solutions might not be effective in helping to better employees and stop behavior that can affect business practices. The Freebirds employee

atmosphere is very different than that of other companies, they face problems that other companies may not face as often. Majority of Freebirds team members are very young which might be the root of the problems that they need to overcome. Young people are more likely to be unmotivated which is why our solutions include motivating factors, which is the key to solving the issues. The Freebirds solutions do not offer much motivation which is a main reason why we think our solutions may be better in offering a new and improved perspective to employees.

For the first problem, drugs in the workplace, Freebirds would simply restate company policies, this is not and has not seemed to prove effective in getting employees to stop bringing drugs into work or coming to work under the influence. Our solution was to provide employees showing excellent behavior and growth with benefits and rewards. This will be more effective because employees will have a reason to come to work on time and a reason to perform to their full potential. This should provide employees with much more motivation than just a restating of policies.

The second problem was unprofessional relationships between employees. Freebirds solution was to take written statements and transfer employees involved to different locations. While this may have been effective we found a solution that might be a little better and prevent interpersonal relationships between employees all together. Freebirds also has an open door policy which we decided to extend by having the doors completely taken off. We also came up with cameras in places where employees were known to meet up, and also requiring employees to take separate breaks. Our solutions provide sort of preventative measures and discourage employees from doing inappropriate things at work. Freebirds solution seemed effective but our

solution just took theirs a step further which should stop inappropriate behavior from happening all together.

For the third problem of turnover, the solution from Freebirds was to just make sure to hire the right people for the job and train them right. While this was effective in ensuring the right people were hired and trained properly, we recognize that turnover will always be a problem in any working environment. Our solution is to eliminate job dissatisfaction, create conditions for satisfaction, and offer promotions to team members who are showing leadership qualities. For the Freebirds working environment, growth and opportunity are necessary for employees to remain motivated and satisfied. By advertising promotions to employees, they will be more likely to stay in their position when they see an opportunity for growth and more responsibility.

Comparisons of HR Practices

The Freebirds and Chipotle Company have successfully introduced their different concepts of the burrito and though their burritos have similarities and differences so do the human resource practices that both companies apply. The comparisons would be that both companies have their own mission statements, outlining the goals and the commitments of their companies, goals that employees strive towards. Both of these companies also offer 401 (k) retirement plans to employees. Some benefits both companies offer employees are discounted or free meals during breaks, and a health plan for full time employees. When you visit each of the company sites you are able to see job postings of stores that are looking to hire new employees as well as a search engine to look for job openings of stores in the nearby areas. There are job applications that are available online for both companies as well as an option to register for a newsletter or to sign up for more info if a person is not quite ready or old enough to apply for the

job. The job applications are also quite similar in format and what info is required to be filled out by employees.

Chipotle has what is called the “Code of Conduct” which outlines how every employee, from associate to the members of the board should act when representing Chipotle. This code outlines in detail what is prohibited and what is legally acceptable when employed by the company. This code has everything from the clear definitions of what is considered sexual harassment to discrimination, to the company’s stance in accepting gifts from suppliers/vendors. Freebirds also has very similar outlines for these specific human resource practices however there is no official name for it.

The dissimilarities between the two companies would be that while Freebirds franchises, and Chipotle does not. That would mean that the management at Chipotle had guidelines to follow because it has corporate standards. Franchisees at Freebirds could also provide the same type of rules, however since they are technically the owners, they can manage by setting their own rules as well which also might make management between the two slightly different.

Linking Class Principles

Linking class principles helps us understand how theory can become reality as well as observing how bad management can hurt a business. Referring to the first issue Freebirds faces, consumption of illegal drugs in the workplace which we related back to employees being unmotivated about their work, we believe that the article written by Bowen & Lawler about empowerment best links the two. The best way to deal with employee’s lack of motivation is to give the employees a sense of pride in their work by explaining how their bad habits directly correlate with the stores over-all performance. You can bring perspective as to why employees

need to change their work practices. To further encourage empowerment management should assign more responsibilities to each shift, and allow employees to contribute ideas to better the store as well as reward good behavior.

We can link interpersonal relationships with the class principle of sexual harassment, more specifically hostile work environment. Although it may not meet all of the general requirements to fall under the category of hostile work environment, it was unwelcome towards other employees as well as pervasive. The people involved in the relationship were creating an offensive and inappropriate work environment, as a result this conduct has unfortunately interfered with employee work performance.

As mentioned before, dissatisfaction is one of the main reason why employees leave their job resulting in high turnover rates. As Herzberg states in his article the opposite of dissatisfaction is no satisfaction, meaning to achieve job satisfaction one must look at separate criteria to reach this goal and separate criteria to eliminate job dissatisfaction. According to Herzberg, job satisfaction is caused by intrinsic motivation factors, such as achievements, recognition, work itself, responsibilities, advancement and growth. In other words eliminating horizontal loading and replacing it with job enrichment. The dissatisfaction or hygiene factors are the basic needs in which an employee is content with his job without accomplishing job satisfaction. Some of these hygiene factors are: security, status, relationship with subordinates, supervisors and peers, salary, work conditions, and company policy and administration.

Mr. Coates also spoke of training new-hire employees correctly, an example of this would be using the behavior model of “tell, show, do, review” to train employees how to “roll a burrito” and other simple but meaningful tasks to the restaurant. The new employee is told what to do by reading the training manual, then a manager shows the proper way to go down the line

adding what the guest wants and correctly preparing a burrito for the guest. After that the manager allows the new employee to take care of the next guest while the manager observes and guides the new employee along the way. Finally together they discuss and correct the errors that were made and repeat the process to give the new employee time to practice and become more confident.

Conclusion

The practice of HR is very important in state wide restaurants such as Freebirds which has over a 100 restaurants all over Texas. With this, we identified three problems that this specific Freebirds location has faced, the most prominent being: illegal usage of drugs in the workplace, unprofessional relationships at work and turnover. These are common problems that restaurants in the industry face and are not just limited to Freebirds. The Freebirds current solutions to these problems have been somewhat successful in eliminating these issues, however with what we learned in class we were able to come up with different solutions that we felt would be more effective in solving, preventing and in some cases eliminating the problem all together. We were able to compare the Freebirds practices with a very similar restaurant, and we were able to tie back many of Freebirds issues and our solutions to what we have learned about in class. Overall, we have learned that HR is important in every company where everyone from the CEO all the way down to the associates is part of HR. Every employee in a company makes up HR and it is up to everyone to implement change to creating a better working environment.

References

Herzberg, Frederick. "One more time: How do you motivate employees?" *Harvard Business Review* (1987):109-20. Print

"Chipotle: Food With Integrity." *Chipotle: Food With Integrity*. N.p., n.d. Web. 12 Apr 2015

"Delightful Demonstrations by Codrops" *Freebirds World Burrito*. N.p, n.d. Web 20 April 2015

Bowen, David E., and Edward E. Lawler. "The Empowerment of Service Workers: What, Why, How and When." *Sloan Management Review* (1992): 31-39. Print