

## High Growth Industries (HGI) Case Overview

High Growth Industries (HGI) is a regionally accredited chain of daycare centers in northern California with headquarters in San Francisco. HGI has established an excellent reputation during more than 30 years of service and has worked hard to achieve its motto to “foster high growth for your child.” It was recently awarded its largest contract ever; in just six months, HGI will be the sole provider of daycare services for all central and northern California state agencies.

HGI currently operates 17 daycare centers, mostly near San Francisco, Sacramento, and Napa Valley. These centers employ approximately 163 teachers, childcare specialists, and aides. Thirteen centers are more than 15 years old, and 60 percent of workers have been with HGI for more than 10 years. Centers range in size from two to 19 employees. Shirley Stevenson was recently hired as HGI’s first Vice President of Human Resources. She left an HR director position in a major manufacturing organization out of boredom. With an HR degree and 20 years of progressive HR experience in various industries, she claims to have seen it all. She has always been quite successful and eagerly anticipates the challenge that HGI’s president said would be there for her. Yet she cannot help feel somewhat uneasy at the enormity of all future tasks and in building the HR function.

The current HR department is in a shambles. She was unable to find an affirmative action plan, training documents, or other basic personnel information, including I-9s. Although the company has been unionized for the better part of 20 years, labor contracts are available for only the past five years. The teachers’ union attempted to strike two years ago over wages and conditions, although the specialists/aides union appears less militant. Each union is a union shop. Both contracts expire January 1 of next year.

In the past, the president and each center’s managers performed all of the organization’s personnel functions by the seat of their pants. Recruiting was done by word-of-mouth, performance appraisals rarely occurred, and the president was the chief union negotiator. “Management by walking around” is constantly practiced; the president visits each childcare center every month. Most managers are happy with this management style and the flexibility it provides them.

The data surrounding HGI’s upcoming expansion are astounding. HGI will be adding between 1,200 and 1,500 daycare workers, and a commensurate number of support staff. There will be approximately 40 new daycare facilities, some as far as 350 miles away. Shirley is now wondering if enough skilled and certified teachers are available.

HGI organization consist of the following functional areas:

- Chief executive officer.
- HR vice president: Shirley Stevenson’s new position.
- Legal staff: Focus on all legal issues within the corporation, including teacher certification, labor issues (EEO, wage and hour, legal ability to work, safety, etc.).
- Marketing vice president: Focus on increasing the client base, both short-term, and long-term.
- Chief financial officer: Focus on budgetary and other financial issues, seeking ways to keep costs low. Should examine cost-saving potential in operations, teachers, and support staff.
- Managers of individual daycare centers: Responsible for the daily operations of each center.
- Middle management (such as accounting, purchasing, etc.): Responsible for specific functions.
- Training director: Responsible for teacher and support staff training (either conducting the training internally or finding budgetary sources for training).
- Union leadership: Elected by the teachers, specialists, and aides themselves. A union shop requires all workers to join the union shortly after becoming employed.
- Workers: These are primarily the teachers, specialists, and aides who work with the children. (They do not necessarily have the same goals as the union leaders.)

To help Shirley get her hands around this situation, she has called on your consulting group to assist. She has asked for your group to first carry out a SWOT analysis of HGI's HR situation. She described the process that she would like to see as:

First, provide a **SWOT Analysis** of HGI's situation.

- Strengths are those tangible and intangible qualities that enable an organization to achieve its mission. These include human competencies, services, and process capabilities.
- Weaknesses are those activities, services or other factors that block the organization from fulfilling its mission.
- Opportunities present themselves through the environment in which an organization operates. They may be generated by the appearance of new trends in the marketplace, technology or demographics.
- Threats are external to the organization. Unlike weaknesses, they cannot be directly controlled; in fact, they exploit weaknesses and increase vulnerability.

Second, she has asked for your group to devise an **Operational Plan Analysis** to suggest steps to be taken to deal and to minimize the problems, based on the SWOT analysis, with a review of:

- Legal issues, including I-9s, affirmative action and EEO, teacher certification, etc.
- Contract negotiation, labor relations, union certification/decertification, and other labor issues.
- HR staff development.
- Teacher staffing and diversity.
- Documentation, both past and future.
- Compensation.
- New vs. old: respect loyal employees while simultaneously embracing change.
- HR vice president; personal style, department style.
- Communication needs and corporate culture issues.
- Effect of changes on both operations managers and the CEO.
- Budget.
- Training needs
- Methods of getting employ and management buy-in.
- Use of consultants or other short-term support staff (e.g., retired executives).

And last she suggests a **Strategic Plan** making recommendations not only for the areas mentioned above, but to get entire organizational buy-in for the next two to three years. She would like to see your recommendations and a timeline so that she plans for implementation and budgeting.

Your group's consulting assignment is to address these problems based on your study of *Managing Human Resources* and to develop a narrated PowerPoint presentation (Executive presentation) that will be present to her and the Chief Executive Officers via Blackboard's Collaborate Classroom. Shirley has asked that it not be longer than 25 minutes in length.

Your analysis should follow the case model described below:

- Describe a Synopsis of the Situation: background information about this case, and an overview of the case as you understand it or assume it to be.
- Present Key Issues: Define the key issues/factors and the roles of the Key Players. You should include only those issues that affect the identified problem.
- Define the Problem(s): Identify one key problem. While there may be several problems and a multitude of symptoms, attempt to identify one problem, the resolution of which would alleviate most of the symptoms found in the case.
- Alternative Solutions: Develop alternative solutions to the defined problem. This should not be a laundry list of actions one could take to address every symptom, but alternative actions that could correct the problem at hand. Identify the pros and cons of implementing each alternative.

- Selected Solution to the Problem: Select several of the alternatives and explain why it would be best.
- Implementation/Recommendations: Identify how to implement the selected solution and what the expected results (positive and negative) might be. Your job is to identify an action plan.

**General Guidelines:**

1. Your final group analysis will be presented as a narrated PowerPoint presentation in the Blackboard Collaborate Classroom, not longer than 25 minutes.
  2. Use the information learned to develop and agree upon a group approach.
  3. Spend more time on Recommendations than Synopsis of Situation. This is where you demonstrate your problem solving abilities. Be sure you (a) identify alternatives, (b) evaluate each alternative, and (c) recommend the alternative you think is best.
  4. Be specific in your recommendations. Develop specific recommendations logically and be sure your recommendations are well defended by your analysis. Avoid using generalizations, clichés, and ambiguous statements. Remember that any number of answers is possible and so your professor is most concerned about how your reasoning led to your recommendations and how well you develop and support your ideas.
  5. Do not overlook implementation. Many good analyses receive poor evaluations because they do not include a discussion of implementation. Your analysis will be much stronger when you discuss how your recommendation can be implemented. Include some of the specific actions needed to achieve the objectives you are proposing.
  6. Specifically state your assumptions. Cases, like all real business situations, involve incomplete information. Therefore, it is important that you clearly state any assumptions you make in your analysis.
  7. Include a title slide that lists each participating team members name and a reference slide that indicates the outside resources used to prepare your presentation. One team member should upload your final PowerPoint through the assignment manager for grading. All participating team members will receive the same grade.
  8. Present your narrated case project via the Collaborate Live Classroom, much like you are presenting your findings and recommendations directly to Shirley Stevenson. Make sure you record your presentation so the instructor is able to view it. There is a practice area for each group.
  9. As a team, present your PowerPoint in Live Classroom. Create an introductory overview and then each team member can address specific sections of your findings and recommendations—see the items presented above. The final presentation should be uploaded and presented in your teams live Collaborate Classroom.
  10. Try to be professional as possible. Visualize yourselves as a consulting group who really want to help this organization and to make a good impression so this can become a lasting consulting opportunity.
- 
- ❖ Note: There are two steps to submitting your group project. Both steps must be completed in order to earn credit for this assignment.
  - ❖ Submit your PowerPoint via email to the instructor. This document does not need to be submitted to Turnitin.com.
  - ❖ Present and record your narrated presentation in Collaborate Live Classroom. You will need a microphone and speakers or a headset with a microphone to record the presentation.
  - ❖ Your last recorded presentation by date and time will be the presentation that will be reviewed and graded using the associated scoring rubric.