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the linda dor: building a culture of customer satisfaction

Allie Zuccon and Zoe Woods wrote this case under the supervision of Professors Nicole Haggerty and Mark Boadu solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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As general manager of operations and interim general manager of human resources (HR), Eric “Nii Noi” Thompson was responsible for recruiting and retaining the right staff to help Linda Dor Restaurant and Rest Stop (Linda Dor) remain the restaurant of choice across Ghana. In August 2013, that seemed easier said than done. Staff turnover in the lower levels of the organization was high and negatively affecting the culture the company had built over the last 47 years of operation. With plans to expand into the hotel industry, a strong reputation for customer service was increasingly important to Linda Dor. How could Thompson improve employee retention and build a strong corporate culture at Linda Dor? Thompson knew he needed to make his decisions quickly, before the school 2014 year began.

GHANA

Ghana was one of the most stable countries in West Africa and had originally been colonialized by the British. In 2012, its fourth parliamentary democratic president, John Dramani Mahama was elected. A country of approximately 238,533 square kilometresand 25.7 million people, Ghana was the first nation in sub-Saharan Africa to gain independence. The country had since built a thriving economy founded on coal, cocoa, and a rapidly expanding service sector. Buoyed by a quarter century of strong economic growth and stable governance, Ghana was reclassified in 2010 as a lower-middle income country. In 2013, total gross domestic product (GDP) in Ghana amounted to US$90.4 billion, placing it 78th in the world. However, the unemployment rate hovered around 11 per cent. As such, 28.5 per cent of the population was considered to be living below the poverty line, with a high prevalence of child poverty—38.6 per cent of the population under the age of 14. Moreover, inflation rates increased from 9.2 to 11 per cent between 2012 and 2013, further exacerbating the employment issues. Despite the challenges the country would face solving these macroeconomic factors, Ghana continued to exhibit great growth potential.[[1]](#footnote-1)

TOURISM AND HOSPITALITY SERVICES IN GHANA

Ghana’s stable environment and lush landscapes made it an attractive tourist destination for foreign travellers, with travel and tourism (T&T) contributing 3 per cent of the GDP in 2013.[[2]](#footnote-2) The Ghanaian government was eager to capitalize on this source of revenue and developed a National Tourism Development plan. This plan would see foreign direct investment and government resources combine to build infrastructure and drive growth in the tourism and hospitality industry. As a result, tourism’s contribution to GDP was forecast to rise by 9.7 per cent in 2014 and by 4.5 per cent from 2014–2024, with a corresponding growth in hospitality services.[[3]](#footnote-3) Indeed, at 9.7 per cent, Ghana ranked sixth out of 184 countries in 2014’s per cent growth of T&T’s direct contribution to GDP. As its impact on GDP grew, tourism became an increasing driver of employment in Ghana, with 2.3 per cent of total employment in 2013 coming from the tourism industry. This number was forecast to grow 7.4 per cent in the following year.[[4]](#footnote-4)

Hotels and restaurants specifically made up 5.3 per cent of the country’s GDP in 2013.[[5]](#footnote-5) The growth in restaurants remained steady through the early 2000s but was expected to grow as Ghanaian tourism expanded. As this industry grew, competition intensified and it became increasingly important to deliver exceptional customer service.

MADAM DORIS BELINDA ARKOrFUL

Madam Doris Belinda Arkorful, more commonly known as Linda Dor, was a highly respected entrepreneur in the Ghanaian community and was well known for her many successful business ventures. Arkorful was a teacher by training, and had spent her early career as a teacher and later as headmistress. At teachers’ college, she developed her love of business and sold materials to fellow students on credit. Upon graduation, she opened two shops selling garments and fabrics. However, she soon realized that there was a need in the community for a high-class restaurant, so she focused her efforts and business acumen on building one.

LINDA DOR enterprises

Arkorful established Linda Dor Enterprises in 1967, with the opening of her first restaurant—Linda Dor—in Koforidua, Ghana. Since then, Arkorful had grown the business aggressively, building four other restaurants across the country; expanding into the catering business, bakeries, and wholesaling; and opening a hostel in downtown Accra. The company as a whole employed over 600 staff, not including casual labour. Given the success and profitability of her restaurant, Arkorful planned to move further into the hospitality services industry by building a large hotel.

Arkorful felt that her success story was attributable to “wisdom and the application of knowledge” and the principle of not compromising on quality and service delivery. This was clearly reflected in the company’s mission statement and corporate values. In the future, the vision of Linda Dor Enterprises was “to be [the] preferred choice for customers in the hospitality industry in West Africa and across the world.” Those at Linda Dor felt this would be achieved primarily through superior customer service in every regard. Put simply: it was all about “nourishing and delighting customers.”[[6]](#footnote-6)

The tourism industry acknowledged this commitment to excellent service. Linda Dor Enterprises was granted many tourism awards, including the *Eastern Regional Tourism Award* for the *Best Rest Stop* in 1995 and the *Eastern Regional Catering Initiative Personality Award* *in Tourism Development* in 1998 and 2004.

2018 OPERATIONS

The focus of Linda Dor Enterprises was the restaurant portion of the business, which also employed the majority of the staff. The restaurants had a total of 850 seats, but locations varied in size. The number of customers served per day ranged from up to 5,000 at the highway rest stop to 200–300 at the main restaurant. Such a large-scale operation necessitated fast and effective service.

Thompson was increasingly concerned about the current rate of employee turnover in the lower-level staff and its impact on current and future business. Lower-level staff included servers, cashiers, and runners. The approximate length of employment was one year. Thompson felt that without a consistent staff base to build the commitment to service, a key tenet of the Linda Dor’s culture—customer service at the customer-facing side of the business—was suffering. Customers complained about surly staff and long wait times. Moreover, the high turnover was costing management precious time and money. This issue had to be addressed if Linda Dor was going to remain a giant in the growing hospitality industry. Thompson considered the current HR management process, wondering what he could do to improve the situation.

Recruitment

Linda Dor did not actively recruit staff for lower-level positions. Due to its high profile presence in the community, Linda Dor was never short of people inquiring about work. Management estimated that approximately 10 people per day came to head office asking for employment.

The most frequent applicants were high school students, ranging from freshman to senior year. Senior year applicants typically did not attend university in the fall, due to either poor grades or lack of funds; instead, they decided to take a year off to better their marks or save up for university. There appeared to be a correlation between poorly performing students and poor job performance, as these students often lacked motivation or work experience.

Hiring Process

Interested applicants were sent to head office to pick up an application form. Applicants were required to fill out the form and attach a resume, letter of intent, and certificates or transcripts from any schooling they had completed. Applications were kept on file until a position opened at one of the company branches.

If selected, applicants received a call for an interview with HR and the manager they would be working for. The interview process consisted of two steps. First, applicants were required to complete a short, time-pressured aptitude test consisting of basic arithmetic. Successful applicants moved to the interview stage, where they were asked a mix of behavioural questions, technical questions, and questions related to their past experience. Ideal candidates were strong academic performers who showed poise and were calm under pressure.

The cook and supervisor positions required some prerequisite experience or training. Cooks were often graduates of local polytechnics, having completed a certificate in catering. Supervisors were required to have some previous experience in the hospitality industry, preferably with some form of postsecondary education such as lower-level business development diplomas including a BDS (Business Development Services) or RSA (Royal Society of Arts). Also, wait staff could be promoted to the supervisor role. The increased level of pay and recognition at this level meant less turnover than at the lower levels of the organization.

Wait staff were expected to work six days a week in eight-hour shifts. Four wait staff were usually on duty at any given time. Often, Linda Dor hired more staff than was actually needed because lower-level staff did not work to their full capacity.

Training

When applicants were chosen to fill a vacant position, they were placed under the mentorship of a staff member currently in that role. The incoming employee would shadow the current staff member for approximately three days. This staff member was responsible for communicating job expectations, providing practical training, and including the new person in the corporate culture. Management preferred this hands-on approach to teaching new hires because lower-level staff were unlikely to learn from manuals or to read large volumes of material. This process often posed an issue, as the high level of turnover meant that few staff had been with the restaurant long enough to train incoming employees.

With little training, supervisors were often hindered in their ability to manage their team properly, and this affected employee–supervisor relations. Employees who felt misunderstood or mismanaged did not stay long at the company, and supervisors lacked the people skills to build the necessary rapport.

Evaluation

Informal feedback was provided to the staff frequently, especially if the employee in question was underperforming. Managers held morning meetings to discuss the major events of the previous day’s work and inform staff of improvements to be made. Managers did their best to be motivational and to compel the group to work towards restaurant sales targets. Any shortfall in the cash-out at the end of the day would be divided among the wait staff and taken from their salaries. A restaurant that met or exceeded its target could be rewarded with gifts, cash, and other prizes. Current information-technology infrastructure allowed sales to be traceable to specific servers and cashiers, but management felt this might be too arduous to use.

Compensation

Lower-level staff members were paid minimum wage on a monthly basis, the effective minimum wage being GH¢6[[7]](#footnote-7) per workday. They were also entitled to one meal per shift. Supervisors were also paid monthly, according to their level of certification, at a much higher rate. This rate of pay could be considered at least equal to, if not above, what was typical for the industry.

BUILDING CORPORATE CULTURE

Frequent changes in staffing interrupted the flow of communication down the chain of command. Decision making at Linda Dor was highly concentrated at the upper management level; however, direction from upper management was hard to disseminate across the high turnover at lower levels. As one general manager put it: “It’s hard to communicate anything when you have to supervise the supervisor.”

Disseminating the culture of upper management to all levels of the organization was even more difficult. Linda Dor’s management team prided themselves on hard work and customer satisfaction. Unfortunately, the frequent rotation of unskilled, untrained staff did not contribute to building the same culture at the restaurant level; these staff members were not as dedicated to the mission and values of the company.

POSSIBLE SOLUTIONS

To address these issues, Thompson had begun to make some changes to the current hiring process, but he was not certain these changes alone would create the result he wanted. The training program for wait staff was converted to a batch process. In addition to on-site training, groups of new hires were sent to the largest location—the Accra–Kumasi road stop—to undergo a one- to two-week training program from the staff there. This program was available only to staff members hired in groups—not on a per-need basis.

The feedback process became more formalized with the implementation of an employee yearly feedback form. This form was completed by restaurant management and included an assessment of performance and a self-assessment piece completed by the employee.

Supervisor training also became more formalized and was run by a rotation of restaurant managers. Management tried to integrate workshops on team building and management into supervisor training. However, these workshops were run by a third party and had seen limited success.

DECISON

Thompson knew this problem needed to be resolved if Linda Dor wanted to capitalize on the growth in the hospitality sector. He believed the problem could not be fixed quickly because it needed a holistic solution in line with the values and culture of upper management at Linda Dor. However, Linda Dor Enterprises was focused on expansion, and Thompson was extremely busy running the existing business and preparing to build new ones. As manager of both operations and HR, he could not devote as much time as he would have liked to the issue until a new HR manager was hired. He needed a clear and detailed action plan to gain buy-in from the managing director, secure the necessary resources, and effect real change in the corporate culture at Linda Dor.

1. “The World Factbook,” Central Intelligence Agency, last updated November 6, 2017, accessed May 14, 2014, https://www.cia.gov/library/publications/the-world-factbook/geos/gh.html. [↑](#footnote-ref-1)
2. “Ghana,” The World Bank: Data, accessed May 14, 2014, <http://data.worldbank.org/country/Ghana>. [↑](#footnote-ref-2)
3. WTTC Data Gateway, accessed May 14, 2014, https://www.wttc.org/datagateway/. [↑](#footnote-ref-3)
4. Direct T&T contribution included industries such as accommodation services, food and beverage services, retail trade, transportation services, cultural sports, and entertainment; ibid. [↑](#footnote-ref-4)
5. Ibid. [↑](#footnote-ref-5)
6. Linda Dor Restaurants, accessed May 12, 2014, www.lindador.com. [↑](#footnote-ref-6)
7. ¢ = GHS = Ghana cedi; CA$1 = ¢2.62944 on May 14, 2014. [↑](#footnote-ref-7)