Organizational Behavior

Team Case Project

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**Business Case Study:**

**Whittenton Hardware Store**

**348 Bay Street,**

**Taunton, MA 02780**

***“If we don’t have it, you don’t need it!”***

*We have abided by the Wheaton College Honor Code in this body of work.*

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**Mission & Objectives**

Whittenton Hardware Store is a full-service hardware store located in Taunton, Massachusetts. It is a small, family-owned business with an online store linked to the world’s largest hardware store, DoitBest.com, that has over 70,000 items that can be delivered overnight if need be. Their mission is to provide excellent customer service and satisfaction through combing friendly, knowledgeable staff with easily accessible and top quality products for homeowners, apartment renters, contractors, carpenters, and the everyday handyman alike.

In the future, the store hopes to keep growing in sales, keep developing and stocking new products, and not focus on expanding. Instead, they want to stay a local, family owned store that caters to a loyal customer base. Due to personal, one-on-one interaction with customers, this hardware store can have a customer base that is loyal and well known by their employees which helps bring in consistent business. The store has seen increased sales for the last two years. More specifically, in the past 11 months, the store has seen an increase in sales compared to the same months a year ago.

**Business Structure/Job Design**

***Levels of Employment***

2 Owners

1 Manager

4 Employees

Total = 7 Workers

In terms of employment and levels of employment, this business is rather small. There are three people who have higher titles, which is about half of their workforce. Given that their workforce is so small, this is not much of a problem, especially given that the owners do not show up so often. All of the current workers have been with the company long enough to be able to handle customers on their own.

This flat structure is beneficial in getting things done quickly. There are not many of levels of communication. If something needs to change, it can be quickly discussed to all employees; however, this does not leave much room for advancement within the company. This may upset some employees as they spend more time with the company and feel that they are not moving anywhere. So far though, this has not been the case and they are not concerned about it yet.

***Hiring***

Most of the employees have personal connections of some sort to the owners or manager. This makes the hiring process not too intensive. There is an application to fill out and a basic interview process to see if someone is capable with dealing with the public in a respectful and knowledgeable manner among many other things to look for in a good employee.

***Training***

This business practices training by trial by learning through interactions with the customers. This is done through hands on work such as helping customers, cooperating with the other employees, and becoming familiar with the different products through asking questions about them and reading the labels and boxes. The customers are the employees best resource so asking the customers questions and gaining an understanding of their needs as a customer is the best way to learn. Also, the employees that the store hires have different backgrounds and skill sets including carpentry and plumbing which prove useful in the sales positions due to already existing product knowledge and first hand expertise.

***Work Environment***

The work environment is usually casual and relaxed. The manager and owners are very fair to their employees and treat everyone equally and respectfully. The manager’s favorite part of the day is figuring out problems. He enjoys piecing together work and figuring out what the customers need. This keeps his mind going, and makes the job interesting, showing that he is being challenged enough, and his engagement is high. The other employees are kept engaged by studying the products in the store that they are not experts on when they are not busy. In their down time they may also change up displays, do a little cleaning, or perform other administrative duties to keep themselves busy and hopefully gain more expertise.

***Performance Feedback***

The store is basically run by the manager and operated by the employees and is very autonomous. Since the owners do not show up so much (around 2-3 times per week), the manager has a lot of autonomy, and does not really answer to anyone. This shows that the owners trust him a lot, but it could also be a sign of disconnect. This makes the employee feedback autonomous as well. This can debilitate growth though, because they will be content with how they are working and will not strive any further.

In this casual business setting there are no write-ups but rather more informal ways of dealing with employee problems such as verbal warnings particularly when pertaining to attendance problems. If attendance problems, which seemed to be the main concern, keep occurring, the employee's hours are cut and given to somebody who wants to work. Each employee has a general knowledge of the different fields, or is learning when there are no customers in the store so if one employee does not show up they are not going to fall apart.

***Incentives***

The manager gives out annual Christmas bonuses and situational bonuses. For example, last winter all the employees were hard at work salting the parking lot during the brutal snow storms. Given those circumstances, the owners gave out bonuses for their efforts. The most interesting incentive every employee receives is a large turkey for Thanksgiving. This is not a cash reward; however, it is useful and helpful, making it effective.

**SWOT Analysis**

***Strengths***

* Excellent customer service
* Great customer support
* Offer hassle free returns
* Helpful, friendly, knowledgeable staff
* Large variety and quantity of products
* Top quality products
* Relatively good, residential location with a large parking lot for their customers
* Locally, family owned with good personal connections with customers

***Weaknesses***

* Cannot set prices/must be competitive with what products they have
* Competition with big stores such as Home Depot, Lowes, Ace Hardware, and Tractor Supply is tough when it comes to larger, more expensive items like appliances and machinery
* Poorly marketed and advertised. Their Facebook page is up-to-date; however, many irrelevant posts are not related to the store. It was really hard even finding their store after going into the parking lot because their sign was not well lit and there were no signs pointing out that their store was in the lot (for customers driving by)

***Opportunities***

* Expanding product line. They are in the process of signing a deal with a pet food supplier so the store can sell pet foods.
* Capitalizing on weather phenomenon in New England to sell and promote products
* Female Shoppers: As noted by the manager, there has been a positive social trend in the number of women shopping at hardware stores.

***Threats***

* Losing out on customers to their larger competitors.
* The weather serves as both an opportunity and threat as the conditions influence the number of customers at the store. For example, when the group visited the store on a rainy day, there were no customers present and the manager noted that the weather played an important part in the amount of customers entering the store.

**Analysis**

First off, it is important to be aware that when running a small, local, family-owned business such as this hardware store, it is vital to separate business and personal life. Having personal friendships in the workplace could be potentially harmful because it can cloud sound judgment, equal employee treatment, and discipline issues. Treatment of employees as friends, when it comes to disciplining bad behavior, could be troublesome for a manager or owner. It may come to a time when there is a choice between friendship and business and this can prove a difficult moral issue for some, increasing the chance of lousy decisions.

One of the possible issues is that there could be the large amount of ambiguity that comes with the job. Certain employees might be overwhelmed by how they approach things. To this business, the best way to train their employees is through practicality. Though it is good to hire workers who have a good tolerance for ambiguity, it is also important to instruct them in some regards. Depending on the employee’s learning style, it might not be the best for this business to let their employees dive in especially when they have just arrived at the company.

Another issue seems to be a lack of communication between the owners and the manager and rest of the employees which could be problematic. This might be harmful, because depending on people’s perceptions there could be misunderstandings. A worker who does something good might not know until it is too late that what they have just done is detrimental to the business. If the owners were more present, employees could receive more feedback (both good and bad) pertaining to their work habits and ethic. Also if the owner was there more, they could be actively recognizing employees for their hard work. It is up to the manager to engage the owner about employee issues. There is also a chance that issues with employees might not even reach the owners because of this.

**Suggestions**

1. Increase communication. This includes giving more employee feedback and recognition. The owner only sees them about two to three times a week, which means that their hard work is not always completely appreciated.
2. Adapt training. Adapting the training to the employee’s learning style would help those who do not learn best with hands on experience. While that may work for some, others may learn better through demonstration or a verbal walkthrough.
3. Increase marketing. It is important to work on the Facebook page and make relevant posts about products and possible sales going on. In those posts, they may target female customers by including images of women using or purchasing products.
4. Promote the pet food before availability in store. By promoting the impending arrival slightly before the products are available for purchase, they can let customers be aware of their products. Since pet food is usually bought and sold in bulk quantities, this notice might influence them to wait a few extra days to buy more food, assuming that they still have enough to last that long.
5. Incentivize. When it comes to addressing attendance and punctuality issues of employees, it may be more helpful (instead of incentivizing with just money) to come up with other incentives. These new incentives will make employees want to be at work on time and for the entirety of their scheduled shift. Maybe it can be something like an incentive for the whole workplace. If everyone is on time for their shifts during the entire week or month, then a reward will be given to all of the employees. This group style incentivizing is self-controlled because employees do not want to let one another down in achieving a certain incentivized goal. Attendance issues could be solved with a simple system of checks and balances from coworkers to keep one another on the right path in the hardware store.
6. Diversify the workforce. Even if just hiring temporary help, an employee or two who have no connection to the owners of the store may be helpful with getting different, unbiased suggestions. Hiring a female worker would also help with targeting female customers.