

Excellent analysis

Bulldog Ford is facing accusations of unethical and illegal actions due to **poorly planned and improperly implemented HRM practices**. This happened because the owner and general manager, Woof Barker, had no understanding of HRM and little motivation to manage the family business. Frankly, I am not sure if the dealership will survive, but Barker's only hope is to immediately **implement a program to support ethical employee behavior**.

The first problem that ~~lead~~ to this fiasco was that the dealership lacked sufficient **succession planning**. Although Barker's brother was the heir apparent, the company needed a valid HR system in place to ensure a smooth transition. *even before the transition.* Woof knew a lot about financial analysis but that is not nearly enough to successfully run any business, much less a car dealership in a highly competitive environment.

Woof was smart enough to study where to focus his attention. He learned that the service department produces more revenue than the sales department. There was no way that Bulldog Ford could compete using a **low-cost strategy**. Offering exceptional service could be a **differentiation strategy**. Unfortunately, he destroyed the most likely **competitive advantage** (honest, accurate, timely service) by using HR practices that only encouraged sales. He set goals without determining what was reasonable based on a **SWOTs analysis**. *good* For example, high unemployment not only meant that potential customers might postpone maintenance and even repairs, but probably made his employees more fearful of the consequences of losing a job if goals were not met. This industry is very competitive. There is no way that Bulldog Ford would have the **buyer power** of a company like AutoNation. Big chains can negotiate better prices with the manufacturers. However, as a smaller company, Bulldog Ford would have a **flatter structure** that could allow faster response to customer needs than a big organization. This could

allow Bulldog to be more competitive with the “aftermarket” shops. Unfortunately, Woof only focused on a quick fix.

If he wanted outside expertise, he should have found someone knowledgeable about automobile service and repair instead of that silly motivational coach. After a **needs assessment**, he might have determined if his service employees could benefit from technical or customer service training. Instead, he assumed that using fear as **negative reinforcement** would increase sales (meet the sales goal to avoid being fired). Again, this assumption was based on no analysis or understanding of the dealership business or “evidence-based HR.” After setting the **unrealistic goals**, Woof failed to question how some employees drastically increase their sales. He had no quality control or even curiosity about the **trends**.

Firing employees based on failure to meet their goals helped **reinforce a culture of fear and dishonesty**. The **underlying assumption** for many employees was that dishonesty pays. Certainly, not all employees cheated. There are many **sources of ethical guidance**. **Relativism** explains why some employees cheated. The owner said, “Do whatever it takes.” Especially for people more inclined to be dishonest, this was a green light to cheat. They could **justify their behavior** by saying, “Everyone else is doing it.” **Kant’s Moral Imperative** (cheating is always wrong) or the **Golden Rule** (I would not want people to cheat me) may explain why some employees didn’t cheat. Maybe some people realized that it could be **illegal** to charge for parts not replaced.

Woof’s only hope is to address the unethical behavior (strategic HRM outline). There are several strategies he must implement in a hurry. First, he must establish an ethical culture. This means looking at **artifacts, values, and assumptions**. **Artifacts** include “**physical manifestations**” such as statements in employee handbooks regarding the importance of honesty

and maybe not having signs around the dealership stating “do whatever it takes to make a sale.” Artifacts can also be “**patterns of behavior**” such as having Woof walking around the service department talking about the importance of having happy customers or randomly asking employees or customers about current repairs. The other two parts of culture will be harder to address, but he has to try. **Values** are what employees believe their managers think is important. For example, firing employees who don’t meet **unreasonable** goals tells employees that providing good customer service is not as important to management as increasing sales. Immediately changing how employees are evaluated such as using customer service surveys or giving **variable reinforcement** through positive comments for the excellent diagnosis of a minor problem that the customer thought was serious (loose wire instead of destroyed battery) could reinforce the importance of long-term customer relationships. **Assumptions** are “unconscious” beliefs. After what the employees have been through, it will not be easy to convince people that things have changed.) interesting

One “artifact” that Woof should publish is a **code of ethics** following the **S.M.A.R.T.** guidelines. For example, there should be a specific statement saying that exaggerating the cost of a repair or charging for a part not used is unacceptable. **Training** also is important. Employees need to understand exactly what management considers unethical using real-world examples. Having everyone, including Woof, sign an agreement not to cheat is symbolic but might help. Consequences for unethical behavior should be discussed. Rather than threatening employees with termination for failing to meet goals, management should drive home that cheating customers will always lead to termination. If employees do not meet **reasonable goals**, Woof should use **positive discipline** to help employees improve. Employee may need training to improve their technical skills or better communicate with customers to diagnose problems.

Perhaps they need better time management skills. **Positive discipline** gives the employee a better chance to improve because the manager **coaches rather than threatens**. Rather than only using sales, Woof should create a performance appraisal that spells out what management expects. Goals need to be **specific, measurable, and achievable** (very important in this case). I recommend the **Management by Objective method**. Given the need for drastic change, Woof needs to meet with each employee to discuss the new expectations and make sure that the employee believes the goals are “specific, challenging but achievable” (Performance Appraisal outline). Woof should meet with employees on a regular basis to make sure the MBO system is working. Finally, Woof and other managers must model ethical behavior. Woof has to show that he cares as much about quality as quantity. He needs to recognize employees who care about quality as much as quantity. He needs to spend most of his time in the service department interacting with customers as well as employees.

In the long run, Woof must create an HR position. He should establish valid HR practices for all areas of HR including selection, training, performance management, and compensation. In the short run, he needs to survive. I wish him luck. 1110

Excellent analysis and application of concepts.
good use of examples. Woof would find
this advice useful.