**Coffee Shack**

This is the assessment case study. In your responses, you are allowed to improvise or add to the case study details provided below. However, the case study should not be changed or compromised in any way.

Coffee Shack is a privately owned company that runs an established chain of cafes in fifty nine locations around the UK. Most are located on high streets and in shopping centres, but there are also units located in airports and large railway stations. The company sells a wide variety of speciality coffees, cakes, sandwiches and other beverages. It markets itself as a sustainable business with high standards of business ethics.

For over 75 years there was a single Coffee Shack located prominently in Manchester. This was then taken over by a by a company that was keen to profit from the fast growth in the UK’s coffee shop market. Much money was invested in building the chain and for several years good profits were made. After 2015 though, problems started to arise. Sales began to slump in a number of locations as competition from ambitious independents and other coffee shop chains became more intense. Issues arose concerning unpaid debts and the company started to struggle financially. By the time of the Covid pandemic it was in serious financial difficulty and in danger of becoming insolvent. In 2021 the company was sold to a consortium of three former Coffee Shack managers with finance largely provided by a venture capital fund.

While there are many factors behind Coffee Shack’s recent poor performance, it is clear that poor management of people has been a major problem area for some time. Staff turnover was running at over 100% in 2019 and employee engagement levels have been very poor in several coffee shops for some years. Good evidence of these matters is found on the Glassdoor website where hundreds of current and former employees have written disobliging reviews of their experiences working for the company. Overall ratings since 2015 have been below 3 out of 5, which is considerably lower than the scores typically achieved by Coffee Shack’s major competitors.

The following are a representative sample of some of the comments that have been left in the Pros and Cons section on Glassdoor:

* “Lovely regular customers. Met some good friends”
* “Friendly and supportive staff who were happy to swap shifts. Tips”
* “Staff discount on cakes and food”
* “The only good thing was that it was located only three minutes walking from the place that I used to live.”
* “You learn basic management tasks and can improve your communication skills. Free lunch and cakes.”
* “I guess it pays your bills if you're single and live in shared accommodation”
* “If you want a culture where the quality of the product, the customer, the brand and the staff are key to how the business works, avoid Coffee Shack.”
* “Nothing at all was positive”
* “No real opportunities for advancement”
* “Never put enough staff on shift. Bad at giving breaks, you can work an 8-9 hour shift and not be given a 30-minute break. Never know when your shift will end.”
* “Every unit is understaffed, always.”
* “It was soul-destroying, you're taken advantage of and paid very little and you are spoken to by management like you’re a child (in front of customers)”
* “No gratitude for anything, lazy people get paid the same as hard working employees”
* “Payroll is terrible, consistently mess up pay and will throw the blame on each other rather than own their own mistakes.”
* “Head office only cares about the numbers, not the people”
* “Some managers are controlling to the point of bullying. While others couldn’t care less. The unit managers and HQ are also incompetent. Nothing gets resolved quickly or accurately.”
* “Horrible management, no training at all”
* “Terrible company to work for expected to give absolutely everything for nothing in return. Won’t pay for overtime.”
* “A lot of unfairness. If the manager is your friend you'll have advantages Senior managers tend to be offensive and won't think twice before humiliating you.”
* “Customers can be super nasty. They will call you names and shout at you for the smallest things.”
* “The staff at my store are nice. You get free food and drink, even though you aren't officially allowed it. You get to keep your tips if you are a waiter.”
* “Management are underqualified and not trained. Many health and safety violations, especially regarding food. Equipment doesn't get fixed, and the lack of training means things break a lot”
* “Management are more concerned about reaching unrealistic goals than the wellbeing of their staff or the quality of service provided Longstanding staff are not appreciated or rewarded. Low pay. Little to no training.”
* "Rude customers sometimes, repetitive and same tasks most shifts"
* “A very poor company on SOOOOO many levels - they won't care about you - don't go & work for them - they are full of the proverbial !!

**TASK**

You have recently been appointed as the first ever HR Director at Coffee Shack your remit is to bring forward proposals for new approaches, policies and practices which will:

* Identify the 3 most important, HR priorities and the best way to tackle them effectively and rapidly. (15marks)
* What is the difference between Business Strategy and HR Strategy. In you opinion is the problem with the Business Strategy or the HR Strategy (10 mark)
* Pooja is Shop Manager and has been told by her Area Manager that some of her staff think she micro-manages the Team Leaders. She has 3 team leaders, John is the first Team Leader, he has been with the company for many years and has the responsibility of the staff rotas and to communicated with payroll to ensure all staff get the correct salary at the end of the month. He is very competent in his job and has developed a number of good networks throughout the company. The second Team Leader is Salim, he started as trainee and has been working in the company for 4years and has recently been made a Team Leader, he knows the job well but is a little anxious as he will now be leading some staff who were previously his colleagues. Finally, Maya is the third Team Leader, she is an experienced Team Leader, but has recently joined from a competitor. She is experienced Team Leader but lacks knowledge with the policies and practices at Coffee Shack.

Pooja has approached you for advice on how to improve her leadership skills, suggest ONE theory of Leadership she could adopt to improve her relationship with the Team Leaders. Justify your answers (10marks)

• To establish measurable levels of staff engagement and improve them by 50% over the next two years. (25marks)

• To reduce staff turnover levels in the Coffee Shack by 50% a year. (25 marks)

• To ensure that scores and anonymous reviews left by employees and former employees on Glassdoor in the future are as positive as those of your major competitors. (10marks)

* A budget of £350,000 a year will be made available to you in order to meet these objectives provided the senior management team is convinced that your proposals will have an impact. (5marks)

Set out with persuasive business justification how you would go about meeting these four core objectives.