# case study

## *It's Above Me Now: Managerial support of minority frontline employees*

*By Gilpatrick D. Hornsby and Tiffany C. Hornsby*

## Introduction

"While attending an academic conference in a large metropolitan city, I found myself eating breakfast in the hotel restaurant on the last day. While enjoying my meal, I overheard two other guests making racially charged statements about the state of post-secondary education in minority neighborhoods. In addition to being racially charged, their comments were based on their opinion and not data. After getting up to refresh my coffee, I moved to a different seat in the restaurant to continue my morning. It was at this moment that I realized that the server was also a person of color and was not able to escape the situation as I had." - Faculty of color personal experience.

While the situation above might appear to be extreme, instances of discrimination and microaggressions take place on a daily basis and people of color who work in these atmospheres are asked to either ignore or compartmentalize in order to do their jobs. As future managers in the hospitality industry, trainees must not only be prepared to handle instances of conflict and discrimination between coworkers, but also be prepared to handle these situations when they come from the guest. In an industry where the motto is often, "the customer is always right," this case study will explore the implications of when the customer is not right.

There are several instances in popular media that highlight this phenomenon of racial discrimination from customers. For example, in the now viral video, an African American front desk worker records his interaction with a white woman who is trying to check in. Before the woman began speaking to him, the front desk worker overheard the woman calling him a derogatory term. After conferring with management, he was given permission to cancel her room. The woman is heard pleading with the front desk worker, to which he replies, "It's above me now."

The case study puts the reader in the position of a manager and asks them to navigate the sometimes difficult situation of diffusing and addressing conflicts between customers and employees. The authors expect that the analysis of this case will require students to examine the complexities of a multicultural workplace. The objective of this case is to provide readers with the opportunity to critically think through a possible scenario in a safe educational space. The case does not propose that there is a correct response to the situation; however, it provides previous research and best practices for the reader's consideration.

## Background

### *Customer Deviance and Abuse*

Literature examining the relationship between customers and frontline employees is not in short supply. A plethora of studies have examined topics like service recovery (Harris & Reynolds, 2004); employee emotional intelligence (Scott-Halsell, Blum, & Huffman, 2011); and prosocial deviant behavior (Curtis, 2010) when looking at this relationship, but fewer have explored the deviant behavior of the customers. The term "jaycustomer" was coined in 1994 when referring to deviant customer behavior (Harris & Reynolds, 2004). It is defined as "those who deliberately act in a thoughtless or abusive manner, causing problems for the firm, employees, or other customers" (Harris & Reynolds, 2004, p. 339). It is possible that as many as 25% of workers in the U.S. have dealt with some form of physical or psychological abuse (Patterson et al., 2009). It is not a far stretch to assume that this percentage may be higher in the hospitality industry. The impact extends beyond employees' experiences of this type of abuse; rather, the literature has shown that deviant customer behavior can have a negative impact on employee satisfaction and can lead to the eventual turnover of many frontline employees (Bamfo et al., 2018; Li & Zhou, 2013; Sawyer et al., 2009). This is why managerial support can be so important in helping employees cope with abusive behaviors.

Harris and Daunt (2013) examined managerial support tactics when dealing with difficult customers in the hospitality industry. The researchers identified five strategies: hiring based on personality and public self-confidence; training and role-playing; pay differential; non-financial recognition; and counseling. The current case will focus on the strategies of counseling and training as forms of managerial support. Managers in the study, when asked about the level of counseling they provided, remarked that much of the counseling took the form of informal chats and venting sessions. One manager stated, "Some customers can really get to you and we need to help; lift them back up – get them on-side again" (Harris & Daunt, 2013, p. 289). The second

**Gilpatrick D. Hornsby and Tiffany C. Hornsby** *are affiliated with James Madison University.*

strategy of training not only focused on providing scenarios for front-line employees to respond to, but also included what the allowable limits were for the customers. Harris and Daunt (2013) indicated that for most organizations the first response was a verbal warning followed by involving a manager. The final stage was to call on-site security or the police. For managers to be able to provide these types of support to their subordinates, especially for employees from different cultural backgrounds, they must have a high level of cultural competency.

## Cultural Competency

Cultural competency in leadership is becoming increasingly important in a global society (Kwantes & Glazer, 2017). As globalization increases, so does the need to work with culturally and linguistically diverse people. With this comes varying worldviews, ways of being, thinking, and doing, and these differences often breed conflict. This begs the question of how to embrace diversity while minimizing conflict. Among the social sciences, cultural competency has been explored as an answer to this question. Cultural competency can be defined as the ability to understand, appreciate, and interact with people from cultures other than one's own. A culturally competent individual is aware of their own biases and assumptions about other cultures and races and is able to navigate those biases.

Nearly half of the hospitality industry consists of people of color (U.S. Bureau of Labor Statistics, 2018); however, many of those individuals are in mid-level positions. In a study conducted by Costen et al. (2002), the authors found that minorities in management positions were primarily represented in positions not critically essential to the hotel operations. For example, 62.2% of managers in housekeeping positions were minorities, while only 9.8% of general managers were ethnically diverse. Previous research highlights this as a systemic inequity. One way that organizations have attempted to address these inequities is through diversity management.

## Diversity Management

Diversity management can be defined as "practices [that] are complementary, interrelated human resource policies that focus on increasing and maintaining a diverse workforce" (Madera, 2013, p. 124). In his work, Madera (2013) identifies commonly used diversity management programs such as: diversity training (training programs whose goal is "to increase knowledge about diversity, to improve attitudes about diversity, and to develop diversity skills"; Kulik & Roberson, 2008, p. 310); leadership initiatives (the creation or development of leadership positions whose responsibility it is to monitor diversity outcomes for the organization); mentoring and networking (creating networks through which minority employees can find mentors and other minorities); recruitment and selection (increasing the number of diverse applicants and hires); and supplier diversity (initia-

tives directed at using women- and minority-owned businesses). Many organizations that are well known for their commitment to diversity can be found participating in many or all of the aforementioned types of diversity management programs (Madera, 2013).

One major goal of diversity management is to create a climate in which diverse individuals can feel comfortable (Iverson, 2000). Studies show that more positive perceptions of a diverse climate can lead to lower turnover and higher commitment to the organization for diverse individuals (Gonzalez & Denisi, 2009; McKay et. al, 2011). Madera, Dawson, and Neal (2013) found that managers with a positive perception of the organization's diversity climate also had more job satisfaction, as well as less role conflict and role ambiguity. These studies show that diversity management within the hospitality industry is not only morally correct (Iverson, 2000), but that poor diversity management can impact the firm's bottom line (Madera et al., 2013; Singal, 2014).

Singal (2014) provides two examples in which poor diversity management can have a negative impact on the organization: 1) voluntary turnover of diverse populations, due to an uninviting climate, may cost the organization and reduce overall profits, and 2) lack of diversity training may cause an absence of respect, attention, and sensitivity to customers. In his study, Singal (2014) evaluated hospitality firms with diversity management programs and found that improvement in overall diversity performance positively impacted the firm's financial performance.

While the case is made for diversity management within the hospitality industry, in order for programs to fully be implemented and successful, there must be "buy-in" at all levels of management (Madera, 2013). Students evaluating the case below will have the opportunity to determine if this buy-in is in fact present at all levels of the Gray Hotel.

## The Case: The Gray Hotel

Set in the picturesque Shenandoah Valley, the Gray Hotel is known for its excellent service. Each employee takes pride in meeting the needs of every guest that comes through the door. As a boutique hotel, the property boasts 75 upscale rooms with an onsite restaurant and spa. The hotel has a great reputation regionally and consistently holds a very high occupancy rate. The Gray Hotel also takes pride in its commitment to diversity and employs individuals from a wide variety of identities. While the Gray Hotel is normally a great work environment, there have been some situations that threaten the hotel's standing in the community.

Jonathan is the assistant general manager and has recently landed in some hot water. He is currently sitting outside the administrative office where the GM, Samuel, and the property HR director are talking through possible solutions to the situations. He has only been in the role for 9 months and thought he was doing a great job. Prior

to being the AGM, he was the housekeeping supervisor. The hotel always received high marks for cleanliness of rooms and guests always seemed satisfied. He also had one of the lowest labor cost ratios in the property due to strict organization and scheduling. This had caused a few issues with the housekeepers, but nothing serious enough for Samuel to think that he was not the right fit to take on a greater level of responsibility. Jonathan knows he will be called in soon to share information and is nervous that the possible outcome could lead to his termination. As he waits to be called in, he reflects on his response to each situation.

## Scenario #1: The Accident

Jonathan is serving as the manager on duty during a Friday night when the restaurant hotel is slammed. A few servers have called in for their shifts, so he is not only overseeing the restaurant, but he is also running plates and assisting with expo. Ben, a Latinx man, is a new server and has just recently completed shadowing another server. He has never been in a rush like this before and is nervous. As Jonathan is busing a table, he hears a loud crash and rushes over to see what happened. He arrives to hear the guest utter a racial epitaph and say, "That's why you people should stay in the kitchen!" It appears that Ben tripped and spilled a tray of drinks over the guest.

Jonathan's Response: Jonathan jumps in to help by apologizing to the guest and getting towels to dry them off. He then offers to comp the guest's meal and offers them a coupon to return to the restaurant. Jonathan can see that other guests are visibly disturbed by the situation but assumes that it is because the drinks were spilled on the guest. In his mind, this is a great example of service recovery and taking care of the guests. At the closing staff meeting, the servers and the kitchen staff are nonresponsive to Jonathan and are very cold in their interaction with him. Jonathan attributes this to the long night and considers the evening to be a success.

## Scenario #2: Overbooked

There is a festival in town this weekend and the hotel is at 100% occupancy. As is the custom of many hotels, they have overbooked with the plan of walking guests to another property nearby. An elderly woman comes to the front desk and attempts to check in. Sarah, an African American woman, informs the guest that the hotel is fully booked and that she would be happy to make a reservation for her at the other property. Visibly annoyed, the woman asks to speak to a manager. She says that she has stayed at this property several times over the past few years, and she does not want to move locations. Sarah goes to Jonathan and explains the situation. Jonathan, busy with another guest, tells Sarah to inform the woman that he would be over to help as soon as he can. After Sarah informs the woman, she begins to help the next guest. The next guest is a young African American man, who called and checked in before the hotel was at full occupancy. Sarah finishes his check-in and hands him the room keys that were set aside for him. The elderly woman witnessed this interaction and began to yell, "Oh so there were no rooms for me, but you were able to find one for your homeboy!" Sarah tries to explain why he was able to check in, but at this point the woman is livid.

Jonathan's Response: After hearing the commotion, Jonathan comes over and asks what is happening. The elderly woman shouts that the young man had received preferential treatment because he was Black. Sarah tries to explain what happened, but Jonathan cuts her off in order to defuse the situation and apologizes to the woman. He then goes into the system and releases a VIP room that had been set aside. He asks Sarah to finish the check in, but the elderly woman says she does not want her help. Jonathan then sends Sarah to the back and takes over her computer to finish the booking. He later reprimands Sarah for letting the situation get out of control.

## Scenario #3: The Reassignment

Jonathan was sitting in his office when Akilah, an Iraqi woman, came into his office asking why she had been reassigned from housekeeping to laundry. Jonathan informed her that she had been moved because there had been a guest complaint about her. When she asked what she had done, Jonathan responded that she had done nothing wrong. He then went on to say that her hijab had made the guest uncomfortable. Since the guest would be staying at the hotel for a week, she would be assigned to work in the laundry. Akilah then says that this is not fair to her and that she had been given permission to wear the hijab at work.

Jonathan's Response: Jonathan says that he understands, but the guest comfort is his top concern. He then says that she has three options: she can return to her housekeeping position without the hijab, she can wear it in the laundry, or she can look for employment at a different property. He then says he knows the situation is difficult, but he feels he is accommodating her to the best of his ability. She then asks, "What happens the next time a guest has a problem with my headwear? Will I continue to be hid in the laundry?" Jonathan responds, "Yes."

Just as Jonathan finishes recounting the three different situations, the door to the administrative office opens, and Jonathan is asked to come in. Jonathan's suspicions were correct. Ben, Sarah, and Akilah had all filed formal complaints against him and were discussing a lawsuit.

## The GM

Samuel has been at the Gray Hotel since it opened. He has also been directly involved with the hiring of all managers at the property including his most recent decision to hire Jonathan as the assistant general manager. He was recently informed of the situations that have happened since Jonathan took the role, and they have caused him great concern. As Jonathan provides his side of the story for each of

the situations, Samuel cannot help but wonder if he is partly to blame. At every manager meeting, he emphasizes that customers are the most important part of the job. He also wonders if he should have looked deeper into the complaints that were raised when Jonathan was over the housekeeping department.

## Discussion Questions

1. Should Jonathan be fired for the three scenarios presented above or should he go through a diversity training for managers? Is there another option? Provide a rationale for your response.

2. If he were to be fired, would any one scenario be enough for his removal? Is it the cumulative effect of the three scenarios?

3. Looking back at each of the scenarios, how would you have responded if you were in Jonathan's position? Assume you can anticipate the guest or employee's reaction to your response.

4. Do you think Samuel is at fault? What could he have done differently to promote a different atmosphere among his managers?

5. How should the leadership of the Gray Hotel respond to Ben, Sarah, and Akilah's formal complaints and possible lawsuit?

6. The case does not mention the cultural background of Jonathan. Would your interpretation of the scenarios change if he were identified as a minority versus a white man? Why or why not?

7. Is the customer always right? In situations where they may not be, how should a manager address the situation?

8. As a young manager, what steps could you take to increase your own cultural competency?

9. If you were developing a diversity management program for the Gray Hotel, what components would you include? What considerations would you address from the case study?

10. What service recovery should be provided for customers not directly involved in conflicts between employees and other customers? What type of support could you provide to staff that were not directly involved in the conflict?

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