

perfect pizzeria

[Business](#), [Management](#)



Perfect Pizzeria of Southville, Illinois, is a franchise of a large chain which is headquartered in Phoenix, Arizona. Although the business is prospering, it has employee and managerial problems.

Each operation has one manager, an assistant manager, and from two to five night managers. The managers of each pizzeria work under an area supervisor. There are no systematic criteria for being a manager or becoming an manager-trainee. The franchise has no formalized training period for the manager. No college education is required. The managers for whom the case observer worked during a four-year period were relatively young (ages 24-27) and only one had completed college.

They came from the ranks of night managers or assistant managers, or both. The night managers were chosen for their ability to perform the duties of the regular employees. The assistant managers worked a two-hour shift during the luncheon period five days a week to gain knowledge about bookkeeping and management. Those becoming managers remained at that level unless they expressed interest in investing in the business.

The employees were mostly college students, with a few high school students performing the less challenging jobs. Since Perfect Pizzeria was located in an area with few job opportunities, it had a relatively easy task of filling its employee quotas. All the employees, with the exception of the manager and the assistant manager, were employed part-time. Consequently, they worked for relatively low wages.

The Perfect Pizzeria system is devised so that food and beverage costs and profits are set up according to a standard percentage. If the percentage of

food unsold or damaged is very low, the manager gets a bonus. If the percentage is high, the manager does not receive a bonus.

There are many ways in which the percentage can fluctuate. Since the manager cannot be in the store all the time, some employees make up for their paychecks by helping themselves to the food. When a friend comes in to order a pizza, extra ingredients are frequently put on the pizza. Occasional nibbles by 18 to 20 employees throughout the day also raises the percentage figure. An occasional bucket of sauce may be spilled or a pizza accidentally burned. Sometimes the wrong size of pizza may be made.

In the event of an employee mistake or a burned pizza by the oven operator, the mistake is to be reported to the manager. The expense of subsequent mistakes is supposed to come from the employee, but because of peer pressure, the night managers usually don't record the mistake. Instead, the store takes the loss and the error goes unnoticed until the end of the month when the manager finds out that the cost percentage is high, and that there will be no bonus.

In the present instance, the manager took retaliatory measures. Previously, each employee was entitled to a free pizza, salad, and all the soft drinks s/he could drink for each 6 hours of work. The manager raised this threshold figure from 6 to 12 hours of work, but the employees had received these 6-hour benefits for a long time. Therefore, they simply took advantage of the situation whenever the manager or assistant manager wasn't in the building. Though the night manager theoretically had complete control of the operation in the evenings, s/he did not command the respect that the manager or assistant manager did. Maybe this was because the night

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managers were paid the same pay as regular employees, and maybe it was because they were the same age, or in some cases, even younger than the other employees.

Thus, apathy grew within the pizzeria. There seemed to be a further separation between the manager and his workers, who started out as a closely knit group. The manager made no attempt to alleviate the problem, because he felt the problem would iron itself out. Either the employees that were dissatisfied would quit, or they would be content to put up with the new requirements. As it turned out, there was a rash of employee dismissals. The manager had no problem in filling the vacancies with new workers, but the loss of personnel was costly to the business.

With the large turnover, the manager found he had to spend more time in the building, supervising and sometimes taking the place of inexperienced workers. This was in direct violation of the franchise regulation, which stated that a manager would act as a supervisor and at no time take part in the actual food preparation. Employees were not placed under strict supervision with the manager working alongside them.

The operation no longer worked smoothly because of differences between the remaining experienced workers and the manager concerning the way in which a particular function should be performed. Within a two month period, the manager was again free to go back to his office and leave his subordinates in charge of the entire operation. During this two-month period, the percentage had again returned to the previous low level, and the manager was again receiving a bonus each month. The manager felt that his

problems had been resolved and that conditions would remain the same, since the new personnel had been properly trained.

It didn't take long for the new employees to become influenced by the other employees. Immediately after the manager had returned to his supervisory role, the percentage began to rise. This time the manager took a bolder step by cutting out all free food benefits--no free pizzas, salads or drinks. With the job market at an even lower ebb than usual, most employees were forced to stay. The appointment of a new area supervisor made it impossible for the manager to "work behind the counter," since the supervisor was centrally located in Southville.

The manager tried still another approach to alleviate the rising percentage problem and retain his bonus. He placed a notice on the bulletin board stating that if the percentage remained at a high level, a lie-detector test would be given to all employees. All those found guilty of taking or purposely wasting food or drinks would be immediately terminated. This did not have the desired effect on the employees, and several workers quit very soon thereafter.

Even before the following month's percentage was calculated, the manager knew it would be high. He had evidently received information from one of the night managers that the employees were very upset about the notice. What he did not expect was that the percentage would reach an all-time high. This is the state of affairs at the present time.