

Blossoms Up!

A Case Study for

HRM 595

Human Resource Capstone Course

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**Blossoms Up!**

Blossoms Up! is a fictional organization and the individuals identified with a name contained herein are also fictional characters. The organization has been designed to simulate experiences many human resource practitioners face in today’s business environments.

In response to declining floral sales across all parts of the United States, Blossoms Up!, a corporation located in the coastal area of California, must transform itself from a flower grower and producer to a more strategic and competitive domestic enterprise. Before it can take on a strategy of expansion and high profit it must first rein in costs in all aspects of its business and part of that is dealing with human capital issues affecting 800 employees of which 300 are part-time or seasonal. To more effectively compete as a domestic grower and producer, Blossoms Up! must respond by concentrating on extra specialty growth and development of unique floral varieties with new qualities and traits having greater longevity, aromatic fragrances, and vibrant colors. However, it will be challenging because the company faces higher energy, irrigation, land, and labor costs than their domestic and global competitors. A desire to modernize the entire operation means the workforce could be affected. Making matters worse, California endured a significant drought this year—the fourth such drought in a row, for which strict conservation measures were imposed statewide.

**Objectives**

In this case study, you will:

1. Distinguish how human resources serves as a strategic partner in the organization’s overall strategy.
2. Apply human resource policies and procedures to support the total organization.
3. Identify problem areas in each of these functional areas of HR management:
   1. Total Compensation.
   2. Talent Development.
   3. Safety and Security.
   4. Talent Acquisition.
   5. Employee Relations.
4. Evaluate the role of legal and ethical perspectives in the human resource management decisions affecting the organization.
5. Present for implementation human resource management solutions to address HR and organizational challenges presented by this case study.

**Managing the Case Issues**

This capstone course for human resource management integrates the knowledge, skills, and rigor of the graduate curriculum into the development of a comprehensive human relations plan for an authentic business context. You will need to draw upon the content and competencies of previous coursework to demonstrate the necessary outcomes in your plans and presentations. This capstone course requires you to work independently and manage your time over the course of the project to meet the required milestones.

This case requires you to untangle the complications and issues at Blossoms Up! and appropriately advise solutions for the business. You must decide, given the scenarios in the case study, what information is relevant to each assignment. Some issues have a continuing presence throughout the case study. As a prospective HR practitioner, you must distinguish between the interrelationship of organizational issues and HR activities in resolving issues affecting the company’s personnel. In this case, you are challenged to address the strategic challenges fronting the organization while contemporaneously resolving issues within the HR department and managing the problems of individual managers and staff.

**The Organization**

Blossoms Up! is a medium-sized flower grower and producer located in the coastal area of California. The company was founded in 2002 by current CEO Seth Smith and his wife, Andrea. Smith’s family were wheat farmers in North Dakota. He grew up with severe winters that seemed to never end because of their long duration. After graduating from high school, Smith decided to attend Texas A&M University in College Station, Texas. There, he met the love of his life, Andrea. After both graduating from college, they decided to remain in the Houston area where Andrea’s family primarily resided. Thoughts of returning to North Dakota occasionally ran through Smith’s mind, but he also reflected on his newfound appreciation for fresh flowers that he always gave to Andrea and how rare they were to come by when he was growing up in rural North Dakota. He and his wife, Andrea, loved all the lush greenery in and around Houston and for many years, became avid floral gardeners maintaining flowers of all sorts at their home as well as wherever they were welcomed to start floral gardens among family and friends.

Whenever there was free time, the Smiths would study flowers and became fascinated by the floral industry. Andrea decided to work for a prominent floral shop and became quite skilled at working with flowers and greenery. She, thus, became very familiar with running the shop and subsequently became its manager. Seth was engrossed in learning about the floral industry and decided the two of them could put together 10 years of savings and other investments and assets to move to California, where they could begin to develop flower crops. The thought of growing flowers and having them reach all parts of the United States to create delight and make people happy was exciting. After researching that the coastal area in California was the most vital location for such a business, they founded Blossoms Up! in 2002 on a sixty-acre site. Forty acres are devoted to flower cultivation and development of eco-created fertilizer. They are also trying, on a small scale, to grow select varieties of heritage vegetables. Now, the company has eight greenhouses, each approximately 50,000 to 100,000 square feet.

At the present time, Blossoms Up! has managed financially well. They are on the cusp of becoming a major domestic floral producer. In order to expand, however, the company must first tighten its belt to ensure it commences its future growth on strong financial ground. Smith believes a major reason for the company’s success has been loyal employees, many of them who have been with the company since its inception. Another major reason is that the company has taken sustainable measures that brand the company as a socially responsible organization, making it desirable to work for. On the downside, the long-standing drought has proven to be a real challenge affecting not only Blossoms Up!, but all other flower grower competitors. Furthermore, it is time for the company to move toward the use of high technology in all facets of the business, which will affect employees throughout the company. Smith wants to hire a Vice-President of Operations as soon as the Board of Directors approves recommendations made by the HR Department. This position would be a critical and strategic high-level executive employee. Smith doesn’t believe there is anyone in the company that can fit the bill for this key employee who will oversee the company’s expansion. While there is currently a Director of Operations, this person does not have a college education and this has proven to be limiting his career growth with the company in the eyes of Andrea and Seth Smith. What’s more, he isn’t interested in assuming more responsibility. He anticipates retiring in three years.

Smith wants to move to using technologically-competent machines in floriculture, driven by GPS, as already are used widely in agriculture. New tractor technology maneuvers the tractor and is accurate to within 2cm. This technology theoretically will lead to a reduction in labor, particularly for floriculture workers. The idea is to end up getting more crops in the fields while lowering costs and input.

Furthermore, operational inefficiencies have led to lack of accurate, real-time information. These issues have culminated in delays, waste, or counter-productive decisions in each aspect of the business: planning, purchasing, sales and fulfillment, inventory, and compensation and benefits and other HR areas. Hence, the need to transform manual accounting for the business, as well as the need to update to a Human Resource Information System (HRIS) is now imperative.

Employees, learning of Smith’s ideas to move the company forward with high technology upgrades throughout the organization are getting nervous. Low morale is beginning to take effect, even on employees with longevity. There is fear that some will lose their positions if they are unwilling to accept and embrace how technology will change their jobs.

**Current Situation**

To effectively compete, Blossoms Up! must transform and set developments for the company in terms of modernizing for new crops, efficient and sustainable growing techniques, and ever-higher quality standards. Two employees who work in the crop fields have contacted labor organizations believing a union can protect their jobs. Smith is shaken by the idea that his now union-free business could be faced with union organizing. His health, in the last two years, has declined due to his long hours running the business and his reluctance to delegate duties to other personnel for fear they lack training and experience in handling a business he and his wife built from the ground up.

Overall, having a history of operational and financial success, Blossoms Up! is now faced with a culture change in order to move the business forward. Smith wants to be able to successfully transform the company, but he is concerned that key employees want to maintain the status quo. In addition, multiple personnel issues are hovering over the reputation of the company and he has been displeased with how HR failed to manage the issues.

**Human Resources Department**

As CEO, Smith believed he had good cause to terminate the former HR Director, Susan Powell, and that’s how you came to the company—to replace the former HR Director. He believes he is going out on a limb to hire you practically straight out of the University, but he wants new and fresh ideas as well as an HR Director that will be a strategic partner in the organization. He is aware that you graduated at the top of your major in Human Resource Management and accomplished acquiring the SHRM Assurance of Learning Assessment. You came highly recommended to him by a high-level manager of a Fortune 500 company, where you had worked one year as a HR generalist. The high-level manager is a friend of Smith’s where they serve together in the Knights of Columbus at the local Catholic Church.

Susan Powell had some HR staff loyal to her and willing to defend her decisions to do things or not do things. Others were only too glad to see her departure believing that there was much more HR could be doing for the entire organization, including updating to an HRIS system to address talent recruitment and acquisition, onboarding, training and development, payroll, and benefits. While requiring strict compliance to laws and regulations, Susan was seen often as micro-managing her department. She was a strictly-by-the book HR Director and often perceived as inflexible.

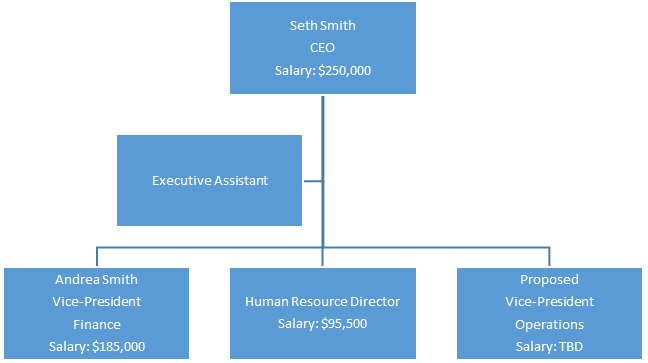
You believe you are in a position that affords a grand opportunity to excel in your HR career. You will be a part of the executive team and will have an integral role in the mission of the company and its future success.

The first three days on the job has been spent mulling over files left on Susan Powell’s former desk for your review. You have also had a chance to meet with all the employees in the HR Department and think you have an initial handle on what’s going on in each area. You’ve accessed Susan’s email box and read emails from the CEO needing attention and responses.

On your fourth day on the job, Smith informs you of his sense of urgency in getting many of the HR matters addressed. One thing he has also wanted to see accomplished by the HR Department is a training film for supervisors and managers, including senior management, on the main federal laws for employers having more than 15 employees affecting rights and protections concerning employees. Andrea has advised Smith that compliance issues following employment laws should be taken seriously because failure to do so could be costly for the company. You decide you better examine the next five weeks and line out what projects need to be handled.

You’ve only been with the company for a week and you reflect on everything in front of you and what’s to come. You are self-assured in your education and competency and believe, while at first glance everything appears daunting, you are confidently up for the task of making contributions to Blossoms Up! and its success.

**Organization Chart, Blossoms Up!**

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**HR Department Staff:**

* 1. Total Compensation Director – M. Robert Bender

Benefits Coordinator – Rene Bennett

Payroll Assistant – Rachel Mitchell

IT Admin. Tech – Tim Sandle

* 1. Talent Development Manager – Megan Pearce

Trainer – Sean Irish

Administrative Assistant – Tara Rodriguez

* 1. Safety and Security Director – Ellis Wilson

Administrative Assistant – Jackie Lyons

* 1. Talent Acquisition – John Tanaka

HR Assistant – Tomasa Matus

* 1. Employee Relations – Roberto Miranda

HR Assistant – Rosa Garcia

HR Assistant – George Meyer

**Total Compensation**

In the total rewards area, Total Compensation Director, M. Robert Bender, has struggled to put together a pension plan, mainly a 401(k) retirement plan that Smith is interested in for the company. He supervises a Benefits Coordinator, Rene Bennett, and Payroll Assistant, Rachel Mitchell, plus one IT administrative tech, Tim Sandle.

Bender finds it difficult to understand the workings of the Employee Retirement Income Security Act (ERISA) and how to decide how much an employee should be allowed to put in versus the company. Since the company is cutting costs, Smith’s position is that the company cannot solely fund a pension plan. Although he thinks a 401(k) is a good idea and would make the company’s benefits more attractive to possible future employees, Smith is frustrated that it has been three months since he first asked HR to come up with a plan that can be presented to him and Blossoms Up! Board of Directors.

Important on Smith’s mind is what kind of total rewards executive compensation package should be offered to the new Vice-President of Operations. He wants you to pull together key personnel from your HR department to come up with an executive compensation plan because this position is not only part of the company’s strategic organizational plan, but so are cost-cutting measures. You sense this is an opportunity for HR to show it is a strategic partner in the organization.

**Talent Development**

Talent Development is managed by Megan Pearce. She supervises a training staff consisting of a trainer, Sean Irish, and an administrative assistant, Tara Rodriguez. Both coordinate the various training programs within the organization, but there is animosity between the two. Tara, who is 43, is Hispanic and is partially blind in her left eye, believed she should have been hired over Sean, who is 34 because she had been with the company for a substantially longer period of time when the opening for a trainer became available. She believed she was qualified for the position because she essentially ran the show with Megan, but she believes Sean was hired because he socializes with Smith at his church. Now, Sean is in charge of making sure Smith’s church has a steady supply of flowers for all of its services. Smith views these contributions as good corporate citizenship. Before being hired at Blossoms Up!, Sean was the assistant trainer at a larger flower grower corporation for two years. Previously, Megan was the trainer and got promoted to Talent Development Manager after two years. Megan is four months pregnant and has been spending a great deal of her time reviewing company benefits as well as how much time she can take off for her pregnancy when the baby comes. In addition to researching nursery room designs and making baby-shower plans while at work, she has been showing signs of fatigue and takes frequent breaks.

Susan Powell was frustrated with Megan because she had not worked on numerous projects Smith requested some time ago. Megan had wanted to get started on some assignments, but she was extremely busy trying to figure out which employees had actually been through various training programs that employees are required to complete such as cultural awareness, sexual harassment, and policies and procedures training. While not really having any good reason for not getting all employees through the various required training, she also did next-to-nothing to create employee development programs for senior managers and directors on leadership, corporate citizenship, and ethics training. Before she was fired, Susan had a meeting with Megan to go over her performance and documented notes that Megan’s performance was so poor that she contemplated her being placed on a progressive discipline plan. She warned Megan that if she couldn’t get her department turned around in sixty days, she would recommend to Smith that Megan be let go. Since Susan was terminated in part because of Megan’s lackluster performance, Megan knows you may consider putting her on the progressive discipline course Susan discussed with her. She now wants to have time with you to assure you that she is taking matters seriously and will have her responsibilities whipped into shape within sixty days. You have your own ideas of how to handle the entire matter within this department and intend to give a full disclosure to Smith about what needs to be done.

**Safety and Security**

Ellis Wilson is Director of Safety and Security. His background is that of a former inspector for OSHA and has been with Blossoms Up! for 10 years. He received his Bachelor of Science degree in Construction Management from a university in Georgia. He was recognized by the Black Chamber of Commerce for a leadership award and Smith is quite proud of his employee receiving such a top honor. Rumors have gone on for years that Wilson can do no wrong. Wilson has effectively stayed on top of safety issues that could prevent workers compensation claims and has been successful in defeating the majority of claims filed. He has a professional presence at administrative hearings and knows how to defend the company well without attorneys and their high fees. Much of his work involves wellness training and conducting safety training. He is still doing audits and recording employee training using Excel spreadsheets.

Wilson has been candid with Smith about the need to upgrade to an HRIS system that would also incorporate the work he does for the company. He has one employee who reports to him, administrative assistant Jackie Lyons. Wilson believes he needs another staff member and is ready to approach Smith directly about it, bypassing you as HR Director. Wilson has yet to come up with a crisis contingency plan for the company. You believe this is a high-priority.

During your interview with Smith, you were informed that Wilson has a sexual harassment complaint filed against him by a female Hispanic floriculture supervisor that could lead to a claim made with the Equal Employment Opportunity Commission (EEOC). You were told in the interview by Smith that he considered this a delicate situation because it could affect the company’s reputation in the community in addition to Wilson’s marriage. Smith candidly informed you he was aware of Wilson’s wandering eye, but didn’t want this to materialize into a dramatic event. In other words, you sensed he was telling you he wanted the matter to just go away.

**Talent Acquisition**

John Tanaka has been in charge of staffing, as it was called way back when, at Blossoms Up! since four months after the company opened up. At that time, John handled a great deal of the administrative tasks alongside Andrea to get the company up and going. John liked the hiring aspect of his employment at the company and long ago he asked Smith if he could permanently function as the Talent Acquisition manager. This decision was made long before there was an official HR department. Currently, John has one HR assistant that he supervises, Tomasa Matus. John is well-schooled in understanding employment law in the hiring process. He would like to attend outside classes to stay current on recruiting and retention strategies as well as believes he needs an employment law update course. Generally, HR development courses haven’t been conducted in-house and the company has paid a lot of money in the past for travel to conferences. John has shared with other employees that he will be retiring in two years.

Smith and Susan Powell previously met with John to let him know that there might be a reduction-in-force or a hiring freeze to cut costs. Blossoms Up! was never a leader in pay, but it certainly paid well enough to attract employees and always had a steady flow of resumes and applications that hit John’s desk weekly. There is generally high attrition in some areas of the company, like the floriculture workers because they endure long hours, the conditions are often grueling, and the pay is generally considered low even though Blossoms Up! is not the lowest paying flower grower around. John always hates the tracking work involved with each opening because it is all done manually. He, too, is in support of an HRIS system that could handle his area within the company. One thing he has been working on is a new onboarding process. He has learned that effective onboarding could be key to employee retention, but wants to find research to support his efforts before embarking on work that might not be fully appreciated by you in case you don’t consider it important.

**Employee Relations**

The manager of Employee Relations is Roberto Miranda. Roberto started out with the company as a floriculture worker. Roberto began working in the floral crops when he was 18, fresh out of high school. Smith was so impressed with Roberto’s commitment to employee excellence that he personally aided Roberto to work on getting his undergraduate degree through the very university you went to. Working by day and going to school by night, Roberto worked his way up to his current position. After getting his Bachelor’s degree in Business with a concentration in Human Resource Management, he is now contemplating working on his M.B.A. Roberto has two HR assistants, Rosa Garcia and George Meyer.

In the back of Roberto’s mind is the refrain of “A company that gets a union, deserves a union.” Feeling Smith’s stress about unions, Roberto has been out in the field attempting to quell an undercurrent that he fears two disgruntled employees have started to attract unionization. He has been having weekly meetings with the floriculture workers and supervisors to handle any concerns they might have and to emphasize he is available to listen to them. He talks about his days in the field and how the Smiths have been good to all the company employees providing jobs in the area that might not otherwise exist but for Smith’s dream of making flowers available to those who cherished them and wanting others to delight in their beauty. Questions have started to trickle in about high technology changes and rumors about tractors taking away jobs they’ve held for years.

Floricultural workers are involved in a wide range of tasks at Blossoms Up!, usually with limited supervision. Their work could include: tractor driving, caring for crops, harvesting crops, preparing crops for sale, propagating plants, or maintaining irrigation systems. Working alongside floricultural workers are supervised floricultural assistants, who are at the bottom of the rung in this business alongside grounds maintenance, grounds keeping, and landscaping laborers and crew workers. Based on Smith’s ideas about expansion, this employee group could largely be affected in addition to those employees resistant to change.