

# Case Study

Mario's Music

# Background

- Mario's Music is a 15-year old business with 46 employees that sells musical instruments. The founder and manager, Mario, is preparing to retire. His son, Luigi, is taking over the day to day leadership. Luigi is a casual musician and has not worked in the store in over 10 years. His planned first day on the job will be the day after Mario retires.
- In addition, there is a planned move to an updated point of sale system to replace outdated legacy systems that all employees utilize daily. There is one employee who has used the system at a previous job, but nobody else other than the manager who selected the system has any exposure to it.
- Another element to consider is the employee compensation model. Employees have been underpaid relative to the market rate due to Mario's belief that “folks who work with music will always make less because they get to be around something they love.” In the early days it was easier to bear, but it's starting to rub some employees the wrong way.

# Discussion Questions

*Take five minutes and consider the following questions. I encourage you to make notes on a sheet of paper or on a notepad app so you can match your suggestions with those on the following pages.*

- The technology and leadership transitions are both approximately two months away. As the HR leader, how do you prepare the organization for each of these challenges?
- What specifically do you need to do to prepare for the leadership handoff?
- What actions should you take in advance of the technology transition?
- What should you do, if anything, about the employee compensation situation?

# Possible Considerations

## Transitioning Founder

- Have Luigi visit the location with Mario, encourage Mario to discuss the transition and his vision.
- Encourage Luigi to discuss his love of music and how that experience will make him a good leader by understanding the needs of customers.
- Develop a change management plan to help account for variables and address challenges in the transition (employee response, negative backlash, garnering support for new leader, process/policy changes, etc.)
- Begin communicating with Luigi about his vision for the business and help him to understand the impending challenges. \*This ties in with both other points below.

# Possible Considerations

## Changing System

- Because all employees use this system daily, it's critical that training occurs to prepare them for the new system. The steps of the systems model of training are: assess the need, develop the training, assess the training.
- Two potential in-house trainers already exist: the employee with previous experience and the manager who made the selection.
- Determine the training method (allow the two training candidates to have input) that best fits the work schedule, budget, and employee needs.
- If not already established, work to create a budget for training around the new system. All current employees will need training, and new hires will require a measure of training as well.
- As part of the training process, assess any training after the fact and ascertain what employees learned and any possible gaps in training to refine future delivery.

# Possible Considerations

## Employee Compensation

- This must be financially feasible, so conversing with the accounting/finance leader is a must to ascertain what level of increase would be possible.
- Discuss your concerns with Mario regarding the underpaid employees.
- To combat Mario's traditional thinking, bring data that supports your concerns, including data on employee theft (historically, employees steal more if they believe their pay is inequitable), turnover risk (what key people are you losing because of low pay?), and other critical impacts of low pay.
- If Mario is still against the compensation change, work with Luigi to see if he would be willing to adjust compensation when he takes over the leadership position. This could be a "quick win" and a way to show compassion for employee needs.

# About

This case study was developed as a tool for students preparing for the PHR and SPHR exams as a way to demonstrate the various scenarios that HR professionals face in their daily work. The suggestions are not the only “correct” answers and are provided to help guide further exploration into the concepts covered by the case study.