

Revitalizing culture and performance in a franchise organization: The BeMet Workforce Solutions journey

Kelsey Metz
Lincoln Memorial University

Raphael Beata
Independent Researcher

ABSTRACT

This case examines the organizational challenges faced by a regional franchise of BeMet Workforce Solutions, a staffing agency, in Nashville, Tennessee. Key issues include undefined cultural values, a competitive rather than collaborative work environment, and a misaligned incentive structure. These challenges have resulted in declining employment placements, lower revenue, and dissatisfied clients. Students will be tasked with conducting a root cause analysis to identify underlying problems, developing strategies to address these challenges, and evaluating potential obstacles to the proposed solutions. The case highlights the critical role of leadership and organizational alignment in addressing systemic challenges and driving performance improvements.

Keywords: organizational culture, leadership, team dynamics, organizational alignment, strategic problem-solving

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Teaching Notes: For teaching notes, please contact Dr. Kelsey Metz at Kelsey.Metz@LMU.net.edu.

INTRODUCTION

BeMet Workforce Solutions is a staffing agency with over 500 locations nationwide. The organization specializes in helping job seekers find employment and connecting businesses with qualified candidates. The company operates under a franchise model, which enables individual franchise owners to manage their locations while adhering to guidelines and objectives set by the corporate headquarters. This model provides local franchises with the advantage of leveraging the brand, resources, and operational support of the larger organization, while allowing autonomy in daily management.

Each franchise generates revenue by charging client companies a fee, typically a percentage of the employee's salary or hourly wage, for finding and placing qualified candidates in temporary or permanent positions. While the corporate headquarters establishes overall revenue and sales goals, they allow regional franchises to design their own incentive structures, client distribution models, and operational strategies tailored to their unique needs. This balance of centralized guidance and local flexibility ensures that franchises can adapt to their specific markets while contributing to the organization's broader objectives.

A regional BeMet Workforce Solutions franchise, located in Nashville, Tennessee, employs 12 team members. These include Franchisee, Sarah Mitchell, Operations Manager, Ryan Carter, and a team of 10 Employment Specialists. The Employment Specialists are responsible for cultivating and sustaining client relationships while sourcing and matching candidates to roles that align with their skills and career goals. Ryan, as the Operations Manager, oversees day-to-day franchise operations and manages the team of Employment Specialists. Sarah, the Franchisee, owns the franchise and collaborates with Ryan to implement strategies for growth and success.

PROBLEM STATEMENT

Following the COVID-19 pandemic, the Nashville franchise has experienced a period of stagnation in both employment placements and revenue generation. In response, Ryan, the newly appointed Operations Manager, initiated one-on-one meetings with each Employment Specialist to identify the root causes of these challenges. Through these conversations, he observed a competitive culture among Employment Specialists, which was reinforced by an incentive structure that rewarded employees based upon their individual placements. This mentality was further reinforced by one Employment Specialist who consistently prioritized personal success over team collaboration, thereby setting a tone that negatively influenced the broader team dynamic.

During the individual meetings, several employees voiced frustrations about the lack of teamwork within the franchise, with one stating, "I feel like I'm constantly competing with my coworkers instead of working with them. If I pass a client to someone else, it feels like I'm losing out, and that's just not fair." Another remarked, "We don't have a sense of what's important beyond making placements. It's hard to feel like part of a team when everyone is just looking out for themselves."

In addition to these concerns, employees were unable to identify values specific to the franchise and lacked understanding or commitment to the broader goals of the organization. As one employee noted, "I'm not really sure what this franchise stands for or how we're supposed to

fit into the bigger picture.” This disconnect appeared to be tied to broader issues, including a lack of clarity and consistency in communicating the organization’s mission and vision.

These factors collectively discouraged collaboration, created internal conflict, and hindered the franchise's ability to meet client needs and achieve organizational objectives. Consequently, the franchise experienced a 25% decline in placements over the last two quarters, which directly impacted revenue. Additionally, its gross margin fell below the regional average, and client retention rates declined by 10%. One major client expressed dissatisfaction with inconsistent service and delays in finding qualified candidates, further underscoring the severity of the situation.

In recognizing the urgency of these challenges, Ryan met with Sarah, the Franchisee, to discuss his findings and propose strategies to realign the team and improve performance. At the meeting, Sarah emphasized the importance of taking timely and effective action and encouraged Ryan to take decisive steps to drive meaningful improvements.

KEY PLAYERS

- Sarah Mitchell: Owner of the franchise who works closely with Ryan Carter to implement strategies for growth and success, while entrusting him with key decision-making responsibilities. Sarah’s collaborative and empowering leadership style focuses on building trust and providing autonomy, thereby creating a supportive environment for Ryan to address cultural and operational challenges effectively.
- Ryan Carter: Recently appointed as the Operations Manager and new to the organization, Ryan is responsible for addressing cultural and operational challenges, overseeing day-to-day franchise operations, and managing the team. As a fresh perspective within the franchise, he is tasked with identifying and resolving systemic issues to improve team dynamics and drive performance. Ryan naturally leans toward a laissez-faire leadership style.
- Employment Specialists: Frontline staff tasked with building and maintaining client relationships while sourcing and placing candidates in suitable roles.

QUESTIONS

1. **Root Cause Analysis:** What are the underlying root causes of the problems experienced by the Nashville BeMet Workforce Solutions franchise, and how do they relate to its culture, leadership, and operational structure?
2. **Proposed Strategies:** What strategies would you propose to address the identified root causes, and how would these strategies improve team dynamics and overall performance?
3. **Challenges of Proposed Solutions:** What challenges might arise when implementing your proposed strategies, and how would you address them to ensure successful outcomes?

