Sundale Club Case Analysis

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Right off the bat, there is a great deal to consider and immediate change is absolutely necessary if The Sundale Club is going to work and return to a prospering state. There are micro and macro issues that need to be changed as soon as possible; however, it is essential to have a plan and a timeline for doing it properly. There is a plethora of actions that The Sundale Club can take to turn around the trajectory of the business. Despite there being irreversible damage, The Sundale Club is salvageable if the right steps are taken. Putting myself into the CEO's shoes, I have formulated not only a recommendation but a plan to get the club back on the proper track. The Sundale Club has made some grave mistake, but hope is not over – success can be right on the horizon.

Micro Dissection of Issues

One of the largest micro issues with The Sundale Club right now is the inappropriate behavior that is allowed in the workplace. There needs to be a proper system set up for employees to properly report issues within the workplace without fear of retaliation. However, multiple employees have came forward with complaints, and they have either been shooed off or fired for reporting toxic and unhealthy behavior in the workplace. A study published by EBN states that "employers are not doing enough to establish a safe workplace culture — 30% of respondents said they have not received any workplace violence training… Only 44% said their employer promotes a culture where incidents of misconduct can be reported without fear of retaliation, and one-third said they would only report an issue if it could be done anonymously" (Hafner, 2024). This fear of retaliation from over half of the workplace shows that retaliation is a very real fear, and there needs to be protections in place.

Nepotism also seems to be an issue at The Sundale Club due to Ted Ellis's practices. While Chuck Johnson is at fault for his actions, Ted Ellis is just at fault. He hired someone he knew on a personal level, and while this may not inherently be an issue, he continued to support this employee despite their inappropriate behavior. Johnson needed to be disciplined, and instead of listening to his employees' reports of misconduct, he got defensive and gave absolutely no reprimands towards the employee that was causing issues in the workplace. The last pressing micro issue that I recognized is the low employee morale. Several employees are either losing their jobs, quitting, or extremely upset about how things are going. If the upper management does not fix these issues, the entire company may collapse.

Macro Issues Discussion

The first macro issue I would like to touch on does not even concern Chuck's actions or the reactions to it. Instead, I think that there is an equality issue here. One of the first sentences in this case study is that Chuck Johnson may be a homosexual. This immediately threw me off, and I think it is extremely inappropriate to mention it in an educational text. As a queer person, it was very disheartening that this was a focus at all. Chuck Johnson's sexuality, or even worse, rumored sexuality, should not affect anything. His actions were inappropriate, no matter his gender, sexual orientation, race, anything. The fact that this was even mentioned is indicative of a larger issue of internalized homophobia – whether that is a problem with the textbook or the company, I cannot be for certain. The UCLA School of Law conducted research regarding sexual orientation harassment and found that "47% of LGBTQ workers have experienced discrimination or harassment at work at some point in their lives" (Sears, 2025). With almost half of the queer community experiencing this harassment, it is clear that there needs to be a changed within harassment laws, despite sexual orientation harassment being illegal.

Another macro issue for The Sundale Club is the lack of procedures in place. There is no procedure for reporting workplace incidents, no procedures for reprimanding inappropriate behavior in the workplace, and no procedures to deal with internal human resources-related issues like upper-level management being nepotistic or not supporting their departments and employees properly. Employees have no faith in the company anymore, and it will be hard to get that back. Once employees lose faith and trust in their workplace, then they will be hyper focused on finding a better, less toxic work environment for themselves. Not only has this damaged their reputation as a company, but now, it will be extremely difficult to rebuild what they once had.

The last macro issue I have identified is that there is now a stark decline in membership and revenue. All revenue streams are now being affected. What was a small issue of declining membership has now become a much larger issue throughout the entire organization. Now, every department is extremely turbulent and struggling. What is even worse is that if something does not change now, then The Sundale Club will not have membership or the income to support the staff it currently does. Without the proper staffing, the club would have to downscale massively, and if they cannot change, then they will surely shut down and not be able to operate at all. The Sundale Club needs to create a plan now and implement it immediately if they are going to stay afloat and end up prospering. In their current state, The Sundale Club is in a very vulnerable business spot, especially if upper management is going to allow this kind of behavior in the workplace, and they are bound to fail if nothing changes.

Affected Systems

It appears that this one issue had a ripple effect throughout every department of The Sundale Club. The largest affected system was undoubtedly the human resources department.

The human resources system that The Sundale Club has, which seems already extremely disorganized, failed to fix an HR issue as well as provide feedback and support for the rest of the members in the work environment. This has led to a negative and toxic work environment, which will inevitably have a bad effect on the company. The National Institute of Health reports that "the concept of the healthy workplace is not new, but it has indeed changed, evolving from a nearly exclusive focus on occupational health and safety (managing the physical, chemical, biological, and ergonomic hazards of the workplace) to include work organization, workplace culture, lifestyle, and the community, all of which can profoundly influence worker health" (Stoewen, 2016). There are multiple facets of a healthy work environment, and upper management of all businesses need to be aware of how to cultivate these healthy environments.

The Activities departments have also had a large negative effect on them due to the dysregulation within membership. Because of this sharp decline in membership, it is likely that the activity departments will begin to struggle. This is likely due to two reasons: other members will start to see smaller activities and contemplate whether they would like to continue their own membership or instead go to a competitor, and the other being that these departments now do not feel support by upper management and will likely question if their employment and their work in their respective departments is even worth it anymore. The last affected system is the operational management. There is now doubt about the upper management to properly handle issues within the company, and the operations will undoubtedly be affected now that most remaining employees are not confident in management handling issues in a proper manner.

Alternative Courses of Action

There is a plethora of actions that The Sundale Club can now take to try and remedy the issues within the company. These include hiring an external business to conduct a human

resources investigation. It has been made clear that upper management is extremely biased towards Chuck Johnson, so hiring an unbiased investigative entity will allow for appropriate actions to be taken based on their findings. Employment policies and procedures can also be revised immediately. There needs to be clear-cut rules and processes for reporting workplace harassment and issues in place. Employee training, mandated for everyone, is also a course of action to be taken. These should be attended by every member of the company, including the CEO, to ensure everyone is on the same page. Lastly, they could create a member loyalty or member engagement program to reinvigorate the members they have remaining, as well as drum up word of mouth and interest from potential members.

Final Recommendations

In the immediate future, The Sundale Club needs to hire an external investigation company to come in and conduct a thorough investigation with their unbiased practices. It should be requested that these internal investigators provide recommended disciplinary actions to hopefully correct the actions that have taken place and get the company back on track. The company can also suggest what employment policies need to be revised and implemented, effective immediately. This will lead to rebuilding the trust and healthy work environment for the company. Lastly, there needs to be a focus and large effort on revitalizing the membership base. Instating a member engagement program can help bring in crucial revenue for the business to continue operating. Without this, the company may struggle to stay afloat during their rebuilding time. There are both external and internal issues that need to be fixed as soon as possible if The Sundale Club is going to turn around their fate. I would immediately focus on the internal issues because without the employees to operate the business, there will not be any external issues to fix anymore.

Plan for Success

Within the next month, I would hire an external investigator to come in and conduct a large-scale investigation into what has happened in the recent proceedings of The Sundale Club. This will likely take up to three months, so by month four, new policies and procedures need to be implemented and used within the company immediately. Next, I would institute training programs that are overseen by an external practitioner. The trainings I would recommend are Harassment Prevention, Ethical Behavior, Employee Morale, and Leadership development. These will be used to focus on fixing the future of employee relations and creating a healthy working environment. This should help all employees understand how to spot workplace harassment, and it will help upper-level management understand how to properly handle these reports and focus on building a strong future.

Just using and instating these trainings will not be enough, though. The Sundale Club should utilize Kirkpatrick's Four-Level Training Evaluation Model. These four levels are reaction, learning, behavior, and results. This will help gauge how the training is affecting the workplace and the workers. Ardent claims that "analyzing data at each level allows organizations to evaluate the relationship between each level to better understand the training results— and, as an added benefit, allows organizations to readjust plans and correct course throughout the learning process" (Learning, 2020). The management team can measure key performance indicators, such as job performance, error rates, harassment reports, and even customer satisfaction surveys. I would also recommend using employee feedback to understand how the training courses are being digested by the company and seeing if there are applications for these training courses within the company. Lastly, the company can use ongoing training courses and measuring return on investments to see how the training is helping the company recover.

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