Darden Restaurants

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Next Generation Training Initiative (NGTI)

Introduction

Darden Restaurants was founded in 1938 by Bill Darden (Darden Restaurants, 2013). The company owns and operates more than 2000 restaurants, employing near 185,000 individuals; serving at 400 million meals a year (Darden Restaurants, 2013). The company has an employee portal, also known as DiSH (Darden information Super Highway), which allows employees to view schedules, company information, and payroll information. The current software used by Darden for the employee portal is PeopleSoft, which already offers a Learning Management System (LMS) for businesses to utilize in their application package (PeopleSoft Enterprise Learning Management, 2013). Darden is focused on 100% guest delight, also known as "Hospitaliano!"

Problem Statement

Due to the hospitality industry experiencing a negative economic impact, many entities have been forced to reduce their budgets and re-allocate their funds. Top business expenses include: 1) Rent, 2) Labor, 3) Cost of goods sold, 4) Equipment, and 5) Advertising (Suttle, 2013). Darden Restaurants plans to implement a "Next Generation Training Initiative" in an effort to restructure their training system and reduce labor costs. The company plans to implement technology into their training materials and classes in an effort to reduce training labor. The previous training system included only face-to-face training and printed materials. The Next Generation Training Initiative (NGTI) will focus on the use of technology to produce, deliver, and the give the ability to access training materials online versus using the company's current strategy with printed materials.

Vision

The NGTI will introduce a "hybrid distance-education" environment for training classes and learning. Training classes will still include face-to-face (F2F) training, but at a reduced amount compared to the past. Distance education is not a new concept as it was introduced 160 years ago and it has expanded ever since (Simonson, Smaldino, Albright, & Zvacek, 2012). According to Ural (2007), distance learning systems are being used with traditional education systems due to the higher demand for education. Many universities are now using distance education due to the transformation of current technology as well as the increase in demand for independent learning (2007). Darden is following that same strategy with their NGTI to allow their employees to learn collectively at the restaurant and individually at home (remotely).

Need for e-learning in Next Generation Training Initiative

Individuals today are often classified as "digital natives" or "digital immigrants." Digital natives are individuals defined as "native speaking" of technology, where digital immigrants are technology users who have adapted their lifestyle to use technology (Prensky, 2001). Darden has chosen to use technology in their training to adapt to the needs of the digital learners in society. The company plans to digitize their training materials and host them electronically on DiSH. In additional to the printed materials, the NGTI project will include instructional videos and guides to support their e-learning initiative. As noted, PeopleSoft offers a Learning Management System (LMS) in their application software package (PeopleSoft Enterprise Learning Management, 2013). This LMS will allow Darden to: 1) Improve employee performance, 2) Assist employees in career development, 3) Lower costs in reference to training labor, 4) Utilize a blended learning approach (2013).

Darden's Goals of the Next Generation Training Initiative

- **Support Darden's "Going Green" initiative**-Digitizing training materials will allow Darden to produce less printed materials, saving on printing supplies and shipping costs to each individual concept.

- **Adapt training materials to the needs of the digital learners in society**- Darden will emphasize e-learning in their future training materials to allow learners to review all digital materials either at their restaurant or remotely to promote individual learning.

- **Reduce F2F training hours**- The NGTI will allow Darden to reduce F2F training hours as a cost cutting initiative.

Supporting Research

Learning Agility

Clark and Gottfredson (2008) define learning agility as an "organization's ability to respond to an adaptive challenge- be it an opportunity, threat, or crisis- through the acquisition of knowledge and skills." Bersin (2012) notes that the use of technology has changed nearly every industry and a need to become agile in retail, hospitality, manufacturing, healthcare, financial services, professional services, and every other industry is necessary. "Creating an organization with learning agility—one that learns and responds quickly to constant change—may be the central organizational challenge of our time"(Clark & Gottfredson, 2008, 4). Several factors are noted to have an impact on the advancement or prevention of organizational learning agility: 1) Learning Mindset, 2) Leadership Behavior, 3) Learning Technology, 4) Organizational Support (2008). Environmental contexts are also mentioned; however, this aspect influences the learning agility factors in a positive or negative way depending on the strength of learning agility within the organization. Darden tends to score high in all factors of learning agility except for technology.

Cost of Labor

Restaurants have many expenses, with the highest being: 1) Labor costs, 2) Cost of goods sold, 3) Marketing/Advertising, 4) Occupancy Expenses, and 5) Administrative Costs (Redman, 2013). Labor costs include salaries, wages, benefits, unemployment taxes and service commissions (Redman, 2013). Staffing is usually one of the largest controllable costs (Nyheim & Connolly, 2012). The NGTI will help reduce training and labor hours since labor is considered a variable/controlled cost (Schmidgall, 2006). The NGTI proposes to digitize all training materials to allow users to view all materials remotely versus only by printing within their training restaurant.

Technology in Education and E-Learning

Nyheim and Connolly (2012) state that strategic investments in Hospitality need to have a positive return on investment. "New technology can decrease the cost of maintaining systems (228)." Technology is also noted to be a large expense and a capital expenditure on hospitality budgets (2012). Darden's current labor management system will be upgraded to sync with PeopleSoft and the LMS. Nyheim and Connolly feel "Information technology can be used as a tool to differentiate and create a competitive advantage (21)." The NGTI will focus on using information technology in their training as a competitive method to attract new employees. As noted by Wang, Ran, Liao, and Yang (2010), E-Learning refers to the use of computer network technology (via the Internet) to deliver information and instructions to individuals. E-learning is noted to allow for more student-centered learning than faculty-centered instruction. The NGTI will focus on meeting individual learning requirements and provide satisfactory learning for the end-user.

Concerns

Not all individuals are classified as "digital learners" in society. Distance education has been noted with disconnectedness and isolation (Ostlund, 2011). Brown & Czerniewicz (2011) argue that the world is increasingly shaped by digital technologies. They feel that individuals who are not digital learners still retain digital skills in several shapes and forms. To address the needs of non-digital learners, Darden will offer specialized F2F training and twenty-four hour support through the Darden Total Rewards Hotline (DRI-EDGE) will be offered for individuals with technology concerns and issues with accessing training materials. Simonson et. al (2009) note that non-digital learners often find the internet and technology confusing and intimidating. Training materials will be accessible via DiSH on the POS systems at each concept, or via any computer with internet access and all instructional materials will be able to be printed for a user who is not comfortable in a digital-learning environment. Simonson et. al. (2009) argue that online learning requires students to take more responsibility for their own learning, which can be viewed as a challenging task. Darden requires individuals to already be committed to individual learning prior as a condition of employment.

Conclusion

The integration of technology with the NGTI is essential to the future of Darden training. Darden employee's today can be classified as "digital natives" or "digital immigrants," as noted by Prensky (2001). Darden will need to adapt their learning agility and technology to meet the needs of digital learners in society and the NGTI will promote technology and e-learning in Darden's training program. By implementing technology into their training curriculum, Darden will be able to reduce costs of training and labor, which is one of the higher expenses on a restaurant's budget. In addition, by allowing learners to learn individually and collectively, their information retention will be maximized. By maximizing their learned information, they will be able to fulfill Darden's commitment to "Hospitaliano!"

Annotated Bibliography

Darden Restaurants. (2013, 2 3). Retrieved from Darden Restaurants: http://darden.com/restaurants/.

>   Darden Restaurants is based out of Orlando, Florida and is one of the leading casual-dining companies in the United States.

PeopleSoft Enterprise Learning Management. (2013). Retrieved from Oracle: http://www.oracle.com/us/products/applications/peoplesoft-enterprise/hcm/052836.html.

>   The Peoplesoft Enterprise Learning Management System is the integrated Learning Management System for the PeopleSoft application portal.

Bersin, J. (2012). The Need for Agility in Corporate Learning. Retrieved from http://www.bersin.com/Blog/post/The-Need-for-Agility-in-Corporate-Learning.aspx.

>   Bersin explains how agility is an important topic in businesses and how it addresses common problems in business such as responding to customer needs and adapting to market changes. Bersin explains how corporate training has moved from an era of "e-learning" to "blended learning" and how it affects the current stage of "continuous learning" we are at today.

Brown, C., & Czerniewicz, L. (2010). Debunking the 'digital native': beyond digital apartheid, toqards digital democracy. *Journal of Computer Assisted Learning, 26*, 357-369.

>   Brown & Czerniewicz argues how not all individuals are digital natives or immigrants, however they still possess a small amount of digital knowledge. The authors feel individuals can be transitioned into digital learning regardless of their technology knowledge.

Clark, T., & Gottfredson, C. (2008). In search of learning agility. Retrieved from http://www.elearningguild.com/content.cfm?selection=doc.1054.

>   Clark & Gottfredson examine learning agility within organizations. Learning 1.0-3.0 agility is covered in the article with examples given for each level of agility.

Lo, A. (2005). The Past, Present, and Future of Hospitality & Tourism Higher Education in Hong Kong. *Journal of Teaching in Travel & Tourism, 5*(1/2), 137-166.

>   Ada Lo explains the aspect of Hospitality and Tourism education in Hong Kong. Further direction is given on possibilities in the development of hospitality education and e-learning.

Nyheim, P. D., & Connolly, D. J. (2012). *Technology Strategies for the Hospitality Industry.* Upper Saddle River: Pearson Education.

>   Nyheim and Connolly examine the components of technology within the Hospitality industry. The use of technology and it's benefits are explained in reference to many concepts within hospitality, such as casinos, restaurants, hotels, and resort communities.

Ostlund, B. (2011). Stress, disruption and community-Adult learners' experiences of obstacles and opportunities in distance education. *European Journal of Open, Distance and E-Learning*, 1-11. Retrieved from http://www.eurodl.org/index.php?p=&sp=full&article=179

> Ostlund explains adult distance learners' experiences of obstacles and opportunities that influence their studying and learning. Individuals felt disconnected from e-learning since they were not native to technology. Peer reviews

Prensky, M. (2001). Digital Natives, Digital Immigrants. *On the Horizon, 9*(5). Retrieved from http://www.marcprensky.com/writing/prensky%20-%20digital%20natives,%20digital%20immigrants%20-%20part1.pdf.

> Prensky explains the difference of digital natives and digital immigrants and how educators are struggling to teach a new generation of learners. Prensky argues that individuals will need to adapt their curriculum or content ("language") to the needs of digital learners.

Redman, B. (2013). *Examples of Expenses for a Restaurant Business*. Retrieved from Chron: http://smallbusiness.chron.com/examples-expenses-restaurant-business-23491.html.

> This article identifies the top expenses of a restaurant, further explaining the top two expenses as well as operating costs. Labor is identified as a variable cost which is controlled by individual restaurants and their management, versus the company as a whole.

Schmidgall, R. S. (2006). *Hospitality Industry Managerial Accounting.* Educational Institute of Am. Hotel & Motel Assoc.

> Smidgall covers basic accounting principles in reference to the hospitality industry in this text. The text covers topics, such as: information on the balance sheet, the income statement, cash flows, ratio analysis, basic cost concepts, cost-volume-profit analysis, cost approaches to pricing, forecasting methods, operations budgeting, and income taxes.

Simonson, M., Smaldino, S., Albright, M., & Zvacek, S. (2012). *Teaching and learning at a distance: Foundations of Distance Education.* Boston: Pearson.

> Simonson et. al. (2012) examine the use of distance education programs and the effectiveness of each tool. The author's explain the evolution of distance learning and the possibilities for the future with e-learning.

Suttle, R. (2013). *What are business expenses?* Retrieved from Chron: http://smallbusiness.chron.com/business-expenses-3490.html.

> Suttle explains the top expenses on a business's budget.

Ural, O. (2007). Attitudes of Graduate Students toward Distance Education, Educational Technologies, and Independent Learning. *Turkish Online Journal of Distance Education (TOJDE), 8*(4), 34-43.

> Ural explains how distance education systems provide flexible and technological educational environments. Ural's study yielded the sample defined independent learning as "learning of students who can succeed after studying on their own." Self-planning was also mentioned as a another quality to help students in their future educational life.

Wang, M., Ran, W., Liao, J., & Yang, S. J. (2010). A Performance-Oriented Approach to E-Learning in the Workplace. *Educational Technology & Society, 13*(4), 167-179.

Wang, Ran, Liao, and Yang (2010) explain how e-learning applications fail to meet the needs of learners. The use of e-learning in the workplace and Wang et. al. plan to address the requirements of e-learning within the workplace. In addition, a study is conducted on learner's viewpoints of e-learning and content management systems.

NOTICE: