

ETHICS IN THE FOODSERVICE INDUSTRY

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ABSTRACT

This manuscript examines how unethical management practices manifest themselves within the restaurant industry in the United States. We look at (a) individual case stories of violations committed against particular food service workers, and (b) more general patterns of abuse that have arisen throughout the restaurant industry. The endemic problems of labor abuse in the foodservice industry may be seen as a microcosm of what is referred as toxic leadership behavior in American business as a whole. Some recommendations are made as possible solutions to these problems.

INTRODUCTION

In recent decades, we have witnessed a spate of high-profile business and economic scandals involving what have come to be known as “dark side” or toxic leaders and managers (Luthans et al., 1998). The headlines have been filled with miscreant businessmen, ranging from Charles Keating (Savings & Loan) and Michael Milken (Junk Bonds) in the 1980s to Kenneth Lay (Enron), Bernard Ebbers (WorldCom) and Dennis Kozlowski (Tyco International) in the 21st century. One could add the recent conviction handed down to Raj Rajaratnam, the former boss of Galleon for insider trading. While the particulars of their wrongdoings may differ, they all have one thing in common: they used their power and influence to create situations and conditions within their respective businesses that eventually destroyed those businesses, as well as the livelihoods and even the lives of thousands of employees and associates. In other cases, the environment created by actions of resulted in lower confidence in the markets that hurts everyone.

However, it is a mistake to assume that these types of leaders exist only in giant corporations and multinationals, or within certain industries. One of the definitions of Dark Side leadership has such events taking place whenever “a leader’s behaviors become exaggerated, lose touch with reality, or become vehicles for purely personal gain” thus raising the possibility that they “may harm the leader and the organization”(Conger, 1990). This distorted model of leadership can be transmitted down to the middle and lower levels of management; it can affect medium-sized and small firms just as badly as large ones; and it is particularly prevalent in those areas where worker rights and workplace protections are weakest—such as the restaurant, fast food franchise, and hospitality sectors of the economy.

According to Ruckelshaus (2008):

“Almost every growing sector in the bottom half of our economy... is plagued by penurious employers who drag down working conditions for everyone. Common schemes emerge in jobs with sweatshop conditions: employers hide behind subcontractors, call their workers

"independent contractors" not covered by workplace laws, and hire immigrant workers who are subjected to substandard conditions. ...".

Another way to look at unethical leadership management is to define it as leadership, which does not have the four necessary ethical components of moral sensitivity, moral judgment, moral motivation and moral action (Hackman & Johnson, 2000).

Business Ethics, Quo Vadis?

The underlying problem, according to many business theorists, is that the concept of business ethics and moral leadership is no longer taken seriously: "Neither term carries credibility in popular culture and when conjoined constitutes a 'null set' rather than just a simple contradiction in terms ... More significant is that we have so few models of businesses and leaders operating on ethical principles (Gini, 1998).

In studies dealing with the behavior of leaders and managers in the business community, there have been two general approaches in attempts to understand why some business leaders have turned toxic: that put forward by (McIntosh & Rima 1998), holding that it is the personality of the person that determines what kind of leader he or she can be; and that espoused by Howell & Avolio (1992) is more sociological and value-neutral in nature, stating that it is not possible to determine beforehand whether any particular leader will be moral or immoral. The first theory is psychological and does not take social, economic or political conditions into consideration; the second is value-neutral and maintains that, if environmental factors create opportunities for misconduct and abuse, those will inevitably occur.

In this paper, the basic assumption is that toxic "dark side" leadership is a combination of these factors, but that it is mainly environmental situations and lax regulatory conditions that create the circumstances for unethical business practices to grow and flourish. The main thrust of the paper is the effect that such toxic leadership has on workers in the foodservice industry (more specifically, the restaurant subset of the industry), attempting to identify the causes of abusive leadership and the various consequences that result. The paper also provides various management options that might be employed to solve the problem of the abuse of employees in the restaurant industry and discusses which of these approaches to reform is more practical and effective.