

Characterizing Poor Performance in For-profit and Not-for-profit Food Service Operations

by
Richard Ghiselli
and
Joseph Ismail

In this article the authors explore the performance-related employee behaviors that are the most troublesome in food service. Four subsegments of food service were surveyed and differences in profit and not-for-profit operations analyzed. Significant differences were found between the two groups, with for-profit operations indicating more severe problems in all but one behavior category.

The primary goal in many commercial food service operations is to generate a fair return on investment. In many institutional or non-commercial settings, there may or may not be a profit motive, depending on the situation. Besides financial aim, other goals or objectives often help define and drive operational procedures. Some of these include serving a meal in under five minutes, producing all menu items from scratch, providing friendly service, establishing and maintaining good community relations, and/or operating as a service for the employees or members of an organization. Success in reaching these goals depends, to a large extent, on employees. Through their assigned tasks, they actualize management's plans; that is, through the operational processes designed by management, employees help management achieve its goals. Assuming the processes are sound, their performance will determine whether or not the goals are reached.

Assessing performance is relatively straightforward as long as an employee's efforts can be objectively or quantitatively measured. Ideally, the criteria that are used to measure employee performance are relevant to the important goal or goals of the organization.¹ Practically, the activities on which employees are rated may be slightly removed from those goals.

Since not-for-profit and for profit operations have different goals, and may have other objectives that set them apart, managers and/or

supervisors in these two situations may experience different performance problems and use different measures to evaluate their employees' performance. The purposes of this study were to identify the performance-related behaviors that were most troublesome in these two settings, and to determine the performance-related behaviors that have led to employee dismissal. Also of interest was identifying the objective criteria being used by food service managers and supervisors to evaluate the performance of their employees.

Attending to Performance is Essential

There are a number of reasons for regularly monitoring and frequently assessing employee performance. One is the attention this calls to performance; there is some evidence that by regularly attending to performance certain undesirable behaviors may be modified.² Another reason is the changing nature of the employer-employee relationship;³ objective measures are increasingly important, and continuous feedback and routine emphasis on performance could help to substantiate objectivity in situations that may not be as bound or are more difficult to assess via performance or productivity standards.

High turnover in the industry is yet another reason. Since 1989 when the National Restaurant Association (NRA) began reporting employee turnover in its annual report of operations, overall rates for hourly employees have approached or exceeded 100 percent in full and limited-service restaurants and cafeterias.⁴ Not only do many segments of the commercial sector struggle with high turnover, the industry employs a large number of part-time workers; 36 percent of the workers in eating and drinking places are part-time employees.⁵

Moreover, part-time workers may view the work as temporary, and may lack commitment to the organization. Given this situation, the potential for quality to fluctuate is imminent. By regularly monitoring and frequently assessing employee performance, management will help fix the limits that define the desired quality. This process includes regularly communicating the needs, requirements, and, most importantly, the standards of the operation. Without standards, there are no bases for comparison — no right or wrong tastes, no good or bad service. Attention on performance will focus both employers and employees on the standards and behaviors that drive the operation — which will enable both groups to help meet the long run goals of the organization.

Perhaps the most compelling reason for examining and emphasizing performance is performance itself. In a survey investigating unacceptable behaviors in food service, owners and operators in Indiana indicated that poor performance was the second most serious problem after turnover. More importantly, poor performance was the leading reason employees were dismissed from their jobs; 71.5 percent of the dismissals resulting from unacceptable employee behaviors were for performance-related reasons.⁶ Since dismissals are a component of turnover, improving performance may help reduce it.

Food Service Managers Are Contacted

Previous research in this area identified 11 major requirements for successful performance of certain food service workers; observations of on-the-job behavior were used to describe/define effective workplace behaviors, and to develop an evaluation form for rating employees.⁷ The criteria included cooperation, adaptability, interest in doing a good job, initiative, attention to detail, relations with supervisor, sensitivity to the needs of others, dependability, and personal conduct.

Other measures that have commonly been used to measure and analyze worker performance/productivity include sales per hour, or covers per hour, or some variation of these ratios, depending on the employee's position in the operation.⁸ Along with absenteeism and tardiness, these indicators of performance/productivity have the advantage of being readily quantifiable, and not subject to rater bias; as such they function as objective measures.

Using these criteria and measures, a questionnaire was developed to determine the extent to which certain behaviors were a problem, and to identify the objective standards that were being used to evaluate food service employees. The questionnaire was sent to different subsegments of the food service industry chosen to represent both profit and not-for-profit interests. In particular, the questionnaire was sent to all club managers in Indiana who belonged to the Club Managers Association of America, approximately one-third of the public and private schools in the state (grades K-12), approximately one-third the members of the Indiana Hospitality and Restaurant Association, and one-half the hospitals in the state. Except for clubs, the potential respondents were chosen at random. The number of potential respondents contacted in each of the subsegments was based on return rates from other studies;⁹ the overall goal was to obtain an equal number of respondents by both profit motive and subsegment.

The managers and supervisors were asked to assess employee performance and to specify the performance-related behaviors that had led to employee dismissal. They were also asked to identify the objective measures that were used to evaluate food service employees. A limited amount of demographic information was also requested.

Prior to distributing the questionnaire, a pilot study was conducted; based on the information provided, the questionnaire was modified, then sent out. Approximately three weeks later a postcard was sent as a reminder; after five weeks, another survey was sent to those who had not yet responded. Statistical analyses were conducted using SAS[®] software (SAS Institute, Inc.). The data were primarily analyzed by financial motive (for-profit and not-for-profit); supplemental analyses were performed by subsegment (restaurant, club, school food service, and health care) and functional area (front-of-the-house and back-of-the-house).

Of the questionnaires mailed, 183 were returned; of these, 10 were not deliverable and eight did not want to participate or were not usable. The final response rate based on usable questionnaires was 42.1 percent (164/390). The response rates for the subsegments were 33.6 percent for

restaurants (49/146), 37.6 percent for school food service (53/141), 69.2 percent for health care (45/65), and 44.7 percent for clubs (17/38). By profit motive, more than 95 percent of the restaurants and close to 25 percent of the food service operations in clubs were run for profit. Included in the restaurant category were table service restaurants, fast food restaurants, coffee shops, public cafeterias, and miscellaneous food service operations. Approximately 90 percent of the respondents from school food service and health care indicated they were not-for-profit operations. The breakdown by financial orientation was 36 percent of the respondents were operated for a profit (n = 59), and 64 percent were not-for-profit operations (n = 105).

Many Reasons Lead to Removal

For the study as a whole, the involuntary separation rate due to performance-related reasons was 3.7 percent. This was slightly less than that previously found in a survey of unacceptable employee behaviors in food service; in that study the overall involuntary separation rate was 6.9 percent, and the involuntary separation rate that resulted from poor performance was 4.9 percent.¹⁰ By financial motive, the involuntary separation rate for performance-related reasons in not-for-profit operations was 2.4 percent; in for-profit operations, 4.8 percent. In total, respondents removed 309 employees for performance-related reasons.

Respondents indicated that poor performance in the kitchen and service areas was equally vexing. In both areas it was less of a problem than turnover, however; turnover in the service area was considered the most severe.

Food service managers and supervisors were asked to identify the leading performance-related reasons for which employees had been discharged. Absenteeism, by far, was cited most often as the primary reason; close to 38 percent of all participants indicated that employees had been removed for missing work. Moreover, both for-profit and not-for-profit concerns indicated absenteeism was the primary reason. The next most frequently cited reason was lack of skill competency; 9.5 percent of all respondents indicated that this behavior had been the primary reason for dismissal. Again, both concerns had experienced similar performance problems. Table 1 shows the behaviors and the frequency that they were identified as either primary, secondary, or tertiary reasons for employee dismissal.

Approximately 14 percent of all managers and/or supervisors indicated that personal conduct was the second most prevalent reason for employee dismissal. For-profit and not-for-profit operations, however, experienced differing problems; not-for-profits apparently had more trouble with tardiness. Slow work and willingness to work with supervisors were the next most cited secondary responses overall.

The third most prevalent reason for employee dismissal was not following directions. Personal conduct was also cited. See Table 1.

Table 1
Frequency of Dismissal by Performance-Related Behavior

Behaviors	Percent of respondents who indicated that the behavior was cause for dismissal								
	primary reason for dismissal			most cited secondary reason			most cited tertiary reason		
	Over-all	For Profit	Not-For Profit	Over-all	For Profit	Not-For Profit	Over-all	For Profit	Not-For Profit
Absenteeism	37.8	40.5	35.1	6.3	6.1	6.5	8.2	9.1	7.1
Skill competency	9.5	8.1	10.8	9.4	3.0	16.1	4.9	6.1	3.6
Slow work	5.4	2.7	8.1	12.5	18.2	6.5	6.6	6.1	7.1
Sloppy work	5.4	2.7	8.1	6.3	12.1	0	9.8	12.1	7.1
Willingness to work with									
a. others	5.4	5.4	5.4	6.3	3.0	9.7	9.8	12.1	7.1
b. supervisors	4.1	2.7	5.4	12.5	12.1	12.9	9.8	9.1	10.7
Personal conduct	4.1	5.4	2.7	14.1	21.2	6.5	11.5	15.2	7.1
Tardiness	4.1	2.7	5.4	10.9	0	22.6	0	0	0
Following directions	1.4	0	2.7	7.8	9.1	6.5	16.4	12.1	21.4
Interest and enthusiasm	1.4	2.7	0	6.3	9.1	3.2	3.3	0	7.1
Sensitivity to needs of others	1.4	2.7	0	4.7	0	9.7	4.9	6.1	3.6
Housekeeping	1.4	2.7	0	0	0	0	4.9	3.0	7.1
Adaptability /									
Acceptance of change	0	0	0	1.6	3.0	0	6.6	9.1	3.6
Personal appearance	0	0	0	0	0	0	3.3	0	7.1
Accidents and mishaps	0	0	0	0	0	0	0	0	0
Other	4.1	0	8.1	1.6	3.0	0	0	0	0

Differences in Performance Are Observed

The managers and/or supervisors were also asked to indicate the extent to which performance-related behaviors were a problem in the workplace. On a scale of 0, not a problem, to 7, a major problem, respondents indicated that adaptability/acceptance of change was the most troublesome; the mean score was 2.82. Absenteeism was the next largest problem, and lack of interest and enthusiasm was third. Over the sample as a whole, however, unacceptable employee behaviors were considered only occasional problems. Table 2 shows the extent to which for-profit and not-for-profit operations considered these behaviors problems in the workplace.

T-tests were performed to determine whether there were differences in performance based on financial orientation. All behaviors except one were found to be more of a problem in for-profit food service operations. In addition, the following were found to be rated significantly greater: tardiness, slow work, sloppy work, lack of interest and enthusiasm, housekeeping, personal appearance, and personal conduct.

Even though both concerns identified adaptability/acceptance of change as the "largest" problem — based on a ranking of the means — the two groups differed after that. For-profit operations indicated that

Table 2
Comparison of Employee Behaviors by Financial Orientation

Behaviors	Overall	Extent to which employee behavior was considered a problem (mean)		
		for-profit	not-for-profit	t
Adaptability/Acceptance of change	2.82	3.05	2.69	-1.18
Absenteeism	2.43	2.79	2.23	-1.86
Interest and enthusiasm	2.34	2.83	2.06	-2.88*
Sensitivity to needs of other	2.28	2.37	2.22	.59
Sloppy work	2.16	2.53	1.94	-2.33*
Following directions	2.13	2.39	1.98	-1.78
Housekeeping (cleaning, sanitation, and storage)	2.12	2.66	1.82	-3.24*
Slow work	2.12	2.53	1.88	-2.58*
Skill competency	2.11	2.39	1.95	-1.76
Willingness to work with				
a. Other employees	2.07	2.17	2.01	-.59
b. Supervisors	1.66	1.81	1.57	-.98
Tardiness	1.98	2.69	1.57	-4.01*
Personal conduct (incl. maturity)	1.97	2.58	1.63	-3.63*
Personal appearance	1.63	2.05	1.38	-2.84
Accidents and mishaps	1.39	1.27	1.47	.96

*Prob /t/ <.05

interest/enthusiasm and absenteeism, in that order, were the next largest problems; not-for-profits indicated that absenteeism and sensitivity to the needs of others were the next largest, in that order. By subsegment, club managers and health care food service managers indicated that sensitivity to the needs of others was an issue. Perhaps this is because they both have a somewhat captive or dedicated clientele.

Few Objective Criteria Used to Evaluate Performance

The criteria that were used most commonly to evaluate the performance of food service personnel were the number of minutes or times an employee was late for work in a period, and the number of absences in a period. Customer comments were also used frequently. Productivity measures were not used very often.

- **Evaluating kitchen employees:** Almost 76 percent of the respondents indicated that absenteeism was used to evaluate kitchen personnel. Tardiness (64.6 percent) and customer comments (61.4 percent) were the next most used measures. Not-for-profit operations were just as likely to use these measures as those for-profit.

Because of operational demands and/or procedures, there were some variations in usage by food service type. In particular, absenteeism was

used by the majority of managers and/or supervisors regardless of subsegment, yet it was used considerably more often by food service managers in health care settings — over 90 percent used this criterion when evaluating kitchen personnel. This group was also more concerned with tardiness than the others; over 80 percent used this criterion. Despite the importance attached to these criteria, this group did not rate either of the unacceptable behaviors associated with them any more or less severe than restaurants or clubs; school food service considered the behaviors significantly less of a problem ($p < .05$). Other differences included that customer comments were used less frequently in school food service, and tardiness was not used as a criterion in clubs as often as it was in the other subsegments. The reason for the lower usage rate of customer comments in schools seems obvious. Perhaps one reason for the lower usage rate in clubs is that the feedback procedure is more direct.

For-profit operations used the length of time an order was in the kitchen to evaluate certain kitchen employees more often than did not-for-profits ($\chi^2_{(1, 157)} = 22.17, p < .05$). This should be expected considering the service styles often found in the operations that comprised these groups: the for-profits included mostly restaurants, and the use of this criterion reflects the a la carte approach often found there;¹¹ the not-for-profits included many hospitals and schools, many of which may be prone to use cafeteria or tray service. By subsegment, over 60 percent of the restaurants and clubs used this measure to evaluate their cooks; for many of the institutional settings this measure was not applicable.

• **Evaluating service employees:** For service personnel, absenteeism was the most frequently used objective measure (68.9 percent); customer comments (64.4 percent) and tardiness (56.6 percent) were next. There were some variations because of financial orientation. Specifically, customer comments were used more frequently to evaluate service personnel in for-profit settings ($\chi^2_{(1, 149)} = 5.98, p < .05$). Also, the amount of dollar sales per meal period was used more often in for-profit settings ($\chi^2_{(1, 151)} = 7.29, p < .05$).

By subsegment, sales-related criteria, such as the number of specials sold or the amount of sales per meal period, were used primarily by restaurants and clubs. Even in these situations, however, the criteria were not used that often; 26 percent of the restaurants and 13 percent of the clubs used the amount of sales per meal period as a criterion, and 20 percent of the clubs and 15 percent of the restaurants used the number of specials sold. Also, restaurateurs, food service administrators in health care, and club managers tended to use customer comments more often, and tardiness was used less often as a performance measure by school food service managers and club managers, compared to restaurateurs and health care managers.

Other objective or impartial measures that were used by a limited number of respondents to evaluate the performance of food service

personnel included trays/minute, checklists, accuracy audits, co-worker comments, the quantity of work, accuracy with money, and use of a shopper service. In addition, some of the respondents indicated they used objective measures based on the following criteria: attitude, cleanliness, appearance, and quality.

Employee Performance Is Assessed

Regardless of financial orientation, the managers and supervisors of the food service operations that participated in this study indicated that absenteeism was the primary performance-related reason for which employees were dismissed. Except for school food service managers, the subsegment managers also indicated that absenteeism was the principal reason for removal. Obviously food service managers must address the problem of employees not reporting for work. Checking references to determine whether there has been a history of this behavior is one remedy. Another is to set up expectations at the time the employment relationship begins. Also, a clearly defined absenteeism procedure would be helpful.

Considering the difference in profit orientation and other factors between profit and not-for-profit operations, managers and supervisors are likely to have different perceptions of performance and performance-related problems. In spite of this, both for-profit and not-for-profit operations agreed that adaptability/acceptance of change was the most troublesome performance-related behavior in the workplace. After that, the two groups differed considerably. Not surprisingly, performance was considered a greater problem in for-profit operations.

Slow work, sloppy work, and skill competency can, perhaps, be considered the behaviors/tasks that are most closely related to the goals of the organization. These behaviors can also be considered more quantifiable and/or verifiable measures of performance than some of the others such as "interest and enthusiasm" or "sensitivity to the needs of others." Nevertheless, measures of these behaviors were being used on a very limited basis. In fact, the only impartial criteria that were being used on a wide scale basis to evaluate the performance of food service employees were absenteeism, tardiness, and customer comments; of these, only customer comments provide — potentially — some indication of task performance. Since so few food service managers were using "activity-based" criteria, their significance or usefulness overall seems questionable; possibly the activities that are performed by the average food service worker are too varied and/or numerous to quantify in the same manner that activities can be measured in manufacturing or other settings.

The operational characteristics and the management approach that may accompany or be engendered by financial orientation certainly may have contributed to some of the differences found in this study. Specifically, many of the institutional/not-for-profit food service operations were part of larger and/or unrelated businesses. As such, they functioned as a service to the employees, members, and/or guests

of the organizations. Since the clientele was often built-in or contained in-house, these operations were, in a sense, not subject to market forces in the same way that for-profit operations were. This may have allowed management more control. Control would be further enhanced if the menu was limited and the number of customers known with more certainty. Greater control and fewer variables would help limit aberrant behavior.

Additionally, issues related to wages, job security, and other benefits may have influenced or help explain the better performance in the not-for-profit situations. For example, compensation may be higher in these settings than it is in many parts of the commercial sector if wages are comparable with those of similar workers in the primary business in which the food service functions. Also, compensation may include not only better wages but greater quality of life factors, such as more family friendly or socially friendly work schedules, and other benefits including uniform service, paid holidays, paid vacation time, insurance, etc. Depending on the circumstances, the institutional food service operations may have and be able to attract higher caliber workers and be able to retain food service employees longer. Commitment to and longevity with the organization may be increased and, with these, better performance may be a result.

Appraisal May Require Supervisor/Employee Interaction

The food service industry is unique; unlike many other industries, the goods and services offered by food service operations are often prepared, provided, and consumed shortly after they are ordered. There are definite differences between profit and not-for-profit organizations, however, in terms of the perception of and severity of performance-related behaviors. To some degree these differences may be explained by the more dynamic environment in terms of business volume and customer expectations in for-profit and not-for-profit operations. Perhaps because of its particular conditions, performance may not be as bound or as measurable in for-profit settings as it is in not-for-profit settings. Moreover, comparable subjective and objective measures of performance and behavior may not always be possible. Nonetheless, there are clearly compelling reasons for regularly monitoring and frequently assessing employee performance. To this end, managers and supervisors must identify and establish performance outcomes or indices that can be measured and managed. This may include an expanded notion of performance to include performance/productivity measures for functional areas based on sales and/or costs. Using these indices, management can identify excesses/deficiencies, and schedule productivity based on the desired level of quality, instead of just scheduling labor.

Even with accurate forecasting, careful planning, etc., many performance factors can affect the coordinated production that management endeavors to create; absenteeism is one; and personal conduct and (in)sensitivity to the needs of customers or other employees are

efits that may differentiate profit and not-for-profit organizations as well as subsegments.

Success in food service requires that change and adaptability be part of the culture that is developed within the organization. While there are certain tasks that some individuals are more likely to perform than others, all employees must be able to work with each other and with management; the circumstances typically demand many individuals to work together and to perform many different tasks in a relatively short period of time. The entire staff must be ready to adapt to the changes that inevitably seem to occur.

Since many of the behaviors important to success and smooth functioning may not be as quantifiable, measurement will require considerable input by management. Since the criteria may seem at times subjective, accurate and fair appraisal will require substantial supervisor/employee interaction and contact.

A potential limitation of this study is the number and type of subsegments; there are numerous ways to partition food service operations. Another is that a number of factors may influence assessment of performance, including the location of the operation and the manager's experience in the industry; these influences were not examined. Additionally, subsegment data cannot be generalized to their respective populations since the data were not weighted; by subsegment, the results reflect unweighted totals.

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Richard Ghiselli is an assistant professor in the Department of Restaurant Hotel, Institutional, and Tourism Management at Purdue University.

Joseph Ismail is an assistant professor in the Department of Hotel and Restaurant Management at Pennsylvania State University.