

# Managing Food Safety in Airline Catering in an Emerging Market: The case of LSG Chefs São Paulo

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## The Challenges Ahead

When Mauricio Novaes accepted the position of unit general manager of Latin America's largest inflight catering facility. He also knew that it was not going to be an easy task. He had to ensure profitability and efficiency within the organisation, and knew that food safety is of utmost importance in airline catering. He was familiar with the various economic constraints and related salary levels in services that are often lower than in other industries. Mauricio Novaes asked himself how he could ensure that employees conformed to the extensive rules and regulations of the food safety management system they had in place. It was a daunting endeavour.

## Food and Beverage Above the Clouds

It was shortly past 7 p.m. as Lufthansa flight 507 left São Paulo's Guarulhos airport for Frankfurt, Germany with a slight delay. The flight was booked to full capacity. There was a rattling sound of chinaware in the galleys as the plane ascended. As the aircraft levelled on cruising altitude and set course towards Europe, passengers were sitting back and getting comfortable. Some were reading or watching in-flight entertainment. After serving the first round of drinks, the cabin crew was busy preparing dinner service for the passengers. At roughly the same time, in a catering facility back at Guarulhos airport, a shift ended and more than 200 employees made their way home to their families after a long day of work, dedicated to producing high-quality meals for airline passengers.

Although many carriers reduced on-board service, inflight catering is still an important part of the overall experience for many airlines (King, 2001), such as the German carrier Lufthansa. Whilst passengers in economy class will enjoy a three-course meal served at once on a pre-set tray, up to eight passengers in first class can expect caviar service, followed by several courses, each of them inspired by Michelin-rated master chefs (Lufthansa, 2014a). In business class, Lufthansa has recently upgraded the meal service, focusing on higher quality of the product, freshness, and a more personalised service for passengers (Lufthansa, 2014b).

With a focus on offering air passengers a positive culinary experience during long flights, risks related to in-flight catering must also

be considered. An aircraft, flying at altitude and being far from medical infrastructure, is one of the worst places for foodborne diseases to occur; be it involving passengers or crew. Since food safety risks are considered to be risks in travel and tourism (Rodgers, 2011), food safety management plays a very important role in commercial aviation (McMullan et al., 2007). Airline food is consumed with a significant delay after its production and far away from its production facility. An effective food safety management system is thus of utmost importance for airlines and suppliers of airline food alike.

## LSG Sky Chefs and the Unit in São Paulo

LSG Sky Chefs is a subsidiary of the Lufthansa Group. From their headquarters in Neu-Isenburg, Germany, LSG Sky Chefs' business has grown remarkably. Today, LSG Sky Chefs operates 210 airline catering units globally (including joint ventures). This translates into approximately 532 million airline meals produced every year by approximately 32,000 employees. The company has become the global market leader in this industry segment and serves more than 300 airline customers around the world.

With logistical and operational processes becoming more and more complex in commercial aviation, LSG Sky Chefs also has diversified its product portfolio. The company now not only produces and delivers airline meals; it is also offering extended services such as the management of airlines' catering equipment or entire on-board sales solutions for budget airlines. LSG Sky Chefs has become a very customer-centric and customized company. No two airlines receive the same food and beverage concept.

Airline catering is, however, not the only market where the company is active. Having a wealth of experience in food production and logistics, LSG Sky Chefs has also entered the retail food market in a number of countries. The company also has divisions that manage airport lounge facilities or offer consulting services.

For the Latin American market, the airline catering segment is still the main driver of the company's business. The local commercial aviation market is continuing to grow. Passengers in the region expect free meal and beverage services on board. Food quality and culinary aspects of the service provision are the main issues in Latin America for LSG Sky Chefs. In Brazil, the company operates seven production units. The biggest one is at São Paulo's Guarulhos Airport. The unit is within the airport perimeter, approximately five kilometers from the apron.

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During three shifts, more than 900 employees produce approximately 30,000 meals every day for an average of 250 flights. The unit operates 24 hours per day, 365 days per year. Just as at the airport, the catering unit at Guarulhos never sleeps.

### ***Food Safety Management Systems in Airline Catering***

Food safety is an important issue globally, especially in airline catering (WHO, 2014). Millions of people fall ill around the globe every year and many die as a result of eating unsafe food. In the United States alone, some 3'000 people die from food borne diseases every year (CDC, 2015). Since air passengers are at special risk with no medical facilities close-by, food safety is of vital importance in commercial air travel.

Airline caterers need to have systems in place that ensure that the food they produce is safe to eat. They achieve this by employing so-called food safety management systems. These management systems are based on the codex alimentarius, a collection of internationally recognized standards relating to food safety (Alimentarius, 2014).

Food safety management systems aim at preventing any food contamination with (micro-) biological, chemical, or physical agents. Since such contamination may occur at any point in the food chain, food safety management systems need to holistically integrate all the production processes and assess potential hazards of various types. One of the measures to ensure that food items are safe to consume is based on the principles of Hazard Analysis and Critical Control Points, also referred to as HACCP (Alli, 2003). The HACCP system is based on seven principles grounded in the concept of critical control points. These are the points in a production process where potential hazards might be controlled or eliminated (Mortimore & Wallace, 2013).

Establishing an HACCP concept for an organisation starts by visualizing the flow of goods and materials on a flowchart and by assessing potential hazards that may jeopardise the safety of the food items. As such, the detailed HACCP concept is unique for each unit or kitchen. Despite this, an organisation's guiding food-safety principles are usually made explicit in a handbook of standards. In the case of LSG Sky Chefs, the guiding HACCP principles are elaborated by specialists on a corporate level at headquarters and then shared throughout the global organisation. The local quality team then assesses the prescribed standards and ensures that they are in line with local laws and regulations, before rolling them out throughout the regional organisation. Elaborating and implementing a food-safety management system, however, is only the starting point. More importantly, all employees need to be trained on the system. Compliance with its rules and regulations needs to be ensured at all times.

Given the food safety risks involved in commercial air travel, airlines rely heavily on their caterers' food safety measures. Consequently, most airlines regularly audit their suppliers to ensure compliance with the requirements. This includes comprehensive system audits of the

overall food-safety management systems, as well as more regular compliance audits. Any non-compliance with food safety measures can have severe implications for the airline caterer on various levels - either in case of a food-safety-related incident or as a contractual punishment in case of non-compliances discovered in an audit.

Typically, airline caterers seek certification by international food safety standards (such as ISO 22000, IFS or HACCP) through an independent and internationally recognized body. In LSG Sky Chefs' case, the food safety management system complies with the requirements of ISO 22000. An independent institute globally audits LSG Sky Chefs' units.

### ***The People at LSG Sky Chefs São Paulo***

*"This is a people business" - Mauricio Novaes –Unit General Manager*

More than 900 employees work in three shifts at the Guarulhos unit, covering 24 hours a day, every day of the year. Getting to the facility and back again is difficult, as there is no public transport to that part of the airport facility. Once employees have arrived at the unit, they undergo a security check, get changed and follow the personal hygiene procedure before entering the clean areas of the facility. This process takes time.

With road traffic in the São Paulo region being amongst the most congested globally, it is not surprising that most employees do not live far from the unit. Entry-level positions are often filled with unskilled or semi-skilled workers; initial training for the job takes place within the company. Operational jobs in the services industry do not pay very well in Brazil. This is especially true for unskilled or semi-skilled workers. Most of the employees live in very modest circumstances and many did not have the opportunity to attend secondary schools.

The process of producing airline food is highly specialized and includes a high level of division of labour. The planning department at the unit in Guarulhos, using a complex computerised menu-planning system, forecasts the amounts of each dish that needs to be prepared for each outbound flight and aggregates them into an integrated production plan. Based on the system of Food and Beverage standards (Davis, Lockwood, Pantelidis, & Alcott, 2008), the production process and the raw materials required are forecast to a great level of detail. At the beginning of the shift, every employee receives a detailed, individual production plan. Like a giant puzzle, the individual parts of the production chain come together to form the required amounts of each dish at the end of the shift. The production area resembles a highly specialized assembly-line organisation.

Employees are often not aware of the final products since they are occupied with producing components only. With a high division of labour, a perception of estrangement from the final product often occurs. This can lead to lower levels of employee motivation. Combined

with a work location that is difficult to get to, working at LSG Sky Chefs seems unattractive. By contrast, people working at the facility seem happy and satisfied. Many of the employees at the Guarulhos unit have been working there for many years.

### **Management at LSG Sky Chefs in São Paulo**

*“We need to keep shareholders, employees and customers happy at the same time – this is what we consider the three bottom lines.”*

*- Mauricio Novaes –Unit General Manager*

For LSG Sky Chefs in São Paulo, keeping employees motivated is of utmost importance. Management has understood that it is the people that run the business. However, salaries in services industries are typically low, which makes it difficult to attract qualified employees and keep them motivated. Nevertheless, management at LSG Sky Chefs in São Paulo has implemented a number of policies to motivate and retain the employees working here. A dedicated staff shuttle picks up the employees at central points in the region and takes them to work and back; with schedules aligned to the shifts at the unit. During breaks, employees can have meals at the company’s staff canteen, with the cost of the employee meals covered by the company. A local bank has opened a branch within the facility perimeters, making it easy for employees to do their banking during breaks, without having to leave the secure area. And, last but not least, a general practitioner comes to the facility twice a week. All staff members can make use of this medical service, free of charge to them. The company pays the general practitioner as an additional employee benefit.

Every month, based on an election of the employee of the month per department, the heads of the unit’s departments elect the employee of the month of the unit. This is based on a continual evaluation of employee performance. Once a month, the kitchen briefly ceases to operate, and an award ceremony is held with all staff members attending. The employee of the month of the unit receives a certificate and a gift card is handed over as a material reward. The criteria for the election of the employee of the month are presented and linked to the company’s core values. As such, management creates a strong incentive for all employees to adhere to the company’s core values – out of which food safety is one (LSG Sky Chefs, 2014). Through this approach, which includes benefits, rewards and an element of storytelling, a strong corporate culture has been created. Management at LSG Sky Chefs has realised that these measures increase employee motivation. Employee motivation, in turn, is a basis for good work performance and adherence to the standards the company has put in place.

Another key factor for the success of the food safety management system is staff training. Where training sessions may seem of little attractiveness to employees in some organisations, the team at Guarulhos has found a way to get employees engaged in training sessions. All employees take place in these sessions, scheduled several times a year. Through a complex roster, the quality department can

ensure that everybody can attend. Trainings are organized in interactive sessions and there is always a prize to be won. Interestingly, the different teams become very competitive when trying to win the revision quizzes. Over and above, all participants receive certificates for the training sessions they have attended and passed. These certificates form “tangible evidence” of education and learning. Employees show them proudly to their families back at home.

### **The Road Ahead**

Mauricio Novaes and his team have found ways to motivate employees and strongly link them to the company. Through increased levels of motivation, the management team decreases barriers to compliance with the food safety management system (Taylor, Akanji, Al Shaikh, Collison, & Whitehall, 2011). Motivation occurs through the implementation of intrinsic and extrinsic awards. Employees are encouraged, through benefit schemes, to adhere to an organisational culture that emphasises commitment, precision and teamwork. With competition getting more intense, management at LSG Sky Chefs has realized that well-trained and motivated employees are the basis for competitiveness. The company is looking at expanding the business further into adjacent markets, securing growth and employment for all staff members working at the Guarulhos unit.

### **Case Study Questions**

1. Discuss how LSG Sky Chefs have addressed food safety management constraints in their unit at Guarulhos airport.
2. Discuss how employees at LSG Sky Chefs remain motivated in their jobs, despite relatively low levels of pay.
3. Assess the role of corporate culture in the case of LSG Sky Chefs.
4. Evaluate why catering companies often seek certifications.
5. Discuss advantages and disadvantages of certification in terms of an organisation’s relationship with its clients?
6. Develop an alternative employee benefit system that LSG Sky Chefs at Guarulhos airport could implement.