teaching note

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

Summary of the Case

This case examines an airline caterer's approach to managing food safety in an emerging market. Staff motivation and compliance with food safety management systems are evaluated. Approaches to food safety management are discussed in connection with certifications. Whilst this may be a challenge in other organisations, LSG Sky Chefs at the São Paulo unit achieve high levels of compliance through effective ways of employee motivation. The organisation offers a number of benefits which can be classified as motivators, such as for instance training or access to medical treatment. In addition, corporate culture plays an important role in this organisation. A system of rewards has been implemented that is directly linked to the company's core values. This system encourages employees to embrace those values.

Teaching Objective and Target Audience

This case study is directed at students on courses in Hospitality and/or Business Management with a focus on Hospitality Management and/or Human Resources Management. Whilst we initially targeted the case study at postgraduate courses, it can also be used for undergraduate hospitality- and tourism-related courses.

The teaching objectives are:
- To critically review the application of food safety management systems
- To assess advantages and disadvantages of the certification of management systems
- To evaluate the challenges around staff motivation in F&B operations
- To assess the role of corporate culture
- To analyse and synthesize a variety of information
- To clearly present findings to an audience

Teaching Approach and Strategy

Students were asked to read the case text in preparation for the session. After allocating students into small groups, they were given ten minutes time to re-read, clarify issues and align as a team. Thereafter, the case study questions were randomly allocated to the groups (one question per group). Student groups were briefed to prepare their answers in form of a short presentation and were encouraged to make use of media to increase the effectiveness of their presentations. Presentations were held during the same session. In addition, case study questions can be answered in written form as an assignment either separately, or as a part of oral presentations.

- Re-reading, clarifying of case: 10 minutes
- Discussion and preparation of case: 30 minutes
- Presentations: 5 minutes per group
- Discussion and wrap-up: 20 minutes

Analysis

Possible answers to the case study questions are discussed in this section of the teaching note.

1. Ensuring employee compliance with food safety management systems is a difficult task in many organisations. Critically discuss how LSG Sky Chefs have tackled the issue in their unit at Guarulhos airport.

Reasons for low compliance with food safety management systems may be linked to low levels of work motivation. Work motivation may negatively be influenced by:
- Low salaries
- Long commutes to work
- High division of labour
- Unattractiveness of the tasks
- Lack of responsibility
- Lack of belonging to the team

Management at LSG Sky Chefs has identified the relationship between those issues and responded to them by measures such as:
- Offering staff transport shuttles
- Offering meals covered by company
- Offering services such as banking and medical consulting on site
- Awarding prizes for the employee of the month

In addition to those individual benefits that are offered to staff, regular staff training has been realized to be an important factor. Training sessions are held in interactive and fun ways. Employees look forward to those sessions. Through giving employees an understanding of the importance of the food safety management system and its requirements, compliance has been improved.

The approach that LSG Sky Chefs have implemented has certain advantages to it. Advantages include an increase in work efficiency (through better training), internalisation of the company's core values and an enhanced team spirit. Some students shared that the absence of punishment within the system can be seen as a disadvantage. This approach offers potential for lively class discussions.

2. Employees at LSG Sky Chefs are highly motivated in their jobs, despite relatively low levels of pay. Evaluate reasons for this, justifying your answers with relevant theory.

The company offers a number of benefits to their employees (see question 1: Staff shuttle, free meals, bank, medical, employee of the month, training). In addition, the employee of the month scheme helps create a strong corporate culture.

Higher levels of employee motivation can be explained using Maslow's pyramid of needs and Herzberg's two-factor theory. Different perks that the company offers can be linked to different levels of Maslow's pyramid. Where hygiene factors are linked to basic needs (e.g. the provision of free food to employees), the employee of the month award ceremony, continuous training as well as opportunities for development can be seen as motivators.

3. Assess the role of corporate culture in the case of LSG Sky Chefs. What are advantages and disadvantages of a strong corporate culture?

It may be helpful to start with a definition of corporate culture. Corporate culture in this case can be clearly linked to the organisation's core values (such as the company's reputation, its attitude towards food safety, its commitment towards offering positive culinary experience, etc.). This can encourage students to conduct additional research on the organisation.

Advantages of a strong corporate culture include increased levels of control, strong cohesion to standards, common interpretation of instructions, increased levels of motivation and productivity, a sense of identity and belonging, as well as improved employee loyalty.

A strong corporate culture may however also have disadvantages, such as the creation of excess internal competition, a loss of creativity as well as the exclusion of candidates who my disagree with the culture. Answers can include links and references to organisational culture.

4. Elaborate reasons why catering companies often seek certifications. What are advantages and disadvantages of certification in an organisation's relationship with its clients?

It may be helpful to address this question through a general discussion on management system certifications. Certification of management systems includes auditing of processes and systems through external organisations. Reasons for certification include: the ability to independently demonstrate compliance with standards, to demonstrate an independent validation and verification of commitment to food safety, to increase credibility and acceptance, as well as to serve as additional marketing material. Clients with a strong emphasis on food safety (such as airlines) do not need to conduct food safety audits themselves but can rely on the assessment of an independent third party.

Disadvantages of certifications may include the efforts involved in achieving and keeping them in terms of time and money. Furthermore, certifications do not serve as guarantees for food safety. In case of non-compliance with standards, the certifying body may retract the certificate, which would have a negative impact on the organisation's

reputation.

5. Suggest and critically discuss other benefit systems an operation such as the LSG Sky Chefs at Guarulhos airport could implement.

Some students started with a discussion of the existing benefits (such as transport, meals, bank, medical, training, employee of the month, etc.) before suggesting new, additional benefits. Here, students may show high levels of creativeness and innovativeness.

Proposed benefits included: Incentive trips, transfer as task force to other countries, child care, insurance, promotion, higher salaries, bonuses, retirement benefits, discounts in restaurants and shops, discounts on airline tickets, employee stock program, organisation of a family day,…

In a more critical approach, students may then assess their suggestions in the light of Herzberg's two factor theory underscoring motivators and hygiene needs. It can then be seen that further investment in benefits that can be classified as hygiene factors would not be advisable. In a second step, a critical evaluation of the expected cost/benefit ratios of the proposed benefits can offer potential for lively class discussions.

Feedback

The case study was tested on three occasions with international hospitality management students in a class setting. Using the case study for group based presentations worked very well since it offered the students an opportunity to share learning and experience and disseminate their findings to their peers.

Date	Number of students, location, Session length
3.12.2014	26, Food and Beverage Management, postgraduate, Switzerland 100 minutes
5.12.2014	28, Food and Beverage Management, postgraduate, Switzerland 100 minutes
18.2.2015	16, Human Resources Management, undergraduate, Switzerland, 90 minutes

Positive aspects of classroom pilots:
- Students reacted positively to the case topic and writing style.
- Students understood the objectives of the case and had a general understanding of the situation.
- Offering time to clarify and re-read (10 minutes) in-class to review items and ask any questions, was appreciated.
- Group work revealed that international students could bring in cultural aspects into discussions.
- Case context provided a good basis for a balance of technical-related knowledge and reflection in replies.
- Students gained a firmer grasp of the difference between

generalisation versus specialisation as case study discussions progressed in-class.

- Human resource-related aspects that emerged in discussions based on the case, in-class, include: employee engagement and its links to motivation, unpredictable demand's effects on hiring practices, the need for training and development.
- Case study discussion in-class offered the opportunity to discuss role of management systems certifications and how they are used in organisations.
- Students were challenged with some of the questions, since the case deals with a specialist topic. This is not necessarily a weakness – students commented that they enjoyed not having all replies easy-to-locate, but rather were motivated to find supporting evidence on their own to support class discussions. This also was an opportunity to have a rich exchange with the instructor and reflect on how different industries within the food service sector operate.
- Discussion with instructor allowed students to express their ideas and provide insight on the case issues. This discussion included examples of areas for students to probe into.
- There appeared to be a strong interest from students to understand this type of operation – it is uncommon for them to look at this sector (based on feedback from students in the classroom).
- Students reacted positively to the context of airlines, airports. They liked to topic, since they were all familiar with airline catering and were curious to know more about operations 'behind the scenes'.
- Participants linked theory to job design – example used was Taylorism and the illustration of 'assembly line' work in food preparation.
- Students discussed, in detail, factors from the case linked to employee rewards, including their intrinsic and extrinsic aspects. This brought their learning to a higher level and created an interactive learning environment.
- Students discussed reward referral programmes for new hires (for existing employees) as one of their recommendations for the future.
- Students brought cultural aspects of the case into their discussions, notably on the differences between German and Brazilian cultures at work.

Aspects to improve, based on experiences during classroom pilots:

- Take more time to review the specifics of airline catering with students and discuss.
- Give more time to present the study context and familiarise students with the food and beverage environment of airline-based operation.
- More extensive discussion on all concepts is important to make students comfortable with the management system certification process and features of management systems in general.
- Introduce students to the airline context and how food and beverage services are offered – some students are not familiar with this.
- Discussed the role of HACCP in all firms dealing with food preparation.
- Discuss the importance of effective communication with employees to insure they understand all aspects of HACCP in food preparation.
- It could be beneficial to discuss more details, orally, on the geographical and contextual situations of the operation in Brazil to put things into sharper focus.

Note

This case was made possible through the generous co-operation of LSG Sky Chefs São Paulo. The case is intended as a basis for class discussion rather than to illustrate either effective or ineffective handling of management situations.

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Further Suggested Reading

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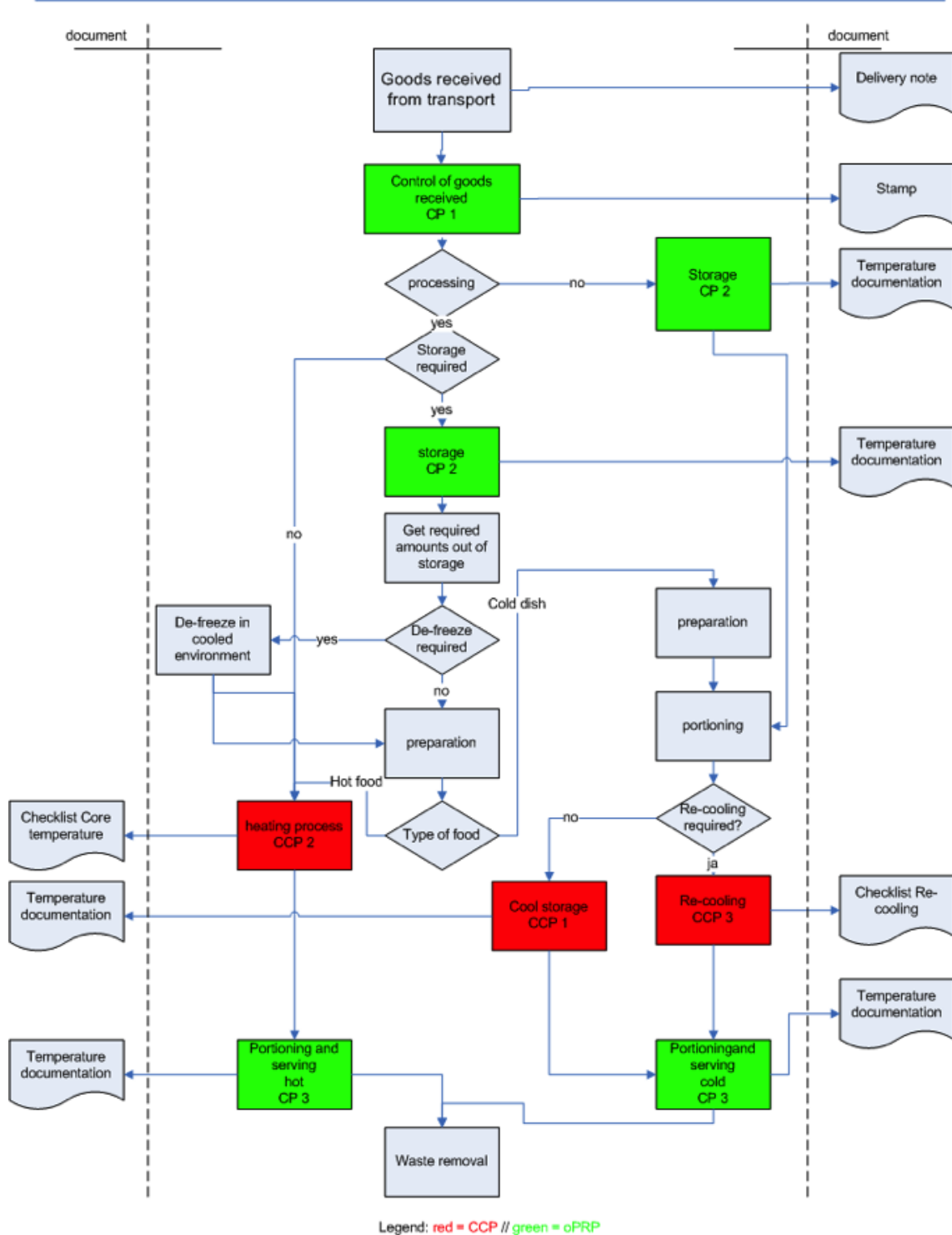
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Sample HACCP flowchart

Sample food production process

Legend: red = CCP // green = oPRP

date: 15.03.2012

Management Profile

"Mauricio Novaes graduated in Industrial Engineering and holds MBA certificates in logistics and business. He has worked in companies such as McDonald's, Profarma and Chevron. He has more than ten years' experience in LSG Sky Chefs in areas as Sales and Operations, being the General Manager in GRU for the last six years. We are pleased to announce that, as of July 1st, 2015, Mauricio will be the new Human Resources Director for Latin America."

Full CV: https://www.linkedin.com/in/mauricionovaes1

Annex 3

LSG Sky Chefs facts and figures (SkyChefs, 2015)

Facts and Figures 2014
Employees: >32,800
Consolidated revenues: € 2.633 billion
Customers: >300
Countries (present in): 51
Customer Service Centers: 210
Airports served: 214
Meals served: 578 million

The LSG Group is the collection of companies under LSG Lufthansa Service Holding AG, a 100% subsidiary of Deutsche Lufthansa AG. LSG Lufthansa Service Holding AG is headquartered in Neu-Isenburg (near Frankfurt), Germany. Find out more about our brands.

Further Food Safety Management Information

Food Safety

- Food Safety:

  Food safety is a scientific discipline describing handling, preparation, and storage of food in ways that prevent foodborne illness. This includes a number of routines that should be followed to avoid potentially severe health hazards

Food Safety

Food Safety

- contamination of foods

Food Safety

- Possible hazards

  - Microbiological
  - Macrobiological
  - Chemical
  - Physical

Food Safety Management Systems

- Food safety is a scientific discipline describing handling, preparation, and storage of food in ways that prevent foodborne illness. This includes a number of routines that should be followed to avoid potentially severe health hazards

- A management system is the framework of processes and procedures used to ensure that an organization can fulfil all tasks required to achieve its objectives

HACCP

- Hazard Analysis and Critical Control Points

- Objectives

  - Prevention of foodborne illness
  - Reduced cost of food analyses
  - Reduced losses related to product recall
  - Protection of reputation
  - efficient quality management system

HACCP

- If we know which factors affect the activities of microorganisms, we can predict when hazards might arise and also prevent or control the hazards.

- This is the underlying concept of the Hazard Analysis and Critical Control Point approach to designing and building safety into foods.

HACCP

- The HACCP seven principles

- Principle 1: Conduct a hazard analysis
- Principle 2: Identify critical control points
- Principle 3: Establish critical limits for each critical control point
- Principle 4: Establish critical control point monitoring requirements
- Principle 5: Establish corrective actions
- Principle 6: Establish procedures for ensuring the HACCP system is working as intended
- Principle 7: Establish record keeping procedures