Restaurant human resource managers' attitudes towards workplace diversity, perceptions and definition of ethical hiring

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ABSTRACT

Human resource (HR) managers play a vital role in hiring new employees. We administered a web-based questionnaire to a convenience sample of HR managers' who were members of the Council of Hotel and Restaurant Trainers (CHART) to assess their attitudes towards workplace diversity, perceptions of ethical hiring within their organization, and their definition of ethical hiring. Significant differences were observed between attitudes towards ethical hiring and HR managers' ethnicity, and between organizational size and perceptions of ethical hiring within organizations. Given the diversity of today's labor market, findings from this study have potential for impacting training of HR managers and hiring of foodservice personnel.

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1. Introduction

A fundamental human resources (HR) activity is hiring which, if managed well, can significantly influence an organization's performance (Royce, 2007). Regardless of organization size, hiring new employees is a time-consuming and expensive process that includes recruiting, processing, eliminating, and selecting applicants (Fernandez-Araroz, 1999). Ineffective hiring can lead to low employee morale due to job-employee misfit, poor employee performance, loss of business opportunities, and high employee turnover. Garavan et al. (1995) saw a relationship between effective hiring practices and organizational performance, and advised organizations to ensure a more strategic approach to HR management before focusing on the actual selection and recruitment process. One important aspect of an HR managers' job is the enforcement of fair hiring policies, especially in those industries that typically employ a diverse workforce.

The restaurant industry employs a diverse workforce of approximately 13 million workers, making it one of the largest employers in the United States (U.S.) accounting for nearly 10% of the total U.S. workforce (NRA, 2013). The restaurant industry expects to add another 1.3 million jobs over the next decade with employment reaching 14.4 million by 2023. To meet the needs of this growing industry, effective hiring procedures must be practiced so that qualified individuals will be hired. With the increasing diversity of the U.S. population, the applicant pool has also become increasingly diverse (US DBLS, 2012). Race- and gender-based discrimination in hiring are well documented (Bendick et al., 2010; Bertrand and Mullainathan, 2004; Neumark et al., 1996; Rudman and Glick, 1999; Shih et al., 2002), however, there is limited research related to hiring practices in the restaurant industry (Antun et al., 2007; MacHatton et al., 1997; Martin & Groves, 2002).

HR professionals are critical to the success of organizations (Ulrich, 1998) and decisions made by them have a short-term and long-term impact on organizations (Tracey and Nathan, 2002). However, Raub et al. (2006) found an apparent disconnect between HR professionals and the rest of the organization. Causes for this disconnect may be attributed to HR professionals being involved primarily in the implementation of decisions but lacking interaction with line-level employees or being too involved with routine administrative duties. Since HR managers serve as role models for employees and their actions and attitudes impact the individuals they supervise; it is critical to assessing their attitudes toward ethical hiring and diversity. The purpose of this study was to assess restaurant industry HR managers' attitudes towards workplace diversity, perceptions of ethical hiring within their organization, and their definition of ethical hiring.

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2. Literature review

The restaurant industry is rich in terms of the diversity of its workforce (U.S.Bureau of Labor Statistics, 2012). Ethnic minorities comprise a higher percentage of workers in management positions in the restaurant industry (9% Black/African-American, 15% Hispanic origin, and 11% Asians) compared to other management-oriented occupations in the U.S. (6% Black or African–American, 8% Hispanic origin, and 4% Asian) (NRA, 2013). Aghazadeh (2004) emphasized that a diverse workforce provides unparalleled opportunities for companies and individuals to tap the ideas, creativity, and potential contributions inherent in a diverse workforce. McKay et al. (2011) found organizations that foster pro-diversity work climates had higher customer satisfaction than those organizations that were perceived by customers as low-diversity climates. Workforce diversity can also lead to issues such as communication problems, decreased team cohesiveness, and ineffective management due to cultural differences.

To gain a clearer view of their surroundings, Kary-Siobhan (2002) recommended exposure to new ideas, cultures, and perspectives as a way to reach out intellectually and understand their place in the world. This in turn enables the organization to provide a workplace where people from diverse backgrounds can easily assimilate into the organization. Part of an organization's financial and operational success comes from effectively managing people, providing them with a safe working environment, and the best opportunities or paths to advancement. Organizations that attract and retain the best employees, enjoy a significant operational advantage over their competition (Meyer, 2002). Managers should be aware of their company's mission (i.e., serving customers, projecting a welcoming perception through employees' demeanor, and few or no lawsuits) and strive to reduce risks to the company's mission by choosing the "right" individual for the job (Lousig-Nont, 2000). An organization suffers when staffed with employees who project bad attitudes toward co-workers and customers, unmotivated employees, and employees with poor customer service skills (Wang and Kleiner, 2000).

In addition, federal law prohibits workplace discrimination in the following situations: recruiting and hiring, conducting job evaluations, developing promotion policies, conducting training, developing compensation and disciplinary action plans (United States Equal Employment Opportunity Commission (EEOC), 2011). The Fair Labor Standards Act (FLSA) (United States Department of Labor, 2009) governs minimum wage, overtime pay and record-keeping, and employment of minors (under 18 years of age) for federal, state and local governments, as well as the private sector. The FLSA specifically prescribes regulations that protect workers' rights, specifically those who are minors (under age 18) or groups who may become victims of discrimination. However, "most diversity management practices focus on adhering to non-discrimination laws and reducing displays of formal discrimination" (Hebl et al., 2008; Madera, 2013)

The manner in which an organization manages its human resources invariably sets the tone and conditions of the employee - employer relationship thereby impacting employee behavior (Tsaur and Lin, 2004). Schneider and Bowen (1993) found overall employee performance optimizes when employees perceive their organization as one that facilitates job performance, enhances careers for its workers and provides positive supervision; thus advocating the critical role effective human resources practices. Organizational recruitment practices that aim at building a multicultural workforce can influence perceptions of a positive diversity climate (Herdman and McMillan-Capehart, 2010). Higher turnover has been found in organizations that practice a hard approach towards human resource practices as opposed to those organizations that practices a soft approach. Organizations with soft approach are more likely to adopt innovative recruitment methods as these organizations are more humanistic and consider employees to be proactive as well as trustworthy and seeks to obtain their commitment, trust and productivity, while the hard approach follows an economic approach towards human resource management and views its HR just as one of its resources (Ishak et al., 2011).

A study of HRM practices in Valencia, Spain hotels by Marco-Lajara and Úbeda-García (2013) found high employee turnover rates of 25% or higher in many management areas and the use of innovative recruitment methods was sparse due to adherence to hard approach towards HRM. An investigation of the relationship between 12 human resource management practices and organizational performance as measured by turnover rates by Cho et al. (2006) showed those companies with practices such as labor-management participation programs, incentive plans, and pre-employment tests are more likely to experience lower turnover rates among non-managerial employees than those organizations that did not have such practices in place.

Another approach that organizations can take to improve organizational hiring and recruitment practices is by providing multicultural training that can help improve interpersonal cross-cultural skills. In a study by Lee and Chon (2000), participants perceived multicultural training to be successful in improving interpersonal skills thereby enhancing their ability to deal with workforce diversity. Woods and King (2002) suggested this training be provided in a systematic manner using the training cycle approach starting with needs assessment, undergo training and implementation, and finally evaluating the program for multicultural training to be successful.

Looi et al. (2004) emphasized that the best practices in HR are doing a few core practices very well, providing an organization with maximum opportunity to remain an employer of choice, sustaining of employee practices maintained through a common focus, and maintaining a culture that reinforces adaptability and diversity. An extensive study of HR professionals by Rynes et al. (2002) indicated a direct link between HR practices on organizational productivity and a firm's financial performance. Keeping in mind the demands on an HR professional's time, evaluating HR job functions and measuring the effectiveness of implemented practices is a difficult task, yet one that can reasonably be expected of organizations.

Given the relationship between effective hiring practices and organizational performance, organizations need to ensure a more strategic approach to human resources planning before moving on to the actual recruitment and selection process (Garavan et al., 1995). With the importance for an organization to succeed in today's competitive environment, HR managers must work towards attracting, recruiting, and retaining a capable, efficient, and diverse workforce. However, few studies have investigated ethical hiring from the view of HR managers in the restaurant industry. The purpose of this study was to assess restaurant industry HR managers' attitudes towards workplace diversity and ethical hiring, perceptions of ethical hiring within their organizations, and their definition of ethical hiring.

3. Methodology

The university's Human Subjects Institutional Review Board (IRB) reviewed and approved the research protocol and data collection tools prior to data collection.

3.1. Sample

A convenience sample of HR managers belonging to the Council of Hotel and Restaurant Trainers (CHART) in the United States participated in this study. CHART (2012) is a professional organization