

# CHAPTER 14

## EMPLOYEE DISCIPLINE

*I hire every employee with the optimistic sense that he or she will succeed. I don't like to give up on an employee. But if an employee is not performing up to standard, I will let them go.<sup>1</sup>*

Charlie Trotter, chef/owner, Charlie Trotter's, Chicago

### CHAPTER OBJECTIVES

After completing this chapter, you will be able to

- Identify four common instances in which discipline is necessary and explain how management can avert them.
- Understand the difference between preventive and corrective discipline.
- Explain progressive discipline and the importance of management's involvement when it is administered.
- Describe the six don'ts of discipline and their negative impact on an effective disciplinary process.
- Describe the five dos of effective discipline and explain the importance of each.
- List three critical factors that will help you know when it is time to fire a problem employee.
- Recognize the legal implications of termination and discipline.



## HRM IN ACTION

Those who hire sometimes have to fire. It is a fundamental principle of management that individuals who are given the responsibility for meeting company goals must also be given the authority to do what it takes to accomplish those goals, which, in some cases, may lead to terminating employees who are not performing to an acceptable standard. In the hospitality industry, managers must not only meet the organization's expectations, but they are also charged with the task of working hard to meet and even exceed customer expectations. They do this by working with their employees. While no manager enjoys the negative emotional experience that normally accompanies disciplining or terminating an employee, the **discipline** process is one of high importance in a properly managed lodging or food service establishment. Of course, the unpleasantness of firing an employee can often be avoided by hiring the right person for the right job in the first place.

## CAUSES FOR DISCIPLINE

The hospitality industry employs a great diversity of people who come from many different cultural backgrounds, educational backgrounds, age groups, and socioeconomic backgrounds. Toss these hard-working individuals into a hot kitchen or a busy, bustling hotel or restaurant, and it's easy to understand how conflicts may occur. **Conflict** is most evident when a manager or a supervisor has to discipline an employee. Discipline is action taken by management to encourage employees' compliance with the company's stated rules, standards, and procedures—in other words, to develop self-discipline. Discipline should *not* be equated with punishment, as we will learn later in this chapter. Why do employees engage in behavior that leads to disciplinary problems at work when they are fully aware that the disciplinary process itself is unpleasant and often disruptive? You may be surprised to learn that, in many cases, management is to blame. How can this be? Let's review some of the most common issues that foster the need for disciplinary action and consider what managers can do to avert these problems.

**Cause 1:** Having procedures and policies that are not in writing is the same as having no rules and policies at all. Unwritten rules, or rules that are simply “understood,” are sure to be broken because people interpret things in different ways. Imagine a restaurant setting where it is understood that employees who arrive to work 5 to 10 minutes late every day will not be reprimanded by management. Management may not totally approve of this situation, but for fear of conflict, they tend to look the other way. This may not be a big problem until an employee's tardiness leaves an important station unattended, which could result in the delivery of substandard product or customer service. Suddenly, an increased number of

## TALES FROM THE FIELD

I was working as the front-office manager in a medium-sized hotel that was part of a large, national chain. The hotel was too small for a human resources department, and when I arrived at work one morning after having a couple of days off, the general manager told me he had fired Tom, one of my best bellmen. He said that he had sent Tom into a banquet room to vacuum the floors after a function, and when he checked his work, he found debris left on the floor, so he fired him on the spot. I was shocked. Tom was a super nice guy, very polite, and very diligent. He always completed his work on time and up to standards. I knew that this GM had it in for Tom for some reason and was just looking for a way to get rid of him. The worst part was that Tom filed for unemployment, and the GM made *me* go to the unemployment office hearing to dispute Tom's claim. There were no write-ups, no past instances of improper behavior—nothing. I was embarrassed to even be there, since I truly felt Tom deserved to collect the unemployment check. Needless to say, Tom won his unemployment dispute with our hotel and was awarded full benefits. What a waste!

**Gary, 28, West Lafayette, Indiana**

customer complaints prompt a management crackdown, leaving employees bewildered and confused about the manner in which certain rules are enforced.

While larger hospitality operations and those that are unionized are more likely to have written rules and regulations, it is not difficult to imagine this scenario occurring in smaller hotels and restaurants, where rules are often established and dealt with on the fly. All hospitality operations, whether large or small, unionized or not, should have a complete set of written rules, policies, and procedures that everyone knows and understands. This information is most often contained in the employee handbook that you learned about in Chapter 7, as well as in any operations and training manuals that the company may use. Depending upon the size and scope of the business, these rules, policies, and procedures will generally include the following:

- A complete, written account of the operation's policies, regulations, rules, and procedures that managers, supervisors, and employees must follow. For legal considerations, it is important that the business's policies and procedures regarding matters that require disciplinary action be well documented. We will learn more about this later in this chapter.
- Restrictions and provisions required by federal, state, and local laws such as alcohol sales, employment of minors, minimum wage and overtime requirements, health code provisions, and fire and safety regulations.

- General rules of the organization pertaining to breaks, time clock issues, parking restrictions, uniform requirements, hours of work, absences and tardiness, sick days, smoking, meals, drug and alcohol issues, as well as employee dealings with guests and customers.

When policies and procedures are clearly stated in writing, employees are less inclined to misunderstand or ignore them. As a result, management is likely to encounter less conflict when enforcing these rules. The most effective action that management can take to avoid the need for employee discipline is to clearly communicate the organization's established rules and regulations at all times during the day-to-day operations. However, in order to avoid the need for disciplinary action, management must create a work environment in which employees recognize that they have an obligation—not only to management but to their coworkers as well—to perform effectively.

### How to Ensure Acceptance and Compliance

Clearly stating the company's policies and procedures in writing is the best way to avoid employee misunderstanding, but what can management do to ensure their employees accept and comply with company policies? During all stages of the employer/employee relationship, management must emphasize that those who fail to perform at satisfactory levels or who engage in specific acts of misconduct are breaching their obligation to the company. Following are appropriate times and venues to emphasize such policies:

- *The job interview.* The interview provides management with an opportunity to make a potential employee aware of the basic requirements of the open position. The manager should clearly explain what would be expected of the employee if hired and ask the employee if he can conform to these expectations. If you suspect an interviewee may become a disciplinary problem in the future based on your interaction during the job interview, you are better off losing a potential employee at this stage of the relationship than later down the road.
- *New-employee orientation.* Present all new employees with a clear set of rules and guidelines as soon as the employment relationship begins. A well-written employee handbook should be presented to all new employees on their first day of employment. The new employee's supervisor should review every page of the book with the employee, and the employee should be required to sign a form acknowledging her receipt of the employee handbook.
- *The employee handbook.* It is essential that the employee handbook clearly states all potential disciplinary violations in writing. Because of the legal considerations that you learned about in Chapter 7, the handbook must specify that its list of violations is not all-inclusive. The handbook should

further detail procedures for disciplining employees so that employees are aware of the organization's established disciplinary methods.

- *Probationary period.* New employees in many organizations are considered on **probation** during their first 60 to 90 days of employment. This generally means that if during or at the end of the probationary period management feels that the new employee is not a good fit for the organization, the employee can be legally terminated for any reason. While this may not make much sense in those states that adhere to **at-will** employment laws that you learned about in Chapter 4, it does allow for a period of time during which managers and supervisors can frequently discuss the company's expected conduct and its disciplinary policies with new employees. Keep in mind also that some organizations have gotten away from the term probationary period, preferring instead to use "training period" or "orientation period."
- *Day-to-day operations.* Managers and supervisors should continually remind employees of their obligations to the organization as well as praise employees for positive performances.
- *Staff and department meetings.* Staff meetings present a venue for effectively communicating issues of employee conduct and discipline.
- *Disciplinary meetings.* Review the rules and why they are in place.
- *Annual or semiannual performance appraisals.* Each employee's performance evaluation should include a thorough discussion and a written record of all incidents of misconduct committed by the individual employee during a given year. Any employee bonus and salary increase should be adjusted accordingly to reflect incidents of employee misconduct or poor performance.

Once employees realize that management is extremely serious about establishing and communicating ground rules for performance and conduct within the organization, employees—and even management—are less likely to misunderstand, ignore, or not enforce the policies.

**Cause 2:**  
**Employees**  
**Lack Sufficient**  
**Abilities,**  
**Knowledge,**  
**Skills, or**  
**Aptitude**

It is no surprise that those employees who do not have the necessary skills, abilities, and aptitude to perform their job duties properly often find themselves in troubled waters. In most cases, management is to blame because the interviewer did not match the right applicant with the right position, hired a misfit altogether, or, in some cases, hired a perfectly qualified individual but then failed to provide the proper training and supervision to ensure his success. Hospitality managers must work very hard to ensure that they are hiring the right individuals for the right positions. A good "fit" is essential and will eliminate a lot of future employee problems. Then, proper and ongoing new employee orientation and training are of the utmost importance.

Employees who do not know what they are supposed to do or how they are supposed to perform their required tasks tend to decrease productivity, lower the quality of customer service, and cause problems that require disciplinary action.

**Cause 3:  
Employees Have  
Personality and  
Motivational  
Problems**

Management takes a gamble each time a new employee is hired. As with any gamble in life, there are financial risks at stake. The time and money invested in the interviewing and hiring process, as well as the downtime required to train the new employee in order to make the employee productive, are expensive. Combine these factors with the possible overtime costs incurred when an operation is understaffed and the costs associated with unhappy customers due to poor service and/or product quality, and it is easy to see why replacement costs for some operations can be as high as \$4,000 per employee.

Some hospitality managers try to take the easy way out by only hiring individuals who have previous hotel or restaurant experience. These managers are trying to reduce training costs, and they often feel that an experienced applicant can be up and running in no time, with little or even no training. This logic is severely flawed. Each operation is different, and while an applicant who has previous experience is not necessarily a bad thing, this should not be the overall determining factor when hiring new employees. Chef Charlie Trotter, owner of Chicago's famous restaurant, Charlie Trotter's, hires for passion, putting a premium on such qualities as enthusiasm, dedication, and commitment.<sup>2</sup> Trotter is always willing to consider a nontraditional candidate for a service staff opening, if he senses the person has the "right stuff." Many of Trotter's waitstaff come from nonfood or nonhospitality backgrounds such as marketing, engineering, consulting, and even the musical symphony. Trotter has not reached the astronomic levels of success that he enjoys today by making bad hiring decisions or by failing to provide extensive and ongoing training. Because of his attention to detail during the hiring and training process, it's a safe bet he does not have many disciplinary problems in his restaurant operation.

With respect to motivation, some experts suggest that you cannot motivate anyone. Rather, motivation comes from within. Even so, successful hospitality managers can hire individuals who are self-motivated, and then provide the kind of work environment in which those individuals can excel. Happy, well-trained, motivated employees are a sight to behold. Such individuals will not languish for long in a shoddy, poorly managed hospitality business. These happy, well-trained, motivated employees are easier to find than you might think; just visit the most successful restaurant or hotel in your own community and there they will be! You will learn a lot more about the importance of motivation and leadership in Chapter 15.

**Cause 4:  
Troublesome  
Environmental  
Factors**

Environmental factors can be both internal and external. **Internal environmental factors** that often cause disciplinary problems typically result from poor management and supervision. Examples of internal environmental factors are improper or lazy hiring procedures, failure to train employees, poor or inadequate supervision, missing tools and supplies, or equipment that is in disrepair. All of these internal factors can lead to morale problems, and low employee morale will almost always lead to disciplinary problems. The good news is that internal environmental factors are almost always under management's direct control and can be altered to deter the occurrence of discipline problems.

On the other hand, management does not easily influence **external environmental factors**. Such factors may include problems employees have at home with family members, marital problems, legal problems, drug or alcohol problems, financial struggles, and even problems at school; in other words, life has a way of interrupting even the best-laid plans at work. Since larger organizations can afford to staff a professional human resources department, they often have the upper hand in these matters because they can sometimes offer the kind of employee assistance that is beyond the financial reach of smaller, privately owned hospitality businesses. These types of formal programs are usually referred to as **employee assistance programs**, or **EAPs**. Such programs usually rely on a blend of in-house administration and external counselors to advise employees about personal problems. Because smaller companies are unable to employ a full-time counselor, community services are especially useful when the manager is addressing external environmental problems that affect employee performance on the job.

## PREVENTIVE AND CORRECTIVE DISCIPLINE

Sometimes despite the hospitality manager's efforts to achieve a workplace that is free of misconduct, certain employee behavior is inappropriately disruptive or unacceptable. While all organizations are different, Figure 14.1 illustrates some of the behaviors that may lead to disciplinary procedures in the hospitality workplace.

Although the list presented in Figure 14.1 is by no means all-inclusive, it does represent some of the more common employee behaviors that lead to discipline within the hospitality industry. We will discuss the progressive nature of discipline—**oral warning**, **written warning**, **suspension**, and **termination**—later in the chapter. Needless to say, when such infractions do occur, discipline is needed. There are two types of discipline: preventive and corrective.

**Preventive discipline** is any action taken by management to encourage employees to follow standards and rules in an effort to prevent infractions. In other words, preventive discipline encourages employee self-discipline. For example,



**Minor Offenses: Follow the Progressive Discipline Process**

1. Absences or tardiness
2. Smoking in unauthorized locations
3. Unauthorized breaks
4. Miscellaneous rule violations
5. No call, no show
6. Excessive lateness
7. Insubordination
8. Improper use of equipment
9. Failure to report an accident or injury

**Major Offenses: Immediate Termination**

1. False statements made on the job application
2. Time clock violations
3. Gambling, fighting, bringing weapons to work
4. Drug or alcohol use
5. Willful destruction of company property
6. Sexual harassment or abuse

**Figure 14.1**

Activities that tend to lead to employee discipline.

**Photo 14.1**

An employee's negative behavior should be corrected immediately.

managers and supervisors should develop programs to control absences, lateness, and grievances. Management should also communicate standards to employees and encourage them to follow the established standards. In addition, management should set the proper example by adhering to the same policies and procedures to which they expect their employees to adhere. Management should also encourage employee participation in setting standards, because employees tend to better support the rules that they themselves have helped to create. Employees will react more favorably if the standards are stated positively instead of negatively, such as “Safety first!” rather than “Don’t be careless!”



**Corrective discipline** is an action that follows the violation of a rule. The goal for management when corrective discipline occurs is to discourage further infractions and to ensure future compliance with established standards. Most hospitality operations maintain a policy of progressive discipline, which means that the severity of the disciplinary action increases in relation to the severity of the violation. Oral or verbal warnings, written warnings, suspension without pay, and, finally, termination are the usual disciplinary actions that occur when a traditional progressive discipline system is instituted within an organization. The purpose of progressive discipline is to give an employee an opportunity to take corrective action before more serious penalties are applied. Each of the stages of a traditional progressive discipline system is presented in more detail.

- |                               |   |
|-------------------------------|---|
| <b>Oral or Verbal Warning</b> | This is traditionally the first stage of progressive discipline, and it is primarily applied to employees who have committed minor violations. A hospitality business may or may not require written documentation when a verbal warning has been administered to an employee. Whether or not the employee is actually given written documentation of the verbal warning, it is always a good idea for the manager or the supervisor to make a notation about the warning, including the details of the violation, the date, and a general transcript documenting it.   |
| <b>Written Warning</b>        | As an employee's violations become more serious in nature, the disciplinary actions administered by management also becomes more serious. A written warning is just that: It details, in writing, the infraction, the date and time, what happened, and the potential consequences of future violations. It is more permanent in nature than the verbal warning, which is typically perceived as a more temporary "record" of reprimand. The written warning may stay in the employee's file for a period of time, but most organizations will then remove it if no further violations occur after a certain period of time has elapsed—12 months is a typical time period. |
| <b>Suspension</b>             | The next step in the traditional progressive discipline process may be suspension without pay. This step is usually only taken if the prior two steps have not achieved the desired results. Of course, depending upon the nature of the infraction, some managers may elect to skip steps one and two and go directly to suspension. There is very little agreement about whether suspending an employee without pay is an effective method for changing behavior, because most hourly employees in the hospitality industry are likely to seek another comparable paying position at a different hotel or restaurant, rather than await the                               |

## ethical dilemma

**Lou is a national sales manager** for a large hotel chain, and he has just had lunch with an old college roommate who happens to work for a competitor hotel chain. They discuss business during lunch, and they realize that they are each going after the same piece of business with a mutual, potential client. Lou and his old roommate decide to split the sale, and now they will each receive a profit. The sale might have gone to either hotel chain before Lou and his friend made their deal, and now both chains will receive something out of this arrangement.

When Mrs. Adams, Lou's immediate supervisor, learns of this arrangement, she realizes immediately that both sales managers have broken antitrust laws, but she is not sure whether or not she should expose Lou and make him a public pariah or if she should allow Lou and the company to maintain their dignity. She is not even sure if Lou is aware that he broke any laws, and she also wonders whether it really matters because no one really got hurt. How should Mrs. Adams address this issue with Lou? Which of the *10 Ethical Principles for Hospitality Managers* has Lou violated, if any? If Mrs. Adams decides to let this go, will she be in violation of any of the 10 principles? Does this situation need public disclosure in order to initiate a behavior change in Lou, or is the company better off handling this internally, if at all?

completion of a long suspension without pay. Of course, this would depend upon the individual's length of service, compensation, and benefit package. Some argue that suspension may be an effective way to discipline managers and supervisors, who tend to be paid higher wages and who, presumably, would need more time to find a comparable position. Some organizations suspend without pay with the hope that the employee *will* actually find another job and not return to work, thus, effectively *firing himself*! This procedure, however, is a poor method for managing disciplinary problems.

**Termination** The final and ultimate stage in the progressive discipline process is firing or dismissing the employee who refuses to change unacceptable behavior or who has committed a very serious violation. This final step may be management's only option if the employee's behavior seriously interferes with a department or the organization's business operations. Depending upon the seriousness of the infraction, the other steps in the progressive discipline process may be altogether bypassed and the employee may be terminated immediately with no warning.

These steps in the progressive discipline process are almost always initiated by the employee's immediate supervisor but typically require approval by a higher-level manager in a smaller operation and by the human resources department in larger organizations. Oversight by upper management is important to guard against any subsequent legal actions and to ensure uniform application of rules throughout the company.

## SIX DISCIPLINE *DON'TS*

While some hospitality industry employees may feel that their managers seem to experience some perverse pleasure from administering discipline, the fact is that managers and supervisors most often dread it. The process is unpleasant for all who are involved and is often handled ineffectively. Part of the reason for this is that there are many psychological factors at play that seem to interfere with a constructive discipline process. In this section, we'll review some important dos and don'ts for handling discipline in the workplace, beginning with the don'ts.

### **Don't Regard Discipline as Punishment**

Perhaps one of the biggest mistakes that hospitality managers make when administering discipline is that they consider discipline to be a form of punishment. Managers who make this error tend to apply negative sanctions, expecting that this will have some positive effect on employee behavior. Unfortunately, the use of negative sanctions alone brings about unpredictable results. In rare cases, negative sanctions may work because of the associated fear factor, but more often than not, they have a negative effect and may contribute to an increasingly poor manager-employee relationship. For example, when a housekeeping supervisor prepares a written warning for a room attendant who has failed to properly clean a guest room, the supervisor warns the employee that any further infractions will result in termination. While this is a clear example of a negative sanction, it will only succeed in changing the room attendant's behavior if the following conditions are met:

1. The room attendant values her job or fears the threat of losing her job.
2. The room attendant sees the written warning as fair and consistent with the offense.
3. The room attendant acknowledges and respects the right of the housekeeping supervisor to impose the written warning.

Unless these three elements are in place, the room attendant will respond to the written warning with either resentment or will overtly, or covertly, counterattack authority. Alternatively, the housekeeping supervisor may consider disci-

pline in its original sense: an opportunity for the employee to learn. In this case, the discipline she administers to the room attendant should focus on what the room attendant needs to learn in order for her behavior to be consistent with the hotel's room cleanliness standards. Keep in mind that it is okay for discipline to have "teeth," but it should serve as a means to an end by fostering acceptable employee behavior.

**Don't Make  
Discipline a Me  
Against You  
Confrontation**

Discipline should not be seen as something done *to* an employee, rather it is something done *with* the employee. Effective discipline requires that the manager and the employee work together to solve a specific problem. The fundamental goal of discipline should be to encourage employees to work with managers to identify causes of problematic behavior and to take action to correct these problems. Discipline should be a "we" process, not an "I" process.

**Don't Do Too  
Little Too Late**

Sometimes, hospitality managers are too slow to respond to an emerging issue or problem with an employee. A manager may choose not to address a particular problem with an employee, if he feels that the problem is just a quirk or a fluke rather than a continuing issue. Another reason for a manager's delayed response may be that the manager views discipline as a source of disruption in the workplace and prefers to avoid the process altogether in order to maintain harmony. More often than not, managers dread the discipline process and tend to hold off on taking disciplinary action until the last possible moment when the behavior is the furthest from acceptable based on the company's standards. Doing too little too late is problematic because it sends a message to employees that undesirable behavior will be accepted or not even not noticed. This laissez-faire approach may also have an adverse effect on the manager down the road, especially if the problematic behavior increases in frequency and intensity to the extent that it can no longer be ignored. When a manager does not acknowledge an employee's problematic behavior, allowing it to increase in severity, the manager will often develop animosity toward the employee that makes constructive interaction difficult. Even if a manager has done nothing to stop an employee's unacceptable behavior, over time, the manager will begin to harbor angry feelings toward the employee as a result of the employee's repeated offenses. It is very important that inappropriate employee behavior or actions in the workplace be, at a minimum, noted and that the employee be reprimanded, upon the initial occurrence. There is no need for the manager and employee to have a lengthy, difficult discussion, particularly if the event is relatively minor, but the dissatisfaction should be communicated promptly so the behavior does not continue. The lengthy, unpleasant discussion typically occurs as a result of not addressing behavioral problems sooner rather than later.

- Don't Create New Rules "on the Fly"** If a rule does not exist to cover inappropriate employee behavior, do not apply discipline as if it did. Discuss the behavior with the employee, and then implement a new rule for later application.
- Don't Take a Nonprogressive Approach Unless Unavoidable** Determining how and when to apply progressive discipline to employees presents a challenge to a manager who wants to avoid doing "too little too late." Progressive discipline begins with a minimal use of power, by providing quick verbal counseling or a verbal warning. Over time, progressive discipline may require stronger actions, if the problematic situation continues. Managers who delay disciplinary action tend to wait until the situation has become so severe that it must be addressed immediately. At this point, the manager must resort to applying harsh sanctions against the employee, because the inappropriate behavior has now become more extreme. When a manager does not practice progressive discipline and reacts to an ongoing problem previously not addressed by taking extreme disciplinary action against the employee, both the employee and coworkers may perceive the manager's method of discipline as too harsh. The key here is to begin disciplining the employee with the least forceful action as early as possible, unless, of course, the offense is so severe that it requires that the manager take immediate harsh action, such as issuing a written warning or terminating the employee. This way, the employee and other coworkers will see that the manager's disciplinary actions are justified based on the employee's reaction to each of the actions taken to correct the employee's problematic and unacceptable behavior.
- Don't Ignore the Root Causes** Sometimes employees do not succeed at the workplace because they lack the proper skills, or they may have underlying personal or psychological problems. And, in some instances, employees are not successful because the system developed at their workplace is not set up to ensure employee success. When hospitality managers do not know the root causes underlying a performance problem, it makes it extremely difficult to work with an employee to improve performance. For this reason, in many situations, when managers provide positive rewards or negative sanctions, they have little effect on behavior because managers are unaware of the root causes of the problem.

## FIVE DISCIPLINE DOS

When administering employee discipline, consistency is often the difference between management's failure and success. Paying attention to the don'ts mentioned previously and adhering to the dos that follow will ensure that management achieves that consistency.

**Upon discovering a potential disciplinary problem, the manager must determine the following:**

**Who:** Determine which employees were directly or indirectly involved in the incident.

**What:** Determine the specific details of the incident.

**Where:** Determine the location of the incident.

**When:** Determine the time that the incident occurred.

**Why:** Determine whether there were any underlying circumstances.

**Figure 14.2**

Investigate the *who? what? where? when?* and *why?* of the situation before administering employee discipline.

**Do Thoroughly Investigate**

When the hospitality manager has made the initial decision to discipline an employee, the manager must then conduct a thorough investigation of all the facts surrounding the incident. The manager should have two goals in mind when investigating a situation: (1) to confirm that the incident actually occurred and (2) to identify any underlying causes of the misconduct and determine whether there are any mitigating circumstances such as events that may have been out of the employee's control. It is essential for managers to conduct a thorough investigation before confronting the employee. An employee facing potential disciplinary action will likely attempt to deny the occurrence of all or part of the incident or perhaps will even fabricate circumstances surrounding the incident to avoid being disciplined. A manager's thorough investigation of the incident will demonstrate that he is fully aware of the details of the incident when disciplining the employee. Figure 14.2 details the *who*, *what*, *where*, *when*, and *why* factors the manager must investigate before disciplining an employee.

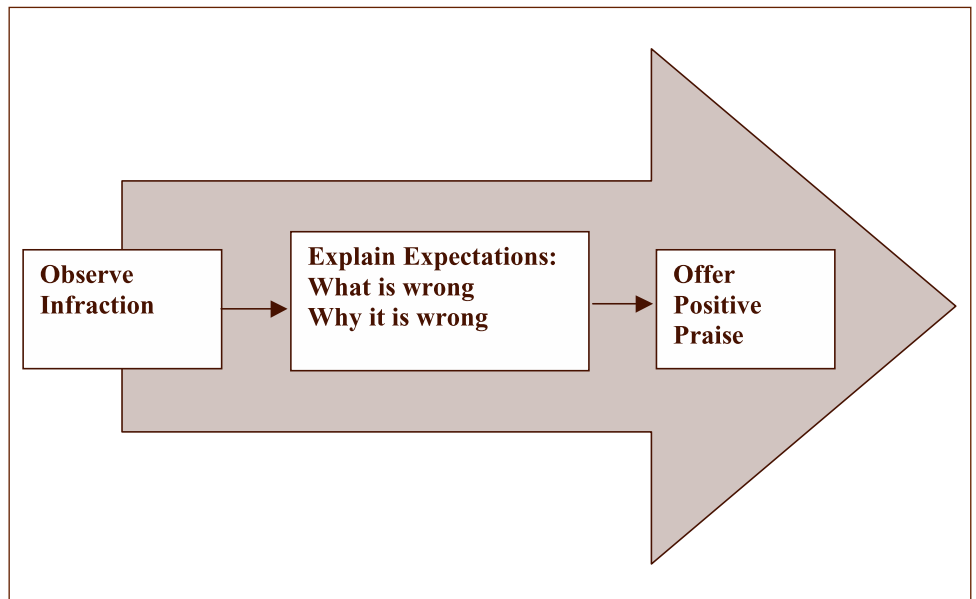
The *why* portion that you see in Figure 14.2 is perhaps the most important part of the investigation. Determining why the situation occurred will allow management to create a fair, reasonable disciplinary response. Also, if the reason why an employee engaged in a particular behavior is determined, similar misconduct in the future will be more easily avoided.

**Do Confront the Employee**

While praising an employee in public is positive, managers should never discipline or confront an employee in the presence of coworkers. The humiliation of a public reprimanding will most certainly yield a negative response from the employee, including, possibly, violence. When disciplining an employee, a manager should always speak to the employee in private. Even if the infraction is a minor one, a manager should take the employee aside—out of earshot of other employees—before reprimanding the employee. Figure 14.3 presents the steps a manager should take when making minor corrections to an employee's behavior.



**Photo 14.2** Employees should never be disciplined in front of coworkers.



**Figure 14.3** Steps management should take when making minor corrections to employee behavior.



When more serious infractions occur, the manager should take the employee to a private office area to discuss the situation. The employee should have an opportunity to tell his side of the story, and a manager's final disciplinary decisions should not be made until the employee has presented any reasons for his unacceptable behavior. The manager should maintain a calm but serious tone during this interaction and must avoid anger and other emotional reactions to the employee's account of the incident. It is also very important for the manager to remain impersonal during this interaction. Criticism should be focused on the employee's behavior, not on the employee personally.

**Do Get a Commitment**

While it is important for a manager to make it clear that she is there to help the employee find a solution to the problem behavior when disciplining him, it is also important to remember that the employee actually "owns" the problem. This type of conversation should not end until there is agreement between the manager and the employee about how to prevent similar misconduct in the future. The manager should encourage the employee to suggest how to avoid such behavior in the future and should help guide the employee toward a workable solution. A written record should be created of the discussion and any resulting agreements.

**Do Use Progressive Discipline When Possible**

If at all possible, discipline should be progressive in nature. As you learned earlier, when managers use this system, penalties become progressively stronger as employee misconduct or poor performance is repeated. Providing a quick, informal counseling session for minor infractions may be followed with an oral warning, a written warning, suspension, and, finally, termination if the infractions become more serious. It is important to follow up and provide feedback to the employee during any warning period. The manager should also praise the employee for making progress during this period. Generally, an employee receives a "clean slate" if he has performed satisfactorily for a specified period of time.

**Do Follow Up on Employee Discipline**

Supervisors must follow up on individual incidents of employee discipline in order for the process to be effective. This will help to achieve the underlying goal of facilitating a productive, harmonious workplace. It is important to monitor the employee who has been disciplined to determine whether the discipline has had a positive effect on behavior. During this phase, the employee should be given frequent opportunities to discuss his or her progress, and supervisors should try to determine whether the underlying problems that caused the misconduct are being satisfactorily resolved. If the employee exhibits subsequent good conduct, then the employee should be praised in order to reinforce such behavior.

## WHEN TO TERMINATE AN EMPLOYEE

Sometimes an employee's conduct is so egregious in nature that it warrants immediate termination. When an employee steals, resorts to violence at work, or is in unlawful possession of controlled substances, he has no longer fulfilled his obligation to the company, to management, or to the other employees. These are examples of **gross misconduct** at the workplace. The types of gross misconduct that would lead to immediate termination will vary from organization to organization. In cases of gross misconduct by employees, the question of whether or not to fire the employee is usually fairly straightforward and termination will typically occur. However, there will be other instances of misconduct when things are not so clear-cut. This is why it is so important to have *all* of the organization's discipline policies in clear, written form.

How does management know when it is time to terminate a problem employee? Consider the following three critical factors:

- *Has the problem employee begun to take advantage of you and the company?* In many cases, the problem employee tends to react in one of two ways to disciplinary action. He will either “fight” the disciplinary action by initiating an intimidation campaign against management in order to save his job or he will remain as a passive employee on the payroll doing little work to earn his paycheck. When it is clear that the employee is not going to make any efforts to improve his performance and behavior, then it is time to terminate.
- *Is the employee a drain on morale in the department and is the employee negatively affecting productivity?* Problem employees have a way of poisoning a manager's relationship with everyone he comes into contact with: other employees, other managers, customers, and even suppliers. As a result, productivity and even profits may suffer, if guests and customers notice the negative morale within the organization. And management runs the risk of losing its best employees when morale is low. When these factors are evident, it is time to terminate the employee.
- *If management delays an employee's termination, is management creating an even bigger problem for the future?* The fact is, the longer management waits to terminate a problem employee, the more difficult the termination process becomes. If management does not take immediate action, it sends the message that the problem employee's behavior is not really a “problem” at all. It is difficult for a manager to terminate an employee, and this practice provides legal ammunition for the employee in the event that he is eventually terminated. Often, the manager feels like a failure because the efforts he has made to rehabilitate the problem employee have failed. Managers who make good hiring decisions are rarely confronted with this problem, although as discussed previously in the text, there are never any guarantees when dealing with people.

## LEGAL IMPLICATIONS WHEN TERMINATING AN EMPLOYEE

No company enjoys when a lawsuit is filed against it. When faced with a lawsuit, large hospitality organizations have attorneys at their disposal and enough cash reserves to successfully fight off most lawsuits and a lawsuit will rarely bankrupt the organization. Small operations, on the other hand, do not have this luxury, and a lawsuit could certainly cause a small hospitality operation to go out of business. Currently, an employee who feels that her termination was unjust can sue the employer claiming **wrongful discharge**, even in at-will employment states, which we discussed in Chapter 4. For this reason, it is essential that the company's disciplinary procedures be followed properly, that supervisors and managers be trained in the disciplinary process, and that all incidents of discipline be properly documented.

When the decision to terminate an employee is uncertain, management should consider the following points:

- *Is there a specific policy that supports the termination?* In other words, if the employee has violated a clearly stated policy, this fact will support the decision to terminate the employee.
- *Do management's past practices support the termination?* Discipline that is not administered consistently, especially with regard to employee termination, is difficult if not impossible to defend successfully in the event of a lawsuit. Lawyers who file claims against the company on behalf of a terminated employee will ask questions about the treatment of other employees committing similar offenses or of those who performed in a manner similar to the terminated employee. It is best for management to ask these questions first before making the decision to terminate a particular employee. When a lawyer uncovers cases in which certain individuals were treated differently from his client, the terminated employee, this is normally a **prima facie** case for discrimination, or a "slam dunk" for the terminated employee and he will most likely win the lawsuit.

Terminating an employee who shows no willingness to change disruptive behavior can be best for all parties involved. When management has a difficult time terminating a problem employee, it is often a result of management not being aware of the potential pitfalls associated with the termination process and not planning for them in advance. There is no easy way to terminate an employee, but there are simple guidelines that should be followed, and the hospitality manager who is compassionate and sensitive can often avoid nightmarish legal and operational problems that follow a bungled termination.

## GUIDELINES FOR TERMINATING AN EMPLOYEE

There are no hard-and-fast rules that dictate the way in which a manager should approach an employee termination. Certainly, the prudent manager will have proper documentation to support the decision to terminate. Examples include the following:

1. A signed statement that the employee has received a copy of the employee handbook and is familiar with the organization's rules and regulations is essential.
2. Management should have documentation that backs up any written warnings, verbal warnings, and previous disciplinary issues, and that documentation should be current and relevant.
3. It is often prudent to have another manager present who may act as a witness during a termination proceeding.
4. Management should determine through state and local laws the requirements for issuing the employee's final paycheck and collecting company property such as uniforms, keys, and other such items.
5. Management should keep the details of the termination confidential on a need-to-know basis only.

Perhaps one of the most important actions that management can take when forced to terminate an employee is to leave the employee with dignity. The termination is not the end of the world for either the employee or the manager, so it is best to encourage the employee to move on and to put the incident behind him.

## SUMMARY

- Administering employee discipline or even an occasional termination is an important responsibility held by hospitality managers, but it is one that is dreaded by most managers.
- Hiring the right individual in the first place will often alleviate future disciplinary problems.
- Some of the common causes of disciplinary problems in the hospitality workplace are the lack of clearly written policies and procedures for employees to follow, management has hired employees with inadequate skills and abilities, and employees sometimes have personality or motivational problems.
- Internal environmental factors, such as poor management and external environmental factors, such as an employee's personal problems at home, may also contribute to disciplinary problems in the workplace.

- Practicing preventive discipline is effective because the goal of this method is to foster a workplace that is free of misconduct. However, when this sort of disciplinary method fails, corrective discipline is used and its goal is to discourage further infractions and encourage employee compliance with standards.
- Progressive discipline normally consists of a sequence of disciplinary actions including verbal warnings, written warnings, suspension, and finally, termination. As the seriousness of the violation increases, so does the discipline that is administered.
- Discipline should not be regarded as punishment, but rather it encourages employees to change inappropriate behavior and to comply with the organization's standards of acceptable behavior. Discipline should not be administered too late, and management should take a progressive approach to employee discipline whenever possible.
- When administering discipline, management should conduct a thorough investigation, should get a commitment from the employee to find a solution to the problem, and should follow up on all instances of employee discipline to confirm that improved behavior has resulted.
- When terminating an employee, management should ensure that the organization's stated policies and procedures regarding discipline are being followed, and management should ensure that the termination is consistent with past practices of the organization.

**PRACTICE  
QUIZ**

1. Rules that are written or unwritten are sufficient when administering an employee discipline policy so long as everyone understands the rules.  
A. True    B. False
2. Managers cannot terminate employees who are in their beginning probationary period of work in at-will-employment states.  
A. True    B. False
3. Employee misconduct and disciplinary actions should be documented on the employee's performance evaluation.  
A. True    B. False
4. Improperly trained employees may become disciplinary problems in the workplace.  
A. True    B. False
5. If management observes an employee violating a minor policy, it is okay to counsel the employee in front of coworkers so long as management does not yell at the employee.  
A. True    B. False

6. All of the following are examples of internal environmental factors that may cause disciplinary problems except
  - A. Lack of training.
  - B. Improper employee supervision.
  - C. Financial troubles that the employee may be experiencing at home.
  - D. Inadequate equipment or supplies.
7. The goal of employee discipline should be to
  - A. Punish employees who violate rules and regulations.
  - B. Show employees who is the boss.
  - C. Document problems in the event that the employee must later be fired.
  - D. Change inappropriate behavior and to encourage compliance with standards.
8. Before administering discipline, management should only conduct a thorough investigation
  - A. If they do not believe the employee's story.
  - B. If they have adequate time to conduct such an investigation.
  - C. Management should *always* conduct a thorough investigation.
  - D. If there were witnesses to the violation; otherwise, no investigation is necessary.
9. An employee who commits an act of gross misconduct would likely be
  - A. Given a verbal warning.
  - B. Given a written warning.
  - C. Suspended with or without pay.
  - D. Terminated immediately.
10. Before terminating an employee, managers should ask themselves
  - A. If the employee understood the rules or the policies.
  - B. If there is an actual written policy that supports the termination.
  - C. If past practices are consistent with terminating this employee.
  - D. All of the above should be considered.

**REVIEW  
QUESTIONS**

1. Explain why managers who are given responsibility to accomplish tasks and meet goals must also be given authority to do so. Provide examples from your own experiences when this concept was both successfully and unsuccessfully applied.

2. Assume you have just given an employee a written warning for coming to work late. This is the third time this month that the employee has violated the policy. How long do you feel the written warning should remain in the employee's file? What factors do you base your decision on? If you choose to remove the written warning from the file at some point in the future, will there be any record of the incident at all? If so, where? Explain your answer in detail.
3. With respect to employees in the hospitality industry, how effective do you feel suspension, as a disciplinary procedure, would be? Why? Would there be circumstances in which suspension would be less effective? More effective? Explain your answer in detail.
4. Why do managers sometimes delay the disciplinary process, and when they do, what sort of problems may this delay create? Aside from creating problems for the manager, do problems arise for the problem employee and his coworkers as well? How exactly?
5. List and explain some of the legal ramifications that management must consider both before creating an employee discipline policy as well as when administering discipline. What steps can managers take to deter terminated employees from filing lawsuits against their organization? Explain in detail.

### HANDS-ON HRM

Ron Bishop is a professional mystery shopper employed by a large East Coast company that provides “shopper-spotter reports” for hotels and restaurants throughout the United States and Canada. Ron has just gotten off the phone with the company's dispatcher, and he has agreed to complete a “bar report” at a new restaurant that recently opened near his hometown. The restaurant belongs to a fast-growing dinner chain that typically targets the mid- to upscale-steakhouse market.

Ron's visit to the restaurant must include 60 to 90 minutes at the bar, where he will order drinks and an appetizer, all the while observing the restaurant's bartenders for alcohol awareness issues, potential theft, pouring and measuring techniques, general bar maintenance, and customer service. After completing his report, Ron will e-mail it to his home office, where it will be reviewed, retyped in proper company format, and sent to the restaurant chain's regional manager via overnight express mail.

Ron takes his job seriously, and he realizes that the information contained in his reports could possibly cost an employee his or her job. On more than one occasion he has reported dishonest activity at one restaurant, which most likely resulted in a bartender's dismissal, only to discover the same bartender serving at a different restaurant a few miles away. “Doesn't anyone ever check references anymore?” he often wonders to himself.



As Ron arrives at the restaurant he's been assigned to visit, he is impressed. Beautiful creek stone; a large, sweeping deck overlooking the river; warm lighting; and each table is set with what appears to be nice china and stemware, all perfectly placed on starched, white tablecloths. The clientele is decidedly upscale, he notes, and the waitstaff and greeters are cheerily bustling around the spacious dining room, tending to seated guests as well as new arrivals. "Good evening, sir," the host says to Ron. "Table for one?" "Thank you, no," replies Ron. "I'm just going to meet a friend in the bar." "Very good," says the host, "right this way."

Ron arrives in the lounge and manages to grab the last open stool, which is positioned near the center of the bar. *Good*, he thinks to himself. *I have a great view of both sides of the bar, and the cash register is straight ahead of me; I'll be able to observe all of the action.* The bar is busy, and Ron notes that there are two bartenders working: one, a tall, blond male whose name tag reads "Luke," and the other, a stockier, dark-haired male whose name tag reads, "Josh." As Ron waits for one of the bartenders to approach him, he makes some mental notes about the overall condition of the bar: lots of dirty glasses stacked on the bar near the end; some ashtrays need to be emptied and cleaned; a few guests trying to get the bartenders' attention; and several waitstaff near the service area, apparently waiting for their drink orders to be filled. Both Josh and Luke appear to be engaged in conversation, neither of them making any concerted effort to tend to the business at hand.

Shortly, Luke approaches Ron and says, "What can I get you tonight?" Ron appears to think for a moment and says, "Oh, I think I'm in a bourbon mood. What kind of nice bourbons do you have?" "Pretty much the usual," Luke responds somewhat abruptly. "Turkey, Beam, Old Fitz, Gentleman Jack; whiskey's whiskey, I always say." "Do you have Woodford Reserve?" asks Ron. "It's \$8 a shot," says Luke. "That's fine," Ron replies. "On the rocks with a side of ice water and a wedge of lime please."

Ron observes as Luke fills a rocks glass with ice, removes a bottle from underneath the bar, and with his back to Ron, pours the bourbon into the glass, and replaces the bourbon bottle underneath the bar. As he sets the glass in front of Ron, he says, "That'll be eight bucks." Ron places a \$20 bill on the bar and asks Luke, "Where's the men's room?" Luke waves toward the end of the bar and says, "Right through there on your left." Ron walks toward the doorway but pauses momentarily, turns around, and observes Luke putting the \$20 bill in his pocket. He then removes some bills off of a small pile he has lying next to the cash register and places them at Ron's seat. When Ron returns to his stool, Luke says, "There's your change, man. Thanks."

Throughout the rest of his visit, Ron observes Luke make 20 to 30 cocktails for various customers. Sometimes, Luke rings the sale into the regis-

ter, and sometimes he quickly turns with his back to the customers, pockets the money, and makes change from the small pile lying next to the register. Ron also observes that Luke does not always use the jigger for measuring; sometimes he free pours the alcohol into the glass, and on one occasion, he observes Luke drinking a shot of what appeared to be tequila.

Ron also observes that Luke seems to be pretty chummy with an older gentleman sitting at the end of the bar, and on three occasions, he observes Luke refilling the gentleman's drink, but he neither rings up a sale nor adds the drinks to the gentleman's tab, which is lying on the bar in front of him. The customer seems to be somewhat inebriated, as he is begins to speak loudly and laugh a lot, and his face is flushed. Ron watches the guest get up and begin to stagger toward the men's room. "Whoa, easy there, Mr. Johnson," a friendly server says, and he takes the guest's arm until he steadies himself. "He'll be fine, Eric," Luke says to the server. "Ol' Johnson can hold his liquor." He's probably good for another two or three rounds, yet."

As Ron finishes his second drink, he notes the time on his watch. He has been at the bar more than 80 minutes, and he knows he has enough information to complete his report. He thanks Luke as he leaves the bar, and once outside, he sprints toward his car. "I need to turn this report around tonight," he says to himself. As he starts his car, he flips open his cell phone and calls his dispatcher at the home office. "Sheila," he says when the dispatcher answers, "I've got a 'red flag' coming to you via e-mail in about an hour; you may want to get someone in there so that you can turn this report around and ship it out tonight."

## QUESTIONS

1. List and discuss all of the potential problems that Ron observed during his visit to the bar. How serious are the infractions observed by Ron? Are any of the infractions serious enough to warrant immediate termination? Be specific.
2. When management receives Ron's report, what do you think the reaction will be? Why? Do you feel that management should discipline Luke? If so, how exactly should they approach him? Should the contents of Ron's report be shared with Luke? Why or why not?
3. If management decides to terminate Luke based upon the contents of the mystery shopper's report, what assurances are needed from the mystery shopper company? Why?
4. Based on Ron's behavior in this case study, does he appear to be someone who is reliable and someone whose reports are reliable? Explain. What special skills and characteristics should a successful mystery shopper possess?

**KEY TERMS**

**Discipline** Action taken by management to encourage employee compliance with company rules and procedures.

**Conflict** In the workplace, this occurs when one party interferes with the goal-achieving efforts of another party.

**Probation** A time period of 60 to 90 days during which an employee can be terminated by upper management for any reason.

**Internal environmental factors** Factors and situations within the organization's control that may lead to employee disciplinary problems.

**External environmental factors** Outside factors and situations that may lead to disciplinary problems—usually not within management's control, but within the employee's control.

**Employee Assistance Programs (EAP)** Formal counseling programs to which larger organizations may refer employees who are experiencing personal problems.

**Suspension** A period of time during which the employee is not allowed to work within the operation and receives no pay.

**Termination** The firing of an employee.

**Preventive discipline** Actions that management can take to encourage employees to follow standards and rules so that infractions are prevented before they occur.

**Corrective discipline** Actions administered due to a violation of the rules or standards of a particular organization.

**Progressive discipline** An approach to discipline that begins with sanctions that increase in severity as the violation increases in severity. The typical sequence of disciplinary actions, which consists of a verbal warning, followed by a written warning, suspension, and, finally, termination.

**Verbal warning** Verbally counseling or “warning” an employee when management observes a violation. Verbal warnings may or may not be documented.

**Written warning** A more formal warning that is provided to the employee in writing and that usually details the violation as well as what the employee could expect if such violations were to continue.

**Gross misconduct** Conduct that is seen as particularly egregious and that normally constitutes immediate termination.

**Wrongful discharge** A type of lawsuit that claims that an employee was terminated improperly.

**Prima facie** A Latin legal term. Literally translates to “on the face of it.” It is a legal presumption that facts presented will control the outcome of the case, unless they can be proved untrue.

**NOTES**

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2. Ibid.