

# Foodservice Organizations

*A Managerial and Systems Approach*

Fourth Edition

Marian C. Spears

# ***Foodservice Organizations***

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*A Managerial and Systems Approach*

*FOURTH EDITION*

*Marian C. Spears*

*Professor Emerita, Kansas State University*

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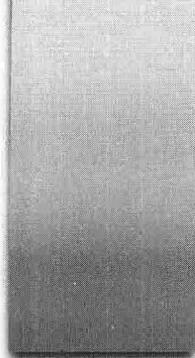
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# Preface

The leadership and management of organizations have never been more challenging. Many of the management philosophies of the early '90s are still being used, but they have been updated and tested and are now part of our business world. We are in the midst of political, economic, social, and technological revolutions. We are living in a world of uncertainty. Trying to keep up with new trends is a challenge. Effective organizations focus on quality and customer satisfaction, respond quickly to environmental changes, innovate, develop and implement appropriate strategies, have a global mind-set, network with strategic partners, cope with changes in management, and remain committed to continuous learning (Hersey, Blanchard, & Johnson, 1996).

The foodservice industry is vast and shares similarities with other industries. Its goal is to serve quality food that pleases the customer. More and more foodservice managers are purchasing processed foods because of labor shortages. In many foodservices, the kitchen has become a finishing operation. Fruits and vegetables are washed, cut into serving sizes, packaged, and sold to the hospitals, restaurants, and other foodservices. Meats are purchased in portions to be cooked in the kitchen when ordered. Breads and many desserts are purchased from large bakeries that specialize in these products. Many foodservice operations, however, are preparing menu items from scratch. A number of customers seek out these operations, both commercial and noncommercial, because they prefer home-style food.

Management philosophies are changing for businesses throughout the world. Most organizations, including those in foodservice, practice either total quality management (TQM) or total quality service (TQS). Customer satisfaction is more strongly emphasized than it was five years ago. The concept of customers has expanded from those who are external to a business to include employees, who are identified as internal customers. Employees, as team members, are being empowered to make decisions that increase customer satisfaction, thus flattening the organization by eliminating middle managers.

The hospitality industry has stabilized after a few years of fast growth. The numbers of students in hospitality programs has decreased slightly since 1995, but opportunities for graduates have expanded from restaurants to retirement communities, schools, hospitals, and other types of foodservice operations. The number of students in dietetics programs, however, has increased slightly, primarily because of society's emphasis on a healthy lifestyle. Dietitians currently are being hired for corporate positions in chain restaurants.

A partnership has been formed between the National Restaurant Association (NRA) and the American Dietetic Association (ADA), which is a breakthrough in the

foodservice industry. The NRA has a dietitian on staff, and Ferdinand Metz, the president of the Culinary Institute of America (CIA), was awarded an honorary membership in the ADA in 1993 for his commitment to incorporating nutrition principles and applications throughout the CIA curriculum. Another recent change in the foodservice industry is that competition is occurring between the three segments: commercial, noncommercial, and institutional. The prediction is that these will change to commercial and nontraditional noncommercial segments. Eventually all types of foodservice will become one industry with the goal of satisfying the customer while making a profit. Even in nonprofit organizations such as hospitals and schools, profit from foodservice can be recycled into buying new equipment or establishing nutrition programs for customers.

In this edition, much emphasis has been put on food safety and Hazard Analysis Critical Control Points (HACCP) because food safety is a primary concern in the world. Also, we have integrated computer technology and Internet resources throughout the text.

The reviewers of the third edition suggested that the case study on the Fairfax Marriott Senior Living Services community in Fort Belvoir, Virginia, be featured again in this edition. It is an excellent example of an ongoing foodservice operation that helps students apply theoretical concepts to actual problems in a well-organized, profit-making foodservice organization. The Marriott Corporation was chosen because it hires both hotel and restaurant management and dietetics program graduates for its retirement communities.

## Organization of the Text

Management of a foodservice system is the focus of the text. The foodservice system is a conceptual framework that shows the pathway resources follow to meet the goals of the organization.

The text is divided into six parts. Part 1 is the **Introduction**, in which the concept of the foodservice system is explained in depth, as is the management and marketing of foodservice operations. In the second part, **Designing the Foodservice Organization**, food safety is strongly emphasized as is the flow of food through the various types of foodservice operations and the menu to satisfy the customer. **Procurement**, the third part, consists of purchasing, receiving, storage, and inventory control. **Production** is the fourth part and includes production planning, ingredient control, quantity food production, and quality control, labor control, and energy control. The fifth part, **Distribution, Service, Sanitation, and Maintenance**, covers those subsystems of the foodservice system. Part 6, **Management of Foodservice Organizations**, is the capstone of the book and emphasizes management of the organization, employees, and finances.

An updated bibliography, which includes many current publications, appears at the end of each chapter. Tables and figures have been revised for clarity, and extensive portions of text have been deleted, rearranged, and added. Most concepts are illustrated with examples from actual situations to help students relate the theory to practice. A glossary of approximately 500 key terms has been added to the text.

Written primarily for junior- and senior-level students and as a resource for graduate students and instructors, the text is appropriate for all courses in a foodservice curriculum and can serve as the only text with additional supplemental readings. An Instructor's Manual is available to faculty who adopt the book. The text can also serve as a useful reference for foodservice managers. Following is a suggestion of how the text can be used in a college or university foodservice program:

<b>Course</b>	<b>Chapters</b>
Quantity Food Production	1–3, 5–7, 11–12, 13, 16, 18
Foodservice Systems	1–10, 14–16
Organization and Management	2–4, 13, 17–21

Chapters are integrated and interrelated, but they can be used as independent units and arranged in various sequences to meet the needs of individual courses.

Specific chapters can become the outline for graduate-level courses. For example, a course in resource procurement could be developed from chapters 2, 8, 9, and 12; and a course in food production management could be drawn from chapters 2, 5–6, 10–11, and 14. In addition, graduate students should be expected to abstract and discuss the literature.

## Chapter Revisions

The following is a chapter-by-chapter description of the intent and scope of revisions in this fourth edition:

### **Chapter 1—The Foodservice Industry**

- Observation of constant state of technological change in the foodservice industry
- Revelation that customers and employees are being heard by managers and food safety is being recognized
- Discussion of trends in the industry, including partnering, contracting, franchising, multidepartment management, and home meal replacement

### **Chapter 2—Systems Approach to a Foodservice Organization**

- Conceptual framework of the book
- Update of Joint Commission on Accreditation of Healthcare

### **Chapter 3—Managing Foodservice Systems**

- Historical overview
- Update on strategic and long-range planning

### **Chapter 4—Marketing Foodservice**

- Changes reflect current practices

### **Chapter 5—Food Safety**

- Chapter moved from 12 to 5 because of importance of the topic
- Addition of an overall view of food safety
- New information on lesser-known parasites (cyclospora, cryptosporidium, vibrio cholerae, hepatitis)

### **Chapter 6—Food Product Flow**

- Updated chapter to reflect modern technology

**Chapter 7—The Menu**

- Addition of a section on menu trends
- Use of a spoken menu in many hospitals
- Change in breakfast menus
- Discussion of the USDA School Meals Initiative for Healthy Children (1998)
- Contains latest USDA Dietary Guidelines for Americans
- Addition of a section on computer technology

**Chapter 8—Purchasing**

- Update of the Universal Product Code
- Update and expansion of the marketing channel
- Addition of value-added concept
- Update of FDA information for food irradiation and genetically engineered foods
- Changes in the USDA inspection system for meat, poultry, and egg products to meet HACCP regulations
- Addition of new seafood inspection regulations based on HACCP requirements
- Addition of just-in-time purchasing
- Explanation of free on board (FOB)
- Sample food specifications in Appendix A

**Chapter 9—Receiving, Storage, and Inventory Control**

- Addition of section on computerized inventory files
- Discussion of the Universal Product Code (UPC) and computer scanning technology

**Chapter 10—Production Planning**

- No additions or deletions

**Chapter 11—Ingredient Control**

- Discussion of future of ingredient rooms
- Addition of a section on converting from weight to measure

**Chapter 12—Quantity Food Production and Quality Control**

- Explanation of sweet spot in pricing
- Updated equipment section to include new equipment and current models
- Expanded discussion of moist and dry heat and multifunction equipment

**Chapter 13—Labor Control**

- Discussion of restaurant employees from various cultures
- Increase of temporary employees in foodservice operations
- Addition of section on computer technology

**Chapter 14—Energy Control**

- Current average cost of energy for industrial and commercial user
- Discussion of Energy Star Buildings program
- Emphasis on energy management in foodservice operations

**Chapter 15—Distribution and Service**

- Updated distribution in foodservice types

**Chapter 16—Sanitation and Maintenance of Equipment and Facilities**

- Updated section on sanitization
- Expanded section on dish and pot and pan washers

- Updated and expanded section on solid waste
- Discussion of computer-assisted equipment maintenance

**Chapter 17—Designing the Organization**

- Development of a caring culture in addition to a corporate culture in a foodservice organization
- Update on evolution of the foodservice management organization in Rush-Presbyterian–St. Luke’s Medical Center

**Chapter 18—Linking Processes**

- Updated section on cost-benefit

**Chapter 19—Leadership and Organizational Change**

- Addition of a section on Japanese management

**Chapter 20—Human Resources Management**

- Update on sexual harassment

**Chapter 21—Management of Financial Resources**

- Addition of section on selected accounting principles

## Acknowledgments

This textbook would not have been finished without the help of Jennifer Rettele, a former student in the Foods and Nutrition department at Kansas State University. She worked with the author many hours each week in preparing the manuscript for publication. Jenny is a computer whiz who bailed out the author whenever she had computer troubles. Preparing outlines, reference lists, figures, and permission forms for copyrighted materials, making corrections in the chapters, and taking materials to a copy center were a few of her responsibilities. She organized files and the author’s desk frequently. Best of all, she spent many hours on the Internet to update text references. In addition to these tasks, Jenny critiqued each chapter. As a result, she has an excellent background to become a textbook writer and editor in the future.

Special thanks go to Mary B. Gregoire, PhD, RD, Professor and Chair of the Department of Hotel, Restaurant, and Institution Management at Iowa State University for most of the text in Chapter 5, “Flow of Food,” which is based on her research. She updated Chapter 21, “Management of Financial Resources.” In addition, Mary wrote the Instructor’s Manual for the book. Thanks also to Linda Lafferty, PhD, RD, director of Food and Nutrition Services, Rush-Presbyterian–St. Luke’s Medical Center, who provided an organization chart showing the transition of the Department of Food and Nutrition Services from a traditional structure to an updated foodservice organization, discussed in Chapter 17.

Ed Becker, Santee/Becker Associates, Design Consultants in Mission, Kansas, contributed many hours of his time to Chapter 12, “Quantity Food Production and Quality Control,” Chapter 15, “Distribution and Service,” and Chapter 16, “Sanitation and Maintenance of Equipment and Facilities.” Data and typical examples from practice were provided by professional colleagues in the Kansas State University Housing and Dining Services and the University of Kansas Medical Center, College of Health Sciences and Hospital.

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*Marian C. Spears*

## About the Author

**Marian C. Spears**, PhD, RD, Professor Emerita, Kansas State University, formerly head of the Department of Hotel, Restaurant, Institution Management and Dietetics, is a native of Ohio. She holds bachelor's and master's degrees from Case Western Reserve University, followed some years later by a doctorate from the University of Missouri–Columbia. Her seventeen years of professional practice before entering academe included positions as manager of a commercial cafeteria, chief dietitian of a nationally known children's home, and chief dietitian of a private hospital, all in Cleveland. She later was associate director of dietetics at Barnes Hospital, St. Louis. Her academic experience began as assistant professor of home economics at the University of Arkansas, Fayetteville, in 1959. During the years in Arkansas, she and her husband maintained an extensive consulting practice in the design and operation of foodservice facilities. In 1971, she became associate professor and director of education, Food Systems Management Coordinated Program in Dietetics at the University of Missouri–Columbia. She taught undergraduate purchasing courses in Arkansas and Missouri and a graduate-level procurement course while department head at Kansas State University.

Dr. Spears' professional memberships include The American Dietetic Association, the American School Food Service Association, the Council of Hotel, Restaurant, Institutional Education, the National Restaurant Association, and the Academy of Management. She has authored and coauthored numerous publications in refereed journals. Honors include Sigma Xi, Phi Kappa Phi, Gamma Sigma Delta, and Omicron Nu. Dr. Spears received The American Dietetic Association Marjory Hulsizer Copher award in 1989. This is the highest honor conferred upon one of 60,000 members. She also is listed in *Who's Who in America*.

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## PART

# 1

# Introduction

The four chapters in part one provide an overview of the foodservice organization. The industry is no longer divided into commercial and noncommercial operations because each is using ideas from the other, and the two groups are working together with the goal of meeting customers' expectations.

- **Chapter 1, The Foodservice Industry.** The scope and status of the foodservice industry are defined, and the most recent information on the 3 foodservice industry segments: Commercial, noncommercial, and institutional. Trends in the industry are also discussed.
- **Chapter 2, Systems Approach to a Foodservice Organization.** The conceptual framework, identified as the system, is presented and discussed in depth. Each of the remaining chapters is based on a component of the system. The total quality management (TQM) philosophy is introduced in this chapter and is applied to major concepts throughout the text.
- **Chapter 3, Managing Foodservice Systems.** Because the term *managerial approach* is in the title of the text, the management process is discussed early. One of the author's goals is to prepare students for careers in managing foodservice operations.
- **Chapter 4, Marketing Foodservice.** The marketing concept is a management philosophy that affects all activities of an organization and emphasizes satisfying customers' needs. Marketing both food products and services will increase sales and profits and is necessary to stay in business.