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Ethical Implications of Catholic Social Teachings on Human Work for the Service Industry

Ferdinand Tablan

Bellevue College, ftablan@bellevuecollege.edu

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INTRODUCTION

The term “service industry” refers to a wide range of occupations that address various kinds of human needs, including accommodation, food, security, entertainment, transportation, clothes, communications, and personal services. Currently 78.8% of working Americans are employed in service industries.¹ It is projected that this figure will increase in the coming years as the American manufacturing economy gives way to a service economy.² More than this, in today’s highly competitive market, the need for quality customer service is crucially important for any business. For example, consumers who are dissatisfied with the products that they purchase will remain loyal customers if they are happy with the manner their problems are resolved by the customer service department.³ What differentiates service jobs from manufacturing ones is that the former require direct, interpersonal, and oftentimes face-to-face encounters between the consumer and the service worker. Unlike employees in other organizational units, service workers are directly seen (or heard) by consumers.

Service industry jobs are labor intensive. Most of non-management service employees are semi/unskilled hourly-paid wage earners. Many of them are young, undereducated, poor, women, immigrants, and people of color who, on account of their socioeconomic status, are vulnerable to marginalization or exploitation. Service jobs can be demeaning as workers experience double subordination: from the management who employs them and from the customers with which they interact. A study on job satisfaction in the United States from 1972-2006 shows that unskilled service occupations have the most unsatisfied workers.⁴ The empirical literature summarized in a report by the Society for Human Resource Management also reveals that service-based organizations have the highest turnover rates compared to other major industries.⁵

¹ Richard Henderson, “Employment Outlook: 2010–2020 Industry Employment and Output Projections to 2020,” *Monthly Labor Review*, January 2012, 66.

² U.S. Department of Labor Bureau of Labor Statistics, <http://www.bls.gov/ooh/About/Projections-Overview.htm>.

³ Karl Albrecht and Ron Zemke, *Service America in the New Economy* (New York: McGraw Hill, 2001), 15-16.

⁴ Tom Smith, “Job Satisfaction in the United States,” (April 17, 2007) University of Chicago <http://www.gsss.norc.org> (Accessed 2 August 2013).

⁵ Society for Human Resource Management, “Executive Brief: Differences in Employee Turnover Across Key Industries,” (2011) <http://www.shrm.org/banchmarks> (Accessed 30 August 2014). Occupational dissatisfaction is one of the principal causes of employee turnover. See also Brooks C. Holtom et al., “Turnover and Retention Research: A Glance at the Past, a Closer Review of the Present, and a Venture into the Future,” *The Academy of Management Annals*, 2, no. 1 (2008):231-274.

Many service companies respond to competitive market pressures by controlling costs on labor. One way to do this is through increased employee productivity or “doing more with less.” It involves pushing service workers to meet certain quotas, measured in (e.g.) the number of calls taken per hour for call center workers, or the number of rooms cleaned in a day for housekeepers.⁶ Others are given additional responsibilities, e.g. receptionists are made to do some accounting work, assist in the delivery of luggage or valet parking. But controlling labor cost in this way negatively impacts the working conditions of service agents who have to skip breaks, multi-task, and work harder and faster in order to meet the increasing workload.

Another management cost-cutting strategy is lean scheduling, i.e. cutting employee’s hours based on the establishment’s fluctuating demands for labor. On this scheme, only few workers are guaranteed 40 hours a week with fixed schedule and day-off. Most employees will have to settle for less hours and unpredictable schedules.⁷ But during peak seasons or on special occasions, many are required to work with mandatory overtime. Lean scheduling allows some of the biggest retail and service companies to keep the majority of their work force on a part-time basis, with no fixed monthly salary and with little or no benefits. Basing on the 2013 report of the U.S. Bureau of Labor Statistics, almost two-thirds of workers earning the minimum wage or less are employed in service occupations.⁸ Many service workers have to juggle two or three jobs in order to make a living.

The growth of the service sector and the circumstances in which its rank and file workers are frequently caught – low pay, limited benefits, unstable schedule, and challenging work merit investigation from an ethical framework. According to Franklin, “economic theory, even when dealing with the ‘service sector,’ has not made much of the differences between transactions involving personal service and those that do not (online banking, for example). Classical Catholic social justice theory has not made much of the difference either.”⁹ This is probably because the economic condition of many service workers is not very

⁶ In a typical hotel, housekeepers have to clean 16 to 18 rooms a day.

⁷ See Zeynep Ton, *The Good Jobs Strategy* (New York: Houghton Mifflin Harcourt, 2014), 3-5.

⁸ United States Department of Labor Bureau of Labor Statistics, “Characteristics of Minimum Wage Workers: 2013,” <http://www.bls.gov/cps/minwage2013.pdf> (Accessed 2 August 2014). See also Rosemary Batt et al., *A National Study of Human Resource Practices, Turnover, and Customer Service in the Restaurant Industry*, (January 15, 2014) <https://www.ilr.cornell.edu/workerinstitute/initiatives/upload/National-Study-of-Human-Resource-Practices-High-Turnover-and-Customer-Service-in-the-Restaurant-Industry.pdf> (Accessed 30 August 2014).

⁹ James Franklin, “Caritas in Veritate: Economic Activity as Personal Encounter and the Economy of Gratuitousness,” *Solidarity*, 1, no. 1 (2011): 1.

different from the general condition of the American working class.¹⁰ However, from the perspective of the Catholic social tradition, this implies that “economics and social justice theory have not engaged as seriously as they might with a large part of economic reality – a part that has become more and more important as routine work has been automated and service jobs have multiplied.”¹¹ Using the lens of recent Catholic social teaching on human work, this paper examines whether or not the dignity of work and the rights of the workers are being honored in service industries. It focuses on non-professional services that are offered through corporations that are organized to serve high volume of customers, rather than those performed by independent providers to individual clients on a one-to-one basis.¹² Recent Catholic social teaching is contained in a wide variety of official documents of the Catholic Church, in particular papal encyclicals, which respond to the changing social and economic challenges of the modern world. Beginning with *Rerum Novarum* (1891), which “addressed some of the problems that were emerging in the relationship of management and labor due to the great changes brought about by the Industrial Age, every pope thereafter would utilize his office to address social concerns.”¹³ Drawing on the relevant ethical principles of the social encyclicals and demonstrating their implications for service industries, this paper explores practices, strategies, and policies addressing the

¹⁰ On the situation of American working class, see David Weil, *The Fissured Workplace: Why Work Became So Bad for So Many and What Can Be Done to Improve It* (Cambridge: Harvard University Press, 2014); James Gross, *A Shameful Business: The Case for Human Rights in the American Workplace* (Ithaca: Cornell University Press, 2010); Tom Juravich, *At the Altar of the Bottom Line The Degradation of Work in the 21st Century* (Amherst: University of Massachusetts Press, 2009).

¹¹ Franklin, I. Gerald Beyer wrote a paper that touches on the application of the ethical principles of Catholic social tradition (CST) to the hospitality industry. See Gerald Beyer, “Workers’ Rights and Socially Responsible Investment in the Catholic Tradition: A Case Study,” *Journal of Catholic Social Thought*, 10, no. 1 (2013). The focus of Beyer is socially responsible investment from a CST perspective. Using the a study done by UNITE HERE to examine the working conditions of service workers in 10 properties owned by HEI hotels and resorts, Beyer questioned whether it is moral for Catholic institutions to continue investing in HEI company. I made use of some of the data gathered by UNITE HERE on the conditions of hospitality workers that were cited by Beyer.

¹² The study does not include professional services (e.g. medical, legal, accounting, educational, or financial) or technology services which require highly skilled white collar workers who are engaged in technical and narrowly focused tasks. In these types of services, the provider has great control of her clients and exerts some form of authority in the encounter process on account of her expertise, knowledge, or academic qualification. Because of the bureaucratic nature of government organizations, public service is also excluded from this study.

¹³ Kevin McKenna, *A Concise Guide to Catholic Social Teaching* (Notre Dame: Ave Maria Press, 2002), 13.

problems experienced by many service providers in order to “remake and upgrade the sector’s ubiquitous low-wage, labor-intensive, dead-end jobs.”¹⁴

THE PRIMACY OF THE PERSON

“Man, as the subject of work, and independently of the work that he does – man alone is the person.”¹⁵ Through his intellect, man surpasses the material universe. God places him at the vertex of the created world and gives him the dominion over all the earth: “Let us make man in our image, after our likeness. Let them have dominion over the fish of the sea, the birds of the air, and the cattle and over all the wild animals and all the creatures that crawl on the ground.”¹⁶ This primacy, however, is not only in the natural order but extends even to the social order. “Man receives from God his essential dignity and with it the capacity to transcend every social order so as to move towards truth and goodness.”¹⁷ The dignity of the person implies that she takes priority in economic production. Capital, by its very nature is instrumental and a product of human work. The person is not only the efficient cause of production but its final cause as well, for the primary purpose of work is to serve or benefit the worker. The basis of the value of work is the human person who carries it out. Work belongs to the person from whom it emanates and for whose benefit it is intended by nature. “In fact, in the final analysis it is always man who is the purpose of the work, whatever work it is that is done by man – even if the common scale of values rates it as the merest ‘service’, as the most monotonous even the most alienating work.”¹⁸

People who work in service industries work in “the people business.” Human workers are the backbone of the industry and its non-management employees are its most important asset, not capital or machines. The automation of frontline labor is neither feasible nor desirable. Willard Marriott, the founder of one of the largest hospitality corporations in the country believes that “when employees know that their problems will be taken seriously, that their needs and insights matter, they’re more comfortable and confident. In turn, they’re better equipped to deliver their best on the job and to the customer.”¹⁹ On the other hand, if service agents feel that management does not care for their well-being, it becomes difficult for them to extend caring to their customers. Worker issues

¹⁴ Annette Bernhardt et al., “The Coffee Pot Wars: Unions and Firm Restructuring in the Hotel Industry,” in *Low-Wage America* (New York: Russell Sage Foundation, 2003), 63.

¹⁵ John Paul II, *Laborem Exercens* (1981), no. 12.

¹⁶ Genesis 1:26-27.

¹⁷ John Paul II, *Centessimus Annus* (1991), no. 38.

¹⁸ John Paul II, *Laborem Exercens*, no. 6.

¹⁹ Willard Marriott, *The Spirit to Serve the Marriott Way* (New York: Harper Business, 1997), 35.

impact customer satisfaction. Thus, “customer service starts with *internal* customers, then moves to *external* customers.”²⁰ Research indicates strong correlation between job satisfaction and customer satisfaction – which strongly argues that happy service workers make for happy customers.²¹ The success of Southwest Airlines, for example, is attributed to its ability to meet the needs of its front liners first, for the way the company treats them affects the way they will treat their customers.²²

“A lot of companies say their employees are their most important asset, but they don’t really mean it. The truth is, they treat employees as depreciable assets, to be used up and then discarded.”²³ This leads to the “paradox of externalization” – service firms attempt to satisfy their customers by relying on potentially disenfranchised and unsatisfied workers. They want their workers who have no job security establish permanent relationships with their clients. Creating relationships takes time, so worker retention is imperative. Short-term or part-time employment does not encourage providers to foresee a long-term relationship with their customers. “When stores hang on to people but cut their hours, they end up with a cadre of part-time people who are no longer giving good service because they’re not happy.”²⁴

“It seems clearly evident that the human value and morality of work creates an obligation for the manager to be responsible for the development of the members of his/her work community.”²⁵ To accomplish this end, industry leaders need to provide workers with decent working conditions that recognize their dignity as persons in the context of their particular community. This obligation includes addressing the negative effects of job alienation. *Centessimus Annus* states that alienation happens in economic activities whenever people are used as

²⁰ H. Lee Meadows, “Great Internal Service Creates Great External Service,” in *Best Practices in Customer Service* (New York: AMACOM, 1999), 372.

²¹ “Job satisfaction is a more important predictor of employee service quality than employee service effort.” Catherine Bulgarella, “Employee Satisfaction & Customer Satisfaction: Is there a Relationship?” *Guidestar Research White Paper*, February 2005, 4. <http://raptor1.bizlab.mtsu.edu/s-drive/TGRAEFF/Services%20Marketing%20Class/Academic%20Articles/13%20employoe%20satisfaction%20%20and%20customer%20satisfaction.pdf> (Accessed February 7, 2014).

²² Jody Hoffer Gittel, “Coordinating Services Across Functional Boundaries: The Departure Process at Southwest Airlines,” in *Best Practices in Customer Service*, 331.

²³ James Parker, *Do the Right Thing* (Upper Saddle River, Pearson Education, 2008), 1.

²⁴ Robert Spectator and Patrick McCarthy, *The Nordstrom Way to Customer Service Excellence* (Hoboken: John Wiley and Sons, 2000), 224.

²⁵ Rabindra Kanungo, “Alienation and Empowerment: Some Imperatives in Business,” *Journal of Business Ethics*, 11 (1992): 420.

means to an end and human dignity is ignored.²⁶ Work can be a dehumanizing element in life – not because it is so by nature, but because of the manner it is concretely realized in the workplace. The result is alienated work, i.e. the separation or estrangement of work from the human subject. According to Hochschild, “If we can become alienated from goods and in a goods-producing society, we can become alienated from service in a service-producing society.”²⁷ In the same way as human energy and power can be commoditized as mere instrument of production in the factory assembly line, human emotions can be commoditized too when the emotional style of offering the service is part of the service itself.

The secretary who creates a cheerful office that announces her company as ‘friendly and dependable’ and her boss as ‘up-and-coming,’ the waitress or waiter who creates an ‘atmosphere of pleasant dining,’ the tour guide or hotel receptionist who makes us feel welcome, the social worker whose look of solicitous concern makes the client feel cared for; the salesman who creates the sense of a ‘hot commodity,’ the bill collector who inspires fear, the funeral parlor director who makes the bereaved feel understood, the minister who creates a sense of protective outreach but even-handed warmth – all of them must confront in some way or another the requirements of *emotional labor*.²⁸

Hochschild defines emotional labor as that which “requires one to induce or suppress feeling in order to sustain the outward countenance that produces the proper state of mind in others – in this case, the sense of being cared for in a convivial and safe place.”²⁹ It comes in the form of (a) surface acting which pertains to external manifestations such as facial expression, tone of voice, or posture, when one displays an emotion that one does not feel and (b) deep acting when one controls an emotion (anger, annoyance, frustration, or disdain) that one actually feels. Emotional dissonance happens when one fails to reconcile what she actually feels with her outward displays. Through direct and indirect surveillance, supervision, training, socialization, and by a system of formal and

²⁶ “Alienation is found also in work, when it is organized so as to ensure maximum returns and profits with no concern whether the worker, through his own labor, grows or diminishes as a person, either through increased sharing in a genuinely supportive community or through increased isolation in a maze of relationships marked by destructive competitiveness and estrangement, in which he is considered only a means and not an end.” John Paul II, *Centessimus Annus*, no. 41.

²⁷ Arlie Russell Hochschild, *The Managed Heart* (Berkeley: University of California Press, 1983), 7.

²⁸ *Ibid.*, 11.

²⁹ *Ibid.*, 7.

informal rewards/incentives and punishments, service management controls the employee's outward expressions and her display of desired emotions.

Emotional labor is multidimensional and its manifestation varies from person to person. Some service agents may experience it while others who work on the same establishment do not. People have different emotional thresholds and some are more emotionally expressive than others. Emotional labor, like other kinds of physical labor is not alienating in itself.³⁰ It becomes alienating when the emotional expression of the service agent is routinized, branded, commoditized, appropriated, and treated as a source of profit. Emotional labor generates powerlessness and self-estrangement when the worker's authentic feeling, which is part of her real self, is removed from the work process. Her failure to adequately produce the company's desired emotional displays makes her feel that she is not doing her job.

Studies suggest that frequency of emotional labor, management surveillance, job dissatisfaction, the use of narrow scripting, and poor working conditions exacerbate the negative psychological effects of emotional labor. On the other hand, improved working conditions, adequate breaks/vacation, and job tenure can lessen its negative effects. Giving workers timely and adequate breaks will make a significant difference because longer interactions with clients require more psychological and emotional energy. Sharpe recommends that workers be provided with a conducive back office for their breaks where they can rest and relax, drop their spiels, and just be their real selves.³¹ Job rotation may lessen emotional strain brought about by longer or more frequent interactions. "Organizations that make explicit their emotional labor requirements during the selection process can help individuals decide beforehand whether their expressive behavior matches the organization's display norms."³² At the same time, associates should be allowed to modify such rules according to their individual personality. Because attentiveness to display rules adds to one's emotional labor, they must be given wider latitude for self-expression or spontaneity, without being rude or disrespectful.

SUBSIDIARITY

Reference to the principle of subsidiarity is essential for addressing the problem of powerlessness, which is the most general symptom of alienation in

³⁰ Work alienation in Marxism is multidimensional and is neither inherent nor absolute, otherwise finding fulfillment in work would be impossible.

³¹ Erin Sharpe, "'Going Above and Beyond': The Emotional Labor of Adventure Guides," *Journal of Leisure Research*, 37, no. 1 (2005): 32.

³² Andrew Morris and Daniel Feldman, "The Dimensions, Antecedents, and Consequences of Emotional Labor," *The Academy of Management Review*, 21, no. 4 (1996): 1005.

service work. Subsidiarity requires managers to respect their employees as autonomous subjects and ‘co-entrepreneurs’ by entrusting them to make responsible decisions without going beyond the limits of their positions. This involves job autonomy and empowerment – if the latter is understood as enabling (not just empowering) workers, i.e. sharing authority and resources with them, including knowledge and structural support.³³ “If front line employees are supposed to understand and accomplish a company’s mission, they need to understand how they fit into the achievement of that mission and why their performance matters.”³⁴ Although it is an efficient and effective management tool, subsidiarity is an ethical principle enunciated by Pius XI in *Quadragesimo Anno*. It is based on the morality of respect for the person who is a self-actualizing being, capable of growth and self-improvement. Persons deserve work conditions that enhance their abilities and enable them to use their talents.

Top business leaders of successful service companies like James Sinegal (Costco), Willard Marriott (Marriott), James Parker (Southwest Airlines), Jack Mitchell (Mitchells), Howard Schultz (Starbucks), and the Nordstrom family know the importance of getting involved with the front-line level of business. They get to know their associates as persons, rather than statistical figures or labor costs, by spending time at the front desk and having open dialogues with them. The traditional authority-based organization where job responsibilities are narrow, the manager has all the information and power to make decisions, and there is little employee involvement in decision making “denies workers worth as autonomous and independent-minded subjects who take part in the creative will of God.”³⁵ However, research in this topic suggests that employee engagement and discretion at work are not a common feature in the industry in general, especially for back-of-house employees.³⁶ “As opposed to treating frontline employees as their most valuable asset, most organizations fail to engage them at all. One recent study of the *Fortune* 500 estimated that companies get less than 50 percent of the potential contribution from their people.”³⁷

By strengthening the service provider’s sense of efficacy, subsidiarity can alleviate some of the alienating effects of emotional labor threatening the worker’s

³³ In practice, subsidiarity and empowerment converge in many ways. See Domenec Mele, “The Principle of Subsidiarity in Organizations A Case Study,” (2004) IESE Business School Working Paper No. 566 <http://papers.ssrn.com/sol3/papers>.

³⁴ Parker, 80.

³⁵ Lloyd Sandelands, “The Business of Business is the Human Person: Lessons from the Catholic Social Tradition,” *Journal of Business Ethics*, 85 (2009): 98.

³⁶ See Batt (2014).

³⁷ Chris DeRose and Noel Tichy *Judgment on the Front Line How Smart Companies Win by Trusting their People* (New York: Penguin Group, 2012), 5.

authentic self. When employees are in control and have a high level of job engagement, it diminishes the experience of inauthenticity and generates positive feelings about their work. Giving employees more responsibility and some discretion in how they communicate with customers and accomplish their tasks while at the same time minimizing direct supervision, surveillance, or monitoring lessen emotional exhaustion and increase job satisfaction. On the other hand, job autonomy negatively correlates with the emotional dissonance that causes job dissatisfaction.³⁸ One study shows that “individuals with high job autonomy suffered fewer negative effects of emotional labor than did those with low job autonomy.”³⁹ Empowerment is also essential in handling service recovery. Providers will “feel abuse, especially if she is not empowered to do much about customer complaints.”⁴⁰

Subsidiarity is not synonymous with delegation of power, i.e. allowing front liners to bend rules or do whatever is reasonable to solve the problems of the customers. Subsidiarity means mutual support and shared responsibility, but not shared accountability. Responsibility and accountability are not the same. When management gives employees the authority to make decisions, they have to live with those decisions and support them. Subsidiarity should not be used by managers to evade accountability and blame their subordinates, or as an excuse for lax leadership. Managers must continue to exercise leadership and accountability for what is delegated. Subsidiarity should not lead to a vacuum of leadership, for subsidiarity must remain closely linked to the principle of solidarity.⁴¹

Subsidiarity is very important in customer service because frontline workers are the one who directly interact with customers. They are typically expected to use their common sense, exercise good judgment and display initiative in anticipating the needs of their customers or going the extra mile to satisfy them. Subsidiarity is likewise essential for providing a quick and efficient response to customer problems. Customers’ needs are at times immediate so that there is no time “to go up to the chain of command.” It is totally impossible to write standard operating procedure on the wide range of issues and problems that

³⁸ Morris and Feldman, 995-996. “It should be clearly understood, however, that it is not emotional labour but emotional dissonance (defined as discrepancy between expected/displayed and real emotional states) and consequences thereof that may be harmful. If an individual’s genuine emotions are identical with the emotional expectations at work (defined as genuine acting), neither emotional dissonance nor negative side-effects will occur.” (Kornelia Lanzanyi, “Who Benefits from Emotional Labour?” *Applied Studies in Agribusiness and Commerce*, 3, no. 4 (2010): 1.

³⁹ Morris and Feldman, 1001.

⁴⁰ Barbara Gutek and Theresa Welsh, *The Brave New Service Strategy* (New York: AMACOM, 2000), 43.

⁴¹ Benedict XVI, *Caritas in Veritate* (2009), no. 58.

service providers have to deal with on a day-to-day basis. Subsidiarity simplifies procedures, lessens paper work, and reduces the need for bureaucratic oversight. Under this principle, each service agent is enabled to solve a particular customer's entire problem.⁴²

THE SERVICE COMPANY AS A COMMUNITY OF PERSONS

If service companies desire to establish positive personal connections with their clients, a positive personal relationship must begin in the company itself. Such companies need to transform themselves from a mere market utility or a nexus of contracts into a community of persons. For John Paul II, "the purpose of a business firm is not simply to make a profit, but is to found in its very existence as a *community of persons* who in various ways are endeavoring to satisfy their basic needs."⁴³ The term "community" is defined by Mele as

a unified body of individuals, people with common interests or living in a particular area or having a common history. A community is also a group of people with common characteristics or beliefs, or who are interconnected, or a group organized around common values and with certain social cohesion.⁴⁴

Every participant in a business enterprise, including shareholders, managers, associates, suppliers, and the final customer is a human person who in his innermost nature is a "social being, and unless he relates himself to others he can neither live nor develop his potential."⁴⁵ A person is a being who naturally desires companionship with others and interpersonal relationships that lead to mutual enrichment and fulfillment. In actions that are directed toward the benefit of others, persons becomes more fully themselves, for only persons are capable of making a disinterested gift of themselves to others. "This social life is not something added to man. Hence, through his dealing with others, through reciprocal duties, and through fraternal dialogue he develops all his gifts and is able to rise to his destiny."⁴⁶

⁴² A large electric utility company in the south improved its customer satisfaction index by empowering its customer service employees so that each one of them can handle any call that comes in and can address all of the customer's concern. See Elaine Harris, *Customer Service A Practical Approach* (Upper Saddle River, Pearson Education, 2010), 170.

⁴³ John Paul II, *Centessimus Annus*, no. 35.

⁴⁴ Domenech Mele, "The Firm as a 'Community of Persons': A Pillar of Humanistic Business *Ethos*," *Journal of Business Ethics*, 106 (2012): 92.

⁴⁵ Vatican Council II, *Gaudium et Spes* (1965), no. 12.

⁴⁶ *Ibid.*, no. 25.

Mater et Magistra states that a community imbued with the principles of justice and other Christian teachings is the ‘ideal’ form of business.⁴⁷ The transformation of a service firm into a community is not an easy task, for the reality is that “in customer service, management and staff sometimes have an adversarial relationship.”⁴⁸ A common source of frustration among service workers is their managers.⁴⁹ “Rather than any job specific tasks that are associated with waiting on dining guests... it is this antagonistic relationship between service and middle/upper management that is the source of server’s feelings of alienation and exploitation in the work setting.”⁵⁰ Managers, at times, blame service agents for poor service, when “the ability of service agents to provide good service is often externally constrained by physical and resource limitations, peak/off-peak fluctuations in the level of customer demand, conflicting and ambiguous role demands from customers, peers, and management.”⁵¹ On the other hand, front line managers have problems of their own. “It was often hard to get managers attention, because they were running around dealing with momentary crises.”⁵² With regard to their co-workers, many sales associates leave because they could not take an environment of constant pressure and harassment that incites employees to prey on each other.⁵³ Sales commissions and other individual-based performance incentives encourage competition among service agents. The promise of cash rewards to employees if they catch their co-worker stealing creates an atmosphere of distrust or suspicion.

In providing quality customer service, more significant than selective hiring or managers’ attempt to regulate the displays of emotion of workers is the fact that workers have invested themselves in their jobs. They have a sense of belonging because they see themselves as part of an organization that is committed to service. If managers desire that service agents be loyal to the company and to the customers they serve, they must show loyalty to them as well. Many companies believe that quality service depends largely on strategic employee selection that will result in hiring the right kind of people with nebulous ‘soft skills’ such as pleasing personality, empathy, intuitiveness, and creative

⁴⁷ John XXIII, *Mater et Magistra* (1961), no. 142.

⁴⁸ Harris, 131.

⁴⁹ Rachel Sherman, *Class Acts: Service and Inequality in Luxury Hotels* (Berkeley: University of California Press, 2007), 268; Harris, 131.

⁵⁰ Zachary Brewster, “Alienation and Exploitation Among Restaurant Servers: A Qualitative Analysis,” (M.A. Thesis Western Kentucky University, 2002), 112.

⁵¹ Blake Ashforth and Ronald Humphrey, “Emotional Labor in Service Roles: The Influence Of Identity,” *Academy of Management Review*, 18, no. 1 (1993): 96.

⁵² Sherman, 96.

⁵³ Spectator and McCarthy, 2000.

problem solving ability. But these qualities are difficult to measure, and even if they are observed from an applicant during the interview process, there is no way of determining a priori whether these skills will be practiced consistently in daily customer interaction. Personal values are important, but morality is not only a personal issue. Ethical behavior of employees is also influenced by the culture of the service firm. In order for service workers to respect their customers, they must first learn how to respect themselves and their co-workers. "Self-respect of individuals is related to how they are treated by others at the workplace of the service organization."⁵⁴ Awards, recognitions, seminars, and other motivational techniques will fall flat in the face of employee cynicism, especially if these are coming from "a hypocritical manager whose own attitude about people could hardly be viewed as a model."⁵⁵

As a community, the business organization strives to promote the good of all its members who participate in different ways and have their own specific obligations. Management honors the rights of workers and refrains from abusive and exploitative practices. Workers fulfill their responsibilities to the company and its clients, and show respect to their managers. "In a community of persons, contractual agreements and the ethical requirement of honoring them are not eliminated, but relationships are not only contractual, and ethical requirements go beyond contractual duties."⁵⁶ Providing a safe working environment free from harassment, bullying, and discrimination are necessary but not sufficient for genuine community. Rather, workers and managers must try, in the course of their common endeavors, to build authentic human relationships that transcend the limits of their employee-employer contract.

This demands that the relations between management and employees reflect understanding, appreciation and good will on both sides. It demands, too, that all parties co-operate actively and loyally in the common enterprise, not so much for what they can get out of it for themselves, but as discharging a duty and rendering a service to their fellow men.⁵⁷

Helping associates with problems in their personal lives, giving employees the chance to meet and interview new hires, or briefing teams together rather than individually are useful in building interpersonal relationships. Socials, company celebrations, or family days reinforce personal ties. Management must foster mutual trust, collaboration, and teamwork among service agents, rather than competition and mutual surveillance. This can be accomplished in various ways.

⁵⁴ Jacob Dahl Rendtorff, "Basic Principles Applied to Service Industries," *The Service Industries Journal*, 29, no. 1 (2009): 13.

⁵⁵ Albrecht and Zemke, 158.

⁵⁶ Mele, "The Firm as a 'Community of Persons': A Pillar of Humanistic Business *Ethos*," 98.

⁵⁷ John XXIII, no. 92; See also John Paul II, *Laborem Exercens*, no. 14.

For example, the practice of common tipping, group rewards/incentives, profit sharing and other forms of shared monetary incentives should be promoted, instead of penalties and individual commissions/tips or reward systems. Encouraging senior associates to coach and guide new hires, and the entire customer service team to assume joint responsibility for service recovery, rather than pass the blame to each other will also build community and solidarity among managers and service workers. Participatory management techniques, such as quality circles, management by objectives, and an open communication system encourage dialogue and sharing of ideas and skills. Front liners should be invited to take part in planning enrichment programs, work re-design, weekly scheduling, and company reorganization.

No one can give service in a vacuum. Workers cannot be told to look like they genuinely enjoy their work if that is not the case. “In the context of emotional labor, workers who have supportive social relationships may be able to rely on others to aid them when they experience conflicts between organizationally desired emotion and felt emotion, and hence they experience less psychological distress.”⁵⁸ Opportunities to talk to each other and share their experiences and frustration in the workplace can give workers emotional relief from their daily challenges. Building a sense of community that gives workers a supportive, caring and trusting atmosphere in which to work can help keep them together and stay longer with the company.

WORKERS’ RIGHTS AND UNIONISM

Numerous instances of worker abuse in service industries cited in the literature: sexual and racial discrimination, ageism, harassment, unpaid overtime, union busting, mandatory polygraph tests, exploitation of non-documented immigrants and even cleaning crews being locked inside overnight have been well-documented.⁵⁹ These practices occur in some of the largest service-producing companies in the U.S. in terms of size and profit. For instance, “U.S. Department of Labor has labeled the hospitality industry as ‘high risk’ of frequent

⁵⁸ Morris and Feldman, 1005.

⁵⁹ Eileen Applebaum et al., *Low-Wage America* (New York: Russell Sage Foundation, 2003); Nelson Lichtenstein, *Wall-Mart The Face of Twenty-First-Century Capitalism* (New York: The New Press, 2006); Jeremy Milloy, “Fast Food Alienation: Service Work And Unionism British Columbia 1968-1998” (M.A. Thesis Trent University, 2007); Tom Baum, “Migrant Workers in the International Hotel Industry,” *International Migration Paper No. 122* (Geneva: International Labour Organization, 2012); Greenwich, Mendoza, Wykowski., “Our Pain Their Gain: The Hidden Cost of Profitability in Seattle Hotels,” (2012) <http://www.thechurchcouncil.org/documents/OurPainTheirGain-Final.pdf> (Accessed 20 January 2013); Beyer (2013); Batt et al., (2014); See also Opportunity Commission <http://www.eeoc.gov/eeoc/newsroom/release>

federal and hour law violations.”⁶⁰ Several studies also suggest that the industry “creates widespread health risks for workers, especially kitchen and housekeepers.”⁶¹ According to the Bureau of Labor Statistics 2009 report, job related injury rate for hotel and motel workers is higher than coal mining, construction, and other occupations. Yet, the hospitality industry consistently shows revenue growth for the past two decades.⁶² In the same manner, “sub-minimum wage that servers are paid is not proportionate to the nearly 400 billion dollars that the restaurant industry boasts annually.”⁶³ Many departments in Walmart, the largest private employer in the U.S., are so understaffed that severe injuries are common.⁶⁴ Call centers are called the “sweatshops of the 21st century” for their formula of relentlessly pushing staff to handle a certain of number of calls per hour.⁶⁵ “The most frequent problem lived by the call centre workers, is aphonia because of speaking non-stop and loud-voiced. This can lead to formation of nodules and result in cancer.”⁶⁶ Airlines, tourist resorts, and recreational facilities are noted for filling in their customer service needs with temporary volunteers, on-the-job trainees, and student “interns” who are paid little to nothing. While U.S. labor laws prohibit many of these practices, they are only as effective as the commitment of the employers and the government to implement and monitor them.

The service sector is a key employer of adolescent workers in this country, hiring roughly 2.4 million 16 and 17-year old workers every year. Although there are economic and non-economic benefits in having adolescents work for pay

great care should be taken not to place them in workshops and factories until their bodies and minds are sufficiently developed. For, just as very rough weather destroys the buds of spring, so does too early an experience of life's

⁶⁰ Greenwich et al., 24.

⁶¹ Beyer, 132.

⁶² *Hotel Business Magazine*, September 2012, 8.

⁶³ Brewster, 31. On its website, the National Restaurant Association states that the total sales revenues of the restaurant industry for 2013 in the U.S. is \$660.5 billion. See <http://www.restaurant.org/Pressroom/Press-Releases>.

⁶⁴ Alex Wood, “Winning at Walmart,” *Red Pepper*, June-July 2013, 45.

⁶⁵ Eileen Applebaum et al., “Low-Wage America: An Overview,” in *Low-Wage America* (New York: Russell Sage Foundation, 2003), 15. See also Tom Juravich, 15-53. There are about five million call center jobs in the United States, which represents about four percent of the United States work force. “Call Center Jobs Returning to U.S. Bringing Jobs to DFW,” 5NBCDFW.com March 9, 2013. <http://www.nbcdfw.com/investigations/Call-Center-Jobs-Returning-to-US-Bringing-Jobs-to-DFW-196516711.html>. (Accessed 30 August 2013)

⁶⁶ Umit Akcay, “Young, Cheap, Flexible, Disorganized: New Members of the Working Class – the Call Centre Workers” (paper presented at How Class Works Conference State University of New York at Stony Brook June 3-5, 2010).

hard toil blight the young promise of a child's faculties, and render any true education impossible.⁶⁷

Unfortunately, “Significant numbers of US adolescent workers are employed in violation of the child labor laws and as a result are exposed to safety risks.”⁶⁸ Common violations include exceeding weekly hour limits during school year, working off the clock, and hazardous orders, such as the use of equipment prohibited by law.⁶⁹

The outlines of Catholic social teachings on worker's rights are familiar.⁷⁰ These rights “are universal and inviolable, and therefore altogether inalienable.”⁷¹ They are categorical expressions of the fundamental moral characteristic of every person – her dignity. Among the rights of the workers is the right to a just wage. The position taken in *Mater et Magistra* is that wage should be determined on the basis of justice and equity and cannot be expressed simply in terms of its nominal value. In setting a just wage, it is important to look at the necessary aspect of work, i.e. as a means to secure a living. A wage is just if it is, at the minimum, sufficient for the worker to live decently, to develop herself physically, spiritually, socially, and culturally, and to support a family. Generally, the minimum wage in the U.S. fails to comply with the standards of a just living wage presented in the social encyclicals. Since the late 70's, the real value of minimum wage has not risen, despite the growth in workers' productivity and the dramatic increase in compensation and benefits of top managers and executives of many companies. With regard to the service industries, the median annual income of non-management workers is typically lower than that of occupations in other industries that do not require more than a high school diploma.⁷² They also get fewer or no benefits like health insurance or retirement contributions.

Basing his analysis on the historical role of unions, John Paul II argues that the need for workers to secure their rights gives rise to the right to organize.

⁶⁷ Leo XIII, *Rerum Novarum* (1891), no. 42.

⁶⁸ Kimberly Raushcher, et al. “US Child Labor Violations in the Retail and Service Industries: Findings from a National Survey of Working Adolescents,” *American Journal of Public Health*, 98, no. 9 (2008), 1693.

⁶⁹ Ibid. “Numerous studies have found that kids who work up to twenty hours a week during the school year generally benefit from the experience, gaining an increased sense of personal responsibility and self-esteem. But kids who work more than that are far more likely to cut classes and drop out of high school. Teenage boys who work more hours are much more likely to develop substance abuse and commit petty crimes.” Eric Schlosser, *Fast food Nation the Dark Side of the all-American Meal* (Boston: Houghton Mifflin, 2001), 80.

⁷⁰ See John Paul II, *Laborem Exercens*, no. 1; John Paul II, *Centessimus Annus*, nos. 43, 23, 22; Pius XI, *Quadragesimo Anno* (1931), nos. 68 and 78. John XXIII, *Pacem in Terris* (1963), nos. 18-24.

⁷¹ John XXIII, *Pacem in Terris*, no. 9.

⁷² Brewster, 2; Applebaum et al., “Low-Wage America: An Overview,” 10.

Unions are “indispensable element of social life, especially in modern industrialized societies. Obviously, this does not mean that only industrial workers can set up associations of this type. Representatives of every profession can use them to ensure their own rights.”⁷³ Labor unions are a form of human association. “From the very fact that human beings are social, there arises the right of assembly and associations.”⁷⁴ Since *Rerum Novarum*, the Catholic Church has strongly encouraged and supported the right of the workers to organize and unionize in order to bargain collectively and effect a radical change in working conditions. “Included is the right of freely taking part in the activity of these unions without risk of reprisal.”⁷⁵ Workers’ rights can also be guaranteed and protected through legislation, but in the absence of appropriate laws, unionism is the only effective way for workers to safeguard their rights. Human rights are interdependent. Without unions, other labor rights can become inaccessible. Thus, *Centessimus Annus* acknowledges that “the role of trade unions in negotiating minimum salaries and working conditions is decisive.”⁷⁶ This is not because human rights per se are subject to negotiations and come out as a result of contract. Unions enable workers to protect and enforce their rights. Labor scholars consider the freedom of association and collective bargaining rights as the bedrock of the core labor rights.

Contemporary service workers belong to the low-wage working class. In most cases, they are in the difficult position of trying to protect the interest of the business establishment and doing their job by satisfying the customers. “They need to organize to have a voice in political circles as well as in the organs of public administration, for today almost nobody hears, much less pays attention to, isolated voices.”⁷⁷ Unions are more relevant in the U.S. today as “employers have much greater freedom to establish the conditions of employment than do their counterparts in other industrialized countries, thanks to extremely low rates of unionization and a legal framework that reflects the national valorization of ‘free enterprise.’”⁷⁸ Without unions, many service workers are at-will employees with very little bargaining power and no job protection or paid leave benefits. Together, workers can exert pressure on powerful businesses to refrain from unjust labor practices and exploitative strategies. Research indicates that unions play an important role in determining the quality of front line jobs and in raising the salary of minimum wage earners. “To varying degrees, unions have been able

⁷³ John Paul II, *Laborem Exercens*, no. 20.

⁷⁴ John XXIII, *Pacem in Terris*, no. 23.

⁷⁵ Vatican Council II, no. 68.

⁷⁶ John Paul II, *Centessimus Annus*, no. 15.

⁷⁷ John XXIII, *Mater et Magistra*, no. 148.

⁷⁸ Royle and Towers, 13.

to prevent the squeezing of labor costs that is the first competitive option chosen by many employers. Collective bargaining has been important in maintaining real wage levels and benefits and in preventing increases in workloads.”⁷⁹ Union members enjoy better compensation benefits and healthcare coverage compared to non-union members. However, collective bargaining in the long run benefits all workers by creating a spillover effect, i.e. wages and benefits in general tend to rise in areas that have high union density. Unions can minimize layoffs and casualization through contracts with layoff restrictions, lower hourly requirement to qualify for full-time benefits, separation pay, respect for seniority, or recall provisions. They are also effective in preventing subcontracting in cities where there are many unionized service properties, such as New York City and San Francisco.

In recent years, the proportion of unionized workers in the United States is diminishing. Basing on 2013 figures, only 11.3% wage and salary workers are unionized.⁸⁰ “The decline in union representation has reduced the ability of workers to negotiate with managers about responses to increased competition and bargaining over the distribution of gains from improved productivity.”⁸¹ One reason for this general trend is the anti-union stance and fierce opposition of many companies. Several chain retail stores and fast-food restaurants have the record of closing down their establishments or departments after workers had unionized.⁸² “The subcontracting of hotel restaurants both to avoid unions and to gain access to cheaper labor has become virtually complete in the industry.”⁸³

Another obstacle to unionism is the high turnover rate in the industry which does not give workers incentive to organize and stay. Advancement opportunities for service providers are very limited. Through legal and non-legal means, service companies have maintained the casualization of their workforce. Young workers are usually hired over older ones.⁸⁴ Most of these young workers have no long-term career commitment, being still in school or are taking multiple jobs. They have no direct knowledge or experience of unionism, and have low expectation of wages and other benefits like retirement or seniority.

⁷⁹ Applebaum et al., “Low-Wage America: An Overview,” 20. See also Greenwich et al., 31.

⁸⁰ See United States Department of Labor Bureau of Labor Statistics, <http://www.bls.gov/news.release/union2.nr0.htm>.

⁸¹ Applebaum, et al., “Low-Wage America: An Overview,” 5.

⁸² Royle and Towers, 196; See also Wade Rathke, “A Wal-Mart Workers Association? An Organizing Plan,” in *Wall-Mart The Face of Twenty-First-Century Capitalism* (New York: The New Press, 2006), 266-271.

⁸³ Applebaum et al., “Low-Wage America: An Overview,” 11. See also Weil (2014).

⁸⁴ See Royle and Towers, 16; Raushcher et al., 1694-1696.

Finally, many union leaders are aware that service workers are the hardest to organize. Competition among service agents, especially in retail, and mutual surveillance discourage the feeling of solidarity. In the case of front-of-house workers, their direct dealing and frequent interaction with customers give them a sense of autonomy from back-of-house workers like housekeepers, cooks, and telephone operators.

“Today, unions are called to act in new ways, widening the scope of their activity of solidarity so that protection is afforded only to the traditional categories of workers, but also to workers with non-standard or limited-time contracts.”⁸⁵ The growth of the industry indicates that the future of private sector unionism in the U.S. is contingent on organizing service workers. When asked, many Americans, including service workers who are not members of a union are in favor of some form of labor representation.⁸⁶ To meet the challenges in the service sector, unions need to be flexible in their structure. The Catholic social tradition is open as to the specific form this association will take. “Such unions should be suited to the requirements of this our age - an age of wider education, of different habits, and of far more numerous requirements in daily life.”⁸⁷ One suggestion is extended union membership so that belonging to a union does not depend on working at one property only. Another example is the mixed model plan: “management of a hotel restaurant was subcontracted for brand-name recognition, but the workers remained on payroll, covered by the union contract.”⁸⁸ To organize unions vertically rather than horizontally will result in recruiting more members and achieving a critical mass for collective bargaining.

Just like other institutions, labor unions are subject to human sin and imperfections. Many union leaders in the past have abandoned organizing and recruitment of new members, converting unions into elaborate bureaucracies run by national leaders and paid staff. Internal problems due to rivalries between leaders and corruption also contribute to the decline of union membership and influence. There are labor leaders who betray the trust of their members and use union resources for their own personal advantage. This damages the reputation of many labor organizations. The Church’s support of labor organizing is not a blanket endorsement of all unions. The fact that something is called “labor union” does not mean it is a morally good institution. *Rerum Novarum* adequately recognizes the responsibilities of unions to their members and to the society as

⁸⁵ Pontifical Council For Justice And Peace, *Compendium of the Social Doctrine of the Church* (2004), 308.

⁸⁶ Rathke, 265. See also Beyer, 138.

⁸⁷ Leo XIII, no. 49.

⁸⁸ Applebaum et al., “Low-Wage America: An Overview,” 16.

whole.⁸⁹ Collective bargaining should consider not just the demands of the workers but the financial condition of the company and the common good. The existence of bad unions, however does not negate the moral legitimacy of unions in general. It calls for the need for revitalization of workers solidarity, removal from office and/or prosecution of incompetent and corrupt leaders, and more vigilance, monitoring, and participation on the part of union members.

LOVE

According to Benedict XVI, market exchanges have the potential for authentic participation between persons and for the development of human relationships characterized by mutual respect and love. “The Church's social doctrine holds that authentically human social relationships of friendship, solidarity and reciprocity can also be conducted within economic activity, and not only outside it or “after” it.”⁹⁰ Love can and must exist in the workplace and in the marketplace. Every form of service interaction can and ought to be motivated by love. “In all those roles, there is necessarily personal interaction and there is the opportunity to do it well and lovingly, or not.”⁹¹ Customer service encounter can lead to mutual enrichment between the customers and the service associates. “This is a human demand at the present time, but it is also demanded by economic logic. It is also a demand both of charity and of truth.”⁹²

Love in the social encyclicals is not a sentimental feeling. It is the basis of understanding the primacy of the person. “To love someone is to desire that person's good and to take effective steps to secure it.”⁹³ This excludes the possibility of treating her merely as a means to an end. Hence, the commitment to love presupposes justice. We cannot love a person if we do not promote her rights and dignity. However, justice alone may well remove the causes of social conflict, but by its own strength can never bring about “union of minds and hearts.”⁹⁴ If justice incites us to vindicate our rights, love moves us to respect the rights of others. Love allows enemies to forgive each other and seek the good of all. It is essential in order to build a community of persons. “The more we strive to secure a common good corresponding to the real needs of our neighbors, the more effectively we love them.”⁹⁵

⁸⁹ Leo XIII, no. 56-59.

⁹⁰ Benedict XVI, no. 36.

⁹¹ Franklin, 6.

⁹² Benedict XVI, no. 36.

⁹³ Ibid., no. 7.

⁹⁴ Pius XI, no. 137.

⁹⁵ Benedict XVI, no. 7.

“To those, therefore, who believe in divine love, He [God] gives assurance that the way of love lies open to men and that the effort to establish a universal brotherhood is not a hopeless one.”⁹⁶ Every person is a moral being who is capable of loving. With love, positive emotional engagement with customers is possible even without the extensive use of emotional labor. Love makes it easy to consider the needs and feelings of others. We are not alienated from our true selves when we manifest genuine empathy and care towards the other. Showing respect to customers should not be a mere surface acting. If caring is internalized and expressed, not simply as an outward display or a matter of company policy, but something that service providers willingly do for the customer as a person, customer service acquires an ethical dimension. It becomes an ethical responsibility of service workers to be trustworthy, help those in need, not promise what is outside one’s capability just to make a sale, be patient with disoriented customers – never pressuring them for sales or decisions – and “not exploiting their vulnerability but rather caring and being aware of their dispositions.”⁹⁷ These can happen without necessarily experiencing anxiety or self-estrangement. Instead, caring for customers becomes a natural expression of the service agent as a moral subject, which does not conflict with her “vitality, growth, development, or autonomy.”⁹⁸

It is a fundamental claim in business ethics that aside from the desire to earn reasonable profit, business leaders ought to be motivated by moral concerns for the welfare of persons. “Profit is a regulator of the life of a business, but it is not the only one; *other human and moral factors* must also be considered.”⁹⁹ If morality can be a managerial motivation, it can also serve as motivation for customers and service providers. While there are service workers who are indolent and disrespectful, there are also many who desire to be authentic persons to their customers, not simply as an agent who wants to get tips or accomplish her sales target.¹⁰⁰ They are bothered when they think they fail to perform their duties. These claims are supported by a qualitative study done by Sherman on hospitality workers. The author contends that service agents are not just motivated by

⁹⁶ Vatican Council II, no. 38.

⁹⁷ Rendtorff, 17.

⁹⁸ Vanlaere, et al., 168.

⁹⁹ John Paul II, *Centessimus Annus*, no. 35. As an integral part of business, ethics is not opposed to organizational efficiency or profitability. “Research shows that firm with ethical and socially responsible business practices demonstrate better performance in terms of profit as well as customer relations.” Leslier Valenzuela et al., “Impact of Customer Orientation, Inducements and Ethics on Loyalty to the Firm: Customers’ Perspective,” *Journal of Business Ethics*, 93, (2010): 279.

¹⁰⁰ Gaut Im Bok, “Beauty Retail Workers: Consumerized and Alienated,” (2012) University of New South Wales Sydney (unpublished paper), 30.

instrumental motives. Many of them mention the norm of reciprocity as something that obligates them. Customers for their part also refer to the norm of reciprocity as “a reason additional to the direct principle of exchange”¹⁰¹ in acknowledging the services that they received. Only a few customers are excessively demanding or abusive. Many guests treat service workers with respect and generosity, and they do express gratitude for their assistance. “Guests practices of respectful treatment and reciprocity arose partly from a ‘moral norm of reciprocity’ that governs social interactions in a wide variety of spheres.”¹⁰² What is involved here is the application of the principle of reciprocity: do unto others what you want others do to unto you, which is based on the recognition of mutual personhood.

CONCLUSION

The service industry provides us with opportunities to realize the Christian vision of economic production where the end is “not the mere increase of products nor profit or control but rather the service of man, and indeed of the whole man.”¹⁰³ Its immediate goal is not the production of material goods, but the satisfaction of our personal needs. The industry has the potential to meet the current need for decent employment for many low-skilled Americans. The human encounter in service delivery can be transformed into a true communion of persons where the essential dignity of both the provider and the customer is nurtured through love and reciprocity.

It is also in the service industry where we could be most vulnerable to disrespect, abuse, and exploitation. As part of the economic sphere, service industry “is neither ethically neutral, nor inherently inhuman and opposed to society. It is part and parcel of human activity and precisely because it is human, it must be structured and governed in an ethical manner.” The minimum wage and sub-standard benefits that rank and file service workers receive are disproportionate to the physically and emotionally challenging work that they do. At times, companies merely pay lip service to quality service delivery. The satisfaction of customers is good for business, but there are also compelling commercial reasons for the management not to do it. “The Church acknowledges the legitimate role of profit as an indication that a business is functioning well. When a firm makes a profit, this means that productive factors have been properly

¹⁰¹ Sherman, 186.

¹⁰² Ibid.

¹⁰³ Vatican Council II, no. 64.

employed and corresponding human needs have been duly satisfied.”¹⁰⁴ But an approach to work organization that follows the principle of materialistic economism where maximum profits are obtained at the expense of human persons and the dignity of work is at odds with Catholic social teachings, which give primacy to the well-being of the person in economic production.

Balancing the demand for quality service, the just requirement of the market system, and the promotion of workers’ right and dignity will always be a challenge in any industry. But “the Catholic vision has never quite so pessimistic, although it is realistic enough in its understanding of human failings.”¹⁰⁵ As free and rational beings, we are capable of transcending individual self-interest and pragmatic concerns in order to enter into a dialogue towards mutual understanding. There is reason to think that this is not a mere utopian fantasy. In recent years, for example, successful contract negotiations in the hospitality industry have outnumbered the isolated cases of strikes or lockouts. More than this, management-union partnership is behind the success of some of the most profitable corporations in the U.S. This includes, for example, The Kroger Company (75% unionized) and Southwest Airlines (80% unionized).

Satisfying customers is less difficult when service workers are satisfied with their jobs and have the necessary tools and management support to accomplish their duties. Service delivery outcomes make a return to management in the form of increased revenue and positive customer feedback. Hence, a three-way relationship between workers, consumers, and management exists. Because the interests of each of these groups ultimately coincide, a tripartite resolution is possible when it comes to their conflicting claims.¹⁰⁶ It is here that service workers have a key role, for they do not only relate with their managers, they get to know their customers’ actual needs and wants because they personally deal with them. The primacy of the person, love and subsidiarity, the sense of community and respect for worker’s rights in the social encyclicals are not only moral principles that uphold intrinsic human goods, they are likewise instrumental to operational effectivity because they promote job satisfaction, smooth

¹⁰⁴ John Paul II, *Centessimus Annus*, no. 35.

¹⁰⁵ Timothy Cusick, “Management, Labor, and the Development of the Person,” *Review of Business*, 27, no. 2 (2006): 20.

¹⁰⁶ See Christina Chi and Dogan Gursoy, “Employee satisfaction, Customer Satisfaction and Financial Performance: An Empirical Examination,” *International Journal of Hospitality Management*, 28, (2009): 245-253; Gabriel Gazzoli et al., “The Role and Effect of Job Satisfaction and Empowerment on Customers’ Perception of Service Quality: A study in the Restaurant Industry,” *Journal of Hospitality and Tourism*, 34, (2010): 56-77. For a study on how successful service companies such as UPS, Costco, Trader’s Joe and Mercadona are able to provide jobs with benefits, decent pay, and stable work schedule and at the same time achieve excellent financial results and customer satisfaction, see Ton (2014).

interpersonal relationship, and long-term commitment with the company. They enable/empower service providers to work efficiently, deliver exceptional service, and act as conduit between the customers and the business establishment, rather than simply being caught between their conflicting demands.