

# Managing Food Safety Errors: A case study of Chipotle Mexican Grill

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## Introduction

Founded in 1993, Chipotle Mexican Grill is a chain of restaurants in the United States, Canada, United Kingdom, France and Germany with approximately 1900 locations. Based on its mission statement called Food with Integrity, Chipotle's marketing has focused on the image that it makes a high quality food "responsibly raising the bar." This includes "caring deeply about where our ingredients come from, sharing same values with farmers and believing that small farms are better and thinking animals raised outdoors are happier". Unfortunately, caring, sharing, believing and thinking are not proven food safety methods. In 2015, Chipotle experienced a trifecta of foodborne illness outbreaks which included 53 people sickened by *Escherichia coli* O157:H7, 64 people with nine hospitalizations due to *Salmonella* contamination and 234 customers and employees contracted norovirus in August and then again in late November affecting 140 college students in the Boston area. When all was said and done, three different pathogens caused five known outbreaks for Chipotle in 2015. Prior to the outbreak, Chipotle's stock prices were at \$757 a share on October 13. Stock prices fell as low as \$475 a share, causing a 37% decline. As a result, Chipotle has lost \$8 billion in value since its stock peaked in August. In early 2016, investors filed a class action lawsuit claiming the company and its founder and co-chief executive, Steve Eells, made "materially false and misleading statements" about Chipotle's food safety controls in the wake of the outbreaks. The lawsuit accuses Chipotle of failing to disclose that its "quality controls were inadequate to safeguard consumer and employee health". It also alleges that Chipotle executives misled investors and the public about the severity of the outbreaks with a "reckless disregard for the truth".

They have built their corporate image of being healthy and conscientious by promoting unprocessed, free of antibiotics and genetically modified organisms (GMOs), sometimes organic and sometimes local but they were not paying attention to microbial safety. Based on the pathogens identified, contamination occurred on the farm, in transport, mishandling storage of products and by restaurant employees. Implementation of Good Agricultural Practices (GAPs) and Hazard Analysis Critical Control Points (HACCP) can reduce risks; however, employee behaviors are more challenging to control and are often driven by corporate culture. The remainder of this case study will focus on how food

service employee behaviors can influence food safety in restaurants.

## Scenario

The Environmental Health Division of Ventura County's Resource Management Agency in Simi Valley, CA reported the first illness at the Chipotle Mexican Grill to the Chipotle's executive officer by email at 9:36 p.m. on Thursday, August 20, 2015. One hospitalization and 16 illnesses were reported later that day. The county's health department later identified the cause as norovirus and has a detailed tracking of complaints reporting the number of illness to be 234; however, the number floating in the media was 98. The events transgressed as follows:

- Saturday, August 22, 2015, Chipotle's corporate offices reported that 17 employees in Simi Valley were ill and that the company was sending in replacements for everyone working at the Simi Town Center location.
- Monday, August 24, 2015 the health authorities inspected the restaurant. Multiple violations were reported including:
  - Failures in pest control, sanitation, and maintenance
  - Employees were working without food handler cards
  - Restrooms were unclean and not in good condition
  - Mildew was observed in ice machine
  - Food debris was found in the lower compartment of the deep fryer
  - Cooked beef was observed the be held at 118°F
- On the same day, country authorities were informed that another 74 persons (customers) became ill.
- August 26, 2015, the county nurse started contacting patients who became sick to obtain stool samples to identify the agent(s) that caused the illness.
- August 27, 2015, the Chipotle manager reported that a "more stringent" hand-washing policy was being imposed.
- August 28, 2015, the health department picked up food samples from Chipotle to conduct molecular testing to identify specific agent (s) that caused the outbreak.
- August 29, 2015, County Public Health authorities made it official that its lab had five positive results for norovirus. The county began using "exclusion notices" to prevent employees from reporting for work until cleared. One Chipotle employee also worked at the Panda Express in Simi Valley and was excluded from working there as well.

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- All were clear to return to work by Sept. 25, 2015.

In the final inspection associated with the outbreak, September 17, 2015, the managers agreed to not allow employees to store personal items, such as cell phones, in food preparation areas. In late November, more than 140 Boston College students including half of the basketball team contracted norovirus from a local Chipotle. The source was identified as a sick worker who was not sent home despite the fact that the company started offering paid sick leave (a rarity in the restaurants industry) in June.

In December 2015, Chipotle ran print advertisements in 60 newspaper markets with an apology from Steve Eells, the burrito chain's founder and co-chief executive. However, his apology only went to the victims of the current nine-state E. coli O26 outbreak and the Boston College norovirus outbreak.

*"From the beginning, all of our food safety programs have met or exceeded industry standards," Eells said. "But recent incidents, an E. coli outbreak that sickened 52 people and a norovirus outbreak that sickened approximately 140 people at a single Chipotle restaurant in Boston, have shown us that we need to do better, much better."*

## Literature Review

Errors are unintended deviations from plans, goals, or adequate feedback processing as well as an incorrect action that result from lack of knowledge (Zapf et al., 1992). The unintentional nature of the deviation is one way to differentiate errors from violations (which are intentional deviations from standards, norms, practices, or recommendations) (Van Dyck et al., 2005). Errors occur in every organization and can result in negative consequences such as loss of time, faulty products, production and quality losses, increased costs, loss of revenue, decreased employee performance and morale, loss of clients, and foodborne illnesses possibly leading to fatalities (Homsma et al. 2009; Swanson and Hsu 2011). Since errors can potentially lead to negative and even disastrous consequences, most companies attempt to prevent errors by the use of sophisticated technologies, rigid systems, and strict policies that focus on controlling employee behavior (Reason, 1990). However, despite these efforts, human fallibility prevails, making it impossible to eliminate errors completely (Reason, 1997). Although it is difficult to predict what or when specific errors may occur, they do occur once in a while (Van Dyck et al., 2005).

Human errors occur in organizations resulting from physiological and psychological limitations of humans (Helmreich, 2000). Identified causes of errors include exhaustion, fatigue, workload, anxiety, cognitive overload, poor interpersonal communications, imperfect information-processing, and flawed decision-making (Helmreich & Merritt, 1998). Often workplace conditions and the very nature of the work causes errors such as high workload, time pressure, requirement of quick changes between tasks, requirement of learning new things

about task, technology and customers, and requirement of high coordination to accomplish tasks (Zapf et al., 1992; Karatepe, 2012).

Errors can happen anywhere in an organization: external errors involving customers – both front of house (e.g. servers placing wrong orders), back of house (cooks overcooking meat) – and internal errors involving employees, managers, and department (errors in accounts, finance, and HR departments) (Guchait et al., 2015b). Errors may also occur through no fault of an individual/organization, but still the individual/organization may be responsible to resolve the error (e.g., errors by suppliers). Therefore, it is important that organizations not only focus on error *prevention* but also on error *management*. While error prevention aims to avoid negative error consequences by avoiding the error altogether, the error management approach assumes that human errors can never be completely prevented, and therefore it is necessary to ask what can be done after an error has occurred (Frese, 1991; 1995).

Error management is a strategy that focuses on minimizing the negative consequences of errors by early detection and quick error correction, and on preventing similar errors in the future by analyzing the cause of errors and learning from errors (Van Dyck et al., 2013). Open communication about errors is the most important error management practice, allowing for the development of shared understanding about errors, potential error situations, and effective error handling strategies (Guchait et al., 2014; Van Dyck et al., 2005). This methodology also results in quick error detection and makes it possible to receive help from others in these situations. All these factors result in quick, smooth, and well-coordinated error handling (Guchait et al., 2015a).

## Discussion Questions

- What were the errors and violations that occurred in this case?
- What are the causes of these errors? What are the conditions that lead to these errors?
- How could the errors be resolved more effectively?
- How could the errors be detected more quickly?
- How could the errors be prevented (from occurring in the first place)?
- How can the organization learn from this incident? How can they prevent future errors?
- How can organizations encourage employees to report errors (and share information about errors)?
- What kinds of skills do managers and employees need to handle such errors: to prevent, detect, and resolve?
- What kind of training techniques/strategies can be used to prepare managers and employees to handle such errors: to prevent, detect, and resolve?
- Overall, how do you think these extreme negative consequences (illnesses, bad PR, loss of revenues) could have been avoided?