AGE DISCRIMINATION AT TEXAS ROADHOUSE, INC.

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**The Texas Roadhouse Experience**

The You Tube video showed “legendary” line dancer Renee as she circled her hand above her head as she and her coworkers strutted and turned to the strains of “Save a Horse, Ride a Cowboy.” “Now lasso four times as you turn to face the wall…” You Tube viewers wanting to learn the popular line dance were practicing with Renee at home, so they could join the dancing the next time they went to their Texas Roadhouse restaurant.

The Texas Roadhouse website described the chain as family restaurants with “legendary food, legendary service, and legendary good times.” Although specializing in hand-cut steaks, ribs, home-baked bread, and large portions, its appeal was definitely enhanced by the line dances every hour led by the servers and other front of the house “team members”. This boisterous entertainment distinguished the Roadhouse restaurants from their larger competitors like Lone Star and Outback, and made the “Roadies” an essential part of the restaurant’s success. Roadies were expected to be energetic, and to have a “passion for fun”. National line dancing competitions for Roadhouse local dance teams were held annually, with many local teams creating their own dances.

But the attention being paid to the exuberant Roadies was not all positive. In 2007, as job markets tightened across the country, applications for entry-level jobs at restaurants increased from older, unemployed people who might not have considered such low-paying jobs before the downturn. The U.S. Equal Employment Opportunity Commission (EEOC) reported a rise in age-discrimination complaints, and a number of these cases charged the Texas Roadhouse with discriminatingthe hiring practices for front of the house employees. “Front of the house” referred to the servers, bartenders, greeters, and other publicly visible employees in restaurants. These positions were traditionally jobs held by the young. Many of these jobs were part-time and evening jobs requiring little experience and were well-suited to college students or those not yet focused on a career.

**History of the Texas Roadhouse Chain**

W. Kent Taylor founded Texas Roadhouse in Indiana in 1993. After a few tough years, Taylor attracted some additional capital, developed a successful business model that included the line-dancing Roadies, and Texas Roadhouse expanded rapidly. Taylor decided to expand into smaller secondary markets, thus avoiding direct competition with Outback restaurants, a major competitor. Markets were selected that had a high blue-collar population. As one investor told Chain Leader magazine, Roadhouse is “a redneck Outback” (Farkas, 2003). By 2012, the corporation had over 300 restaurants, and had expanded globally with their first restaurant in Dubai.

The décor of the restaurants was Southwestern with native American murals on the walls and buckets of peanuts at every table. In 2002, country singer Willie Nelson became the official spokesman for the chain, and a “Willie’s Corner” selling the singer’s merchandise was in every restaurant. Nelson’s outlaw image became an important part of the Roadhouse aura. In a video commercial, CEO Kent Taylor spoofed the television show Undercover Boss by arriving at a Roadhouse in cowboy hat with long Willie Nelson braids and bandana.

**Trouble with the EEOC**

On October 3rd, 2011, P. David Lopez, General Counsel of the EEOC addressed the media to announce that a nationwide lawsuit had been filed against Texas Roadhouse for “a pattern or practice of age discrimination in hiring hourly, front of the house employees” at the chain’s casual dining restaurants. Mentioning the increase in age discrimination claims filed with the agency since 2007, Lopez explained the legal action. "It's important in this difficult economic climate that we redouble our nation's commitment to the principle of nondiscrimination in the workplace, to ensure that hiring decisions are based on abilities, not age." (EEOC, 2011)

The media were quick to dig into the legal documents. Much was made of the quoted comment by a Roadhouse manager to an applicant that “we’re hiring for greeters, but we need the young, hot ones who are ‘chipper’...” Another manager was quoted as saying “We think you are a little too old to work here…We like younger people.” (EEOC v. Texas Roadhouse, 2011). ABC News followed the lawsuit announcement with a feature about the unemployment woes of the over 40s whose rate of unemployment was twice that of younger employees, and whose length of unemployment was twice the average of younger workers (Mayer, 2011).

In the court papers filed in 2011, the EEOC described some of the cases that had led them to the confrontation with the corporation, as well as the statistic that only 1.9 % of Roadhouse front of the house positions were held by those over 40, the protected age group in the Age Discrimination in Employment Act (ADEA). This low percentage was described as well below the labor market percentage in the local communities, and also below the industry averages for the age group.

The EEOC alleged that the corporate office directly instructed managers to hire youth. In a Power Point presentation used to train managers to hire, the first slide said “Step One: Know what a front of house employee looks like”. The second slide showed a group of shouting young people. All images in the Employee and Training manuals were of young people.

**The Roadhouse Response**

Texas Roadhouse Director of Public Relations Travis Doster issued a statement: "Texas Roadhouse is an equal opportunity employer. We deny the allegations and will defend against these claims in court." (Farnham, 2011) The Roadhouse has steadfastly resisted conceding any discrimination. After conciliation efforts with the Roadhouse failed, the EEOC filed the discrimination suit itself. Such suits charging organizations with “systemic discrimination” were instituted by the EEOC in 2006, and labeled a top priority of the agency. Systemic cases (class action) were defined as “pattern or practice, policy and/or class cases where the alleged discrimination has a broad impact on an industry, profession, company, or geographic location” (EEOC, 2011). To make a systemic case there must be evidence, usually statistical, that demonstrates that discrimination was the employer’s standard operating procedure. To defend against the charge, the employer must offer evidence that age is a bona fide occupational qualification for the job that is reasonably necessary to the normal operation of the particular business, or where the differentiation is based on reasonable factors other than age.

**Unresolved Issues**

Is Texas Roadhouse guilty of illegal age discrimination? Is the EEOC using the popular Roadhouse unfairly to make a point about age discrimination? Are the young, energetic Roadies an essential element of a unique business model? Or is Willie Nelson the only “oldie” allowed in the front of the Roadhouse restaurant?

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