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Cracker Barrel vice president for human resources William Bridges had left the company. Cracker Barrel declined comment on the reasons for his departure.

By 1996, Cracker Barrel annual net sales reached a billion dollars. The company still had not issued a complete retraction of its employment policy, and those employees fired were never offered their old jobs back. In contrast, for a year's work, chairman Dan Evins pulled in over a million dollars in salary, bonus, awards, and stock options; president Ronald Magruder, over 4 million.

As of Cracker Barrel's fiscal year-end, July 30, 1999, a total of 11 states and the District of Columbia offered protections for lesbians and gays on the job, both in the public and private sectors. With a total of 396 restaurants and 58 Logan's Roadhouse affiliates in 36 states, Cracker Barrel now operated in six of those states with protections: California, Connecticut, Massachusetts, Minnesota, New Jersey, and Wisconsin. (The other states with antidiscrimination statutes are Hawaii, Nevada, New Hampshire, Rhode Island, and Vermont.) Moreover, plans for expansion seemed destined to take the company into areas even less receptive to employment discrimination. As one business editor had correctly predicted, "Cracker Barrel isn't going to be in the South and Midwest forever. Eventually they will have to face the issue—like it or not."

The Proposal: Federal Legislation

In 39 states it is perfectly legal to fire workers because they are gay—or straight. For example, a Florida bar owner recently decided to target a lesbian and gay clientele and so fired the entire heterosexual staff. Queer activists boycotted, and the bar eventually was forced out of business. Still, for the vast majority of Americans, employment discrimination based on sexual orientation remains a constant threat.

The vast majority of Americans, 80 percent, tell pollsters that lesbians and gays should have equal rights in terms of job opportunities. In every region including the South, among both Democrats and Republicans, solid majorities support federal legislation to remedy the situation. Nonetheless, despite several close votes in Congress, the Employment Non-Discrimination Act, or ENDA, has yet to be passed into law.

Although there are no federal laws to prevent discrimination based on sexual orientation, protections do exist for workers on the basis of religion, gender, national origin, age, disability, and race. Citing these civil rights statutes, the NAACP is supporting a group of employees and former employees in a class-action lawsuit against Cracker Barrel. The suit alleges that the company repeatedly discriminated against African-Americans in hiring, promotions, and firing practices. Further, African-American workers are said to have received less pay, to have been given inferior terms and conditions of employment, and to have been subjected to racial epithets and racist jokes, including one told by Dan Evins.

Discussion Questions

1. How could Cracker Barrel's policy statement have been well intentioned?
2. What benefits did Cracker Barrel achieve by ridding itself of lesbian and gay employees? What were the disadvantages?
3. How should the perceived values of a customer base affect companies' personnel policies? In a large national corporation, should personnel policies be uniform across all operating units or should they be tailored by region according to local mores?