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# How to staff up during a historic labor crisis



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## The new normal

When the first stay-at-home orders were issued at the start of the pandemic, restaurants across the country were forced to furlough or lay off millions of people overnight. Today, they're under pressure to rehire or recruit new staff at warp speed. "In over 40 years of restaurant management experience, today's time is unlike any other," says Mike J. Shine, owner of Frank's Americana Revival in Houston, Texas. "The availability of employees is just nonexistent."

"Hiring used to be seasonal and predictable. But this year, since February, we've seen consistent, aggressive growth in the number of listings for restaurant jobs of all types," says Alice Cheng, founder and CEO of Culinary Agents, a professional networking and job matching website.

The current labor shortage is just the latest in a marathon of tough challenges. During the height of the pandemic, restaurateurs moved mountains to take care of their people.

Many increased pay, provided mental health resources, and ran fundraisers to help furloughed staff. The pivots have been endless with restaurants becoming grocery stores, wine shops, meal-kit services, takeout specialists, and more.

The impact of these experiences will likely be lasting. The culture of restaurant work was reconsidered amid the protests and racial reckoning that happened parallel to the COVID-19 crisis. Issues of diversity and inclusion took on new urgency and so did the need for a better work-life balance. Some owners instituted service fees to make staff less vulnerable to fluctuating tips. Others offered more benefits or prioritized the health of their teams in new ways.

This moment, as diners return full force, presents an opportunity to make meaningful changes based on the hard-won lessons of this crisis. It's a chance to refresh or reinvent your business, set new goals, and step into a brighter future at last. And it starts with your new hires.

## Taking stock

Many restaurateurs are experiencing a sense of whiplash. A year ago, it was all about survival. More than 100,000 eating or drinking places temporarily or permanently closed their doors, according to the National Restaurant Association. The industry lost \$240 billion in revenue in 2020. But today, as many parts of the country have fully reopened, a very different problem has emerged: Restaurants are suddenly so busy that most need to hire many more people—and fast.

"Staffing is going horribly," says Carlos Rodriguez, owner of Gonza Tacos y Tequila in the Raleigh-Durham area. And his bleak assessment is echoed across the industry. There's no simple answer to when it will get better, but reflecting on the context of this crisis and the opportunities it presents can be helpful in moving forward.



#### Where we are

To understand what's happening, it's important to take a step back and look at the bigger picture. During the past 15 months, the labor landscape has changed, perhaps permanently. Many people who worked in restaurants were forced to find new ways to earn a living, and not all of them want to come back. Some sought training to work in tech fields; others gravitated to delivering groceries or driving for rideshare apps. Food service employee interest in the sector has declined 15% from the pre-COVID era, according to a new industry report from Indeed, a leading employment website.

And then there's the money problem:
Many restaurant jobs pay less than what
people can currently collect with
unemployment benefits, thanks to the
\$300 per week supplement from the
American Rescue Plan (which has already
expired in some states and expires in
many others in September 2021). But the
underlying issue is low wages.

Median annual compensation for many restaurant positions falls well below the Labor Department's reported median hourly wage of \$20.17 or \$41,912 per year. This is one reason restaurant employees have sought out other lines of work during this time.

Ultimately, Cheng thinks most people want to get back to work. "Restaurant employees are some of the hardest working people there are. I believe that if they're on unemployment, it might just be to buy them time to evaluate their options," she says.



Pre-pandemic, food service employees clicked on a food service job posting listed on Indeed 3.16 times more than they clicked on an average posting. As of May 28, 2021, that figure dropped to 2.68, according to Indeed data. This translates to a labor pool that is 15% less interested in landing a restaurant job than they were in February 2020.



High turnover is another problem, though it certainly isn't a new one. According to research based on data from 150,000 restaurant employees by 7Shifts, an employee-scheduling software provider for these businesses, the average tenure of a restaurant employee is one month and 26 days. And it's costly to replace an employee. According to a report from the Center for American Progress, the median cost to replace an employee is about one-fifth of their annual salary. That's why it's important to find the good fits that will stick around when you hire.

Certainly, this moment represents an unprecedented set of challenges when it comes to staffing your restaurant to meet the surge in demand. But ultimately, this is a better problem than the hardships of the recent past, and it points to a full recovery for the industry.

#### The restaurant team of the future

Even before the pandemic, there was a culture shift afoot in the restaurant industry. Famous chefs and restaurateurs began facing serious consequences for sexual harassment and verbal abuse. There's a growing awareness that diversity and inclusion matter at all levels. The income inequality between the front and back of house is a flashpoint.

Set against the backdrop of a global health crisis, the issue of health benefits or lack thereof was thrown into sharp relief. And if there was any doubt about the need for access to mental health and substance use disorder resources, the pandemic swiftly removed it.

All of this has influenced how owners and managers think about staffing today.

The pandemic forced many to pivot to different service models, and it turns out some of them are here to stay. This, too, impacts staffing. At Drake restaurant in Bend, owner Ted Swigert needed to add two people per shift to handle takeout business. The rise of takeout, delivery, and curbside pickup have all placed new demands on cooks, servers, hosts, and managers alike. If these trends continue as dining rooms reopen, and there is every indication they will, it will heighten the need for a nimble, cross-trained team that can perform a wider variety of tasks.



## The argument for a diverse and inclusive workforce

Diversity and inclusion drive success.

According to John Gerzema, social theorist and best-selling author, the command-and-control model of leadership is on its last legs, yielding to an approach based on connection, openness, empathy, kindness, and inclusion in the workplace. "Diversity and inclusion are oftentimes seen as soft, tangential to the business," Gerzema says. "These are actually value-creators. They are the drivers of the profits and the innovation and the success of the company."



## Staffing up



A typical job posting for line cooks used to advertise one or two open positions, according to Cheng. "Today, these same postings are looking for nine line cooks," she notes. "And it's not just cooks—many restaurants, especially ones that are reopening or opening for indoor dining for the first time in a year, need to hire multiple people for almost every position."

In the past, you may have never considered an applicant without restaurant experience. Rethinking how you evaluate applications helps you find people you might otherwise overlook. "We've broken our hiring template," says Swigert. "We're looking for people that we can develop, regardless of what kind of experience they have or don't have." He's always been open to training brand-new servers and bartenders, but now he's even hiring managers without restaurant experience. "I look for something on their resume that shows they can take on tough challenges," he says. That something could be running a marathon, volunteer work, or promotions in past jobs.

As you begin hiring, it's important to come to grips with the fact that the COVID-19 crisis and the racial reckonings of 2020 have altered many aspects of the business. Restaurants are breaking new ground in terms of the compensation, bonuses, and benefits they're offering to attract the talent they need to stay competitive. At the outset of staffing up, how you approach wages is the first thing you'll need to figure out.

#### Fluctuating wages

When it comes to wages, things are evolving, says Cheng. "There are businesses offering higher wages now because they're in dire need. It's the only lever they can pull." Swigert has increased wages for cooks from \$18 an hour pre-pandemic to \$20 to \$25 today. "Everyone who works for us just got a raise. I've lost 3% of my bottom line, but what am I going to do?" he says.

Rodriguez thinks many restaurants increasing wages right now are taking a big risk. "In most cases, this isn't sustainable.

Right now, there's PPE and other relief funds making it possible, but what happens when that runs out?" he asks. "We're debating whether it makes sense to try to match these unreasonable, unsustainable wages." For Shine in Houston, that answer is a firm no. And he's lost cooks to other restaurants that pay more. "I won't match the rates, but we are raising compensation for the current team," he says.

Cheng points out that after a year of investing in costly projects like expanded outdoor dining and enhanced ventilation systems, many restaurants simply can't afford to increase wages no matter how dire their need for employees is.

Whether you're in a position to increase wages or not, the staffing process still includes the usual steps, from determining your needs and hiring strategy to writing job posts and descriptions, as well as interviewing candidates. Here are tips to get started:

#### 1. Determine your needs

Before you can identify the best candidates for your team, you first need to figure out what you're looking for. Identify the soft skills that reflect your brand and then determine what skills are needed to perform the role, particularly if it's a new hybrid role born of the pandemic, such as a server who also coordinates the shift's takeout system.

#### 2. Source candidates from many places

On average, job seekers look for their next opportunity on up to 16 different sources, including career websites, job boards, and social networks. The key is to be everywhere potential candidates are looking. Trial and error will tell you over time which sources yield the best results for specific roles.

Social media platforms deserve a prominent slot in your hiring strategy because of their low cost and high visibility among all age groups. "We post videos that show you can make money, learn, and have fun at the same time at our restaurant," says Rodriguez. But keep in mind that you have to actively manage these postings. Responding quickly to comments and questions will provide a better experience for candidates and demonstrate that they can expect good communication from you should they decide to apply. And don't overlook company review sites including Glassdoor and Indeed Company Pages also as places to manage your employer brand.

#### 3. Create a consistent message

Once you've identified the candidate sourcing channels you'll use, be sure to create a clear and consistent employer brand message across all channels. This is the best foundation to ensure that candidates that are the best match will apply while others will screen themselves out—and to set yourself apart from competitors.

#### 4. Understand the legal issues involved

It's important to make sure that your job postings, reference checks, and job offers meet current laws. To protect your business, double-check your questions and legal requirements.

## Three steps to create an employee referral program

Asking employees to help spread the word about job opportunities with your restaurant is a classic strategy. Often, it's a winning one, according to Cheng. "More places than ever are creating referral programs right now," she notes. Shine offers current employees a \$500 bonus for bringing in a new employee.

But be aware that these initiatives can be in conflict with your diversity and inclusion goals. Employees are likely to bring you candidates who are much like themselves. Indeed advises employers to shift their hiring priorities away from "culture fit" toward "culture add." What's the difference? People who are an obvious culture fit typically conform to the kind of employees you already have. Those who bring a "culture add" offer valuable fresh ideas and perspectives. These candidates are often from different gender, racial, or cultural groups than the rest of your team. Take a two-pronged approach by simultaneously working to get the word out to a diverse pool of potential applications.

You can work with a firm like Culinary Agents, whose tech tools automatically reach beyond your existing networks. "We actively work with various organizations in different cities to ensure the most diverse audience possible sees your job postings," says Cheng. Or, in addition to your referral program, put in the legwork to connect with the appropriate groups and organizations in your area.



Here are some ways to get the most out of your referral program:

#### Tier financial rewards

Monetary rewards can be effective in recruiting talent, particularly during a major hiring crunch. Consider a tiered financial reward system, with the first reward paid when the referral is hired, and additional rewards paid on anniversary dates of continued employment.

#### Include other incentives

If you have budget restraints, consider offering non-monetary incentives, such as a complimentary meal or a night off.

#### Deliver what you promised

Make sure the referral program you develop is consistent and can be tracked so you are proactive in delivering the rewards you promised. If you update the program, be sure all changes are promptly communicated to your team.

#### Work your networks

Sometimes it's easy to neglect the most obvious strategies to connect with new talent. Even amid a labor shortage, you should still reach out to friends and colleagues, past and present. Don't overlook these measures:

Ask for referrals from peers

Tap into your industry network and ask peers to recommend strong candidates who applied for positions but were not the right fit. Make sure this is a two-way street, and establish a communication process to refer qualified candidates to each other. Extend your outreach to as many industry friends as possible, even those who are outside your geographic market.

#### Stay in touch with past employees

If you've had a great employee leave on good terms, it's worth it to reach out to them. You never know if they might want to come back. Regardless of the industry, people have reassessed their lives and priorities as a result of the pandemic.

Careers are in flux. Not every great employee who has left went on to a full-time job. They may be receptive to a job offer, especially if they are feeling overwhelmed or indecisive about what to do next.



## Try tapping non-traditional talent pools

Veterans, seniors, and "second-chancers" are rich labor pools many restaurateurs overlook. While they may lack a background in hospitality, many have skills from other professions that transfer to restaurant work, including customer service, team building and management, problem-solving, sales, negotiation, and purchasing. Here are a few groups worthy of consideration.

#### **Veterans**

More than 200,000 military members exit the armed forces every year and many look for civilian jobs. Consider marketing directly to them through resources that pair veterans with new careers. Websites including RecruitMilitary and VetFran allow restaurants to post job openings and search for veteran candidates. Through its Educational Foundation, the National Restaurant Association provides several programs to promote hospitality and restaurant career opportunities for veterans and their spouses. HIREVets.gov, operated by the Department of Labor, is a government program that helps businesses hire veterans.

#### **Seniors**

Many U.S. seniors continue working at least part-time beyond retirement age, which creates another talent pool for the restaurant industry to tap. Some older adults enjoy the flexibility of restaurant work, and restaurant owners appreciate the reliability and good people skills they often bring to the table. Demographics are also shifting toward a steady increase in older employees, according to the Department of Labor. The labor force participation rate, which includes people working or actively looking for work, is expected to increase fastest for the oldest segments of the population through 2024, most notably, people ages 65 to 74 and 75 and older.



By 2024, the Department of Labor projects that the U.S. workforce will stand at about 164 million people. Of that number, about 41 million people will be 55 and older, including 13 million who are 65 and older.

#### Second chancers: The social enterprise movement

Looking beyond traditional candidate pools for restaurant talent is the focus of a pioneering social enterprise movement spearheaded by nonprofits to train people who are living on the fringes, including those formerly incarcerated or homeless, people in recovery from substance use disorders, youth transitioning out of foster care, and others struggling to find jobs.

A willingness to teach on the job is a hallmark of the restaurant business and one that makes it an ideal industry for second-chancers. "We are always willing to train people who have a desire to learn," says Tony Maws, executive chef of Craigie on Main and the Kirkland Tap & Trotter in Boston, who has hired staff through Boston-area charities such as Community Servings and the Salvation Army. "We need to look differently at the labor pool and recruit non-traditionally."

"You should not overlook a community that is striving to change their lives through food when looking to address the staffing crisis," says chef D. Brandon Walker, who has been the head instructor of the Saint Joseph's Culinary Training Program in Los Angeles since 2006.

#### Job posts and descriptions

Writing job descriptions can feel like a job unto itself, but getting these right is essential for your hiring success. The time you spend creating an excellent post can pay off in more applicants that are a good match for your restaurant. According to Indeed, "successful job listings are accurate, original and up-to-date." (And Indeed has plenty of resources to make the task as painless as possible, including this handy job description template.)

OpenTable and Indeed combined our company's hiring know-how to bring you the following crash course on writing job descriptions that get results.



#### Tips on getting started

Wherever you post a job opportunity, keep in mind that the post itself is usually the first chance to make an impression on a potential candidate. Here are a few general pointers to keep in mind:

#### Nail the job title

This starts with a strong title. "Ask yourself if someone would include it on their business card. If not, refine your job titles as needed," advise the experts at Indeed They point out that "Social Media Manager" or "Front Desk Receptionist" work well while titles like "Warehouse Worker HIRING IMMEDIATELY" or "Mechanic \$12/hour" aren't as good. And keep those job titles gender-neutral (server instead of waitress, busser instead of busboy).

#### Maximize readability

Blame social media or smartphones, but the reality is job seekers will skip a post if it's too long, too hard to read, or impossible to quickly scan. To make your post highly readable, follow these best practices recommended by Indeed:

- Avoid big blocks of text—break it up into smaller 3 to 4 sentence paragraphs
- Use lists (bullet points) to make info easy to scan
- Add sections (qualifications, benefits, etc.) for scannability

#### Target your ideal employee

Write job descriptions as if you are describing the ideal employee, including the personal qualities and skills you want them to bring to the job. Details help the post resonate with candidates who are a good match.

#### Be specific

Avoid using boiler-plate language and terms like ninja and guru. For job descriptions, describe what a successful day in this role looks like. Include any must-haves for the role, including scheduling requirements. Indeed analyzed job seeker responses and found they are more likely to respond to a posting that includes all of the following:

- A clear job title
- · Day-to-day responsibilities
- Qualifications (degrees, certificates, software knowledge, etc.)
- Exact location including street address
- Job type (full-time, part-time, etc.)
- Pay range (hourly or salary)
- Benefits (health, dental, etc.)

#### Describe your work environment

Job descriptions should be vivid enough to help the candidates picture themselves on the job and give them a sense of whether or not it's a good fit.

#### Say what you pay

According to Indeed data, employers who include a pay range in their job descriptions get up to twice as many applications as those that don't. Indeed also found that pay is the very first thing a candidate looks for in a post.

This makes sense. It doesn't benefit you or a potential employee to meet if you're not on the same page about compensation. Save time by stating the facts right upfront. If you're listing your job on Indeed, use the salary recommendation tool to find out what the market rates are in your area.

#### Length matters

A generally accepted word count for job descriptions is between 700 and 1,100 words. It's not a hard and fast rule, but descriptions above or below that range may result in fewer applications.

And remember, once you've posted that job description that sings, you aren't finished yet. Indeed data shows that 66% of applications receive a response from an employer within one week or less. Responding within a day or two may help you snap up the best candidates before someone else does.



#### Effective interviewing is vital

Meeting face to face with someone you are hoping to make part of your team is a big moment. In this kind of labor shortage, when good employees are likely to have their pick of opportunities, the interview is an opportunity to show off why your restaurant is a great place to work. You'll also want to stay alert for those hidden gems in the talent pool. Don't rely on first impressions or gut reactions.

### Top tips for conducting interviews

Here are some things to help you make an informed decision:

#### Give candidates information they need

When inviting a candidate in for an interview, try to anticipate and answer any logistical questions in your communication.

For example, you can help them arrive on time by providing detailed traffic information or suggesting an alternate route. Will the candidate need an ID to enter the building? Let them know. (For more expert tips on what to do before the interview, read Indeed's article, A Game Plan for Interviewing.)

#### Develop core interview questions

Figure out the most important qualities and experience you want in a candidate, then pose questions that will allow them to demonstrate each one.

#### Ask open-ended questions

You'll learn more about the candidate's qualities and skills if you let them talk. Avoid yes/no questions as much as possible, and don't be afraid of silence.

#### Keep it real

Ask them to tell you about real challenges and wins, rather than hypotheticals. You'll get a more realistic idea of how they handle themselves.

#### Prepare yourself for the interview

Never forget that candidates are also evaluating you. Put your best foot forward by showing up on time and customizing questions to their resume.

#### Make it a two-way exchange

Give candidates the space and time to ask questions of their own. Sometimes you can learn as much about a person, if not more, from what they ask you.

#### Make sure they've dined with you

If Ted Swigert learns a candidate has never eaten at his restaurant, he stops the interview and invites them to have dinner on the house and return after. "In our dining room, you see teamwork in action and that people enjoy their work. We want people who understand what we do and then pick us," he says.

#### **Check references**

Ask every candidate you're seriously considering to provide three professional references. Let them know upfront that you'll need to hear back from at least two to move forward with the hiring process.

## Keeping them around

It may not feel like it now, but the time will come when you are fully staffed up. It's not too soon to think about how to retain your future dream team in an industry beset with high turnover.

Emerging from the pandemic, there are new considerations when it comes to holding on to employees. Health and safety are top of mind for many people, and some restaurants are responding to this concern by requiring staff to be vaccinated. Applications at Chicago restaurant group Fifty/50 tripled after a vaccine requirement for work was announced, according to The Counter.

Many people feel more comfortable knowing those they're working in close quarters with have gotten shots. And across the board, restaurant professionals are advocating for higher wages and benefits. They want greater flexibility and an increased focus on work-life balance.



#### Pointers on how to hold on to staff

Here are some ideas to help you retain the people you want:

#### Offer opportunity

Early this year, Culinary Agents surveyed employees in anticipation of the hiring spike, and they are looking for career opportunities, says Cheng, who notes for many it's even more important than money. "We weren't seeing this before the pandemic. They will take a job that pays less if they believe they will have opportunities to advance."

#### Create a caring environment

While not as tangible as a paycheck, a culture of respect, appreciation, and trust can boost employee retention.

When talking to applicants, Shine describes his restaurant's warm, supportive culture. "You're an extension of our family if you come to work here. That has meaning to people," he says.

"Restaurant work is a really hard job, and if you aren't being treated well in one environment there are a million other restaurants you can go work in," says Beatrice Stein, hospitality consultant in New York City. "You have to listen to people's complaints and help them with their schedules and be a good employer."

#### Provide perks and rewards

Benefits and incentives show your team members you value them. While medical coverage, tuition reimbursement, and vacation are standard draws for restaurant groups that can offer them, smaller perks can fit in most budgets. Complimentary coffee, sandwiches, and meals are common little extras employees appreciate. Swigert is considering a matching 401K program. At Shine's Frank's Americana Revival, employees often take food home to their families.

For more insights on retaining talent, check out these articles:

Perking Up: Restaurants Offer
Primo Employee Perks to Reward
+ Retain Staff

How Much Does Employee Turnover Really Cost?

#### Community involvement and impact

Every restaurateur's community involvement is a little different. Some have donation programs; others give team members opportunities to volunteer and give back. Rodriguez says staff at Gonza Tacos y Tequila volunteer as a group for Habitat for Humanity. "We take our staff on monthly journeys to build houses and do events that raise money for Habitat for Humanity."

Some restaurants regularly give money to charities. Great American Restaurants donates a percentage of its sales to a number of local charities. Since 2002, the group has donated more than \$1.9 million.

Which Wich, a 350-location chain, created a "Spread the Love" initiative that donates two sandwiches to people in need for every sandwich purchased. Donations are sent to local organizations and areas in need worldwide after emergencies such as natural disasters. Chef Jose Andres' World Central Kitchen also responds to disasters with hunger relief. During the pandemic, its #ChefsForAmerica program donated 36 million meals in 400 cities.

Martha Hoover created The Patachou
Foundation in 2013 to feed wholesome
meals to food-insecure school children.
Her multi-location restaurant Public
Greens is integral to the Foundation's
work, which is also supported by individual
donors, granting organizations and
corporate sponsors, and volunteers.

Whatever way you choose to make a positive impact in your community, getting employees on board with a feel-good mission can help keep them around.

In the best of times, staffing up a restaurant requires skill, luck, patience, and determination. In these times, you need all of that and then a little more. Remember, this is an opportunity to build (or rebuild) your dream team and set the tone for the future of your business. Refer back to this resource often to stay on track with best practices and industry insights as you turn the page on your restaurant's next chapter.

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