

GUIDE TO

Hiring and Retaining Restaurant Staff



Staffing issues have always been ongoing in the restaurant industry because of the transient nature of restaurant jobs in general. However, the current hiring crisis makes the attraction and retention of employees a top priority among all restaurant businesses, from single units to national brands.

The pandemic prompted many employees to seek jobs outside of the restaurant industry. Some restaurant workers quit due to inconsistent hours and paychecks, while others were looking for a new career with benefits. Whatever the cause, restaurant operators are left with the effects—dealing with the restaurant staffing shortage head on.

We understand that hiring and retaining star restaurant employees has never been so tough, but with some planning, persistence, and patience it can be done. Here are some key strategies to support your long-term hiring and retention goals.

Job Postings

The first step in any hiring process is the job posting. Are your job postings reaching and attracting the right candidates? Are they optimized for job boards? If you are not sure of the answers to these questions, follow these tips.

Optimize your job postings for hiring restaurant staff

Start with some simple research by accessing Indeed to look up server jobs in your city. If you're in Austin, Texas, for example, there are more than 500 jobs for servers on any given day. That means if an applicant spends two minutes reading each one of these job ads it is going to take 16 hours to read all 500 postings.

Due to sheer quantity, it's easy for a candidate to miss your post. To stand out, every aspect of your job posting must be optimized on a regular basis. Follow these steps to optimize your job postings.

Use common job titles

Modern job boards are driven by algorithms to make the connection between the applicant and the employer, so it is best to use clear concise language that a web crawler can understand.

Avoid job titles like "pizza artist" when you mean line cook or prep cook or "mixologist" when you need a bartender. While your passion may prompt you to use these more descriptive titles, you're limiting the number of applicants who see your job posting.

To appear in the first few pages of a search, stick with common titles that applicants use in their job searches. Also, avoid hyphenated or complicated titles, e.g., busser/bar back. Ensure that you use a singular title and one that is the most common.



Use wage ranges

When hiring restaurant staff, you must include wage ranges in your job postings. Let's say you know the pay range for a line cook at restaurant is \$15 to \$17 per hour, but instead you include no pay information in the job posting. Applicants need to know if the job will cover their financial needs. You're limiting the number of applicants if you fail to include wage range.

For tipped employees, many operators state an hourly rate "plus tips." Again, this does not give applicants a good estimate of their weekly pay. Use the average tips that your tipped employees make and include that range in the job post. If the average tips range from \$100 to \$200, add that amount to the daily pay and include the total low and high range in the job posting.

Recruit with your first two paragraphs

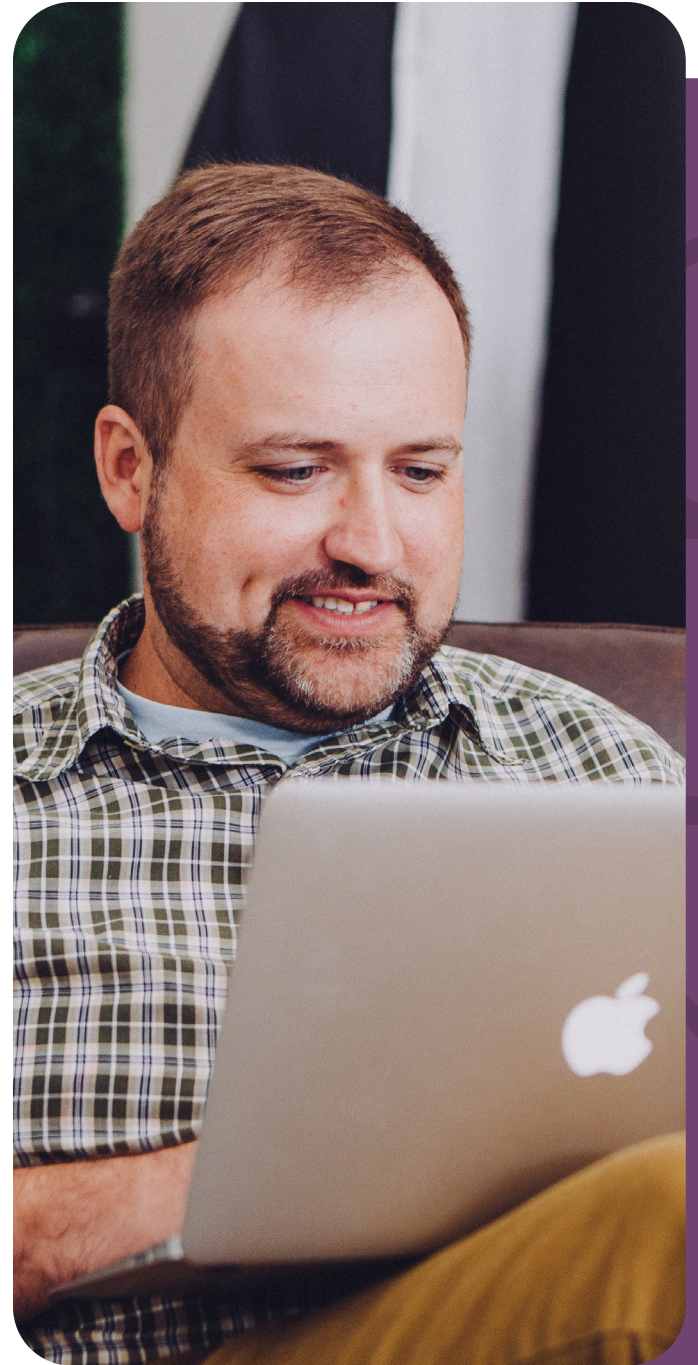
In an employees' market, applicants need to be persuaded to choose your job offering over many similar postings. Use your first two paragraphs to make applicants want to work for you instead of your competitors.

To quickly capture potential candidates, answer the question "what's in it for them?" at the beginning of your posting. Be sure to advertise any highly sought-after benefits such as same day pay, tuition reimbursement, and flexible schedules so that your post captures more attention.

Don't include a job description

When hiring staff, the common practice is to include a job description. Try doing the opposite. This suggestion might raise some eyebrows, but remember, it's an employees' market. You want to attract applicants with your job postings.

Servers know what the job entails, so you don't need to waste space describing their duties. Instead, use that valuable space to entice them in the door. The in-person interview is the place to tell applicants about your expectations. In that context, you can deliver your expectations with passion for excellent service.





Be creative in where you post your jobs

Hiring restaurant staff requires creativity in today's competitive market. Of course, you still want to post on Indeed, ZipRecruiter, and other popular restaurant job boards to reach greater numbers, but also think about places where your applicant audience is.

Social channels

Social channels are extremely effective in a marketing sense, both for your company and for hiring. If you have a great identity and culture that is expressed through your social channels, make sure that you deliver job ads that are consistent with that identity.

High schools and universities

High schools and universities are ideal hunting grounds for applicants but are among the least utilized by restaurant groups. Make connections with career counselors and post job openings at the high schools, community colleges, and universities in your area. These institutions typically have job boards that are free. They are very useful for procuring a particular type of employee.

College food courts usually have a physical job posting board as well. These boards can be key to attracting applicants because they are placed in areas that potential prospects already gather and may decrease your competition for these applicants. Be sure to mention perks that are popular to these applicants such as a sign-on bonus, flexible schedules, and same day pay.

Diversity-focused job boards

Research local job boards that focus on diversity. In Texas, for example, some of the best restaurant professionals speak Spanish well, and sometimes speak only Spanish. To reach these professionals, post to Spanish-language websites. Learn which sites are most popular in your

area and advertise your job postings in them, ensuring you get your postings translated to Spanish.

If Spanish is a language spoken in your geographic area, consider posting to Indeed and other mainstream job boards in both English and Spanish. Again, be creative. Where you promote open positions can help you expand your audience. In addition, build relationships with local community organizations that serve groups typically underserved with job opportunities.

Your restaurant

Don't forget to promote job postings at your restaurant locations. Place a career page QR code on your tables next to your menu QR code. For QSR, add a physical jobs board promoting your openings using a QR code. Some restaurants are even promoting job openings with QR codes in the restrooms and on customer receipts.

Hiring Process

According to the National Restaurant Association, despite the steady gains in recent months, eating and drinking places remained below their February 2020 pre-pandemic employment peak. Even with the uptick in hiring since the beginning of the year, the restaurant staffing crisis remains a major challenge for the industry.

If you're among the operators perplexed by how to hire staff for a restaurant during a restaurant staff shortage, one solution may be to develop a hiring process. It makes sense when almost every other aspect of your restaurant business is process driven. Yet many restaurant operators do not have a formal process for hiring employees.

Apply restaurant industry processes to hiring restaurant staff

The restaurant industry is a process-driven industry. If you were to go into a successful restaurant and ask them about their top-selling menu item, it's





going to be broken down to a science.

Ask those same successful restaurant groups about their hiring process, and many won't have a definitive answer regarding how many in-person interviews they conduct before hiring or if they do background checks. And even if they do have a process, they readily admit that their store-level managers may not be executing it.

Restaurants that are extremely process driven when it comes to preparing menu items and creating the perfect guest experience may not be getting such high grades in attracting potential employees. There is a real gap in terms of taking the process that fuels everything else in the business and applying it to hiring.

Develop a hiring structure and process

Having a hiring process in place that all hiring managers must follow is imperative, especially during a hiring crisis. In the restaurant industry, steps for hiring employees might include the following, but it's up to your restaurant group to put a structure in place.

See how you would answer the questions about these steps in the hiring process.

- **Review:** Will only the hiring manager review applications or will you have a hiring team review them?
- **Assessments:** Will you require assessments, and if so, what questions are important to your restaurant group to filter for the best candidates?
- **Phone screen:** Will you require a phone screen before the in-person interview? Will the hiring manager conduct the phone screen, or will this responsibility be held by an HR team member or someone else?
- **In-person interview:** Do your interview questions help determine if the applicant is a good culture fit? Have you set up assessments and phone screens in advance to minimize no shows?

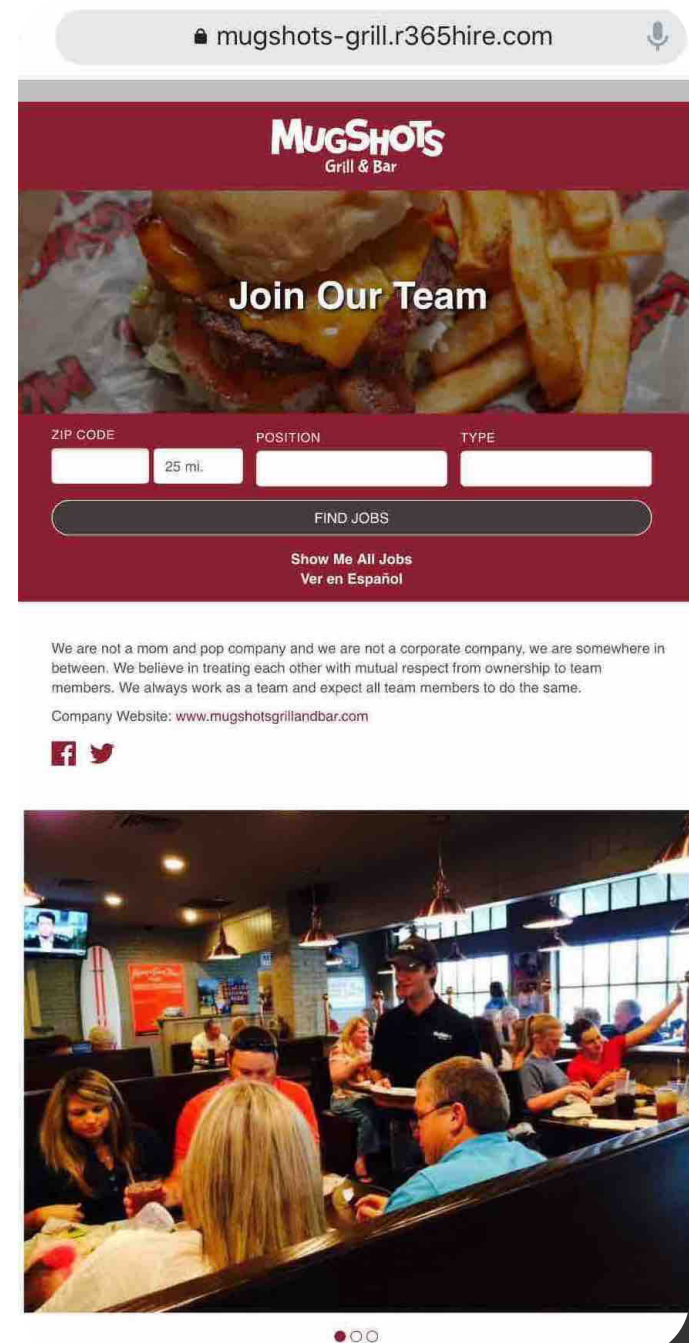
- **References:** How many references do you require? Must references be from former employers? What references will you require for applicants who are seeking their first jobs?
- **Offer:** Does your offer letter include everything it needs to be effective, including job title, name, and title of supervisor, start date, full-time or part-time employment, duties, pay rate, the potential for tips or other compensation, company policies, benefits if any, contingencies (e.g., contingent on clearing a background check), etc.?
- **Background check:** Will you require a background check, and if so, for all positions or selected positions?
- **Hire:** What steps do you take to make the new hire official?
- **Onboard:** Does your onboarding process have retention in mind? Will the onboarding process make your new employee feel like a valued member of the team?


Create a professional career page

While it is important to list openings on Indeed and ZipRecruiter, after reviewing the analytics most operators will find 30% to 50% of their applicants are coming from the restaurant group's own career pages. If you don't have a career page, now is the time to create one and promote it.

Besides the highly competitive nature of the mainstream job boards, your own career page provides the best source for applicants who already buy into your concept and culture. If you run a dive bar, you've got regulars that love what you do. One of those regulars could be your perfect bartender because they already love your concept. So, if a customer needs a job, he or she knows where to go. One way to do that is with QR codes set on the tables that hyperlink to your career page.

Your goal is to get that career page in front of as many people as possible. Be sure you refer to your page as "careers" page rather than using the term "jobs." Research from the National Restaurant Association shows that eight in 10 restaurant owners started their industry careers in entry-level positions and nine in 10 restaurant managers started in entry-level positions. Promote





your jobs as the potential to a career to start changing the perception among applicants that restaurants only provide temporary jobs.

Use pre-screen questions and assessments when hiring restaurant staff

While you want to attract as many applicants as possible to increase the chances that you'll find the right candidates among the pool, it's important to weed out the candidates that are not a fit for your restaurant. You can do that with prescreen questions and assessments.

Using assessments and prescreening questions that you can send them via e-mail through an **applicant tracking system** (ATS), allows you to find quality candidates who are better aligned with your restaurant's culture.

If applicants are truly interested in working at your restaurant, then it's not too much to ask to have them fill out a 10-minute assessment. This barrier for entry is important because you're also measuring the candidate's engagement and interest so you can save valuable time by not interviewing those who are obviously not a good fit for your business.

Use an applicant tracking system (ATS) for hiring restaurant staff

One of the challenges in hiring is the panic to quickly fill an open position. If the process isn't defined, you can't create efficiency. An ATS digitally breaks down the expectations set by your restaurant group's administrator. An ATS is able to collect candidate data, automatically track applicant progress, and share information securely across your organization.

If your company's administrator thinks it's best to have two interviews and a background check for salaried managers, that structure can be built into the ATS. The right ATS will ensure that hiring managers follow the process.

If you **choose the right system**, an ATS can also save between 60% to 80% in job-posting costs vs. the cost of posting individual ads. When operators move to an ATS compared to posting individual ads, it can make a huge difference in cost.

Applicant tracking systems not only guide the hiring process, but they can be invaluable for onboarding as well. Once you've identified the right candidate to hire, the next step in your candidate's journey should include an effective and engaging onboarding process.

During this stage utilize a system that promotes transparency into your restaurant's policies and procedures, allowing your staff to have clear expectations about their roles and how they're expected to communicate within your organization. Cultivating a library of tools for your new hires such as company handbooks, checklists, and training manuals within your ATS can help your staff start off on the right foot and save on printing time for your managers.

Maintaining your restaurant group's compliance with accurate labor documentation is also crucial. Compliance is an important factor to consider when onboarding your staff. Having a system in place to properly organize and access your restaurant's documentation is necessary when creating a streamlined onboarding process.

Additionally, to minimize new hire documentation errors, use a system that clearly explains to your staff how to accurately fill out important tax forms such as their I-9 or W-4. Having such a system in place will not only reduce your risk for tax penalties, but it will also prevent your managers from wasting time correcting clerical errors.

Promote your culture

In this environment, your restaurant needs to impress a job candidate just as much as the candidate needs to impress you. To create a positive culture, your restaurant business must represent something definitive.

For example, if your restaurant prioritizes being active in the community, sourcing local ingredients, or preparing specialty dishes from scratch be sure to promote these values. When employees feel that they are doing something important in the industry by being part of your restaurant, it can lead to much stronger team culture.



Consider how your culture encourages growth and mentorship. Many cooks seek training and development, because working in kitchens with strong mentorship can function as a kind of culinary school. When your employees have opportunities for growth through new skills, they are more likely to stick around.

To effectively communicate about your company culture to prospects, promote your values everywhere you can. Examine your job descriptions, your careers page, the interview process, and anywhere else you interact with potential applicants to be sure that your culture is front and center.

Retention Strategy

Recruitment and retention strategies go hand in hand. Your hiring strategy must focus on hiring the right employees for your restaurant and your employee retention strategy needs to focus on keeping them around for the long-term.

Why is employee retention important?

According to the National Restaurant Association, the average cost of restaurant turnover in 2021 was \$1,869 per hourly employee, \$8,119 per manager and \$14,689 per general manager. Employee turnover affects your profit margin so it is imperative to **hire with a retention mindset**.

Why a retention mindset is critical in hiring

Retaining current employees is a crucial component of optimizing your labor costs. You could be doing everything right when it comes to forecasting and scheduling the right number of employees, but if your restaurant group has a high turnover rate, then you're wasting valuable labor dollars.

If you need to develop an employee retention program for your restaurant group, consider building some of the following concepts into your retention strategy for employees.

Use referral bonuses

If done incorrectly, referral bonuses don't always work to your advantage. If you choose to use referral bonuses, ensure that bonuses are process driven. A process-driven referral bonus communicates, "We value our employees. We have the best employees in the world. We want more employees like you and we're willing to pay to get them in here."

The amount of the referral bonus should make an impact. If you're offering \$50, don't expect a flood of new applicants. Whereas a \$200 is an amount that could motivate most hourly employees to refer a friend. Remember that the bonus is only paid after the new employee stays for a period you specify, e.g., six months.

When paying a referral bonus, make that part of your process too. If you pay by direct deposit, the employee might not even notice the extra pay. Make sure the bonus is separate from regular pay. Write a check and put it in an envelope with a nice card on which you write something meaningful. And then during your pre shift meeting, make a big deal of it so that other employees will follow suit.

Train your managers to hire the right employees

Managers must be able to identify applicants who are good cultural fit. One major brand has the applicant first meet the manager, then shadow three people in various positions because star employees have the potential to offer the best assessment of the applicant from a cultural fit aspect and provide invaluable feedback.

Managers need to be honest and transparent about job, the culture, and applicants' duties during the interview. Bussers, for example, are always difficult positions to fill. If the manager doesn't tell the applicant during the interview that it's the busser's job to unclog the toilet when needed, that person may quit the first time that occasion occurs. Why? Because the employee wasn't informed at the interview that it was part of the job.

Similarly, if server tips are low because your restaurant is frequented by students or seniors on a fixed income, the manager must be honest. If servers' tip expectations aren't being met, they'll leave. Managers should not avoid those types of tough questions at the interview just to fill an opening. Lack of transparency during interviews will just lead to higher turnover.

Offer benefits that employees want

Historically, restaurants have not offered benefits to hourly employees. But the pandemic and resulting hiring crisis has prompted restaurants to provide benefits to their hourly workers.

To attract applicants to your restaurants, you must know what benefits are expected from your demographic. Gather and analyze data on what your competitors are offering.

If you can't afford a full health insurance package, get creative with what you can offer. Consider benefits that are popular among many restaurant employees yet affordable such as:

- Same day pay
- Tuition reimbursement
- Paid time off
- Four-day workweek





Build relationships with your staff

The constraints that restaurant operators have – lack of time and energy resources – is real. But no matter how real that shortage is, relationships must be built. Building relationships with your staff is a crucial part of employee retention. While it may take additional time and commitment, it's the number one insurance toward retention.

Learn the motivations of your employees. Maybe they're motivated by skills development, money, or schedule. Figure out what it is, then help them succeed. Establishing performance-based metrics for location success is so important because if you can systematically measure their growth, they will be more likely to take ownership for their own career path.

Give employees a career path

If you aren't taking the time to create a career path, your employees are not going to see the opportunity for growth. Develop career paths for individuals and then manage their expectations using one-on-one meetings. Be prepared to discuss what you're doing to try to keep them going on their career paths. Then invest in them by working on the skills that you've associated with each step on their career paths.

As previously mentioned, 90% of restaurant managers start at the entry level. Think of all new hires and existing employees as potential managers, then develop and train them accordingly.

Conclusion

While the hiring crisis has impacted the entire restaurant industry, there are steps you can take to differentiate your restaurant and attract more applicants that fit your culture. In addition, it makes sense to incorporate employee retention into your hiring strategy.

It's not just about raises, referral bonuses, or other cash incentives. Don't forget the non-monetary strategies – benefits like same day pay, flexible schedules, building relationships with your staff,

ensuring employees are a cultural fit before you hire them, and providing them with professional development and a career path.

R365 Workforce makes it easy to attract, hire, onboard and retain the best employees for your restaurant group and is part of the Restaurant365 all-in-one restaurant management suite.

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