



TouchBistro®

THE ULTIMATE GUIDE

— TO —

RESTAURANT STAFFING





If staffing your restaurant was likened to a puzzle, the pieces would be small, the image would be intricate and the puzzle-maker would be blindfolded. In other words, staffing a restaurant is a complex and delicate game, where one mismatched piece compromises the entire picture.

Restaurants are always in a state of flux when it comes to adapting to food trends, tech trends, and health trends, but agility in the form of HR and staffing trends is paramount for the success of restaurants who wish, not only to satisfy their employees' needs, but also use staffing strategies to maximize profitability and minimize unnecessary labor costs.

While the goal seems straightforward, the result is anything but. Historically, restaurant staffing has been riddled by high turnover. Since the beginning of hospitality culture as we know it, managers and owners have been performing the delicate dance of deciding how many staff to have on for each shift, constantly faced with the conundrum of having too many staff on vs. not enough.

More recently, age-old policies that affect staffing, like tipping, have sparked debates that could impact the ways restaurants pay employees, shaking up the entire staffing model. With an industry that's both in the midst of a change and still struggling with an unaddressed slew of staffing issues, it's no wonder that in a recent study **30% of restaurant owners and managers said that staffing is the biggest pain point for their business**, ranking above accounting, inventory, and marketing.

In this Ultimate Guide, we're going to look at how you can optimize your workforce planning and development so that you're happy, your staff are happy, your guests are happy... and so are your financial reports.

WORKFORCE PLANNING: UNDERSTANDING YOUR OPERATIONS

Step one to building a workforce plan is to understand the intricacies of your business, the trajectory of sales, how your restaurant behaves on a busy night vs. how your restaurant settles on a slow night. Indeed, restaurants can be likened to a wild dog, unpredictable until you understand their behavior patterns and finesse your reaction to them.

What are your busy periods? How many front of house and kitchen staff do you need to handle a packed restaurant and maintain service quality? What is the minimum number of staff you can subsist on?

Getting this information used to be an inaccurate, manual process, riddled with guesswork, and errors. Any analysis of weekly trends was done in cumbersome spreadsheet programs and resulted in restaurateurs drowning in data points.

Thankfully, today's advancements in POS and analytics technology have completely revolutionized the access to key information that restaurateurs need to make decisions about labor costs and staff hours. In this section, we'll outline two key tools to use to determine how operational areas will be affected by staffing, how you can maneuver them more effectively and finally, how you can make staffing work in your favor from both a customer service and profitability perspective.

Staffing 101: Hire the right people. Sounds simple - pleasant demeanour, ability to problem solve, enough bicep musculature to carry a tray of drinks - but in reality, the task of hiring the right staff is anything but checking a few boxes.



1. REAL-TIME ANALYTICS, REPORTS & MODELING TOOLS

You don't know what you don't know, but now more than ever, the indeterminable future is becoming more predictable. Analytics and reports serve not only to give you a day-by-day account of operations, but allow you to uncover underlying trends that occur over time using a combination of historical and current data.

Even more important than having data on hand is the ability to project that data visually into the future, having access to benchmarks to fill in the blanks. With these insights on hand, you can determine better who to hire and how to schedule those hires so your guests have the best dining experience possible, and to ensure your operations run smooth as silk.

KEY METRICS TO MONITOR

Hours Report: It's not enough to eyeball the hours a given staff member has. In fact, inattention to an employee's weekly hours and how they're dispersed might just cause that employee to leave. With an hours report, look for the basics: a summary of hours worked, shifts completed, total pay. But then look further. Those basic stats are great for individual stats "at a glance" but to really rake the value out of an hours report, you'll need to be able to run this report on daily, monthly and yearly increments to truly understand how labor expenses vary from one timeframe to the next. From an HR perspective as well, labor reports are valuable when it comes to addressing fatigue or scheduling complaints because it provides both a history and allows you to uncover underlying trends that would have otherwise gone unseen.

Labor to Sales Ratio: Labor doesn't always need to battle sales; in fact, they should be fighting in the same trenches. Labor reports allow you to manage and monitor snapshots of your labor expenses against your incoming sales. While the well known benchmark for the ideal labor to sales ratio is 30%, in order to maintain this standard, managers need to not just monitor sales and labor, but adjust schedules fluidly, accounting for both historical and current sales trends that might have you place extra resources on call, instead of sending home staff early.



2. SCHEDULING TOOLS

Scheduling is a sensitive topic. The main challenges that arise you probably know well:

- Balancing customer and order influx with the correct number of staff
- Ensuring staff are scheduled according to their strengths and skill level
- Ensuring equality and fairness amongst staff, while considering seniority
- Managing ad hoc scheduling changes and vacations

In most staffing scenarios, it's hard to be a Switzerland, appeasing all parties, but certain scheduling apps can make this easier to manage.

KEY SCHEDULING CAPABILITIES TO LOOK OUT FOR:

Budgeting tools: The ability to set and receive reports on labor costs by FOH and BOH and also see how much is being spent on staff daily, weekly and monthly.

Hours-worked alerts: A feature that includes thresholds that alert management when staff are nearing overtime or identify those who aren't meeting their quota of hours.

Shift approvals: An approval mechanism designed to give management the power to accept or deny shift changes.

POS integration: The more actionable data you have to work with in your POS, the more decision making power you have when it comes to scheduling the correct staff at the right time.

Many scheduling tools also include absence management and staff-facing schedules for transparency restaurant-wide. In addition, managers are often given the ability to dispatch weekly emails to staff with their schedule once it's finalized.

These are a few popular scheduling apps exclusively for restaurants:

- **7Shifts:** www.7shifts.com
- **ShiftPlanning:** www.shiftplanning.com/restaurant
- **ScheduleFly:** www.schedulefly.com

WORKFORCE DEVELOPMENT: ATTRACTING & RETAINING THE RIGHT TALENT

With a better gauge on exactly how your restaurant needs to be staffed, now the focus becomes who exactly to hire. The transition from workforce development is much easier once the workforce planning building blocks are firmly in place.

Workforce development is two-pronged. It is both the ability to hire the right staff, and develop the culture to keep them. And yet, the two go hand in hand. Hire right from the start, meet your staff's expectations, and you'll be more likely to retain those coveted human resources for the long-term.

When all is said and done, the dining experience is not just customer service. It's hospitality. And as Danny Meyer said, *"Hospitality is almost impossible to teach. It's all about hiring the right people."*

“ **HOSPITALITY IS ALMOST IMPOSSIBLE TO TEACH.
IT'S ALL ABOUT HIRING THE RIGHT PEOPLE.** ”

- Danny Meyer



1. HIRING

WHERE TO FIND THEM?

Referral: Even with all the advancements and access in the world, the best way to hire is still by referral. While, of course, the length to hire for positions lower on the totem pole - like hosts, bussers and dishwashers - might be fairly short, highly qualified positions like restaurant managers, chefs and even servers at certain establishments can be much longer. According to a study by JobVite, it takes significantly less time to hire a referred candidate - 29 days - than any other. Job postings came in at 39 days and career sites at 55 days. In addition to hiring faster, the study also shows that “referral hires have greater job satisfaction and stay longer at companies - 46% stay over 1 year, 45% over 2 years and 47% over 3 years.” Not to mention, if a trusted employee refers someone, that referral is vetted and will likely be a better culture fit.

OTHER EFFECTIVE WAYS OF HIRING

Website: The benefits of listing your “for hire” sign on your website is that it allows candidates to explicitly seek you out. This is a good signal for you as the hiring manager because you can assume they’re not just looking for any job; they’re looking for a job at your establishment.

Headhunting: For senior positions like chefs and managers, you might need a particular skill set. A headhunter doesn’t shoot fish in a bucket. They seek out the ideal candidates for you. Not only does this expedite the contact to contract hiring process, but also weeds out less qualified applicants.

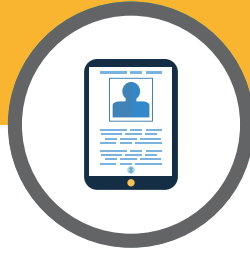
Social Media: You never know who’s following you. Social media is a great way to reach the masses quickly when you need to fill a position fast.

Job Sites: The job board reaches an array of people who are actively looking for new work. Some of the best job sites for restaurants are:

<https://www.hcareers.ca> (Canada)

<https://poachedjobs.com> (US)

<http://www.jobsonthemenue.com> (US)



UNIQUE INTERVIEW QUESTIONS:

Tell me a time you went out of your way for a customer on a previous job?

A: _____

Someone orders a dry Martini. What does that mean?
How do you garnish a Manhattan?

A: _____

How do you feel about sharing tips and tip sharing?

A: _____

Are there things you find annoying about customers?
What about your colleagues?

A: _____

How would you cut someone off?

A: _____

You're hosting a dinner party. Tell me about it.

A: _____



2. RETENTION

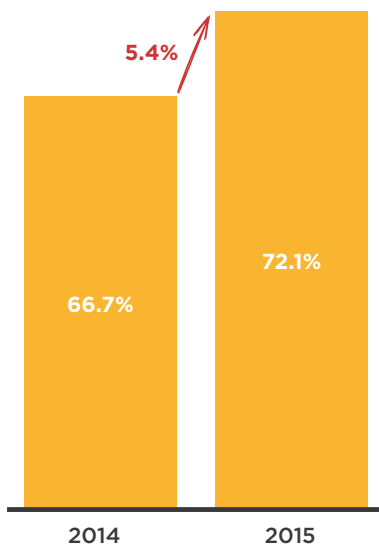
“Retaining quality staff is critical for all businesses. There is strong evidence that longer staff tenure enhances customer loyalty. Increasing staff satisfaction and retention also helps you manage the costs of losing staff, including recruiting and training new staff, and protects the business from loss of organizational knowledge.”

- Planning Your Business Around People: A Workforce Planning Guide

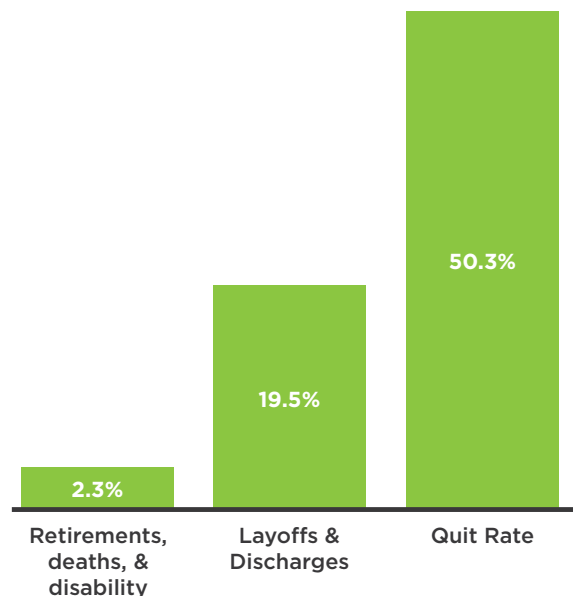
In the world at large, employee retention is a priority for every business, so much so that 73% of organizations revamp their onboarding to improve their employee retention. But - brace yourself - one third of new hires quit their job after about six months and roughly \$11 billion is lost due to employee turnover every year. This is not exclusive to the restaurant industry. When singled out, the employee retention numbers of the hospitality industry paint an even bleaker picture.

According to a 2015 report by the US Bureau of Labor Statistics, the turnover rate rose to 72.1%, up from 66.7% in 2014. The largest contributing factor to this turnover? The quit rate, which was 50.3%. This is well above other staff turnover factors, like layoffs and discharges (19.5%) and retirements, transfers, deaths and disability (2.3%).

TURNOVER RATE

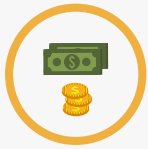


2015 CONTRIBUTING FACTORS TO TURNOVER RATE



So the question becomes, once you have the staff, how do you make them stay?

DEVELOP STAFF-FAVORING RESTAURANT POLICIES:



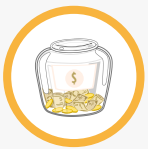
No matter how great your restaurant culture, the two things that will make employees stick around? Pay and scheduling. Everyone needs to pay the bills and life does exist beyond the pantry. Establishing fair tipping policies and salary standards for all front and back of house staff is paramount to keeping those employees. Since the restaurant industry doesn't follow traditional salary methods or a nine to five workweek, restaurant managers should be extra sensitive to creating fair schedules and payment schemes.

DAYS OFF:



Restaurant employees greatly appreciate consecutive days off, the occasional weekend and some holidays. In the article, The Quest for Work-Life Balance in a 24/7/365 Industry, it's stated that, "one-third of participants found that being overloaded with work and family responsibilities caused them to lose sleep or dramatically reduced their energy levels. This leads to everything from sick days to slower workers – perpetuating the cycle. Not good for a fast paced line or hands on service. What's more, another study reported that 38 percent of employees have missed life events, like birthdays and anniversaries, because of bad work-life balance." Thus, it's imperative for both productivity and staff happiness that they have adequate time off.

TIPS VS. WAGES:



While tipping is culturally embedded into the hospitality industry in North America, the practice has come under scrutiny recently because it's often paired with wages that are too low to live off of. Some restaurants are exploring the possibility of abolishing tipping all together. While this may or may not be a trend you'd want to adopt, keep in touch with your staff about their compensation. Anonymous surveys are a great way to discern whether your staff's financial needs are being met.

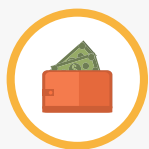
SCHOOLING AND TRAINING:



According to go2HR.com, 40% of employees who receive poor job training leave their positions within the first year. “Training is a retention tool, instilling loyalty and commitment from good workers. Staff looking for the next challenge will be more likely to stay if you offer ways for them to learn and grow while at your company.

Don’t give them a reason to move on by letting them stagnate once they’ve mastered initial tasks.” When you send staff for additional training and schooling, it shows them that you’re invested in their future. As a bonus, you get a more qualified, educated and innovative worker upon their return. Additional skills training, like sending a chef to a culinary course or funding a bartender’s wine education works to advance your business and the knowledge that your front of house staff are able to pass on to your customers. Even fine-tuning existing skills, like ensuring your staff are fully versed in your POS, enhances your workplace because staff are more confident in themselves and when they are, implicitly your guests get a better experience.

INCENTIVES AND REWARDS:



Whether wellness, monetary, travel or just plain old recognition, giving employees rewards will retain them longer. Incentives and rewards naturally engage staff members, which means not only do they get rewards, but you do too. It’s been found that “According to the Workplace Research Foundation, increasing employee engagement programs by 10% can increase profits by \$2400 per employee per year. Also, increased employee engagement can equal a 12% increase in customer satisfaction, which then raises revenue and margins.” High employee engagement means your team is more invested in your restaurant, their job and their performance, which, in turn benefits employers. Extra vacation days, pre-paid Visa cards, and travel are all great incentives to inspire loyalty - and a positive work environment.



CONCLUSION

You could have the perfect menu. Top of the line decor. Rave reviews on Yelp. But if your people aren't happy, if your restaurant isn't equipped with the best human resources, that success will be fleeting.

Your staff are the single most important point of impact to your profitability. Restaurants are people driven. A kitchen error, a long wait, a bad day can all be forgotten to good service. This is why keeping your staff happy is essential to your bottom line and overall success. At the end of the day, the happiness and job satisfaction of your staff is influenced by things like scheduling, incentives, engagement, and development. Thus, those key HR drivers are just as influential on your business as your marketing efforts and menu are, and should not be underestimated. The more you understand and can anticipate how your labor works, the more you can please your staff and see those results translated into the experience of your guests and your balance sheet.



TouchBistro is an iPad POS and integrated payments solution built for restaurant people, by restaurant people. It helps thousands of restaurateurs across the world run better businesses and makes managing a restaurant easier.

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