



Resolve to Lower Turnover

Turnover is among the toughest, most consistent problems faced by many foodservice operators and it's one that negatively impacts business on a number of fronts. It can leave managers scrambling to fill shifts; to other employees getting burned out; to managers being taken away from other, business-enhancement functions to create and place ads, interview candidates and train replacements; and to lots of dollars that would otherwise go to the bottom line being spent on recruitment, background checks, training manuals, new uniforms, etc. All in all, turnover is bad for business. Working to reduce it in your operation is a worthy business resolution for 2006.

Still not convinced? Consider these average employee replacement costs, compiled by the Wall Street Journal: shift-ready managers, \$2,900 to \$10,000; kitchen employees, \$775 each; hosts, \$685 each; servers, \$474 each; bussers, \$362 each. If a restaurant has to replace one person per month in each category it could cost nearly \$30,000 annually. Ouch! In an industry with turnover rates that exceed 200 percent in some segments, these projections are not unrealistic.

So what's a manager to do? Cutting turnover takes a multi-disciplined approach and a commitment to treat employees as your first line of "customers." Through your training, operations, promotions, incentive and reward programs, you're selling your operation to your employees every day. Managers who don't try to keep their employees happy can be assured that another operation would love the chance to try. Indeed, from a competitive standpoint, things will only get tighter. The National Restaurant Association estimates that over the next few years 1.9 million new foodservice jobs will need to be filled.

Here are some tips to jumpstart your turnover-reduction efforts, culled from consultants and industry leaders:

- **Hire smart.** Resist the “warm body” approach to filling an empty slot as quickly as possible. Take the time and effort to hire people with longer-term potential and people who can make a positive difference.
- **Weed out low-performers.** They not only directly impact sales, quality and customer service, but they also drag other employees down and impact team morale. Ultimately, good employees will leave if you tolerate bad employees, and bad employees will stay until you make them leave.
- **Don’t avoid training because of fears of turnover.** Without good, ongoing training, even the strong self-starters lose focus, motivation and hope for advancement. On his website, trainer/consultant Jim Sullivan, of www.Sullivision.com runs this anonymous quote from an assistant manager who quit because the operation didn’t bother with training: “A raise would be nice, but it won’t make me better at what I do.”
- **Manage the basics for employees.** Make sure they always have the right supplies, tools, resources and systems in place that they need to succeed. Front-line foodservice jobs can be pressure-cooker positions. If you can reduce their stress and frustration, they’ll reward you with loyalty.
- **Frequently recognize good employees with small, unexpected rewards for jobs well done.** It can be as simple as a thank you in front of peers, a bottle of wine, movie tickets, a “get off work early” card, a reward from **Foodservice Rewards**, or a “\$100,000” candy bar.
- **Create incentive goals.** At Sanford, an upscale restaurant in Milwaukee, servers are awarded a gold “S” pin after one year of employment. For each subsequent year completed, a diamond is set into the pin. Veteran employees wear those elegant pins proudly on their uniforms. **Foodservice Rewards**, with its catalog of great merchandise, can help you design effective incentive-based promotions. Visit www.foodservicerewards.com today.
- **Have fun!** Employees who have fun at work are more motivated, productive and loyal. Don’t get so hung up on serious management stuff that you forget to build fun into the daily work environment.