FLIGHT RISKS

WARNING SIGNS THAT IDENTIFY EMPLOYEES ON THE VERGE OF LEAVING... AND HOW TO KEEP THEM

I. CULTIVATE YOUR TALENT
II. CREATE AN EMPOWERING CULTURE
III. COMPENSATE THEIR SUCCESS
#1 They are about to celebrate 2-year anniversary

Hospitality jobs in U.S. average 2 year tenures (half of overall average in U.S.)
#2 THEY HAVE KEPT THE SAME ROLE, TITLE, OR SALARY

And lack a clear career path plan

The leading motivator for a flight risk is “Personal and Professional Development” including:

- Higher salary (82%)
- Opportunity to work with a “higher profile” company (64%)
- Better-defined career paths with tangible track for promotion
- Better benefits package
- New role as leader or manager
#3 THEY ARE NOT REWARDED FOR BETTER PERFORMANCE

Bonuses, especially performance-based ones, are the standard for desirable workplaces.

56%  
‘DESTINATION’ JOBS HAD PERFORMANCE-BASED BONUSES

12%  
‘DESTINATION’ JOBS HAD NO BONUS STRUCTURE

“CANDIDATES CAN BE SUSPICIOUS ABOUT SUBJECTIVE BONUS PLANS OR PROMISES. I’VE ALWAYS FOUND PERFORMANCE BASED PLANS ATTRACTIVE TO TALENTED CANDIDATES AND BEST FOR INCREASED TALENT RETENTION.”

DANNY MCCOWAN, Chief Operating Officer, Cornerstone Restaurant Group
#4 They value culture and work/life balance...

And yours falls short of their expectations or new industry “normals”

40% 50% 8%

Left a “bad” culture without raise or promotion

Left seeking balance without a raise or promotion

Avg. raise for balance-seekers (lowest)
SOLUTION: CULTIVATE YOUR TALENT

Personal and Professional Development

INTERVIEWING  ONBOARDING  TRAINING

DEVELOPMENT  REVIEWS  CONTRIBUTION / ACTUALIZATION
KEEP YOUR HIRING PROCESS MOVING

Risk of losing "pipeline" candidates spikes after 21 days. Streamline your interview process or you will lose the best candidates.

In 2018, the average time from when a management-level candidate began the interview process until an offer was accepted was 26 days.

In this talent shortage the best candidates will not wait around for you to make decisions, especially when there are many opportunities from which to choose.

The best operators know this, and make their candidates feel valued by frequent communication and keeping a steady interview pace.
ELEVATE SELECTION STANDARDS

Keep setting the bar higher for someone to join your elite team. A-players will leave your organization if your team’s efficiency and excellence get chipped away by the addition of lower performers.

Hold to strict selection standards at all levels of hiring. Hire those whose values align with yours. Invite your staff into the selection process to get their feedback on whether the prospect fits your culture.

This will open up opportunities for you to teach interviewing and selection skills to your next generation of leadership.
BUILD A BOND

When a new manager is hired, schedule interviews during the onboarding process with all employees.

Even a 10-minute chat will break the ice and provide an opportunity to get to know one another on a personal level.
CLARIFY EXPECTATIONS

Be clear and transparent about procedures and policies. When expectations change weekly, that chaos creates immense stress throughout your ranks. Settle on your SOP’s, write them, share them, train on them, and lead by example.

Your staff deserves to know what you want from them – the right way and the wrong way to do things – and what success looks like.

Standardized procedures create stability in your culture as well as elevated quality and efficiency in service.
BE THANKFUL

We are in one of the most challenging talent shortages in modern history. The finest hotels, restaurants, clubs, and caterers are having difficulty hiring desk staff, line cooks, servers, and housekeepers. Be grateful for the staff you have.

Thank them.

Every day. Heartily.

Look them in the eye when you do it. Be gracious and appreciative when things are running smoothly, not just when someone “saves the day” or after a big event.

There are more service gaffes when it’s slow and you’ve trimmed staff, so remember to thank your staff for handling a “normal” Tuesday despite their having to work two-and-a-half stations to get through the shift.
If you are leading a hospitality business, you have to be hospitality. You are the ultimate example. Your smile, posture, countenance, tone of voice, attire, attention to detail. You set the pace for the business you manage.

Your customers aren’t the only guests in the house. Your staff are your guests too. The way they treat your customers reflects the way you treat your staff.
SCHEDULE ONE-ON-ONES

Checking in with your staff informally between annual or semiannual reviews shows you care. If you have a large staff, meet quarterly. If a smaller staff, meet monthly. These do not have to be long meetings; 15 to 30 minutes.

At these meetings, talk about their development, career, and personal goals. Continue to reference their KPI’s, and focus on one point of improvement needed for every two or three points of praise.

Keep pointing them toward your business’ annual goals, and remind them they are a valued part of a great team.
Good leaders cast a vision not only for their business, but also for each of their people.

Work with every one of your employees to help them cast a vision for their career, because most people go through their whole lives without mentorship, and never truly reach their full potential.

Ensure there is a clear path for top performers to continue to grow because boredom leads to disengagement, and disengagement leads to stagnant performance and ultimately, resignation or termination.
Assigning projects that challenge employees to perform at a higher level just north of their comfort zone accomplishes several objectives at once:

- You encourage people to push themselves to be better tomorrow than they are today
- You foster engagement, creativity, and innovation
- You communicate genuine trust to that employee by depending on them for a skill they haven’t proven yet
- You evaluate the skills and attributes of your employees, so you have real-time proven data to know if someone is promotable
The best hospitality cultures see far beyond themselves and thrive on more than just paychecks and profit.

To create a once-in-a-lifetime resort experience, the perfect wedding, or a meal remembered far after the selfie fades, are noble pursuits. Genuine hospitality is truly rare, and those who provide it work hard to deliver it. Your staff needs to know that, and how special it is to serve others.

Help your people develop and nurture the intrinsic motivations and deep satisfaction that come from delivering hospitality excellence.
OPEN THE DOOR FOR DIALOGUE

Convey an attitude of openness and availability to your staff and make time when they need you to hear them.

One step in the right direction is to provide your staff with the days and times when you have more flexibility. A further step is to frequently ask each employee if there is anything they would like to discuss.

When someone comes to you during a time when you can’t stop to give them your full attention, it is up to you, not them, to remember and follow-up with them to have the discussion or schedule a meeting.
PROVE YOURSELF A CHAMPION OF STANDARDS

Nothing kills culture faster than hypocrisy.

If you preach one set of standards and then cut corners yourself, your staff will follow the leader.

Only when the leader is passionately upholding every standard will the staff take those standards seriously. You can’t say one thing and do the opposite.
ENCOURAGE CHILL TIME

So many leaders in hospitality are straight up workaholics. We like hospitality work because our engines go-go-go, and we were made to work for hours and hours without a break. That doesn’t make it healthy.

Make sure your staff is allowed and encouraged to take appropriate breaks. We have short attention spans, and most of us can truly focus for only 20-minute chunks.

Many studies tell us that we need a break every 90 minutes. So, taking breaks should not be seen as a diversion from work, but as a healthy way to keep your staff focused when they need to be focused.
CREATE AN EMPLOYEE RELIEF FUND

Surprise! Your brakes are shot. Your roommate stuck you with the lease for the next six months. Your mom is sick and lives in Europe, and you can’t afford to go to her. Everyone’s life is peppered with challenges, and the most thoughtful cultures prepare for them.

Consider creating a relief fund for your employees. Ask for voluntary contributions as low as a dollar a week and match them.

When an unexpected problem occurs, you will have a pool of funds from which to draw to help all of your employees, even the ones that don’t contribute.
CONDUCT ANONYMOUS SURVEYS

There are unknown issues in even the most functional company cultures – things your staff avoids discussing in the most accommodating environments. A well-tailored employee engagement survey will reveal those unknowns.

Combining years of hospitality experience with Industrial Organizational science, SHS has conducted employee engagement surveys for our clients to surface real functional data about issues like employee engagement, culture, compensation, benefits, communication, and belief in their ability to grow in the company.

From these surveys, we provide our clients a road map to increase employee engagement, retention, and development.
OFFER REFERRAL BONUSES

There’s an adage that we become like the five people with whom we associate most. If there is truth in that, then your best performers know several people with similar character to theirs.

Recruit those people.

Offer a monetary incentive for your employees to refer candidates for employment. Make the amount substantial enough to get their attention and give them a kicker on their referral’s one-year anniversary.

With turnover costing you approximately $5,000 per line-level employee, $30,000 per management-level employee, and $100,000 per director or executive, it’s worth it.
ENJOY TIME TOGETHER OUTSIDE OF WORK

Building quarterly outings into your annual schedule rewards your employees with special experiences while helping build bonds, making their relationship with your business more and more personal.

Make at least one of these events an annual family outing that is kid-friendly.

These outings do not have to be expensive, and the business doesn’t always have to pay 100% of the expense. You can get a group discount for a trip to a theme park, zoo, or cultural center.
CONTINUE TRAINING

Don’t be afraid to continually train on the basic and advanced elements of each station even though you will get an occasional eye-roll.

Use your consistent training sessions to cross-train employees, so the loss of one employee doesn’t throw your operation into chaos.

Cross-training gives you scheduling flexibility, and reduces the stress often caused by call-offs. The less stress in your workplace, the higher retention.
REMEMBER, SAFETY IS THE MOST BASIC FORM OF CARING

It is a privilege to be an employer, and your staff’s safety must be your highest priority. Secure your property.

Don’t cut corners when it comes to safety in their carrying out daily tasks and assignments. Purchase and maintain proper uniforms and protective gear.
II. CREATE AN EMPOWERING CULTURE

I. CULTIVATE YOUR TALENT
II. CREATE AN EMPOWERING CULTURE
III. COMPENSATE THEIR SUCCESS
SOLUTION: CREATE AN EMPOWERING CULTURE

1. VALUES-DRIVEN
2. ON-MISSION
3. BOLD VISION
4. WORK/LIFE BALANCE
5. CAREER PATH ASSURANCE
REBUKE & WARN IN PRIVATE

When mistakes are made, the mistake-maker usually feels worst about it. While you may need to reprimand, warn, teach, or train in the aftermath of a mistake, brow-beating in front of others is hurtful and degrading.

Whenever possible make every effort to discuss mistakes, weaknesses, and recurring shortcomings in private. You will preserve the dignity of your subordinates, and by doing so you will win their true respect.
One of the benefits of leading a transparent, values-driven business is that your whole staff knows right from wrong.

When a wrong happens, and an employee needs to be disciplined, do so promptly, appropriately, and professionally:

- Promptly, so your whole staff knows your values, standards, and policies are all living and active;

- Appropriately, in a private meeting without anger or intimidation;

- Professionally, explaining why they are being disciplined, documenting the corrective action, and giving them the opportunity to respond.
MEASURE IT, THEN IMPROVE IT

Measure employees’ performance by implementing simple key performance indicators (KPI’s). Restaurant Managers, coach your servers to continually improve sales-per-guest. Sous Chefs, you should know that making a batch of house dressing takes 12 minutes from start to finish.

Hotel Managers, how many trips should your bellmen be able to make in a one-hour span of time? Your valets?

Numbers don’t lie.

Setting standards using KPI’s helps define success and takes the subjectivity out of performance reviews and promotion decisions.
Genuine empathy is a coveted trait for every leader. Listening to and understanding the needs of others will win loyalty that can’t be measured.

Using a journal as needed, record and remember the names of your employees’ spouse and children, hobbies, anniversaries, favorite vacation spots...the things most important to them.

When you bring these details up in the future they will know you genuinely listen, and that you encourage a healthy life outside of work.
Leadership guru Patrick Lencioni proclaims “Organizational health trumps everything.” He’s right.

A working culture united by a bold vision, core values, and a functional mission will achieve challenging goals and triumph over economic and competitive adversity.

But the leader and leadership team set the standard. You must live the organization’s core values every day and bring them to life by assimilating them into your day-to-day business.

You have to show your staff how the ideals translate into every day work.
SERVE...

We refer to hospitality operations as “the house.” Front-of-the-house, Heart-of-the-house, Back-of-the-house.

It’s your house. There are people in it – the people who serve your customers, without whom you would not have a business to run.

Leaders who roll out the internal “red carpet” win the loyalty of their staff.

It’s good practice to provide a family meal, but it’s from the heart when you make it yourself once in a while. When you know one of your employees is in a heavily-burdened station, spend some time helping them – even 15 minutes can eliminate some stress and show how much you care.
CAST A BOLD VISION

Leaders cast a vision for their business because they know that steps of service and policy manuals are meaningless unless there is emotion behind the activity.

The team has to be motivated by more than a paycheck to deliver the level of service that will keep customers coming back.

Casting a vision for your team to achieve a certain level of service quality or revenue is a necessity, but you can’t stop there.

Create a desire within them to achieve excellence in their current position. Paint a clear picture of how the company’s goals are aligned with their goals, and how working together they will benefit from the company’s success.
KEEP EVERYONE ON MISSION

If your vision is the ideal of where you will be in the future, your mission is the road map to get there.

Your mission should be a statement that is backed up with daily, weekly, monthly, quarterly, and annual goals that you communicate frequently to your team.

Keep them focused on the little things that contribute to the big things that accomplish your mission and inch you toward achieving your vision.

Share your stats and KPI’s publicly by posting them where the whole staff can see. Keep pointing to them, celebrating achievements, and raising the bar when your team reaches breakthroughs.

CREATE AN EMPOWERING CULTURE
REMEMBER EVERYONE MATTERS

Our Chefs, Mixologists, GMs, and CEOs get the publicity, but we all know it’s the stewards, housekeepers, cooks, SA’s, dishwashers, and bussers that keep the operations humming.

When they call off, no-show, or quit, the ripple effect puts the hurt on service.

Every human being seeks belonging and to know they are valued.

When your staff understands that they are a valuable part of a great business in which they can grow, they will decline enticing offers to work for your competitor.
ROLL UP YOUR SLEEVES

Leaders aren’t afraid to get their hands dirty. Work alongside your team so they see you’re willing to break a sweat to achieve goals.

Show by example how to uphold your high standards whether it be on the line in the kitchen, prepping silverware, checking in a guest, or skimming a pool.

Employees respond well to hands-on managers who don’t consider themselves above the smallest tasks.

Peel some potatoes, hull some strawberries, straighten the lobby furniture, spot-check the wine glasses, and pick up that little paper speck on the carpet when you’re walking by!
HERALD ACHIEVEMENTS & CONTRIBUTIONS

Recognize staff achievements and hard-working employees at staff meetings and on your social media pages.

Everyone likes an atta-boy or atta-girl once in a while, and when they never come, employees consider themselves undervalued, or worse, mistreated. In thriving cultures, the best innovation comes from the front lines.

When someone on your staff makes a suggestion that you implement, and it leads to success, publicly acknowledge their idea or initiative. As the leader, every win is your win. You don’t need 100% of every win, and taking credit for someone else’s idea is a sure way to create dissension and resentment among the ranks.
Hospitality operations are breeding grounds for drama. Rivalries, dissension, and division will kill your culture and cause valuable staff to quit.

Four steps to resolve conflict quickly:
1. Meet with the conflicted parties on-on-one.
2. Determine a compromise and solution.
3. Pre-game for a resolution meeting.
4. Meet with conflicted parties on neutral turf.

Employees who can walk away from that meeting “reset,” and committed to the resolution are mature and valuable. Those who cannot change will need to be disciplined and most likely, eventually, terminated.
SEND HAND-WRITTEN NOTES

Old school, yes, which makes them even more coveted. Sending a hand-written note via US post to an employee’s home address is an executive-level game-changer.

There will always be something special about knowing someone took the time to write, address, stamp, and mail their token of appreciation.

These notes touch people in a way that email, text, and social media never can. There is a permanence to them and, because they are received at home, their whole family shares in the sentiment.
ALLOW CREATIVITY...

In Good To Great, Jim Collins identifies “a culture of discipline” as one of the key factors that propels companies from “good” to “great.”

But he also cites “freedom and responsibility within the framework” as a necessary component to the transformation. Work to ensure each employee feels some sense of creativity and autonomy in their work environment.

If they can perform to the standards you set even through doing it differently than you would, let them. This keeps your organization entrepreneurial and innovative.

When your employees feel free to innovate in the little things, they will keep bringing you their ideas. Treasure them as gifts, not rebellion.
EQUIP YOUR TEAM

Founders, Directors, GMs and Executive Chefs tend to be utilitarian – if it works, use it until “the wheels fall off.” You tell tales of the equipment you were forced to use, or that you didn’t even have those types of machines or aids when you were working your way up. Those stories fall on deaf ears. Stop telling them.

Your staff deserves to work on functional equipment they can be proud of, so invest in it. The pilot lights on your ranges should all work, and the casters on your carts shouldn’t wobble or stick.

When they are discussing work with someone from the club, hotel, or caterer across town, you want them to take pride in their workplace. The condition of the equipment and wares they use every day is a big part of that.
III. COMPENSATE THEIR SUCCESS

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**SOLUTION:** COMPENSATE THEIR SUCCESS

Performance-Based Bonuses

- **ALIGNMENT WITH VALUES, VISION, MISSION**
- **COST OF GOODS**
- **EXPENSES**
- **TURNOVER**
- **CRITICAL REVIEWS**
- **YOUR UNIQUE CRITERIA**
OFFER FAIR AND COMPETITIVE WAGES

Even the best benefit and loyalty programs will not hold onto staff if their wages are over 10% below market.

It is your responsibility to keep pace with the market so when your employees are discussing what they make with others, they know they are being treated fairly.

Talk with other operators in your area and look at comparable job postings to get an idea for the market. Many trade associations also publish annual salary and wage surveys as well.
OFFER PERFORMANCE-BASED BONUSES

Bonuses, especially performance-based ones, are the standard for desirable workplaces.

KEY STATS:
+ 40% left a job without a bonus for one that did
+ 56% of “destination” jobs had not just a bonus, but performance-based bonuses

Competent candidates want to totally understand their compensation packages before signing an offer letter. In addition to benefits and perks, talented chefs and managers overwhelmingly prefer a bonus plan in writing before committing to a new employer.
CREATE HEALTHY COMPETITION

Now that you know your KPI’s, turn menial tasks into friendly competition to fuel your team’s achievement of your goals.

Ask your vendors whose products are used in various areas to contribute monthly or quarterly prizes for your winners. You can create a trophy that gets passed from winner to winner or hand out pins that commemorate the achievement.

Host an annual competition between the monthly or quarterly champion with a substantial grand prize (that you can afford because of the profit driven by the increased efficiencies).
COMMEMORATE MILESTONES

Your people need to know that the months and years aren’t just flying by, but their choice to remain in your employ is special. Don’t you love seeing special pins or insignia designating years of service?

They are badges of honor.

Pins, badges, and walls of fame are tried and true but you’re a creative hospitality leader. Dream up some recognition mementos tailored to your culture. At SHS, we have specific gifts for the first five anniversaries. Yes, they’re predictable and functional, but they have become a welcome tradition. Celebrate everyone’s anniversaries and birthdays, even if it’s just a card signed by the whole team.
CELEBRATE EMPLOYEE OF THE MONTH

Your people need to be recognized for their loyalty, hard work, and the genuine hospitality they provide to your guests.

Smaller operations can do an Employee of the Quarter instead.

The most important aspect of such a program is to make the criteria for winning objective.

Celebrate your winners and their testimonies of exceptional service, sharing with the entire staff and on social media. Reward your winners with a substantial prize and advance them to Employee of the Quarter and Employee of the Year.
GIVE ANNIVERSARY BONUSES

Managers and executives are incentivized and given bonuses based on performance. What about your line staff? They deserve a bonus for their loyalty.

Consider giving every line-level employee a bonus on their anniversary. It doesn’t have to be a huge amount but should be at least $25 per year.

At $50 per year, a 10-year employee will get an extra $500 on their check. When you think of their loyalty to your business for a decade, doesn’t the amount seem small? You’re right.

That’s why there should be added bonuses for years five, ten, twenty and twenty-five.
PROVIDE BIRTHDAYS WITH PAY

We’ve interviewed thousands of hospitality professionals. When we discuss compensation and benefits, of course salary, bonus, medical insurance and 401K are most important.

But the perk of getting your birthdays off with pay has a certain magical retention quality about it. People just love it. They talk about it, tell their friends, share it on social media, and it makes them happy.

The retention ROI on the one day of pay is substantial.

If you can’t afford yet to give everyone their birthday off with pay, then at the very least pass a card for everyone to sign, and present it with a cupcake during pre-shift. That recognition goes a long way too!
Realize that if your business model does not include at least basic benefits like healthcare and a tax-deferred savings incentive, you will have to pay salaries and wages 10-30% higher than market to attract and retain the best talent.

Even still, your best people will be lured by employers who offer benefits because our most basic human need is security.
ENSURE THEY GET THE HOURS THEY NEED

Most hourly employees are upfront about how many hours, the net pay, or the number of shifts they need to work each week to survive. You have to remember each “deal” you make and honor those commitments.

If business conditions are going to force you to cut hours and so violate that commitment, do not post the schedule without having an eyeball-to-eyeball conversation with that employee.

You have to explain that you did not forget about their need and explain the “why” behind the decision. Let them know how you will make it up to them.
AWARD MERIT RAISES

While it is good to have salary ranges, you also need to reward top performers based on merit.

Your top performers are worth acknowledging with a higher wage, and nothing will cause an A-player to write her resume faster than learning that an under-performing peer is making the same as she.

In their 2017 report on job satisfaction and engagement, SHRM cites compensation as the #1 reason employees resign. It's your job to ensure they are paid well enough to stay.
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"FLIGHT RISK" REPORT

ACCESS THE FULL DATA REPORT AT WWW.SHSH.OBS