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You Can Teach an Employee Your Values, But Can You Make Them Stick Around?

In an era of high turnover and low unemployment rates, hospitality pros are struggling to retain the talent they so carefully train.

By **Erika Adams**

Updated December 11, 2019

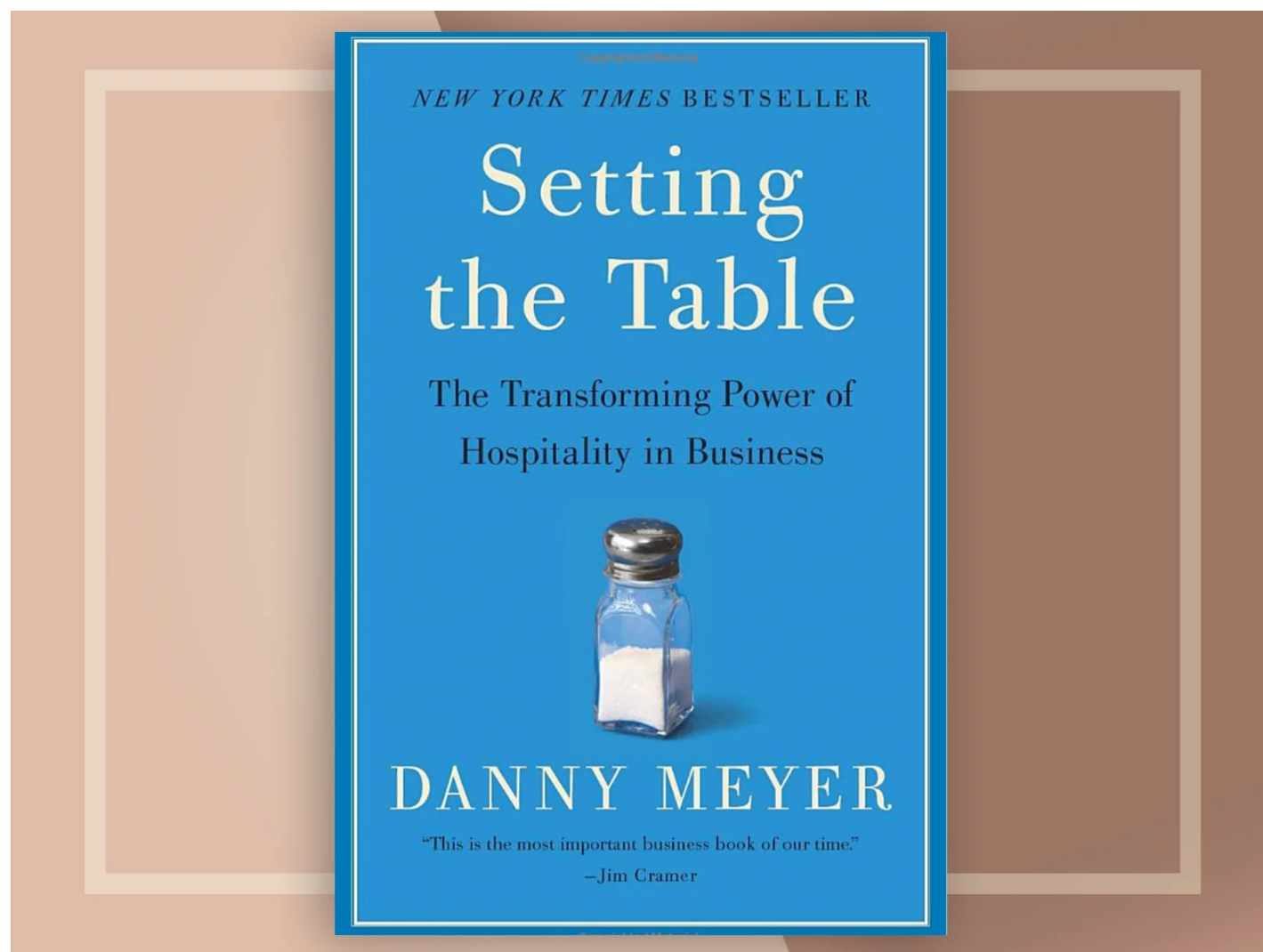


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When a restaurant staff truly embraces hospitality, you can feel it the moment you walk through the door. It's evident in everything from sustained eye contact, to a kind smile,

to a perfectly-placed icebreaker compliment as diners take their seats or step up to the counter. But in the past few years, any operations-focused conversation has almost inevitably come around to how hard it is to find and retain qualified staff who embody that warmth. Settling for a this-might-work-out candidate instead of waiting to perfectly fill a team's missing link has become a stressful endeavor for employers, given that the national rate of unemployment hit a 50-year low in October and the rate of staff turnover remains at "historically high" levels in the industry, according to restaurant data analytics firm TDn2K.

That doesn't mean it's impossible. If there's one company in the industry that has publically built its name on the fundamentals of hospitality, it's Union Square Hospitality Group. The company's CEO, Danny Meyer, wrote a seminal book on the topic, *Setting the Table*, over a decade ago and it still tops "best of" lists. For some in the industry, it's a staffing bible. Meyer makes the case for only hiring "51 percenters," or people who inherently demonstrate a high level of emotional intelligence. But it's one thing to theorize about hiring emotionally intelligent team members who radiate the warmth of real hospitality and quite another to live that out day after day in the current employment climate.

If you've ever wondered how often Union Square Hospitality Group references the hospitality philosophies espoused in *Setting the Table*, rest assured that the company virtually breathes the book. Each new employee receives a copy of *Setting the Table* rebound in a plain red jacket with a different title, *Our Playbook*, stamped across the cover. Managers at the restaurants lead lineups, or pre-shift huddles, with exercises that reinforce key concepts from *Setting the Table*, like how to act as agents versus gatekeepers when a problem arises, or how to apply the acronym ABCD (Always Be Collecting Dots, Always Be Connecting Dots) to gather information about guests to better inform the dining experience.

Seeking employees who want to emulate the company values laid out in *Setting the Table* takes time, according to Union Square Hospitality Group's chief culture officer Erin Moran. She's responsible for overseeing all of the touchpoints in the employee lifecycle at the company, including recruiting and career development.

"The ability and desire to have kind and warm eyes, to smile, to want to make someone's experience just a little bit more special or memorable—we can't teach that. Those are

components of the 51 percenter that we seek in the hiring process,” Moran told *Food & Wine*.

“We can teach you the technical components of how to be a barista or a baker, but we can't teach you to have the depth of warmth inside of you. We just try to find ways to tap into it and to bring more technical expertise to people who have that innate quality of genuinely caring about other human beings and wanting to connect with them in a really thoughtful and meaningful way,” she said.

Moran acknowledged that striving to hire only 51 percenters has been a particularly tall order in the past few years. Union Square Hospitality Group is currently seeking to fill 170 open positions, not including the 250 jobs that are opening up as the company expands to Washington, D.C. Not only are unemployment rates incredibly low right now; Manhattan is no longer the end-all, be-all destination for a person looking to make their mark on the industry. Staff members in New York City don't have to leave their neighborhood to work at ambitious restaurants. Cooks can build national reputations in Nashville just as easily as New York City, and the cost of living is much cheaper almost anywhere else in the country. On top of that, Union Square Hospitality Group restaurants in New York City (save for Blue Smoke in Battery Park City) operate on a no-tipping model, an anomaly for restaurants in the U.S. There are extra steps involved in explaining that to prospective employees, too.

Communication with employees is key when the hiring process is more drawn out. “We try really hard to not settle, and we tell our teams that we're trying to choose to not settle and we know that's putting an extra burden on you,” Moran said. “However, the alternative is that if we invite someone onto the team who isn't aligned with our values, it'll actually make our world a lot harder. And so we try to explain the ‘why’ behind that so that people understand.”

That kind of determination to stick to stated company values is crucial to any restaurant's success, according to Kate Edwards, the founder of Kate Edwards & Company, a restaurant consultancy that advises companies on how to codify their values to both enhance customer service and build supportive employee environments. Before becoming a consultant, Edwards spent years overseeing service at award-winning restaurants including Balthazar and Per Se. “[Defining company values] is a moment of truth,” Edwards said. “Once you say this is what it is, now you've got to take that ball and

run with it. You can't say, well, I don't want to do that today. Or, that's not really what we do. Otherwise, it's just words on a wall.”

Marissa Andrada, the chief people officer at Chipotle, knows a thing or two about aligning an entire company around shared values. When she arrived at Chipotle in spring 2018, the company was undergoing massive internal culture shifts. Brian Niccol had been named Chipotle's new CEO at the start of the year, and corporate headquarters were about to be uprooted from Denver, Colorado (where Chipotle was founded) and moved to Newport Beach, California. Hundreds of corporate employees were either laid off or relocated in the process.

After she came on board, Andrada led a campaign to survey hundreds of staff members across the organization and used the information to cement a set of four key company values that everyone could rally around. Since then, it's been a whirlwind: Chipotle rolled out a new bonus pay program for hourly employees tied to restaurant sales performance in June 2019, followed by 100 percent tuition coverage for employees who want to pursue degrees at participating universities, and an enhanced benefits package that includes access to mental healthcare and financial support classes. Andrada phased out ineffective annual performance reviews for higher-level employees and instituted more informal quarterly check-ins for feedback. Chipotle now also offers online leadership training support; Andrada saw 1,000 employees voluntarily log on within the first two to three weeks of launching the program.

Everyone has to be on the same page about sticking to the company values and putting employees first in order to enact real change, Andrada said, and it starts with the CEO. But sometimes, they still fall short. New York City sued Chipotle in September for violating the city's Fair Workweek law, which stipulates that fast food companies have to let their employees know their weekly work schedule at least two weeks in advance, and pay extra for last-minute switches. When Chipotle rolled out access to degree programs with tuition covered, some employees took issue with the company's treatment of college students. At Union Square Hospitality Group, the company has been sued for gender discrimination and accused of mishandling sexual harassment complaints.

“The reality is, we don't make the right calls all the time,” Union Square Hospitality Group's Moran said of the company's hiring processes. “Sometimes we do hire out of desperation. Sometimes we get fooled through the interview process. Sometimes we

have too much patience with people and we want to believe in their ability or desire to demonstrate warmth. We are absolutely by no means perfect.”

But that doesn't mean that the values themselves are invalid, or not worth striving towards. Sometimes the company values get sold a little too hard in the hiring process. Moran recently instituted a 30-day survey for new hires after she saw a spike in employees leaving the company after one month, and found that people were quitting in part because they had expected the job to be something of a hospitality nirvana. No matter how good the culture is, this is still physically demanding, fast-paced restaurant work

“If we haven't clarified a realistic job preview, that's when we're seeing that there's a mismatch,” Moran said. “The better that we can do to sit and to say, ‘Aspirationally, this is our heart. This is our North Star. And every day, we aspire to get better. But guess what? Every day is going to be a challenge.’”