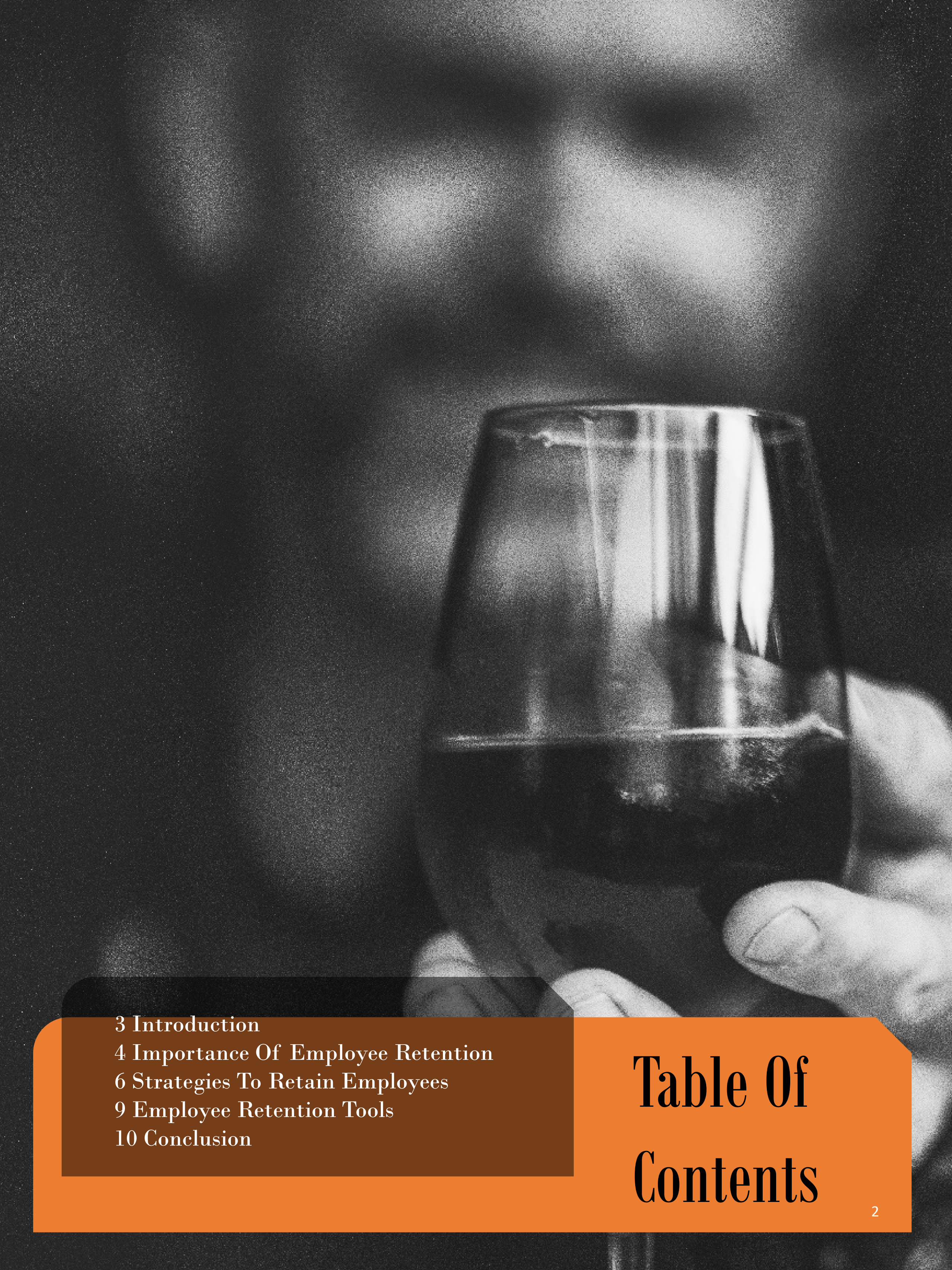




Definitive Guide To Employee Retention



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A well-trained and up-to-date workforce is required to run a successful restaurant business. Hiring and retaining well-trained employees is critical. Employees must be efficient and dedicated to achieving the restaurant's goals and objectives. Employee retention is a critical factor in achieving long-term business success.

What exactly is employee retention? Employee retention policies and procedures are in place to encourage your employees to stay with you. Salaries and benefits, as well as office culture and employee satisfaction, all have an impact on a restaurant. When retention is low, there is a constant employee turnover, which necessitates constant hiring and training. This causes the process to stall as the rest of the staff's workload increases, and the restaurant's service may suffer as a result, causing additional problems.

Employee turnover is one of the most serious issues that restaurants face. The hospitality industry employed approximately 17 million people in February 2020. After a sharp drop to around 8 million in the next two months due to the pandemic and the lockdown, it has gradually increased to around 15 million in April 2022. While it appears to be returning to pre-pandemic levels, the process has been extremely slow. The reasons for this vary, but what restaurants must do in such difficult times is find ways to retain their current employees while hiring more to meet the demand.


Introduction




High employee turnover can have a significant impact. It brings with it a slew of challenges that organizations must deal with, but which they may struggle to understand when employees are constantly leaving. Some reasons why employee retention is important are:

- **Loss Of Skills And Knowledge:** Employees who have been with the restaurant for a long time are well-versed in its operations and do not require as much training as new hires. They develop the skill, knowledge, and ease of doing the work overtime, and losing such staff means losing talent.
- **Loss Of Efficiency:** In the restaurant industry, prompt and accurate service is critical. Service can be hampered with newly trained staff when there is a lack of sufficient staff amidst the turnover.
- **Loss Of Image:** Another issue arises when customers are constantly served by new employees each time they visit a restaurant with a high employee turnover rate. It may have an impact on the restaurant's image.
- **Loss Of Staff Morale:** Staff turnover can have an impact on current employees' morale. New employees may feel insecure about their jobs, while older employees may want to follow in the footsteps of their colleagues.

Importance Of Employee Retention



Any type of turnover, whether voluntary or involuntary, unpleasant or not, has a cost. When an employee leaves a vacant position, it costs time, money, and effort to find, hire, and train a replacement. Separation expenses, such as severance pay, may also be incurred. According to a study by Gallup, the cost of replacing a single employee might range from half to two times his or her annual compensation. There is also the cost of lost productivity while the position is vacant. It may take several years for a new hire to achieve the same level of productivity as the departing employee. Instead of allowing employees to leave, the restaurant should implement policies and tactics to ensure that employees do not want to leave and that employee retention remains high.




To begin with, how do you calculate the employee retention rate? Determine the period – month, year, etc. – for which you are calculating the retention. Subtract the number of employees who left during the period from the total number of employees who started the period. This is the total number of employees who stayed with the company at the end of the period. Then divide this total by the number of employees. This will give you the retention percentage in decimals. To calculate the retention rate, multiply it by 100. To keep the employee retention rate high, you can use these strategies.

Recruitment And Onboarding: Hiring the right talent who fits in well with the team is a good place to start. Finding the right person for the job eliminates half of the work because the new hire already knows the basics of the job. A smooth onboarding process allows the employee to be integrated into the team.

Pay Packages: Ensuring that employees are well-paid for their job roles is one of the most important factors in employee retention. While paying minimum wage can save a business money, it does not attract long-term employees. Giving an employee a salary that allows them to not only meet their basic needs but also save and work towards aspirational goals is what makes a job profitable for the employee. While pay is not the only way to retain employees, it does help when combined with other retention strategies.

Strategies To Retain Employees




Recognition And Rewards: Recognizing and acknowledging good work lets employees know that they and their work are valued. Maintaining high employee morale requires regular communication that expresses appreciation. According to a Gallup poll, employees who do not feel valued are twice as likely to leave in the next year. Rewards for various accomplishments based on previously determined performance measures can also be beneficial. Regular rewards that encourage him or her to do better and help the business succeed do not have to be expensive.

Employee Engagement: Employee engagement is a critical component of employee retention. Employees who do not feel a connection to the company or its team are more likely to leave. Those who feel like they are a part of a team – an important result of employee engagement – stay on the job for a longer period. Maintaining open lines of communication between employees and management is critical to employee engagement. They can give feedback and make suggestions and know that they are being heard. Understanding what employees – both wait staff and kitchen staff – want or need can benefit the overall business because they are at the forefront of the restaurant industry and know what needs to be done more.




Training And Development

Opportunities: Employees must be aware of what is going on in the industry. They must improve their skills to perform their duties effectively. Giving your employees training and development opportunities demonstrates that management cares about their professional and personal development. Delivering free, short-term skills classes to employees, launching skills programs with education partners, or even offering stipends to enroll in courses all contribute to creating a learning-friendly workplace environment.

A black and white photograph of a young woman with a braid, smiling warmly. She is wearing a dark t-shirt and a light-colored apron. The background is a plain, light color.

You don't have to rely solely on manual labor to keep your business running smoothly in the digital age. You can get various apps and software to help with the process. Digitization has made its mark in restaurants as well, with inventory management systems, POS systems, ordering processes, payment processes, and so on. However, there is HR information software available to help ensure that employees and management are on the same page. It allows HR and management to quickly obtain all employee information with the click of a button and to communicate any changes – in schedules, timings, etc. – to all employees via messaging or mailing format. Not only are information systems available, but also HR management software, human capital management software, and so on. Such software can help you open communication lines, calculate and regularize payrolls, keep time logs, and so on. One can use such software to aid in the implementation of one or more employee retention strategies.

Employee Retention Tools



The restaurant must run smoothly and without interruptions to be a successful business. Employee turnover is a major impediment, particularly in these times. It can be avoided by ensuring that employees do not leave jobs frequently, and the company must employ employee retention strategies to do so. Your restaurant business can run efficiently and productively if you use the strategies and tools shared in this eBook.

Conclusion

