

The Four Keys to Successful **EMPLOYEE TALENT DEVELOPMENT**

How to Support Employee Retention
with Online Training Programs



Introduction



It is harder than ever for restaurants to retain employees. Granted, restaurant employee turnover has always been high — this is an industry with a tremendous amount of churn. But increasingly, hourly workers have more job opportunities thanks to on-demand work in the gig economy. Now, restaurateurs don't just have to worry about employees leaving to work at other restaurants — they need to worry about them leaving the industry altogether.



40% of hourly employees terminate their jobs within the first 90 days of employment, and 35% of managers terminate within the first year¹



Turnover is now over \$2,000 per hourly employee and over \$15,000 per manager¹

This is the harsh reality that restaurants operators face. These costs do more than simply add up — they can debilitate a restaurant.

So, what's the key to making your employees stay? What's the secret sauce?
In the words of an industry leader:

“You have to be a place that's more than a paycheck for people.”

– Rick Federico, P.F. Chang's

In the last 20 years, the needs of the modern restaurant workforce have shifted. Many workers want more than a simple paycheck — though, make no mistake, they definitely want a paycheck. Employees also want to be engaged and developed at their jobs.

According to TDn2K, there is a direct correlation between on-the-job training and higher employee retention.

30+ hours of training results in higher retention, while less than 30 hours results in higher turnover¹

Companies that offer four or more hours of employee orientation lower turnover rate by 10%¹

Companies that offer technology and systems training lower turnover rate by 20%¹

Restaurants can begin to combat rising turnover rates by investing in the people who make their business possible — their employees. Workers respond to innovative workplace training programs that steep them in the company's core values, give them paths to career advancement, reward performance, and maybe even put wage increases in their hands.

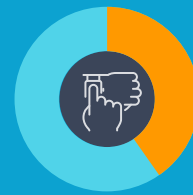
Industry leaders like Logan's Roadhouse, Flix Brewhouse, and Cooper's Hawk Winery & Restaurants all agree — if you put time and energy into developing your team, the rest will follow, including higher sales. These restaurateurs' experiences provide other owners and operators with four key ways to support employee retention through talent development opportunities.

- 1 Stay True to Your Core
- 2 Share Career Paths
- 3 Measure and Reward Performance
- 4 Create a Complete Program

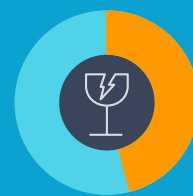
Research shows that engaged employees are less likely to leave your business. The benefits of engaged employees speak for themselves: ¹



29%
decrease in turnover



37%
decrease in absenteeism



41%
decrease in mistakes

1

Stay True to Your Core

Employees perform better when they are steeped in an organization's core values from day one.



Your restaurant's core values should permeate the culture within your business at all times — they're the living, breathing aspect of your organization that informs how you operate, interact with customers, find new talent, and train employees.

Millennial and Gen Z employees are now a predominant portion of the workforce, and they are a demographic that values purpose and mission in their employers. Both prospective and existing employees want to know that they've found a good fit with a company whose mission and goals compliment their own personal values.

That's why brands should communicate their core values early and often. Take **Logan's Roadhouse**, for example. With more than 200 locations, the Tennessee-based casual dining chain can't simply communicate their values when job seekers come in for an interview. Logan's puts their core values front and center on their [careers page](#). As a brand, Logan's seeks to ignite a fire in their employees and their stores through the following values.



A Passion to Serve



Relentless Improvement



Embracing Change



Integrity in All Actions



Respecting Each Individual



Accountability for Results

2

Share Career Paths

Employees are more inspired when they know there's a path to advancement beyond the team-member role.



If you're searching for a brand that does a top-notch job of providing employees with a clear career path, look no further than **Goodcents Deli Fresh Subs**. This Kansas-headquartered sandwich franchise displays their career path prominently on their website, spelling out the required skills for crew members to advance to management roles.



Founded in Lenexa, KS, in 1989, Goodcents has 75 franchise locations across the country, with plans to expand their footprint internationally. In 2018, Franchise Business Review named Goodcents one of the Top 30 Food and Beverage Franchises in North America — and one of the ways the brand achieved that ranking is through a meticulous and comprehensive training program to keep operations consistent across so many franchises.

With their Goodcents University learning library, built within the Schoox LMS, the brand can onboard and train their crew-members on every single thing that goes into making a Goodcents sandwich shop run smoothly — how to dress a sandwich, how to toast and cut that sandwich, how to operate the cash register.

But the Goodcents training team also provides employees with a road they can follow to grow their careers, showing exactly which training modules to complete to gain the skills needed to advance. The training modules directly correlate to the different stages within the established career path, telling — from crew member to slice master and all the way to certified trainer and management positions.

By clearly communicating a career path within their organization, Goodcents demonstrates from the outset that there are ways for new hires to move up in the business — and their comprehensive training program then helps their employees achieve that success.



3

Measure and Reward Performance

Create clear performance guidelines so managers understand how to measure and reward team members



Restaurant managers play a significant role in ensuring that team members gain the maximum benefits and job opportunities from online training participation. This requires a clear understanding of how employees will be measured and rewarded for improved performance.

Logan's Roadhouse, for example, lays out a clear list of best-practice behaviors for its managers to embody to support employees in their quest to improve their job performance and their career trajectories including:

- ✓ Follow systems and standards without exception
- ✓ Establish clear expectations
- ✓ Review and communicate staffing plans daily
- ✓ Meet with managers to ensure standards are aligned
- ✓ Share equal credit for team success and takes equal responsibility for failures
- ✓ Read Logan's The Lowdown each week and ensure all team members view the Roadhouse News: Passion to Serve webpage
- ✓ Ensure all team members are up-to-date on all required eLearning courses and knowledge checks
- ✓ Recognize and reward excellence



“When you don’t train somebody the right way or you skip steps, I can guarantee you will have turnover with that person. They won’t feel like they were set up for success and they’ll get frustrated. There’s nothing more demotivating for an hourly team member than to not be trained right.”

– Julie Riggs, Director of Operations, Logan’s Roadhouse



4

Create a Complete Program Performance

Team members' income destiny is in their hands via learning opportunities for jobs that pay more.



Increasing their income is as easy as A-B-C for team members at **Flix Brewhouse** — all they have to do is participate in the cinema brewhouse's Achievement Based Compensation program. The program gives them the chance to earn more money by engaging in online classes that prepare them for certifications such as certified beer server or certified cicerone— all while learning at their own pace and without waiting for a yearly job performance evaluation.

Flix has developed its own word for putting its team members' earning potential into their own hands — “Flixocracy.” The tenets of the philosophy are two-fold: Skills plus knowledge equal competency, and competency plus attitude equal achievement. As soon as they learn and demonstrate new competencies, they are eligible for pay increases.

To date, Flix has achieved amazing results including:



Created over
10,000
training programs



Reached
100%
course completion
by team members



Improved service
times from
18 to 15
minutes



Consistently achieves
Higher
sales numbers

Flix's sales success was embodied by a cinema industry accomplishment in 2016. The establishment was ranked number one in North American ticket sales for the movie "Bad Moms" at Christmas time in 2016. Several factors impacted Flix's ability to "skyrocket sales" by 2,000 over other cinemas across the country, including ensuring that staff members informed about the beer and food promotions, being "rush ready" for every shift, and providing the fastest, highest-quality customer service.



"Now, our team members strive to learn. They want to be in the loop. They are hungry for the training programs. When they are participating, they are fully engaged. As they advance, they receive points and they continually check their status on the leaderboard against their peers. They eat up the friendly competitive spirit."

– Lindsey Moon-Lenggenhager, Director of Learning and Development, Flix Brewhouse



9 Benefits from Online Learning Management Systems Performance

In today's oversaturated and extremely competitive marketplace, restaurant owners and operators need effective training strategies to onboard and engage their employees — and get workers fired up about their jobs and their success within the organization. Online learning management systems that support progressive employee training programs are one of today's secret weapons for achieving these goals.

Experience from the field shows that restaurants today are gaining these nine benefits from robust learning management systems:

- 1 Saving money on printing and shipping paper training materials
- 2 Cost-effectively updating online training classes and sharing with multiple stores at once
- 3 Giving trainers and managers more time to focus on growing the business and serving customers
- 4 Decreasing turnover costs
- 5 Increasing employee satisfaction
- 6 Creating happier, more satisfied employees who are more productive, make fewer mistakes, and do better work
- 7 Translating employee satisfaction into customer satisfaction
- 8 Gaining higher sales from more satisfied customers
- 9 Achieving higher top-line sales

Want to learn more about how HotSchedules can help you gain happier employees and higher sales?

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