Recruiting and retaining good staff is essential for any successful business. It’s so challenging to do, however, that Deloitte ranks it as the number one issue for CEOs globally. 90% of leaders think an engagement strategy will have an impact on business success, but barely 25% have an actual strategy in place.

For hospitality, the retention issue is particularly acute. At 73%, the staff turnover rate is nearly five times the national all-sector average. This is especially concerning, as there is a direct correlation between high staff turnover and lower profits.

The cost of hiring and training new staff puts a huge dent in your bottom line, while stop-gap solutions like temporary workers can jeopardize your brand, the quality of service you’re able to provide, your organizational culture, and ultimately, the customer experience. In an industry notorious for its turnover, your restaurant can gain a competitive advantage by holding on to the staff you already have.

While competitive pay is important, it turns out that the key to retaining employees is engaging them. It comes with more than the benefit of retention — in fact, organizations with a high level of engagement report 22% higher productivity.

The first step in engaging your employees is ensuring that communication is open, honest, and clear. In a classic corporate hierarchy, messages cascade through the management structure, and information has to travel through at least 10 levels before reaching every employee. This leaves ample room for confusion and misinformation. The answer here is to find a new way of connecting with your staff.

Communication is just one part of the puzzle. You also need to be thinking about whether your operational processes enable staff to do their jobs well, how accurate you are with your forecasting to make sure shifts aren’t over or understaffed, and how to ensure you are paying staff correctly and on time — every time.
Contents

- Employee Engagement 4
  > Communication 5
  > Access to Information 6
- Access to Tools 6
- Scheduling 7
  > Creating Schedules 7
  > Communicating Schedules 8
- Payroll & Benefits 8
- Reward & Recognize 10
- Why Technology is Key 11
- How Fourth Makes Work Better for Just About Every Employee 12
- Summary 13
- About Fourth 14
Employee Engagement

It's clear that an “engaged employee” is a good thing, but what does it mean in practice? Engaged employees are ones who feel connected to their work, valued, and appreciated. This doesn't happen overnight: your organizational culture and practices are responsible for enabling positive employee engagement.

Above all, it’s important to understand that successful employee engagement requires careful planning, intelligent execution and sustaining good communications. Without, employers can come across as disingenuous, actually making employees less engaged. Goodwill and short-term initiatives aren't enough. You need:

- A clearly-defined vision and articulated core values for your organization
- Board-level commitment
- An incentivized and motivated HR function
- Skilled recruitment
- Empowered line managers
- Smart technology

At this point, it’s worth taking a closer look at who we’re aiming to engage. Millennials are the fastest-growing segment of employees in our industry. This is particularly important because their top work priorities are growth opportunities and development, as well as competitive pay and benefits. And, as digital natives, they rely on their smartphones and tablets to make life easier.

Both these factors lead to a simple conclusion: we need to engage employees with information and tools they value — via the same mobile devices and style of apps they are used to.

Communication

The first step in engaging your employees is ensuring a clear channel for two-way communication. To help employees connect to your business, communication can't be limited to urgent notifications or demands. Your employees should feel in the loop — and therefore invested — in your business at all times.

Some operators have turned to platforms like WhatsApp or Facebook to start the process. It's true that these apps do make it easy to disseminate information to a group of people, like new menu items, offers or promotions. The challenge, however, is keeping proprietary content proprietary. As these types of messaging platforms require adding or subtracting members manually, there's a high risk of past employees remaining in a group after they have left the business. With
employees often moving among competitive businesses in the sector, access to details of menu launches, promotions or internal challenges needs to be controlled reliably.

---

**Access to information**

Aside from delivering regular communications and updates, you also need to make sure employees have access to the information they need, when they need it.

From company policies, to information about paid time off (PTO), to pay stubs, making sure employees can easily access to the information they need will mean a better experience for them, and fewer questions for managers.

Giving your staff access to the information they need greatly reduces the administrative burden on HR teams. It makes life easier for everyone.

---

**Access to Tools**

Within every hospitality business, there are a range of systems and tools that workers need to access in order to complete their tasks, including managing inventory and completing counts, ordering products, and receiving goods.

With different, disparate systems for tasks, employees not only have to visit multiple sites and applications to get their work done, but also must remember multiple different usernames and passwords. When log-in details are forgotten and must be reset, valuable time is wasted and frustration arises.

Fourth’s fully-integrated software platform supports virtually every hospitality task, like goods receiving, inventory counting, scheduling, and payroll. The Fourth app acts as a mobile gateway to the platform, ensuring that staff have access to the tools they need — and not the ones they don’t.

With single sign-on (SSO), employees can access all the applications they need directly from the app (including integrated non-Fourth apps). This means they no longer have to remember multiple usernames and passwords to do their job, and can access everything they need in one
Scheduling

Creating Schedules

Scheduling staff is one of the most important elements of a manager’s role. If you overstaff, it makes for a slow and boring shift for your employees, and a costly one for you. On the other hand, if you understaff, your employees are in the weeds the whole shift, are stressed and frantic, and are more focused on turning tables than upselling or delivering a rave-worthy customer experience. In both scenarios, the guest experience is far from ideal. Generating an accurate schedule is important for the happiness of your employees — and the health of your bottom line.

The challenge comes in the way that many businesses approach scheduling — from a revenue forecast rather than a demand forecast. Traditional scheduling (based on budgets or spend-per-labor-hour) doesn’t take into account the time required to meet demand. Some businesses have now moved to forecasting covers, which is a good step forward, but again doesn’t accurately plan for demand. For example, one table might order apps and drinks, which is a different lift from another’s three-course meal and a bottle of wine. To get the most accurate forecasts, you need to be looking more closely: predicting the specific items that you’re going to sell, then staffing accordingly.

Fourth’s advanced forecasting algorithm takes data such as same day last year, historical data, recent trends, weather forecast, and notable public and national events to create an accurate demand forecast down to 15-minute intervals.

This forecast (on to which managers can overlay their expertise) then creates a highly accurate shape of the day, showing how many employees are needed at different times — while taking into account non-revenue generating activities like prep work or cleaning.

By accurately predicting which staff you need where and when, you can avoid shifts where employees are run ragged, or ones where bored staff are either over-attentive to guests or disengaged. Getting the balance right not only improves both customer service and sales, but also means employees are less likely to have a bad shift, helping build engagement.

Communicating Schedules

In many cases, scheduling can feel like a one-way channel, with managers dictating a schedule that causes frustration for employees, who have to re-arrange their personal lives. Employees may mention times they can’t work, but these are often forgotten, or stored on Post-it notes that can easily be lost. Employees are then frustrated as requests seem to have been ignored. All of this leads to multiple
versions of the schedule, dropped or swapped shifts, frustration on both ends, and employees who feel like they have no control over their schedules — not to mention the impact all this has on payroll, making accuracy harder to achieve. Instead, scheduling should be collaborative, with easy communication between managers and employees.

Select a tool that allows employees to suggest times they are unavailable, and lets managers post open shifts. Employees can then volunteer to pick up extra shifts if they have the availability and want the extra hours.

With an accurate shape of the day, managers can also offer split shifts to cover busy periods, which might make it easier to accommodate employees’ work life/balance and how they want to structure their time.

## Payroll & benefits

### Payroll

Hospitality payroll is complex: multiple roles, shift workers, seasonal, temporary and transient staff, hourly vs. salary, and so on. With complexity comes added risk for error, which again negatively impacts employee satisfaction. After all, generating incorrect paystubs is a sure-fire way to frustrate your employees.

Varying minimum-wage requirements add to the complexity and bring not only risk of penalties, but also reputational damage, which impacts any business’ ability to recruit the best talent.

Manual processes or disparate systems compound these issues. When transferring data (like actual time and attendance information) from one system to another is manual, the opportunity for mistakes and mis-keyed data increases.

Fourth’s Workforce Management solution delivers integrated HR, scheduling, payroll, and benefits so all data flows through one system.

Schedules can easily be updated with actual time and attendance data from POS or even biometric readers, and all of that data flows through to payroll to ensure employees are paid correctly for the time worked.

When you outsource your payroll function to Fourth, paying your employees is off your plate, and with no hidden costs. The risk of errors or non-compliance is eliminated, as our team handles all aspects of the payroll
process. And, you get on-demand access to dedicated, qualified hospitality payroll specialists who are well-versed in the nuances of the hospitality sector.

Benefits

Offering your employees a comprehensive benefits package is critical when trying to attract and retain top talent. But staying on top of regulation and legislation changes to legislation, understanding the impact to your business, and resolving the challenges that arise, all while monitoring the impact to your business can be a full-time job. Taking care of your employees shouldn't come with a giant administrative burden — and expense. You should be able to provide a competitive package for your employees without costing yourself an arm and a leg.

Our seasoned benefits experts can help you understand ever-changing healthcare reform and the implications, to help ensure your compliance with new regulations. And, our team can remove the administrative burden of maintaining your employee benefits program.

We take the time to understand your needs and to find the appropriate plan for your employees, so you can provide quality benefits within your budget. We’ll take the guesswork out of things like tracking eligibility, communicating plan information, administrating changes, enrolling employees, reconciling invoices, and resolving claims, so you can focus on what you do best: running your restaurant.

Reward & Recognize

Recognizing your staff’s contribution to your business will boost morale, and provides powerful positive reinforcement.

Everyone likes to know they’re doing a good job, but in the fast-paced hospitality environment, the opportunity is often missed. Recognizing and rewarding your top performers not only makes them feel good about the job they’re doing, but also proves a power motivator for them to continue exceeding expectations, and encourages others to do the same.

Engaging your employees through positive reinforcement is important in retaining them, too. Gallup reports that employees who do not feel recognized at work are twice as likely to quit in the next year.

In addition to celebrating successes and recognizing top performers, restaurants must also prioritize thoughtful performance reviews. In many instances, employee
performances reviews may be rushed or based on vague recollections of past performance. The lack of specificity will leave employees feeling unseen and undervalued. Instead, restaurants should rely on robust data and reporting so managers can have meaningful and productive conversations with their staff. This gives your employees opportunities to grow and develop in their roles, and can improve retention rates.

Why Technology is Key

There are many ways to encourage employee engagement, from surveys, comprehensive benefits, awards and recognition, and team-building events. The key to almost all of them, however, is smart technology. Mobile apps and social media are a way of life for most hospitality employees: for many, checking their cell phones is the first thing they do when they wake up in the morning.

Hospitality organizations need to seize this opportunity. The idea of using an intranet to share information and store documents is ineffective and obsolete. With outdated information clogging the portal and a frustrating interface, many won't bother logging in. Those who do may miss critical information, as they can't gain access from home.

Instead, you can use technology to attract the best talent to your business. Candidates want organizations that use cutting-edge systems and processes to speed up less glamorous tasks (such as inventory counts) to help them do their job more effectively, and that let them get home earlier at the end of a shift. Making these systems intuitive and available on the same kinds of devices they
use at home make compliance and adoption much easier.

**Team member**
I can get practical stuff done more easily, such as seeing my schedule, asking for time off or putting my name down for more shifts. Plus I get recognition for outstanding work. It’s also great for chatting with colleagues and seeing what benefits and discounts I’m entitled to.

**Manager**
I can get in touch with my entire team instantly, and collaborate with them more when creating the schedule. The app is a really convenient way to receive operational updates and share them with others. I can see how we’re performing against KPIs in real time, and I can share ideas and issues with other managers directly.

**HR**
Employees can get information much more easily, so I spend a lot less time answering the phone or emails. It’s easy to keep policies and documents up to date and available to everyone. It’s also amazing to discover so much hidden talent among our workforce.

**Marketing**
It’s a really effective way of sharing our brand values and vision with everyone. We get constant feedback from employees, including valuable information about what our competitors are doing. It’s also easy to keep people up to date with our latest promotions.

**Payroll**
We can remind our team members about cut-off dates so they don’t miss deadlines and get frustrated. It also cuts the number of payroll questions we have to deal with. And as the information flows through the system, the risk of errors is massively reduced. We can now see any issues immediately, so we can catch and correct errors before payday.

**Finance**
Financial information is available at the touch of a button, and we can then keep people up to date with how we’re performing. As a result, we find it’s a great way to humanize the department.
Companies that address the need for employee engagement see:

10% increase in customer satisfaction
20% increase in sales

88% of people look at their phone within 30 minutes of waking up
74% of people check their phone 15 minutes before going to bed

Once they’ve had the experience of working for an organization that leverages technology to make lives easier, they’re less likely to want to move somewhere that still depends on manual processes or less advanced technology.

How Fourth Makes Work Better for Just about Every Employee

In the end, engagement is about people. Lasting, authentic engagement requires that the whole company commits to making it a success, and Fourth can help.

To find out more about how Fourth can help your business achieve stronger employee engagement, please visit our website at fourth.com or contact us using the details on the back of this guide.

Summary

To recap, engaged employees:
- Go the extra mile for customers.
- Promote the company and become brand ambassadors.
- Want to stay longer and develop their careers within the organization.
• Come up with and share ideas to help the company.
• Support their colleagues.
• Make friends at work.
• Tell managers how they are feeling, and share feedback openly.
• Get a sense of achievement from great work.
• Take fewer sick days.

As a result, the company benefits:

• **Customer satisfaction goes up** – The only true competitive advantage in hospitality is people. If the service is terrible, nothing else matters.

• **Sales improve** – Customers who are treated well will spend more, and come back again and again.

• **Turnover is less as retention increases** – It’s obvious that someone who finds their job rewarding and feels loyal to the business is likely to stick around. They are also more likely to see it as a career and look for opportunities to progress.

• **Staff is more invested, and available** – Engaged employees typically take 2.7 sick days a year (compared to 6.2 days for those who are unengaged).

• **Hiring costs decrease** – Lower staff turnover means you save on recruitment, onboarding and training.

Questions?
Call us at +1.877.539.5156
www.fourth.com