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HOW TO HIRE, TRAIN, AND RETAIN THE BEST EMPLOYEES

With today's labor pool—not to mention profit margins—thinner than ever, operators are getting creative in building their workforce. **BY KEVIN HARDY**

The “Help Wanted” sign is a permanent fixture at Pork & Mindy's. The three-unit, Chicago-based fast-casual barbecue concept is always looking to hire regardless of whether vacancies even exist.

“That's one thing I implemented early on,” says Kevin Corsello, founder and CEO. “I didn't want to ever wait until we needed a specific position in our organization. We're always looking for great people. That was one of the things that helped us initially, to flood the opportunities coming in so we could really be selective.”

It's just one part of the brand's strategy to hire, train, and retain the best talent—an increasingly important focus for oper-

ators as the restaurant industry struggles with a thin labor pool and increasing wages.

As the U.S. economy has improved in the years after the Great Recession, businesses in all sectors have struggled to hire and retain labor. The national unemployment rate has hovered below 5 percent over the past two years, with local rates at or below 4 percent in half the states, according to the Bureau of Labor Statistics. Meanwhile, the U.S. labor-force participation rate—the share of workers who are employed or searching for work—has steadily declined since 2001. That's left employers in dozens of states struggling to hire and keep employees,

whether they're in minimum-wage jobs or positions requiring advanced degrees.

The labor shortage has forced many operators to increase wages to remain competitive. But in an industry known for its razor-thin profit margins, higher wages aren't always an option—or necessary.

Corsello says he believes culture is ultimately more important for most employees when deciding whether to stay put or leave. To that end, Pork & Mindy's holds monthly game nights to help build family-like connections with employees. Once a month on a Sunday evening, the company brings in pizza and snacks. Employees play games over beers, mingling among coworkers from other stores or shifts they may not know. There's even an open mic.

"It gives them an opportunity to know the team intimately," Corsello says. "It gets them into a different light, so it's not just that they're communicating in a work-type environment. It's just a natural, organic, human-type interaction. It's amazing to see the bonds that have been created."

But while millennials especially have expressed a desire to work for companies invested in culture, Corsello's strategy extends beyond free pizza and beer. Pork & Mindy's strategy revolves around the idea of building careers for team members; new employees immediately participate in conversations about their future development within the company.

"They can literally see a path for growth," he says. "I don't want them to ever feel at Pork & Mindy's that this is just an X-dollar-an-hour job that they can come in, punch out, and leave. I really want them to be part of our family and know that they have a path to grow within the company based on performance."

To that end, feedback is a constant for Pork & Mindy's employees. Corsello conducts spot check-ins on a weekly or biweekly basis (depending on the employee), and is frequently offering feedback not only on what team members are doing wrong, but also on what they are doing right.

Training, too, is near constant. New employees undergo extensive training, but crewmembers also watch training videos on a continual basis—videos created by Corsello's partner, Emmy-nominated celebrity chef Jeff Mauro. Pork & Mindy's has employees watch training videos "until they literally can

recite to us everything that Chef Mauro discusses and how he wants the food to be articulated to consumers," Corsello says.

Building a positive culture through training and investment in people is good business sense. Just ask Anita Vanderveer, senior vice president for people at Sonic Drive-In.

"We totally get the fact that the employee experience affects the customer experience, which also affects sales and profits," Vanderveer says.

Sonic has focused much of its talent development work around retention, she says. Oftentimes, pay is important when getting people in the door, but it takes more than an hourly raise to keep people loyal to a company.

"If somebody is not being treated fairly or they feel that their work isn't being valued, they're going to leave," she says. "In many cases, they'll leave even for less pay. To get in the door, you have to be competitive. But at the end of the day, it is so much more around the intent to stay."

Benefits like health insurance and paid time off have helped Sonic keep crewmembers. And Vanderveer says cross-training employees to work multiple roles has helped to improve both employee engagement and retention. A cook, for instance, can earn more and feel more connected to work after being trained to do other tasks in the restaurant.

"They also can manage the switchboard. They can be cross-trained to deliver the treats and the drinks and the shakes and the slushes," she says. "It's very interesting and very fun to go into our drive-in at a peak time and see the benefits of cross-training our employees."

In employee roundtable discussions, Vanderveer regularly asks team members why they stay. She often hears about the fun work atmosphere offered at Sonic. The drive-in features roller-skating carhops and sees booming business during summer months, when drivers flock there for unique beverages and ice cream.

Each year, hundreds of stores participate in the Dr Pepper Sonic Games, a series of training, quizzes, team challenges, and individual competitions. While the company leans on its quirky environment with all employees, Vanderveer says it especially resonates with carhops, positions that don't exist at most other quick serves.

"It's a very high-energy culture within our drive-ins," she says. "[Employees] can skate; there's music playing inside and out; they're able to go outdoors. I also hear that it's fun to be able to work out while you work, along with making money, tips, and friends."

Of course, quick-service brands have to think about more than just a restaurant's individual team members. That's why Dickey's Barbecue Pit created its Barbecue University program to ensure that all franchisees are properly trained in tricks of the trade.

Chris Kelley, dean of Barbecue University, says the four-week training program offers A-to-Z instruction for new owner-operators. It covers everything from the financial books to a beginner's guide on brisket. The program aims to prepare franchisees to play a hands-on role in the business, rather than managing remotely over email.

"It's hard work, but it's not hard work. We're not putting rockets on the moon or curing cancer," he says. "But you're on

FOR THE BEST EMPLOYEES, MAKE YOUR BRAND A CAUSE

If you really want to build a high-performing, long-lasting workforce, you have to start by making your business an employer of choice.

Matthew Mabel, president of consultancy Surrender Inc., says restaurants can do this by making their brand a cause—something employees are proud to represent.

Mabel offers his four tips on how to make your brand a cause:

1. Assemble your team and take an inventory of the unique aspects of your business, culture, offerings, and the way you interact with your community.
2. Rank the factors that are most unique, influential, and inspirational to your workforce.
3. Choose your cause and prepare to market it internally to existing staff and future applicants.
4. Experience the benefits of a critical and profitable aspect to enrolling today's worker.

your feet and engaged all day. You've got to deal with people each and every day."

And dealing with people, both customers and employees, is the toughest part of running a restaurant, Kelley says. That's why the training program focuses on how to lead a team, communicate effectively, and handle unhappy customers.

Kelley's corporate team produces daily training videos for store employees, who learn about new menu items, company updates, or general refreshers before each shift begins. He says the training has grown more important as owners struggle to retain staff. Right now, workers know they are in demand and that they have leverage.

"Believe you me, I deal with it on a daily basis on my team," Kelley says. "It is, 'What have you done for me lately? When do you give me a raise? I've been working for you for three days now; when do I get my raise?'"

Dickey's reinforces among staff members that working in the restaurants can be more than a job; similar to Pork & Mindy's, the company is focused on developing career paths for employees. "If they're not happy, we're not happy," Kelley says. "Their success is our success. We realize that."

While culture and training are critical to building and retaining a team, those things shouldn't replace good employee pay and incentives, says Michael Poates, president of Gatti's Pizza, who says restaurateurs must be willing to pay more to win and keep the best people.

"Pay need not be the highest in your trade area, but it should be among the top," he says. "Paying low salaries means top people will leave and low performers will take their jobs."

Restaurants should dole out pay and responsibilities according to ability and drive; key employees and those looking to grow should be given more duties. And if budgets are tight for raises, Poates recommends giving more to top performers. Operators might also consider giving bonuses if they can't afford a base wage increase; bonuses go a long way toward showing appreciation, he says.

Poates adds that building a culture is often hard to define or prescribe.

"Funny thing about it, it really is the spirit of an organization and flows as freely down from the top as it permeates from the core," he says. "It can't be captured on paper, but it's modeled each day to your team members and guests."

Still, there are some best practices when developing company culture. Contests and performance awards can help to recognize high achievers and improve morale. Management should define goals, but avoid micromanaging. And restaurant leaders should approach subordinates with some humility to help build long-term relationships.

"Have fun with your team; be human and spend as much thoughtful fun time as possible in getting to know your team," Poates says. "Treat them like a guest instead of assigning them a number in your organization."

After years of high turnover in its 160 restaurants, Donatos Pizza implemented a new training program in 2015 called 10 Shifts. Over the first 10 shifts, new hires learn from a mix of quick video lessons and hands-on experience.

"We were constantly hiring and hiring and hiring, but they were quickly turning over," says Michele Lyons, vice president of people services. "We wanted something specific that would address the new hires."

While training can improve performance and service, Donatos executives believe it also improves retention. Lyons says a well-trained employee will feel more engaged with the work and, ultimately, stay longer.

"I think it's so important that you're welcomed and you feel confident in what you're doing. Otherwise, every day you're questioning yourself," she says. "We drill that in. It's so important to treat your people with kindness. ... We want to introduce them to the team; we want to welcome them and we want them to feel like they're a part of the family."

The 10 Shifts program seeks to break up the endless hours in front of a screen suffered by many new employees at other jobs. For instance, when learning to make a pizza, Donatos employees watch a detailed video in which a company representative shows them how to add sauce and cheese and how to exactly weigh the ingredients. "We use our own people," Lyons says. "They're having a blast in the video."

The new hires then go out and do it themselves.

"When they complete that, they'll walk out into the kitchen and stand shoulder-to-shoulder with a certified trainer and they practice," she says.

In the last few years, the program has shown remarkable results, cutting new-hire turnover by about 33 percent within the first nine months. That has since waned somewhat, but Donatos plans to revamp the program soon to create improved lessons designed to keep the attention of new workers.

Lyons is of the mindset that wages matter in this competitive environment. Donatos has had to increase pay for managers in some hard-to-staff locations, but she says the brand still starts most workers at minimum wage.

"I think that there's a breaking point, but I think culture is definitely what's keeping people," she says. "We're a minimum-wage employer right now, and our turnover is significantly lower than the industry. Our company really has a heart, and our associates know that. They truly love each other and care about each other."

Donatos' Black Brick Pathway program helps to develop associates and improve their pay over time by progressing into training roles or management positions. And the brand has long advocated for second-chance hiring, offering an opportunity for applicants with criminal histories. Lyons says other quick-serve companies seem to be following suit, as a shrinking teenage workforce and slim labor pools make traditional hiring ever more difficult.

"I think that maybe some operators are more open to it because of the climate," she says of looking outside the traditional workforce for employees. "I would say at Donatos, it's always been something we have done. [We have hired] people throughout our company, whether it's here at the home office, in our stores, or in our bakery." 

Kevin Hardy is a regular contributor to QSR and is based in Iowa.