

Engaging Employees: Lessons from America's Top Restaurants

In today's saturated restaurant industry, food quality alone is not enough to bring customers into restaurants.

Rather, restaurants need to devise creative and modern ways to innovate on customer experience. For most food-service companies, investment budgets tend to be heavily weighted towards customer-facing improvements. Customer-focused innovation isn't the wrong path, but research has shown that investments into employees should come first to have the most impact.

While restaurants invest in improvements to the customer journey, investing in employees can fall by the wayside. Focusing on employee engagement is one of the best ways to improve both bottom- and top-line revenues for all types of restaurant businesses. Simple strategies like empowering management, offering opportunities for advancement, and instant access to pay may actually improve restaurant experience more than customer-facing investments.

Many large, successful restaurant chains spanning every type of restaurant business from fast food to fine dining have proven that employee engagement strategies are worth the investment. Take Wendy's, McDonald's and Chick-Fil-A. All three companies made employee engagement a priority and emerged as industry leaders as a result.

Businesses in the service industry, specifically restaurants, can't afford to ignore employee engagement. Today's customers expect the best possible experience, and only engaged employees can serve it up on a daily basis.

Why Employee Engagement Matters

Customers don't go through the stages of the customer journey on their own.

Rather, every stage in the customer journey is a potential touchpoint where employees can make or break the customer experience. Employee engagement influences customer perception, and can have a tangible impact on top and bottom line revenue. When employee engagement is visibly tied to company profitability, it can be easier to get senior management onboard with new engagement initiatives.

One thing is clear: engaged employees bring companies more revenue. In the restaurant industry especially, companies with high employee engagement have been shown to be more profitable and productive than their competition. Plus, companies making physical, cultural and technological investments in their employees had happier employees with larger talent pipelines.



When a restaurant has high engagement, employees are excited to come to work, offering high-quality experiences to each customer they encounter. What's more, these employees then return home and tell their friends and family about how great their workplace is. In this way, highly engaged employees create a cult-like following around them of people who want to work for their company and who want to spend money there.

At the same time, poor employee engagement costs companies money. And, this isn't always money that is easy to trace on an income statement or a balance sheet. Disengaged employees can lead to high turnover rates and rising HR costs, not to mention the invisible loss of reduced productivity. The cost of employee disengagement in the American economy has been estimated at a staggering \$350B per year.

Disengaged employees harm a company just as much as highly engaged employees add value. Unfortunately there is no magic wand to transform apathy into engagement, but with diligent, ongoing effort, any restaurant business can begin to move the needle—for good.

Employee Engagement Strategies

There are several initiatives and investments that companies can start today to bring employee engagement to the forefront. It is important to have a long-term view of employee engagement strategies, rather than looking for a quick-fix. Short-term perks will do little to engage employees over the long haul, so focus on efforts that will stand up to the test of time.



1 Make Meals Meaningful

The first and perhaps most important way to engage restaurant employees is to link their work to a greater purpose. Employees will feel more engaged when they know how their contribution fits into the bigger picture and makes a difference to the customers they serve. But how can a restaurant make sandwiches feel significant? All it takes is defining employee roles by context, rather than function. Contextualize each position as part of a larger customer experience—whether the position is customer-facing or not. This will also help employees to find ways they can positively impact customers, effectively becoming built-in ambassadors for the brand.

When employees are also ambassadors, no longer is delivering customer experience just an expectation of the job; it's a responsibility. Employees that feel personally responsible for customer experience are more likely to go out of their way to create delightful customer moments. In turn, what was once just a job frying hamburgers becomes something much more meaningful.



Chick-Fil-A has made it their mission to center the company around its purpose, which goes a lot further than just selling chicken sandwiches. Originally founded on biblical principles, the company's culture is based on having a positive influence on all who come in contact with the brand. Plus, Chick-Fil-A offers scholarships to employees; giving over 36,000 employees a leg up in their education. Purpose-driven strategies serve as a base for the way the company operates, hires, and grows. It's been working well so far: Chick-Fil-A has posted double-digit growth almost every year since its inception in 1946.

2 Empower Supportive Management

Strong and supportive leaders are another piece in the employee engagement puzzle. The best managers work with their teams, rather than delegating from on high. These leaders set goals, provide coaching, and give timely feedback to support the operations of the team. Indeed, good management may be the single largest factor impacting employee engagement. As the saying goes, employees don't quit jobs - they quit managers.

Regardless if a restaurant is corporate-owned or franchised, it is still possible to implement programs for supportive management.

This starts with making sure that the right people are chosen as managers or franchise owners. Those who are already brand ambassadors will have the greatest impact on engagement as they already align with the company's culture and vision. The best managers also spend time developing their employees, so that the next generation of management is never far behind.



Burrito destination Chipotle has made a concerted effort to promote managers from within. In 2016, nearly 96% of the company's managers had been promoted from other roles. Central to this initiative is their Restaurateur program, which allows crew members to become managers earning a six figure salary. As a result, Chipotle continues to post impressive company growth numbers, nearly quadrupling revenue in just 10 years.

3 Embrace a Positive & Diverse Work Environment

Managers and employees alike play a part in creating a positive work atmosphere. To become engaged, employees need to be made to feel comfortable, welcome, and valued. Establishing a culture of recognition is one way to get there, which includes implementing a codified reward system, and offering frequent thanks to employees for their contributions. Managers have the ability to reduce turnover single handedly by getting to know their employees and taking the time to establish them as valuable members of the team.

Plus, employees flourish in diverse teams that represent a number of different backgrounds. Attracting talent from a number of different areas can increase the quality of the workforce, improve customer service across cultures, and raise team effectiveness with regards to problem solving and decision making. Engagement is born when work takes place among diverse teams where individuals are recognized for their efforts in improving customer experience.



Old-school chain In-N-Out may have found the secret to happy employees: perks and compensation worth raving about. This restaurant company offers higher than average wage, a 401(k), paid vacation days and health insurance to its employees. Indeed, store managers who meet all of their targets are treated to all-expenses-paid vacations. Together with robust on-the-job training, copious opportunities for advancement, and people-oriented leaders, the company has been honored five times by Glassdoor as a Best Place to Work.

4 Allow Opportunities for Growth

Research has shown that learning opportunities, professional development, and career progression are the top factors that lead to employee satisfaction. This is especially true for workers under the age of 25, which make up a huge portion of restaurant employees. The best companies make meeting employees' development needs a priority. When company leadership recognizes employee development as a business objective, they are on the road to a more engaged workforce.

Management has the power to reward employees with compensation increases and growth opportunities in real time. These bonuses show workers that management walks the walk and doesn't just talk the talk about employee engagement. When employees are encouraged to develop and grow in their roles, they are less likely to seek employment elsewhere. At the same time, when employees can see that managers are invested in their employees, it creates the positive work environment that benefits the team as a whole.



McDonald's recognized that happy employees were hugely beneficial to their customer experience. These happy employees get access to McDPerks, offering team members discounts on everything from cell phones to Six Flags tickets. But, happiness is not the only driver of improving performance. This company has also implemented training programs that draw from actual customer and employee insights. Employees and customers help to identify process strengths and weaknesses, finding new ways to improve efficiency. In turn, McDonalds empowers employees and maximizes revenue at the same time.

5 Easy Access to Benefits and Pay

Employee benefits are a key component of an engaged workplace. Non-traditional employee benefits can help a service industry employer distinguish themselves as a company who cares about its employees, creating a positive impact on both its company's culture and bottom line. This could include flexible scheduling, mentorship, awards or offering a same-day payment option.

Flexibility in pay is a huge benefit for hourly employees. The average two-week pay period leaves little room for financial emergencies, especially for young workers who may already be struggling with high tuition costs and student loan debt. Offering an [instant pay](#) option, which gives employees access to their funds at the end of every shift, provides an ideal alternative to using credit cards or taking out an expensive payday loan in the event of an unforeseen expense. When employees are less stressed about their finances, they're happier and ultimately more productive at work.



Even Wendy's, a fast-food giant, was having a tough time retaining their employees in today's labor market. To find a solution, they implemented Instant Pay as an employee benefit across 50 franchised locations. Over 900 employees opted-in to Instant Pay, leading to a 19% increase in retention over just four months. Both employees and managers saw results, with the solution helping with hiring, retention, and overall morale. Instant Pay not only sets Wendy's apart as an employer, but it's also a benefit that makes its employees feel valued by empowering them to take control of their financial well-being.

Buy Stock in Employees

Long gone is the stereotype of the restaurant staffed with unmotivated employees and disillusioned management. Rather, the restaurant of today is run by strong leaders and empowered employees.

It's clear that employee engagement is worth the investment, and is certain to pay dividends in the long term. Employee engagement initiatives are worth their weight, and are sure to deliver strong returns in the form of lower turnover and increased productivity.

Plus, implementing employee engagement programs doesn't have to be a monumental task. When a restaurant business is focused on the bigger picture, grooming supportive managers, creating a positive environment, allowing opportunities for growth, and offering instant access to paychecks, employees will be more engaged and customers will notice.

Five simple strategies worked for five major brands, which strategy will catapult the next brand to employee engagement success? Don't get left behind, invest in your employees today.



The Power of Instant Pay

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