



UNIT

1

THE LEGAL LANDSCAPE

CHAPTER 1

INTRODUCTION TO HIRING AND SUPERVISING EMPLOYEES

In my experience, one of the most successful elements to running a successful restaurant is your management skills: How well you hire, train, and motivate your staff.¹

Bob Kinkead, chef/owner, Kinkead's, Washington, D.C.

CHAPTER OBJECTIVES

After completing this chapter, you will be able to

- Identify key factors that have contributed to the labor shortage and its effect on the hospitality industry workforce.
- Define the term *labor market*.
- Define the term *demographics* and explain how changes in demographics affect the workforce.
- Provide examples of how industry-related organizations such as the National Restaurant Association and the American Hotel & Lodging Association can be of assistance to lodging and food service operators.
- Define customer motivations, needs, and expectations (MNEs) and explain their impact on lodging and food service operations.
- Identify the importance of employee training, motivation, and leadership in order to meet customer MNEs.

**HRM IN ACTION**

Today's business climate is extremely turbulent. This is particularly so in the hospitality industry, in which issues of labor **supply and demand** have many managers scratching their heads, wondering where they are going to get enough qualified staff to support their operations. One Louisville, Kentucky, barbecue restaurant recently posted a sign on its front door advising customers that because of its inability to hire adequate restaurant staff and delivery personnel, the restaurant was forced to cut its hours of operation. It is indeed a sad state of affairs when an industrywide labor shortage forces a restaurant operation to cut its hours, even though it has a product and a service for which potential customers are willing to pay money.

Seasoned hospitality veterans will be the first to tell you that locating and hiring quality employees is perhaps the most challenging aspect of managing a modern restaurant or lodging business today. This has not always been the case. Approximately 20 years ago, most operations would simply place an ad in the "help wanted" section of the local newspaper when it became necessary to hire new or replacement workers. A manager could usually expect to receive more than a dozen applications and résumés for each position advertised. After the applications were quickly scanned and sorted, the most qualified applicants would be called in for an interview, and the top applicant often received a job offer on the spot. Unfortunately, when positions are posted today, this is not the case. There is increased competition among various operations within the hospitality industry to hire the most qualified individuals to fill their positions.

OVERVIEW OF WHAT'S TO COME

This book takes a practical, hands-on approach to locating, hiring, training, and retaining quality employees for hospitality businesses both large and small. In Unit One, "The Legal Landscape," we examine important legislation that impacts the recruiting and management activities of all hospitality businesses. Unit Two, "The Employee Selection Process," begins with the creation of the job description and the employee handbook. Advertising and recruiting methods are examined in this section, as well as applications, interviews, and background checks. Orientation to the workplace and new-hire training are the next logical steps once the job applicant becomes an employee of the organization. Unit Three, "Orientation and Training," focuses on these important activities. The fourth and final unit, "Communication and Motivation," details the importance of creating a positive work climate through such activities as conducting performance appraisals, providing effective communication and feedback, applying employee discipline, and sustaining employee motivation through quality leadership.

TALES FROM THE FIELD

I work in a small hotel banquet department and we never seem to have enough help. Our manager is constantly looking for new people to bring on board, but no one sticks around for long, and they rarely know what they're doing when they *are* there. The stress is terrible because everyone else has to work tons of overtime just to take care of all of the functions, and sometimes the clients get upset because things are not handled properly. It's gotten so bad that now they're [management] offering the rest of us cash bonuses if we recommend someone who ends up getting hired and actually stays for 90 days.

Angie, 26, Memphis, Tennessee

INCREASED COMPETITION

Competition for qualified employees is intense, and as the demand for labor continues to outpace the supply of interested and qualified applicants, the future appears to be somewhat grim for those managers and operators forced to deal with the revolving door associated with constantly hiring and training new employees to replace those who have left the operation. The good news for today's hospitality students is that you are in the driver's seat with respect to finding that perfect job! The bad news is that if your new job responsibilities require you to occasionally hire employees, you are going to experience firsthand the challenges associated with adequately staffing a small restaurant or lodging operation.

Important industry trade groups such as the Educational Foundation of the National Restaurant Association (www.nraef.org) and the Educational Institute of the American Hotel & Lodging Association (www.ei-ahla.org) provide a wealth of resources for managers and operators seeking to enhance the quality of their recruitment strategies. These organizations have made it their personal mission to raise awareness of the industry and to elevate the stature of the careers available to motivated hospitality industry employees. The Educational Institute of the American Hotel & Lodging Association has compiled a list of more than 218 possible jobs in the lodging industry alone. Figure 1.1 illustrates potential career paths available to hospitality industry employees.

LODGING INDUSTRY POSITIONS, PROPERTY AND CORPORATE LEVEL COMPILED BY AH&LA INFORMATION CENTER

What can you do when you decide on a career in hospitality? Here are 218 possible jobs for you. Just pick an area that interests you and build a career ladder in your field. The opportunities are endless.

Accounting and Financial Management

Accounting Supervisor
Accounts Payable Clerk
Accounts Payable Supervisor
Accounts Receivable Clerk
Accounts Receivable Supervisor
Assistant Controller
Corporate Controller
Credit Manager
Director of Finance and Administration
Director, Purchasing Department
Hotel Controller
Night Auditor
Payroll Accountant
Payroll Assistant
Payroll Supervisor
Payroll Clerk
Purchasing Manager
Vice President/Chief Financial Officer

Rooms Division/Facilities

Assistant Houseperson
Assistant Parking Facilities Manager
Assistant Reservations Manager
Automobile Valet
Bell Captain
Bell Staff
Cashier
Chauffeur
Concierge
Customer Service Representative
Electrician
Elevator Operator
Engineering Supervisor
Executive Housekeeper
Front Office Cashier
Front Office Manager
Groundskeeper
Guest Service Manager
Hotel Assistant Housekeeping Director
Hotel Front Desk Agent
Hotel Front Office Manager
Hotel General Cashier
Hotel Reservations Operator
Hotel Switchboard Operator
Inspector
Landscapers
Laundry Attendant
Laundry Manager
Linen and Uniform Attendant
Linen Distribution Attendant
Linen Room Supervisor
Lobby Attendant
Mail Information Clerks

Night Clerk
Night Manager
Night Supervisor
Package Room Personnel
Parking Facilities Attendant
Parking Facilities Manager
Receptionist
Reservations Clerk
Reservations Manager
Room Attendant
Rooms Division Manager
Seamstress
Security Director
Security Guard
Security Technician
Security/ Loss Prevention Manager
Supply Clerks
Storeroom Person
Translator
Valet Parking Attendant
Vice President, Operations

Food and Beverage

Assistant Baker
Assistant Banquet Chef
Assistant Banquet Manager
Assistant Beverage Director
Assistant Broiler/Grill Cook
Assistant Executive Steward
Assistant Food/Beverage Director
Assistant Fry Cook
Assistant Pantry Person
Assistant Pastry Chef
Assistant Restaurant Manager
Assistant Service Cook
Assistant Soup/Vegetable Cook
Baker
Banquet Assistant Cook
Banquet Bartender
Banquet Beverage Server
Banquet Beverage Runner
Banquet Bussperson
Banquet Captain
Banquet Chef
Banquet Cook
Banquet Houseperson
Banquet Runner
Banquet Server
Banquet Steward
Bartenders
Beverage Manager
Beverage Runner
Broiler Cook
Bussperson

Figure 1.1

Potential career paths available to hospitality industry employees. (Courtesy of the American Hotel & Lodging Association's Educational Institute.)

Cashier
 Catering Director
 Catering Manager
 Counter Person
 Counter Server
 Counter Supervisor
 Dietary Aide
 Dietitian
 Dining Manager
 Dining Room Manager
 Director, Dietary Department
 Dishwasher
 Executive Chef
 Executive Steward
 Food and Beverage Controller
 Food and Beverage Director
 Fry/Sauté Cook
 Head Broiler/Grill Cook
 Head Cashier
 Head Dishwasher
 Head Fry Cook
 Head Houseperson, Banquets
 Head Pantry Person
 Head Room Service Cook
 Head Soup/Vegetable Cook
 Head Steward
 Hotel Food and Beverage Controller
 Kitchen Attendant
 Kitchen Manager
 Kitchen Supervisor
 Lounge/Bar Manager
 Maitre d'
 Night Steward
 Pastry Cook
 Pantry Preparation Person
 Pastry Chef
 Pastry Cook
 Receiving Clerk
 Restaurant Manager
 Room Service Attendant
 Room Service Buspersion
 Room Service Manager
 Service Bartender
 Serving Line Attendant
 Sommelier
 Soup and Sauce Cook
 Sous Chef
 Steward
 Steward's Runner
 Vice President, Food and Beverage
 Waiter/Waitress

Human Resources

Manager, Equal Employment Opportunity
 Personnel Assistant
 Personnel/Human Resources Manager
 Personnel Specialist
 Quality Assurance Manager
 Training Manager
 Vice President, Human Resources

Sales and Marketing

Assistant Vice President of Sales and Marketing
 Catering Sales Representative
 Clerical Staff
 Communications Manager
 Conference Coordinator
 Convention Services Manager
 Convention Services Coordinator
 Director of Communications
 Director of Convention Sales
 Director, Public Relations
 Director, Sales and Marketing
 Editor
 Graphics Manager
 Group Sales Manager
 Group Sales Representative
 Market Researcher
 Meeting/Conference Planner
 National Sales Manager
 Promotion/Public Relations Specialist
 Regional Director of Sales and Marketing
 Research/Statistical Manager
 Sales Manager
 Vice President Sales and Marketing

Information Technology

Manager, Information Technology
 Programmer/Analyst
 System Programmer
 Systems Analyst

Leadership

Assistant General Manager
 Association Manager
 Division President
 Innkeeper Manager, Bed and Breakfast
 Hotel General Manager
 Owner/Operator
 President/CEO
 Vice President, Administration
 Vice President, Business Development
 Vice President, Franchising
 Vice President, Hotel Development

Activities

Assistant Golf Professional
 Assistant Tennis Professional
 Caddie
 Entertainer
 Golf Professional
 Golf Shop Salesperson
 Lifeguard
 Recreation Specialist
 Ski Instructor
 Social Activities Manager
 Spa Director
 Swimming Instructor
 Swimming Pool Manager
 Tennis Professional
 Tour Escort

THE CHANGING LABOR MARKET

Individuals looking for work (supply) and the jobs available in a given area (demand) make up the **labor market**. When demand for workers is high and the supply of qualified workers is low, properly staffing a hospitality operation becomes very challenging for management. The key word here is *challenging*, NOT impossible, as we will learn in later chapters.

Other factors have an important impact on the labor market as well. When you need to fill jobs, you look for individuals with certain knowledge levels, skills, abilities, and attitudes. So, the location of your operation will certainly influence factors such as educational levels, average age of population, personality types, unemployment rates, and so forth. In addition, keep in mind you are competing with other restaurants, hotels, bars, caterers, and even hospitals, banks, nursing homes, and large retail organizations such as Wal-Mart for the same prospective employees, so the recruiting strategies of your competitors as well as their ability to perhaps offer higher wages and/or better **fringe benefits** will have a lot to do with your hiring success. Remember, too, that many hospitality graduates find themselves managing or even owning small operations without the means or the budget to employ a full-blown, professionally staffed **human resources** department to handle the day-to-day hiring of employees. In fact, as the owner, manager, or supervisor at a smaller operation, you *are* the human resources department.

HOSPITALITY INDUSTRY JOBS

While much progress has been made over the years to improve the image of hospitality industry careers, many prospective employees still do not see hotel and restaurant jobs as a viable career choice. This is likely due to an abundance of low-wage, entry-level, part-time jobs. Many of these **back-of-house** jobs require hard work either standing in a hot kitchen or hotel laundry area, cleaning floors and scrubbing toilets, or loading and unloading dishes and pots and pans into a steaming, noisy dishwasher. Where's the glamour in that?

More often than not, **front-of-house** positions, too, seem less glamorous when coupled with the demands of carrying heavy trays of food or constantly dealing with demanding guests and clientele. It is no surprise that the duller and more demanding jobs are more difficult to fill, but the good news is that there are people with no experience and no skills who are willing to take these jobs and who, with proper incentives and training, often become valuable, long-term employees.

A NOTE ABOUT ETHICS

The hospitality industry has become so competitive that if customers and employees are dissatisfied, they will go elsewhere. We want to be able to trust the people we do business with, but life has become more difficult and expensive, and ethical shortcuts have become the norm. The following *10 Ethical Principles for Hospitality Managers* were adopted from Josephson Institute of Ethics' "Core Ethical Principles." They have served as the basis of ethics research coming out of Isbell Hospitality Ethics for the past 15 years. A chapter-by-chapter analysis of a short ethical dilemma underscores the importance of adhering to the Ethical Principles for Hospitality Managers during the decision-making process. Adherence to these principles will result in the best consequences for all parties involved.²

1. *Honesty.* Hospitality managers are honest and truthful. They do not mislead or deceive others by misrepresentations.
2. *Integrity.* Hospitality managers demonstrate the courage of their convictions by doing what they know is right even when there is pressure to do otherwise.
3. *Trustworthiness.* Hospitality managers are trustworthy and candid in supplying information and in correcting misapprehensions of fact. They do not create justifications for escaping their promises and commitments.
4. *Loyalty.* Hospitality managers demonstrate loyalty to their companies in devotion to duty and loyalty to colleagues by friendship in adversity. They avoid conflicts of interest; do not use or disclose confidential information; and, should they accept other employment, they respect the proprietary information of their former employer.
5. *Fairness.* Hospitality managers are fair and equitable in all dealings; they neither arbitrarily abuse power nor take undue advantage of another's mistakes or difficulties. They treat all individuals with equality, with tolerance and acceptance of diversity, and with an open mind.
6. *Concern and respect for others.* Hospitality managers are concerned, respectful, compassionate, and kind. They are sensitive to the personal concerns of their colleagues and live the Golden Rule. They respect the rights and interests of all those who have a stake in their decisions.
7. *Commitment to excellence.* Hospitality managers pursue excellence in performing their duties and are willing to put more into their job than they can get out of it.
8. *Leadership.* Hospitality managers are conscious of the responsibility and opportunities of their position of leadership. They realize that the best way to instill ethical principles and ethical awareness in their organizations is by example. They walk their talk!

ethical dilemma

Mark is a banquet sales manager in a medium-sized hotel. He is nervous because a very important client, Mrs. McWilliams, is waiting in his office to go over the folios and charges that were incurred at her daughter's wedding reception that the hotel hosted last month. She is anxious to settle the account, but Mark has procrastinated for days and he still does not have the promised charges and folios organized in such a manner that he can present them to the client. He plans to tell the client that the computer system has been down for two days and that is why the paperwork is still incomplete. He asks his assistant, Christine, to accompany him into his office and to "back up his story." Christine is still somewhat new. She enjoys her job at the hotel very much, so she is reluctant to disobey Mark's request. If you were Christine, what would you do? Which of the *10 Ethical Principles for Hospitality Managers* is being violated? Can Christine avoid this ethical dilemma and still remain in her job? How will her decision affect her relationship with her boss, Mark?

9. *Reputation and morale.* Hospitality managers seek to protect and build the company's reputation and the morale of its employees by engaging in conduct that builds respect. They also take whatever actions are necessary to correct or prevent inappropriate conduct of others.
10. *Accountability.* Hospitality managers are personally accountable for the ethical quality of their decisions, as well as those of their subordinates.

WORKFORCE DEMOGRAPHICS WILL CHANGE

Demographic changes will also pose new challenges. **Demographics** are statistics that include such things as a target group's age, race, sex, income, and educational levels. According to the U.S. Bureau of Labor Statistics, the composition of the labor force is expected to change as general population demographics change. For example, in 2010, the **baby boom generation** will be ages 45 to 64, and this age group will account for a 5 percent larger share of the labor force than it does currently. And even though the 16- to 24-year-old age group is expected to now grow more rapidly than the overall labor force for the first time in 25 years, the median age of the labor force will continue to rise (from 39.3 in 2000 to 40.6 in 2010). Table 1.1 illustrates these changes.

Projected Labor Force Changes by Age					
Group	Level (in thousands)		Percent Change	Percent of Total	
	2000	2010	2000–2010	2000	2010
Total	140,863	157,721	12.0	100.0	100.0
16 to 24 years	22,715	26,081	14.8	16.1	16.5
25 to 54 years	99,974	104,994	5.0	71.0	66.6
55 to 64 years	13,974	21,204	51.7	9.9	13.4
65 and older	4,200	5,442	29.6	3.0	3.5

Table 1.1

The Composition of the Labor Force Is Expected to Change as General Population Demographics Change. (Source: Bureau of Labor Statistics, Office of Occupational Statistics and Employment Projections 2003–2008 Strategic Plan.)

Because of high net immigration and higher-than-average birth rates, the Asian and Other and Hispanic labor force groups are projected to increase faster than other groups. The Asian and Other group is expected to grow 44 percent (2000 to 2010) and thereby increase its share of the labor force from 5 to 6 percent. The Hispanic labor force will grow by 36 percent, increasing its share from 11 percent to 13 percent of the total workforce. The Black labor force is expected to grow by 21 percent, more than twice as fast as the White labor force (9 percent). Table 1.2 illustrates these projections.

Projected Labor Force Changes by Race and Ethnicity					
Group	Level (in thousands)		Percent Change	Percent of Total	
	2000	2010	2000–2010	2000	2010
Total	140,863	157,721	12.0	100.0	100.0
White	117,574	128,043	8.9	83.5	81.2
Black	16,603	20,041	20.7	11.8	12.7
Asian and Other	6,687	9,636	44.1	4.7	6.1
Hispanic Origin	15,368	20,947	36.3	10.9	13.3
Non-Hispanic	125,495	136,774	9.0	89.1	86.7

Table 1.2

The Asian and Other and Hispanic labor force groups are projected to increase faster than other groups. (Source: Bureau of Labor Statistics, Office of Occupational Statistics and Employment Projections 2003–2008 Strategic Plan).

According to the Bureau of Labor Statistics, other indirect changes will emerge as a result of the country's changing demographics. The likelihood of working side by side with people who are different—in culture, gender, age, and many other ways—will increase, as well as the challenges that hospitality industry managers will face in attracting and retaining a quality workforce with so much competition out there.

NONTRADITIONAL WORKERS

With fewer *traditional* workers to fill the growing demand for hospitality industry employees, many organizations have made a concerted effort to recruit what is often referred to as a *nontraditional employee*. Figure 1.2 lists some typical characteristics of a nontraditional worker.

Nontraditional workers in the hospitality industry might include the following:

- Retirees hoping to supplement retirement income with part-time, flexible hours
- Recent immigrants who may or may not speak English
- Disabled individuals
- Displaced homemakers
- Career changers

Figure 1.2 Labor sources for nontraditional hospitality industry workers.

INCREASED DEMAND

In almost every community, large and small, one needs only to go out to dinner on a busy Friday or Saturday night to witness firsthand the explosive growth of our nation's restaurant industry. If you are unfortunate enough to show up without a reservation, the wait can be in excess of an hour or more in some communities.

Household incomes have risen dramatically in the past decade, which is good news for the restaurant industry. When people have more money to spend, they are more likely to dine out and spend it in restaurants. For many people, the restaurant table is beginning to replace the dinner table at home. Consider these mind-boggling statistics from the National Restaurant Association's 2005 Restaurant Industry Forecast:

**Photo 1.1**

Waiting in line to place an order at a fast-food restaurant is commonplace due to the explosive growth in the nation's restaurant industry.

- Restaurant industry sales reached a record \$453.5 billion in 2004—an increase of 5.5 percent from 2003.
- Restaurants will provide more than 70 billion meal and snack occasions in 2005.
- The typical adult purchased a meal or snack from a restaurant 5.3 times a week, on average, in 2004.
- By the year 2015, restaurant industry employment will reach 14.0 million.
- Roughly 900,000 locations offer food service nationwide—up a strong 83 percent from 1972.³

In this same report, more than half of quick-service restaurant operators and roughly two out of five table service restaurant operators stated that the availability of labor is having a negative impact on their ability to do business and meet customer expectations. Operators are adopting a range of responses to the challenge. For example, more than half of quick-service operators and nearly one-third of table service restaurant operators report that they plan to devote a bigger share of their budgets to training. The overall expansion of the industry creates many job openings for both entry-level and supervisory positions.

**Photo 1.2**

Many restaurants and the majority of lodging operations rely heavily on the travel and tourism industry.

INDUSTRY REMAINS STRONG

Many restaurants and most lodging properties rely heavily on tourism (see Photo 1.2). Higher-end full-service restaurants estimate that up to 30 percent of their sales are driven by travelers and visitors.⁴ When people do have expendable income, they often choose to dine out. They may be dining out for special occasions such as birthdays or anniversaries, or they may simply be enjoying the company of friends and families. Customers who visit lodging and food service establishments today are very different from those of 50 years ago. At that time, dining out was a luxury; now, it's commonplace. Today's consumer is extremely savvy when it comes to food, service, restaurant or hotel ambience, and travel in general. When many of today's baby boomers were growing up in the late 1950s and 1960s, going out to eat with the family was a rare, special treat, often reserved for Sunday dinner. Young people today may have eaten more restaurant meals in their lifetime than they have eaten in their homes! This familiarity with the restaurant and food service industry has created a generation of diners who have sophisticated tastes with respect to the quality of food and service they expect to receive when dining out. Some experts attribute this to cable TV shows such as those found on the Food Network and the explosion in the popularity of celebrity TV chefs, such as Emeril Lagasse.

Whatever the reason, the bar has been raised considerably, so it is more important than ever that managers and supervisors in the hospitality industry are able to attract the right applicant for the right job; provide that new employee with valuable, ongoing training; and then offer the kind of work environment in which the new employee can self-motivate and become a valuable member of the team.

MOTIVATIONS, NEEDS, AND EXPECTATIONS

Guests and customers visit various hospitality operations today with very distinct **motivations, needs, and expectations (MNEs)**. Your ability to not only meet but actually exceed your guests' MNEs will play a large role in determining your operation's success or failure. The most successful hospitality enterprises understand this concept quite well, and those operations also understand that the very best way to meet and exceed customer MNEs is to have a well-trained, dynamic, and motivated staff. Quality management and leadership is also of the utmost importance; once you have made that all-important hiring decision, the truly hard work has not yet even begun—that is, the training you must provide and management practices that you must consistently adhere to in order to provide the kind of work environment in which your employees can self-motivate and provide high-quality products and services to your valued guests.

There are probably as many reasons for dining out as there are locations to do so. Of course, when we're hungry, we eat, but surprisingly, the simple need for one to put food in one's belly is not a primary motivator for dining out in many cases. Consider the scenarios in Figure 1.3 and think about the food service choices available to you in your hometown.

With each scenario, we get a pretty clear picture of the MNEs for each of the diners. Those hospitality businesses that understand their customers' MNEs and that regularly meet and exceed them are well on their way to success. Review the scenarios again, and think about all of the things that could go wrong—things that would cause each restaurant to fail miserably in meeting its customers' MNEs. Keep in mind that travelers who require overnight lodging come armed with their own special set of MNEs. These concepts can just as easily be applied to any segment of the large and diverse hospitality industry.

TRAINING AND MOTIVATION

Clearly, what motivates us to seek a dining experience as well as what we need and expect to get out of that experience is not always a simple matter. Producing quality products and providing top-notch service requires motivated, well-

- Your parents are coming to town to help you celebrate your twenty-first birthday, and they have promised to take you out for a special dinner and night on the town. What restaurant might you recommend?
- You are a busy sales rep in a downtown office and have invited a client to lunch. You need to impress this client, but you understand that neither one of you can spare more than 60 to 90 minutes for lunch. What restaurant will you choose?
- You are on your way home from work and are in a rush to get there so that you can relieve the babysitter. You have nothing nutritious at home to prepare, so you decide to grab some take out for you and your family for dinner. What restaurant choices do you have?
- You are driving 400 miles on the interstate to visit an old college chum. It's lunchtime and you are hungry, but you do not want to waste valuable driving time by sitting down in a restaurant and ordering off the menu. What are your choices?
- You are in college and you are on a tight budget. It's Thursday night and you and your friends want to go out for beer and pizza. What are your choices?
- You and your brothers and sisters along with your spouses and children have decided to take your mother out to eat for Mother's Day. There are more than 14 of you, and many of the children are under the age of 10. What are your choices?
- You and your spouse decide to celebrate your tenth anniversary in style by going out to dinner at an exclusive restaurant. What are your dining choices?
- You've been invited to a covered-dish picnic and you agreed to bring a salad and a dessert. Unfortunately, you have been too busy to shop for food and prepare it. What are your choices?

Figure 1.3

Restaurant customers' MNEs will determine their choice of food service establishment in each of the scenarios presented here.

trained employees. Hospitality managers who understand this concept and who work hard to match the right applicant with the right job and train the applicant thoroughly are normally very successful. Those who fail to put forth the effort are usually rewarded with a failing business.

Because **turnover rates** in the industry are high and employees seem to come and go, it is far too easy for the supervisor or the manager to start believing that training new employees is not worth the effort. This kind of thinking is a certain recipe for disaster. Professional hospitality industry managers and supervisors are obligated to train their workers, help them become productive, and make them key ambassadors of the establishment. This process will cut down on expensive turnover, and as we will learn in later chapters, hiring the right person for the right job initially is probably the most effective step managers can take when it comes to creating a motivated, dynamic workplace.

SUMMARY

- The hospitality industry has experienced tremendous growth in the past few decades.
- Recruiting, hiring, training, and retaining quality workers is one of management's greatest challenges.
- Enhanced customer MNEs require that management hire and retain employees of a high caliber in order to deliver the quality products and services that today's guests demand.
- Managers must work hard to match the right applicant to the right position, and managers must provide quality training and leadership in order to provide the kind of work environment where employees feel a sense of self-worth.

PRACTICE QUIZ

1. Most hotel and restaurant managers operate in an environment where the number of interested and available job seekers far exceeds the number of positions to be filled.
A. True B. False
2. Today's hotel and restaurant customers are not as industry-savvy as customers in past decades.
A. True B. False
3. The Educational Institute of the American Hotel & Lodging Association provides resources to assist struggling owners and managers in improving their lodging operations.
A. True B. False
4. Training has no real impact on overall customer service and customer satisfaction.
A. True B. False
5. By the year 2010, the white labor force is expected to grow less than the Asian and Hispanic workforce.
A. True B. False
6. The baby boom generation was born between the years of
A. 1900 to 1932
B. 1933 to 1945
C. 1946 to 1964
D. 1965 to 1981

7. Nontraditional hospitality industry workers include the following:
 - A. Displaced homemakers
 - B. Recent immigrants
 - C. Retirees
 - D. All of the above
8. The National Restaurant Association estimates that by the year 2015, restaurant industry employment will reach
 - A. 14 million
 - B. 11 million
 - C. 9 million
 - D. None of the above
9. In order to provide quality products and services to customers and guests, employees must
 - A. Be paid higher than average industry wages
 - B. Have formal hospitality industry education
 - C. Be self-motivated and well trained
 - D. Have a variety of fringe benefits from which to choose
10. Employee turnover can have a negative impact on which of the following:
 - A. Employee morale
 - B. Hotel or restaurant product quality
 - C. Hotel or restaurant service quality
 - D. All of the above

**REVIEW
QUESTIONS**

1. Visit the Web sites of both the National Restaurant Association's Educational Foundation (www.nraef.org) and the Educational Institute of the American Hotel & Lodging Association (www.ei-ahla.org) and find examples of how each association raises awareness of career opportunities in the hospitality industry. Be prepared to share your findings with the rest of the class.
2. Describe an ethical dilemma that you have either encountered or witnessed in either your work experience or in your personal life. Were any of the *10 Ethical Principles for Hospitality Managers* in danger of being violated? What decisions were finally made and what were the outcomes for all parties involved? Share your experiences with the rest of the class.
3. Choose two or three of the dining scenarios presented in Figure 1.3 and make a list of the diners' MNEs for each. Explain how the diners' MNEs would influence this choice of restaurant.
4. Interview the manager or owner of a small, local hospitality business in your area. Determine from your interview the manager's key challenges in

hiring and retaining quality workers. Does the establishment you visited do anything out of the ordinary to attract and retain workers? Be prepared to present your findings to the rest of the class.

5. Visit a local hospitality business in your area and observe whether the establishment has employees who may be classified as “nontraditional workers.” You may also choose to use your own personal work experiences to complete this assignment. What challenges, if any, does the establishment face with regard to hiring nontraditional workers?

HANDS-ON HRM

Thelma Johnson is a single mother raising two teenaged children on her own. Mrs. Johnson calls a locally owned Italian take-out restaurant and places an order for carryout two or three Friday evenings per month before she leaves work. She almost always orders the same thing: a large bucket of spaghetti and meatballs, three tossed salads, and an extra order of garlic breadsticks. She appreciates the convenience of not having to cook after a long week at work, and her kids love Italian food.

On this particular Friday night, when Mrs. Johnson gets home, she realizes that the restaurant has forgotten the extra order of garlic breadsticks, even though she paid for them. She immediately telephones the restaurant and speaks to a counterperson named Mary. She explains the situation, and Mary responds, “No problem. Just remind us of this the next time you come in, and we’ll throw in a free order of breadsticks.”

A few weeks later, Mrs. Johnson places another carryout order, and when she arrives at the restaurant, she goes inside to pay and pick up the order. She tells the man at the counter about the missing breadsticks from two weeks ago, and she asks for her complimentary breadsticks. The man identifies himself as the owner of the restaurant and says to her, “We have no such policy here, and we do not give away free breadsticks.” Thelma Johnson is beside herself, collects her order, and leaves the restaurant, vowing under her breath never to return again.

QUESTIONS

1. How could procedures at this restaurant be changed to prevent such occurrences from happening in the future? Be specific and explain your reasoning.
2. How would the restaurant ultimately have benefited if the owner handled things differently? Please explain your response in detail.
3. The restaurant’s cost for one order of garlic breadsticks is \$0.32. What are the real costs to this restaurant as a result of the owner’s reaction to Mrs. Johnson? Please explain how you define the “real costs.”
4. If you were Mrs. Johnson, would you tell others about your experience at this restaurant? Why or why not?

KEY TERMS

Supply and demand In a specific labor market, this refers to the number of individuals looking for jobs versus the number of jobs available.

Labor market The individuals who are looking for jobs and the number of jobs that are available in a given geographic area.

Fringe benefits Pay and/or employment benefits beyond what is normally required by local and federal government regulations. Examples include vacation pay, health insurance, tuition reimbursement, retirement plans, and child care assistance.

Human resources A support department in a large hotel or restaurant environment where a professional staff oversees job recruitment, reference checks, interviews, job placement, and training.

Back-of-house Refers to areas of a restaurant or a hotel that guests normally do not see. Examples include housekeeping, kitchen, storage and receiving areas, and dishwashing.

Front-of-house Refers to areas of a restaurant or a hotel that guests normally see and where guests and employees normally interact. Examples include front office, bell services, restaurant waitstaff, and host/hostess station.

Demographics The characteristics of a target market population in terms of income, education levels, occupation, age, and sex.

Baby boom generation U.S. demographers have put this generation's birth years at 1946 to 1964. Approximately 76 million people were born in the United States during these 18 years.

Motivations, needs, and expectations (MNEs) In the food and lodging service industry, these are an overview of what motivates guests to visit your establishment as well as what those guests' needs and expectations are once they choose to become your customer.

Turnover rates The loss of employees by an organization. Turnover represents those employees who depart either voluntarily or involuntarily.

NOTES

1. Kinkead's home page: www.kinkead.com.
2. Christine Jaszay and Paul Dunk, *Ethical Decision-Making in the Hospitality Industry*, 2006, pp. 2, 3. (Reprinted by permission of Pearson Education, Inc., Upper Saddle River, NJ).
3. *Restaurant Industry Forecast* (Washington, D.C.: National Restaurant Association, 2005), 6–7.
4. Ibid.