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## Is your brand being served? Five tips to strengthen post-COVID-19 restaurant staffing and labor

The aftermath of the pandemic and the subsequent lockdown affected industries across the globe, but none more so than the restaurant business. The National Restaurant Association (NRA) estimates 90,000 restaurants were shuttered either temporarily or permanently because of COVID-19. While Quick Service Restaurants (QSRs) were better positioned to weather the storm by offering takeout and delivery, sit-down and fine dining establishments in particular struggled with staffing. Moreover, the hiring crunch continues to linger post-COVID-19. Here are five considerations for restaurants dealing with hiring challenge.

### An industry under pressure

The restaurant industry's sales in 2021 were down \$65 billion compared to 2019, according to the NRA. Even after vaccines became available, customers were reluctant to return to in-house dining. Overall employment shrank to 14.5 million employees in the industry at the close of 2021, down one million from pre-pandemic levels. Restaurants are not easy places to work, with challenges like mandatory overtime, minimal benefits and the precarious nature of the hospitality industry. Many restaurant workers became part of the "Great Resignation" and haven't returned, leaving restaurant owners in a significant staffing bind.

#### 1. Revisit recruiting strategies and incentives

Staffing and labor issues have long among the biggest challenges facing restaurant owners, affecting everyone from big-brand restaurants to smaller establishments. To attract quality candidates, restaurants are revisiting their strategies for recruiting and hiring. Many offer higher wages and more benefits. Some are shortening

work weeks or closing certain days of the week to mitigate burnout. Others offer in-house cross-training to enhance skill sets and upward mobility—offering careers instead of "jobs."

The strategy, of course, needs to align with the budget of the business. Larger chains typically have resources to change course on hiring and staffing strategies. Mom-and-pop independents may struggle simply to keep the lights on, with owners' livelihoods on the lineless capital to finance major changes.

Retaining staff is almost always less costly than recruiting and hiring, so providing a welcoming environment and rewarding workers generously can improve the retention of long-term staff and seasoned employees.

#### 2. Exercise caution about cutting corners

While hiring younger workers and right-sizing expectations for experience may be tempting given how hard it is to attract staff, lower expectations risks lower standards and affect the customer experience. Vetting staff is still absolutely essential, including background checks.

#### 3. Maintain brand and customer experience

Retaining customer loyalty—i.e., keeping your customers coming back—is even more important than retaining good restaurant staff. But the two are interrelated. The goal is to solve staffing issues without hurting your guest experience. Bad hires and weak training practices can derail your brand. Don't rush the onboarding process—train your staff thoroughly. Ultimately, it protects your staff, your customers and your brand.

#### 4. Maintain adequate insurance coverage

Restaurants are rife with “problem areas.” Injuries can include cuts from kitchen knives, burns from hot stoves, ovens and liquids, as well as slips and falls. General Liability and Workers’ Comp claims have escalated due to undertrained or inexperienced staff. Improper and negligent hiring creates an uptick in claims. Losing a staff member to injury puts a strain on an already taxed workforce. It’s important to ensure you have the right insurance products in place to cover risks.

#### 5. Expand deliveries, but consider your risk management approach

Customers now more than ever expect home delivery. If you don’t already, it’s time to expand your services with delivery and takeout. However, home delivery requires driving. Are your delivery staff driving approved vehicles? Do you have the right commercial coverage for this service?

Food delivery services charge commissions to deliver products, reducing already thin profit margins. Still, it is usually worth the investment in order to speed up a new or expanding online ordering service. These third-party services eliminate the need for you to provide commercial insurance for fleets of vehicles or employee personal transportation by transferring all risk to them.

#### Looking ahead

Although dining-out frequency remains below pre-pandemic levels, people are dining out again and plan to do more of it, especially in urban areas. To serve their customers, restaurants need to increase staff. To stay viable and protect their brands, restaurants must proactively attract, train and retain a qualified workforce.

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