Staff Shortages

Reduced Hours

No Shows

Walk Offs

Decades-Low Unemployment Rates

Generational Differences

Schedule
Media attention is not new for Ardy & Ed’s Drive-In in Oshkosh. Count the Food Network, NBC “Today” show weatherman Al Roker and a German documentary filmmaker among those who have widened exposure of the neighborhood drive-in restaurant, which opened as an A&W in 1948.

Carhops roller skate to take orders and deliver food, which makes the business remarkably nostalgic, but media coverage this year had nothing to do with this. What made the news was how hard it was for owner Steve Davis to fill jobs, a conundrum severe enough to shorten business hours.

Davis felt compelled to close Ardy & Ed’s on Mondays and end service one hour early—9 pm instead of 10 pm—on other days. Decisions were especially wrenching because the business is only open March to October.

“I’ve done this work 40 years and never had these situations where I feel like I know so little” about why they happen, says Davis, who describes his drive-in as an historically appealing place for teens and others to work because of the flexible hours, wholesome environment and no-alcohol setting.

The late-spring publicity resulted in a surge of job applicants, but “to hire in mid-June put us behind schedule because we still have to train these employees. We have newbies in the kitchen, but this is the time when we should be operating on all cylinders.”

Even though business hours have shortened at Ardy & Ed’s, the owner works longer: A 6 am to 10 pm workday is not unusual. Davis catches up on office work from 7 am to 1 pm on Mondays, when there are no customers. “Being as small and hands-on as we are, we have to make up the difference somehow,” he says.

Universal frustrations
Nathan Haupt at Schreiner’s Restaurant, Fond du Lac, says chronic staff shortages caused him to close early two days a week. “By eliminating two evening shifts, we were able to fill the remaining” with employees already on board.

The ongoing hunt for competent and loyal employees in the restaurant industry affects fast food to fine dining.

Circumstances are dire enough for Susie Patterson to make workforce challenges her top priority as WRA board chair. Her Workforce Development Ad Hoc Workgroup is examining these concerns.

“Shortages affect everyone,” says Patterson, owner of Al & Al’s Stein Haus, Sheboygan. “You can burn out your current staff, which makes for a stressful environment. We tolerate so many more issues than ever before.”

Some challenges are unique to subsets of the industry. Independently owned restaurants have access to fewer

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resources and outside supports, such as a parent company’s programs for recruiting, processing applications and training employees. In small towns, complications might include a smaller pool of prospective candidates and longer commute time.

Fine dining or table service means higher customer expectations and more time to train employees. “Training is very expensive,” Patterson notes, especially when the investment in a new employee doesn’t work out.

Low points

Decades-low unemployment rates are a good thing, unless you’re looking to fill job openings. “More people are employed in Wisconsin than ever before,” says John Dipko, communications director for the Wisconsin Department of Workforce Development (DWD). He describes the state’s labor force participation rate as among the highest in the nation.

“Along with this economic success comes more challenges,” Dipko adds. “Employers in many industries are struggling to find candidates with the desired skills needed to fill their vacant positions or to expand their operations.” This and the aging of the workforce nationally affect employers in many sectors of Wisconsin’s economy.

Bonnie Boettcher, president of HRSherpa, a human resources specialist in Port Washington is frank. The number of job openings “is significantly more than the number of people looking for or willing to perform restaurant work,” she says.

Boettcher contends the restaurant industry “has a negative reputation for being inflexible, not paying well and not caring for people. Employers need to live a culture of inclusion and flexibility and market the wages—especially what tipped employees really make.”

Dennis Winters, chief economist at DWD, says foodservice work “is generally characterized by lower-skilled, lower-paying, high-turnover positions.” He also acknowledges that some positions “are highly skilled and relatively lucrative,” singling out “experienced chefs, hosts or head servers at high-end establishments” as “often experienced and well-compensated.”

From Boettcher’s perspective, the hardest restaurant jobs to fill are back-of-house work—cooks, dishwashers—because “these jobs are hard work, sometimes in a hot environment, with a lot of stress.” Haupt says restaurant positions are often not an applicant’s first choice and most job hunters seek health care benefits, which are not included in these positions at Schreiner’s.

“Quality kitchen staff is hardest to find but so important because you have to produce quality food,” says John Kavanaugh of Kavanaugh’s Esquire Club, Madison. He is perplexed by an overall lack of interest in sticking with restaurant work, knowing that entry-level jobs lead to promotions when done well.

“Opportunities for advancement are there in our industry, but do people want to take them?”

John Kavanaugh
Kavanaugh’s Esquire Club, Madison

Davis says it is not unusual to follow up on a resume and get no response, or he’ll get as far as scheduling a job interview, only to have the applicant not show up for it. He thinks some people just go through the motions of applying for jobs to satisfy requirements for unemployment compensation.

“One of the things that’s sad is that we compete with the high cost of food, housing, health insurance,” Kavanaugh says. “When somebody works too many hours for us, they lose benefits from the state.” He says recipients of public assistance need incentives to get off of these programs and should be required to work without automatically losing all of these benefits.

As is, he believes this “benefit cliff” serves as a disincentive for some people who are receiving Section 8 rent subsidies and public assistance for health care, food and allowances for additional family members.

Generational differences

Don’t ignore the obvious: As Baby Boomers reach retirement age, fewer work full-time and some shift to a new line of work. “Less than 5 percent of retirement-eligible workers remain full-time in their previous occupations,” Winters observes. “The vast majority move on to part-time employment in new occupations,” which means foodservice “may be an attractive job for older workers, depending on how physical the job requirements are.”

Kavanaugh says it is getting
What About No-Shows?

State and federal governments require people who receive unemployment insurance to actively seek work. In Wisconsin, that means applying for a minimum number of jobs per week and documenting what was done to obtain work. Most recipients are required to register with JobCenterofWisconsin.com.

Random audits of work-search actions are pursued, as is an investigation if a discrepancy is found. An investigation can potentially lead to a denial of benefits, says John Dipko of the state Department of Workforce Development.

If any employer has an individual who turns down a job interview or fails to show up to a job interview, they can report the name and other information by calling the department’s fraud hotline (888-909-9472) or filling out an online form at https://dwd.wisconsin.gov/uiben/contac.htm.
harder to find a high school student who wants to work. “It’s no longer about having students knocking at your door, looking for a job as soon as they turn 16,” he says, and sometimes teens hired as servers “feel tips are owed instead of earned.”

The opportunity to learn important life skills while earning a wage—how to be dependable, work with people, solve problems—is becoming less of a motivator, Kavanaugh says, and high school athletics “almost captivates all the time” of prospective teen employees.

Parents don’t help by saying “if you maintain a ‘B’ average, you don’t have to work the summer,” Davis offers. “Before, a teenager’s priority was to make money for school... to buy a car. Now it’s more important, for some, to go to a music festival or extend a vacation.”

More teen employees don’t seem to have a support system at home, Patterson says. “We are raising and teaching them a lot of basics,” which includes “how to prepare for work, dress for work and holding them responsible when they might not want to come to work.”

### Employment Projections

The demand for restaurant industry employees is expected to grow in Wisconsin. Consider these long-term occupational projections from the state Department of Workforce Development.

**Restaurant cooks** – 19,639 employed in 2014, an estimated 23,019 needed by 2024

**Food prep and serving** – 63,141 in 2014, 71,754 by 2024

**First-line supervisors for food prep and serving** – 13,615 in 2014, 15,246 by 2024

**Chefs and head cooks** – 2,064 in 2014, 2,276 by 2024

**Bartenders** – 26,732 in 2014, 29,390 by 2024

**Waiters and waitresses** – 43,448 in 2014, 45,776 by 2024

An exception to the pattern is dishwashers: 10,181 were employed in 2014, but only 9,980 are expected by 2024.

A related consequence of low unemployment rates is somewhat of a role reversal between boss and employee. On Father’s Day, Kavanaugh says several part-timers in meal prep decided they wouldn’t work at his supper club.

“They know you don’t have anybody to replace them, so they hold you hostage” with what they want instead of what you need from them, he explains, “so a full-time worker does the work, or you do it yourself.”

Davis understands. “My motto used to be ‘if you ask me, I’ll say yes, but if you tell me, I’ll say no’,” but now the employee is more likely to just announce their personal plans, as in “you can schedule me for Sunday, but I won’t be there.”

So what happens? “People know they can go down the street and get work somewhere else, so the unqualified—or people with a troubled past—get hired” more easily than in the past, Kavanaugh says.

“Most of our business is Thursday through Sunday,” Davis says. “We can’t base our hours on when people want to work.” So, like Kavanaugh, “you maybe decide to take a chance on somebody you wouldn’t have otherwise hired” but since many of his workers are high school students, “we’re careful to not hire people who might be a bad influence.”

### Bad attitudes

Davis says the average employee wants to work fewer hours per week. Of the 35 staffers at Ardy & Ed’s, five or six are full-timers. Not all that long ago, the
restaurant could do the same amount of business with five or 10 fewer people.

“Something has changed drastically in the attitude and behavior of job applicants in the last two years,” Davis says. “I don’t understand it, but I never had so many people walk off the job in the middle of a shift or work one day and not show up the next, without saying a word to us about why.”

This also happens with employees who do a good job and are complimented for it, he says. “It doesn’t seem to matter what they’re making” for a wage, says Kavanaugh, similarly baffled. “Giving higher than scale doesn’t mean you’ll get a good employee. They come in late or are no-shows, hung over …”

As of mid-June, his restaurant had openings for five full-time and two part-time employees, plus the need to cover for a longtime worker who broke an arm. “I have people to fill in, but they’re working more hours than they want to. Some have other full-time jobs in addition to work here.”

Tests of will
For Davis, the biggest overall frustration is that “this is a business we all love, but [workplace issues] take the fun out of it. Instead of spending time with my customers, I am spending hundreds of hours to solicit job applicants, interview, hire and train them.

Boettcher says the lack of a good team of employees means a restaurant can’t grow or rebrand their business. That affects sales, profitability and reputation, she warns.

“We are all in this together,” Haupt says. “Every employer is experiencing the same situation. Industries are all coming together to try and figure out how to work in this new labor environment. This collaboration will hopefully strengthen the bonds we have as an industry and lead to some creative solutions.”

Next issue: How the restaurant industry can inspire young people.