

CHAPTER 8

ADVERTISING AND RECRUITING

I encourage restaurants to employ single moms; they have plenty of energy. Compared to what some of them do as a single parent, working in a restaurant is considered a “break” one glad mom told me.¹

Maren Hickton, restaurant industry consultant, Pittsburgh, Pennsylvania

CHAPTER OBJECTIVES

After completing this chapter, you will be able to

- Identify key factors that define the labor market and the labor pool.
- Demonstrate how the labor market and the labor pool affect management’s ability to recruit qualified workers.
- Provide examples of how the Internet has helped to expand the labor market.
- Define employee turnover and explain the direct and indirect costs for the hospitality business.
- Identify a hospitality business’s internal and external sources of labor.
- Identify recruitment strategies that allow hospitality managers to tap both internal and external labor sources.
- Demonstrate how cultural diversity awareness can improve employee recruitment strategies.



HRM IN ACTION

Successful hospitality operations, both large and small, must deliver quality products and services to their valued guests and customers, and they must do this with the help of people. Because the hospitality industry is people-driven, it is essential that operators attract a qualified pool of job applicants, hire the right applicant for the right job, provide thorough and ongoing training, and communicate with staff in such a way that the

work environment itself becomes a key motivator in ensuring employee job satisfaction. A happy, self-motivated staff practically guarantees customer satisfaction, not to mention the overall success of the business.

THE LABOR MARKET AND THE LABOR POOL

In the world of human resources management, **employee recruitment** involves locating and maintaining a pool of qualified applicants to fill positions within the organization. Larger hospitality businesses normally have a professional human resources department who can develop strategies and implement plans for doing this. Smaller operations do not usually have this luxury and must, therefore, be very diligent in their recruiting strategies. Effective human resources planning allows management to staff the organization at the right time with the right people. All hospitality operations, both large and small, will have their efforts somewhat impacted by certain external factors that influence the **labor market**. The labor market is the geographical area in which the hospitality business focuses its recruiting efforts. The **labor pool** is made up of the individuals who live within the labor market and who possess the skills, attitudes, knowledge, and abilities that the hospitality operation requires. Factors such as the location of the operation will influence things like education levels, personality types, unemployment rates, competitor recruiting practices, median age of the population, and diversity levels, to name a few.

A hotel located in a wealthier suburb of a particular city that is not well served by public transportation may have difficulty attracting and retaining job applicants who reside in a downtown area, or further from the hotel. Often, in cases such as this, the hotel finds it must subsidize the employees' wages with a monthly bus pass or subway pass in order to successfully compete with downtown hotels and other businesses to retain their more qualified employees. Hospitality operations that are located in or near major metropolitan areas normally have more local recruiting opportunities than those operations that are located 50 miles or more from the nearest major city.

THE INTERNET EXPANDS THE LABOR MARKET

The explosion of Web-based job sites such as Monster.com has greatly expanded the geographical area in which organizations can now successfully recruit qualified employees. Organizations can post job openings on these Web-based job sites, and potential applicants located anywhere in the world can submit résumés electronically for consideration. These sites can be effective when locating top

TALES FROM THE FIELD

I worked in a restaurant while I was in school, and we were constantly short-handed. This caused a lot of problems because we never had enough help, and people who were hired to work only part time were putting in tons of hours and were constantly working overtime. Management complained about everything, and the morale was so bad that the employee turnover was like a revolving door. What bothered me the most was that we had a pretty steady stream of applicants, but a lot of them did not speak English very well, and because none of the managers could even utter a word of Spanish, these applicants were simply ignored. Right then, I decided to sign up for a couple of Spanish classes. I knew that if I wanted to own a restaurant some day, I needed to jump-start my cultural education so that I wouldn't be afraid of people who are different than me like these managers were.

Jessica, 26, Bloomington, Indiana

talent to fill middle- and upper-level management positions but probably have little to no impact when a restaurant needs to hire a dishwasher or when a hotel needs to increase its housekeeping staff. Today, large hospitality operations often maintain separate human resources areas as part of their own corporate Web sites so potential applicants can view job openings and apply for jobs online.

While still somewhat uncommon, smaller hospitality operations are also slowly starting to embrace the World Wide Web by professionally designing and maintaining their own Web sites. As time progresses, small restaurant and lodging operations will most likely post job openings and accept online applications via their own Web sites.

SMALLER OPERATIONS HAVE SOME ADVANTAGES

Because the competition for qualified applicants is so fierce, many small hospitality operations feel that the larger organizations hold all the cards because of their deep pockets and their ability to invest large sums of money into their recruiting, hiring, and training efforts. However, managers and owners of small operations often fail to realize that they actually have a distinct advantage over the big guys: That advantage is their actual “smallness,” their ability to operate lean and mean, making quick but well-informed decisions and effectively adapting to changing market conditions. Figure 8.1 illustrates the many steps larger organizations must often take during the hiring process, once they’ve ac-

1. Applicant submits job application either online or in person at the human resources office.
2. Human resources conducts a short, prescreening interview either in person or by phone.
3. Unqualified applicants are eliminated from the pool at this time.
4. Most qualified applicants are scheduled for a more in-depth personal interview.
5. Three to five top candidates are selected from this pool for further consideration.
6. Preemployment tests for ability, aptitude, honesty, and personality are administered.
7. Specific department managers interview candidates who have made the cut thus far.
8. Additional interviews may be scheduled with other employees in the department in which the potential candidate will work.
9. Department manager advises human resources which candidate he or she chooses for employment.
10. Human resources makes a conditional job offer contingent upon the applicant successfully passing a preemployment drug test and a criminal background check.
11. A formal job offer is made and the candidate's start date is scheduled, as is a reservation for participation in new employee orientation.
12. New employee participates in orientation prior to beginning on-the-job training.

Figure 8.1

Preemployment screening activities for a large hospitality organization.

cepted a job application and before they are able to make an actual job offer. Smaller operations are able to interview, screen, hire, and even begin training the candidate within the same amount of time it takes many larger organizations to evaluate a job candidate's suitability for a particular position.

EMPLOYEE TURNOVER

When employees leave an organization either voluntarily or involuntarily, the cost to the organization can be substantial. **Employee turnover** is defined as the voluntary and involuntary **separations** of employees from employment within a given operation. **Turnover rates** are calculated by dividing the number of employees who have left the company, or separated, by the number of

TALES FROM THE FIELD

My professor told me that the 'new hotel in town' had called her seeking full- and part-time front-office staff. The hotel was hopeful that my professor could recommend quality students who may be interested in such positions. I thought, *What the heck*, and I applied that very afternoon. I spent the next four weeks interviewing with this department, that department, this manager, that supervisor, and I was even interviewed by a group of other front-office workers. Finally, the front-office manager told me that my school schedule conflicted with the hotel's needs, and that they would not be able to offer me a position at this time. I couldn't believe it. I wrote my school schedule down for them when I first turned in the application, and I made it clear that I would only be available for nights and weekends. What a waste of my time and their time. I applied for the same position at another nice hotel, and they made me a job offer within four days.

Audrey, 20, Louisville, Kentucky

employees within the organization. For example, a restaurant that employs an average of 26 full- and part-time employees and has had 32 separations in the past year would calculate its annual turnover rate as follows:

$$\frac{32 \text{ employee separations}}{26 \text{ employees (average)}} = 123 \text{ percent turnover rate}$$

Operations may choose to calculate their turnover rates on a monthly, quarterly, semiannual, or annual basis. In addition, the turnover calculations may focus on the entire organization, as above, or this calculation can pinpoint turnover rates within certain departments or divisions of the organization. For instance, a lodging operation may want to track its turnover rates in the house-keeping department, the food and beverage department, and the front-office department.

Clearly, industry turnover rates are higher in some areas of hospitality operations than in others. For example, entry-level, low-wage positions tend to turn over at a higher frequency than better-paying supervisory and management positions. A 1998 survey conducted for the American Hotel Foundation places the cost of turnover between \$3000 and \$10,000 per employee.² Another study conducted in the year 2000 put the cost of replacing a worker at a New York luxury hotel at more than \$12,000.³

While some experts argue that it is difficult to assign an actual monetary cost to employee turnover in the hospitality industry, most agree that those costs

are both direct and indirect. Examples of direct and indirect costs include the following:

DIRECT COSTS OF EMPLOYEE TURNOVER

- Recruiting costs including advertising
- Selection costs including time spent interviewing and prescreening applicants
- Prescreening costs such as drug tests and background checks
- Employee uniform costs
- Training and orientation costs

INDIRECT COSTS OF EMPLOYEE TURNOVER

- Lowered employee morale leading to a decrease in productivity
- Customer complaints due to poor food, product, or service quality
- Lost revenues due to poor customer satisfaction, prompting comps and discounts
- Lost productivity during training
- Negative customer word-of-mouth referrals due to poor product and service quality

Because it can be difficult for owners and managers to accurately assess the true-dollar cost of employee turnover, researchers at Cornell University have designed a free Web-based management tool that helps hotels and restaurants accurately weigh the cost of employee turnover. Figure 8.2 provides additional information about this tool.

Turnover Cost Evaluator can be accessed through Cornell University's Center for Hospitality Research Web site located at the following URL:
www.hotelschool.cornell.edu/chr/research/tools/turnover/

New visitors to the site are asked to register, at no cost or obligation. The evaluator, codeveloped by Cornell Hotel School Professor Timothy R. Hinkin and Associate Professor J. Bruce Tracey, allows users to enter data that is specific to their organization and provides them with a detailed cost analysis of employee turnover. It can be used to assess the turnover costs associated with a number of line, supervisory, and managerial positions and allows users to modify their entries to examine a variety of scenarios. Currently the tool is focused on the lodging industry, but it contains a food-and-beverage section that can be used by restaurants as well.

Figure 8.2

Cornell University's Web-based management tool: Turnover Cost Evaluator. (Courtesy of Cornell University Center for Hospitality Research.)

IDENTIFYING POTENTIAL JOB APPLICANTS

Perhaps the best place to search for new talent is right under your very nose. In other words, your own employees are often an excellent source of referrals and can recommend candidates for future job openings. Eager, motivated employees are generally happy to recommend friends, relatives, classmates, or even neighbors who may be interested in full- or part-time work in your establishment. It is important to note that some organizations have a **nepotism** policy that prohibits the organization from hiring relatives of individuals who are already employed by the organization. Other organizations may be a bit more lax about this policy and will allow relatives to be hired but prohibit any employees from being directly supervised by their relatives. For example, if Aunt Sally is the dining room manager of the hotel, her nephew, Joseph, would be prohibited from working in a position where Aunt Sally would be his immediate supervisor. Still, there are plenty of other organizations that do not have any such policy. These organizations allow employees who are relatives to work within the same establishment and even in the same department, with other relatives serving as their immediate supervisors.

EMPLOYEE REFERRALS

Establishing an employee referral program within an organization may have several distinctive advantages over more traditional methods of advertising for new workers. Employees with hard-to-find job skills may know others who have similar skills and who do the same kind of work. Also, new recruits who have been referred to the organization by current employees will already have some knowledge about the organization based upon information provided by the employees who referred them. Thus, referred applicants may be more attracted and intrigued by the organization than casual walk-in applicants. Another advantage of an employee referring a friend is that the friend may potentially have similar work habits and attitudes to those of the current employee. However, even if their work habits are different, friends will often work hard to perform well in a new job so that they do not disappoint the person who recommended them for the position.

While soliciting employee referrals can be an excellent recruitment technique, hospitality managers must be careful that they do not intentionally or unintentionally discriminate when they use this method. Because this method tends to maintain the status quo of the current workers in terms of race, religion, sex, and other protected classes, the results have the potential to be viewed as discriminatory and could put the operation in legal jeopardy. Which is the best policy with regard to hiring friends and relatives? There really isn't

any one-size-fits-all policy that would work in all operations. Whatever policies and stipulations work for your own unique operation should serve as the best policy for you.

PAYING A REFERRAL BONUS

Operations that successfully utilize employee referrals as a source for potential job candidates will often set up an incentive system for employees so that the employee who provides a referral receives some sort of incentive, often a cash reward, if the referral is hired and remains with the company for at least a specified amount of time (typically a minimum number of months). This sort of incentive system is commonplace in many fast-food chain operations, and offering some sort of bonus tends to work well for most types of operations, provided the ground rules for earning the bonus are clearly communicated in advance. An example of a referral bonus program appears in Figure 8.3.

When an organization that is attempting to fill open positions looks for candidates within the company, it is doing **internal recruiting**. Soliciting employee referrals is just one source of internal recruiting. Larger organizations may also post job openings internally, promote and transfer employees from within, solicit referrals from vendors, and even solicit referrals from former employees. When an organization says it “promotes from within,” its goal is not only to maintain employee retention but also to encourage prospective applicants to pursue positions within the organization because there is opportunity for professional growth and upward mobility within the organization. Internal recruiting efforts may also include offering part-time employees full-time work.

When a hospitality business must look to outside sources for recruiting personnel, it is using sources of **external recruiting**. In this particular case, sources of external recruiting may include hospitality and culinary schools and colleges, trade associations, competitors, labor organizations, churches and synagogues, temporary agencies, advertising, and so on. In truth, the most successful operations generally focus their efforts both internally and externally in order to attract a diversified and qualified pool of job applicants.

RECRUITING IS MARKETING

Professor Robert M. Kok of Johnson and Wales University in Providence, Rhode Island, believes that for managers to be more effective as recruiters, both in terms of time and money spent and quality of applicants found, they need to focus on target groups of applicants first (i.e., sources), and then select the tools (i.e., methods or techniques) that allow them to communicate in the most ef-

\$200 BONUS IS YOURS EMPLOYEE REFERRAL BONUS PLAN

Do you have a friend, relative, neighbor, classmate, or other known associate who you feel would like to join our XYZ Restaurant family? If so, you can earn a \$200 one-time cash bonus if your recommendation works out. Here's how the program works:

- 1. Refer a friend or a relative for any job opening that you feel the individual would be qualified for.*
- 2. The individual must meet all preemployment eligibility requirements and must possess the necessary skills and abilities to successfully perform the duties of the job.*
- 3. If we hire your referral and the individual successfully completes his or her first 90 days of employment with a positive evaluation from his or her immediate supervisor, you will earn a \$100 cash bonus!*
- 4. If the individual remains with our restaurant for an additional 60 days and earns a favorable review from his or her supervisor, you will receive an additional \$100 cash bonus!*

Figure 8.3 Sample referral bonus plan for a restaurant employee.

fective ways with those targeted groups. Professor Kok believes that a major problem in recruiting effectively has been management's failure to think clearly as marketers. "Focus on your desired sources of employees first, then find the best methods/techniques to use in recruiting people from those source groups," says Kok.

WALK-IN APPLICANTS

People who simply show up at your door requesting a job application are known as *walk-in applicants*. Different hospitality operations handle walk-ins in different ways. It is not uncommon for the human resources departments of larger operations to require walk-ins to complete the application in the human resources

ethical dilemma

Josie just signed a franchise agreement with a new, up-and-coming restaurant chain that specializes in premium, deli-style sandwiches, homemade soups, and other similar fare, served in a dine-in or carryout environment. She's excited about owning her own business even though she knows the competition will be tough. She also realizes that one of her biggest challenges will be her ability to recruit and retain a qualified staff. With less than three months before her grand opening, Josie sets out to visit as many similar establishments in her immediate area as she can to observe how employees at different restaurants interact with customers. When she sees an employee who impresses her, she hands the employee a business card and lets the employee know that she is opening a brand-new place nearby and that she would love to schedule a personal interview with the employee. She quickly earns a reputation among other restaurant owners and managers as a "poacher" who is acting unethically by attempting to steal away the competition's valuable staff. Is Josie violating one of the *10 Ethical Principles for Hospitality Managers* and, if so, which one? If you were Josie, how would you react to the claims of the other owners and managers? Would you decide to continue offering jobs to employees at other restaurants or would you decide to stop?

office. Some large organizations limit the days and the business hours during which they will accept walk-in applicants. For example, one large hotel in Louisville, Kentucky, only accepts walk-in applicants on Tuesdays and Thursdays between the hours of 2:00 P.M. and 4:00 P.M. This policy may stem from the fact that the hotel prefers to have a human resources professional available to speak with each walk-in applicant personally in an effort to get an immediate feel for the applicant's suitability for a specific job opening. Other large organizations have gotten away from accepting walk-in applicants. Instead, they require all job applicants to submit an application online via the company's Web site.

WALK-IN APPLICANTS SHOULD BE WELCOMED

Smaller hospitality operations can seldom afford the luxury of discouraging walk-in applicants. Without exception, small food service and lodging businesses should accept applications all the time, whether the business has an immediate opening or not. It requires little time to hand a formal application to a walk-in job applicant, and even if there are no immediate openings, applications can be kept in an active file until suitable openings become available or

the applications are too dated (six months or older) to be valid. If an applicant telephones Charlie Trotter's famous Chicago restaurant to ask whether the restaurant is accepting applications, Mitchell Schmieding, Trotter's director of restaurant operations, will routinely say no, but he will invite the applicant to fax him a résumé and cover letter or submit it to the restaurant's office. He explains to the applicant that he is happy to review a résumé because the restaurant will always consider a qualified applicant when an appropriate position becomes available.⁴ Even though Charlie Trotter's restaurant is one of the most highly regarded restaurants in America and is in the enviable position of cherry-picking the very best applicants, Trotter understands that to restrict his recruiting efforts may be to overlook "a future star."

ADVERTISING FOR JOB APPLICANTS

Advertising is another effective method of recruiting to fill open positions. Many hospitality operators use advertisements as a key part of their recruiting efforts, since placing advertisements in local newspapers or magazines has the potential to yield a larger job applicant pool than the referrals provided by employees or through unsolicited walk-ins. Most *want ads* provide a brief job description, information about the employer, the benefits provided, and how to apply. They are probably the most widely used form of employment advertising. Ads may be placed in local newspapers, out-of-town newspapers, and even specialized trade journals, depending upon the needs of the organization. A hotel operation seeking to hire a general manager—a highly specialized recruit—may place an ad in *Lodging* magazine, a trade journal that targets professionals in the hotel and motel industry. The owners of Cincinnati's famed *Maisonette*, Mobil Travel Guide's longest-running five-star restaurant in the country, went all the way to France to search for a replacement for a retiring executive chef who had served the operation for many successful years.

HELP-WANTED ADS HAVE SOME LIMITATIONS

It is important to note that want ads do have some limitations. First, they are expensive. Because the number of words used determines the size of the ad, and the size of the ad determines its cost, most help-wanted ads contain short words and phrases that only outline the bare minimum job qualifications and tell applicants how to apply. In many daily newspapers, the ads have a short shelf life, and if the ad isn't worded well, you may not get responses from the most qualified applicants. In today's labor market, where there is an increased demand for job relevance, quality of work life, and other job satisfaction factors,

FULL-CHARGE LINE CHEF

For restaurant and catering operation needed immediately! Minimum 5 yrs exp required. Send letter of interest, including resume and salary history to: John Smith, 123 Any Street, Anytown, USA, 12345 or fax 555-1234 by Mon., Nov. 7, 2006.
NO PHONE CALLS PLEASE!

Restaurant***Mama Louise's*****ALL FRONT-OF-HOUSE STAFF**

Mama Louise's is seeking customer service oriented staff with outgoing personalities & the desire to grow with a dynamic company. We offer F/T, P/T, & a fun working environment. Apply 123 Any Street, Anytown, USA, 12345.

EEO

Figure 8.4

Comparison of sample help-wanted ads posted by restaurants.

the need for more descriptive job information and information concerning work environment, supervisory style, and organizational climate are necessary. Figure 8.4 provides a comparison of two different types of restaurant ads.

While both ads contain approximately the same number of words and spaces, the ad for Mama Louise's probably cost a bit more to place because of the use of bold and italic text, which do make the ad stand out. You may also have noticed the *EEO* in the bottom right-hand corner of Mama Louise's ad. This stands for "equal opportunity employer" and using the abbreviation allows the restaurant to save money on the cost of its ad. This should also serve as a reminder to you that the wording of the advertisement may not illegally discriminate or in any way violate Title VII of the 1964 Civil Rights Act. In fact, most newspaper publications today have strict policies that prohibit ad copy that illegally discriminates.

Ad copy, layout, and design should reflect an accurate image of the company and department represented. Because many of today's job applicants value quality-of-life issues, well-written ads may also need to reflect whether the company is

- Conservative or progressive
- Small, medium, or large
- Dynamic or static
- Expanding or stabilizing
- Centralized or decentralized

The key objective when placing a help-wanted ad is that you are trying to convince qualified applicants to apply. Be sure to emphasize the benefits of the job while being specific enough about the requirements and job responsibilities to weed out candidates who would not be right for the job.

golden coral
Savvy, Budget & Styling
NOW INTERVIEWING:
Prep/Oish, Bussers,
Bartender, Servers,
Ricks/Front Office
Call 893-0196
Useful items you no longer use sell fast with an ad in the Great Deal Classifieds. Call 582-2622.

Behama Breeze
RESTAURANT
SERVERS
GREETERS
LINE COOKS
Must have 6 months comparable experience.
Apply in person M-F 2pm-4pm
104 Oxmoor Court
EOE
Careerbuilder™ Classifieds features thousands of jobs every day!

SONIC DRIVE-IN
is growing rapidly in the area. We are looking for:
MANAGERS
ASSISTANT MANAGERS & CREW
Contact Victor Garza at 502-537-3000.

SOUS CHEF
Experienced only apply. Please fax resume to 502-452-6069.

Home Improvement Center
Call 4252-478-4966
4252-478-4966

SKILLED LABOR
Joe, A. Bank is seeking a skilled Tailor for Men's Specialty Clothing in our Louisville, KY location. Please call 502-436-0044.

HOBBY LOBBY
Store Management Opportunities
Hobby Lobby is a leader in the Arts & Crafts industry with 370 stores located in 28 states. Candidates must have previous retail, store management experience in one of the following:
• Supermarket chain, Craft chain, Mass merchant, Drug chain, Building supply chain
Must be willing to relocate
Benefits include:
• All Stores Closed on Sunday
• Competitive Salaries
• Paid Vacations
• 401k Plan
• Medical/Dental
• Life Insurance
• Merchandise Discount
• Flex Spending Plan
Qualified Candidates with Retail Management experience as a Store Manager must apply on-line at www.hobbylobby.com

604 Sales
A SALES PERSONS DREAM
You have talked to the rest now call the best. Nations largest on ground pool company going through tremendous adding

604 Sales
We're building better careers
The first step to a better career is reading this ad
If you're searching for a career with real growth potential, take a look at the FORTUNE 50 company that's doubling in size every five years. So come share in our success. If you're willing to succeed, we're more than willing to help.

Hourly Opportunities
• Cashiers
• Loaders
• CDL Drivers
• Non-CDL Drivers
• Customer Service/Return Desk
• Receiving/Stocking

Specialist Opportunities
• Millwork
• Live Nursery
• Loss Prevention
• Plumbing
• Electrical
• Kitchen Design

Team Leaders
• Cash Office Clerk
• RTM Clerk
• Customer Service Associate
• Installed Sales Coordinator

Appliances
• Flooring
• Windows/Walls
• Commercial Sales
• Outdoor Power Equipment

Weather as it happens
courier-journal.com

WANT PROFESSIONAL?
limited number of

Photo 8.1

Some hospitality businesses seek applicants outside the company by placing “want ads” in the classified section of local newspapers.

Maren L. Hickton, owner of Maren Incorporated, a full-service hospitality consulting and marketing firm based in Pittsburgh, Pennsylvania, offers the following excellent advice with respect to finding qualified job applicants:⁵

Hire carefully and seek employees through sources other than the local newspaper. Advertise for “professional servers for growing business” at employment agencies and other sources including culinary school internships. Scrutinize employee applications and do not hire on the spot. Make them come in for a second interview; this tactic creates an aura of privilege to work there—as it should be. Check references. Ask for written references. Award bonuses to employees who find you other good employees that last at least three months.

DIVERSITY—THE NEW WORKFORCE

Due to an ever-increasing demand for qualified workers in the hospitality industry, ethnically diverse groups, which have for so long been overlooked, are now getting much more attention from hospitality industry managers struggling to fill positions. Recent immigrants to the United States are settling more and more into smaller communities, and these individuals may represent a huge, untapped source of qualified labor. Senior citizens who are retiring in droves

thanks to the aging baby boom generation are also an important part of this new workforce, as are single moms and even displaced homemakers. When considering the extent of cultural diversity in the United States, consider the following information supplied by the *2002 American Community Survey Profile*.⁶

ETHNIC BREAKDOWN

- 68 percent of Americans are white, non-Hispanic.
- 14 percent are of Hispanic origin.
- 13 percent are African-American.
- 4 percent are Asian.
- 1 percent is American Indian and Alaska Native.
- 2 percent reported two or more races.

DISABILITY AFFECTS 1 IN 5

- There are 49.7 million people with some type of disability in the United States in 2000.
- This represents 19.3 percent of the 257.2 million civilians age five and over.

WOMEN

- There are 140 million women in America, 51 percent of the general population.
- 13 percent of these women are African-American.
- 12 percent are Hispanic.
- 4 percent are Asian and Pacific Islander.

In its *2004 Report to Industry*, the Multicultural Foodservice and Hospitality Alliance suggests that the food service and hospitality industry employs more women and minorities than any other industry, on average.⁷ Consider the following:

WORKFORCE

- 72 percent of the restaurant industry's workforce is composed of women and minorities.
- 17 percent of the restaurant industry's workers are Hispanic.
- 12 percent of the restaurant industry's workers are African-American.
- 3 percent of the restaurant industry's workers are women.
- 5 percent of the restaurant industry's workers are Asian.

SUPERVISORS

- More than 66 percent of supervisors in the restaurant industry are women.
- 16 percent of supervisors are African-American.

- 13 percent of supervisors are Hispanic.
- 6 percent of supervisors are Asian.

BUSINESS OWNERS

- Almost one out of four (24 percent) of eating and drinking establishments is minority owned.

TARGETING THE NEW WORKFORCE

Attracting potential applicants from the new workforce does not have to be difficult; it simply requires more aggressive recruiting practices. Instead of waiting for members of the new workforce to come to you, you have to go to them. One way to do this is to check your local phone book for the names of organizations that support members of the new workforce. Check local newsstands for newspapers and magazines that will help you target ads specifically aimed at these groups. Hospitality managers should take the time to explore their communities in order to find ways to reach these groups. Usually, you can locate members of diverse ethnic groups at community centers or job placement offices. In addition, community organizations, places of worship, and public agencies will often reveal an untapped labor market. You might also find recent immigrants looking for work in English as a Second Language (ESL) classes held at local high schools and universities.



Photo 8.2

An ESL class may be a good source for hospitality managers to find immigrants looking for work.

It is important to remember that the one-size-fits-all approach to advertising is not very effective when targeting the new workforce. Ads should be rewritten so that they market your business and show what you have to offer, not simply what you need. Take an inventory of everything that your business has to offer a potential applicant, and then use **hot buttons**—key items such as services or benefits—that will most appeal to your target audience.

HOT BUTTONS

Senior citizens may be attracted to your organization if you focus on the solid training that you provide and if you emphasize the importance of the experience that a typical senior brings to the table. Single moms may appreciate the flexibility in scheduling that your operation provides, as well as your overall benefit package. Immigrants who struggle with English may be attracted to a work environment that employs other such workers, and certainly, if someone in management is bilingual, then this can be seen as attractive as well. Many immigrants who struggle with English would welcome the opportunity to learn the language, so providing off-hours for instruction in ESL, either in your own facility or somewhere off-site, would be very attractive.

LANGUAGE SOLUTIONS FOR MANAGERS AND SUPERVISORS

The language and culture gap between staff and hourly employees in the hospitality industry often becomes the source of misunderstandings, accidents, frustrations, and high turnover.⁸ Because nearly 20 percent of the restaurant industry's workforce is composed of people of Hispanic origin, the ability to speak and understand basic Spanish words and phrases could provide the hospitality manager with a real competitive advantage with regard to recruiting talented employees. A number of organizations provide excellent tools and products that can assist management in its day-to-day operations. The Multicultural Food Service and Hospitality Alliance is just one example with its very successful *QuickVue English to Spanish Workplace Language Guides*. The organization offers pocket translation guides as well as colorful posters that assist restaurant and hotel managers in communicating more clearly with Spanish-speaking employees and coworkers. The National Restaurant Association's Educational Foundation as well as the Educational Institute of the American Hotel & Lodging Association also offer tools, guides, and services to operations that struggle with language barrier issues.

SUMMARY

- Successful hospitality business operators must attract a qualified pool of applicants, hire the right applicant for the right job, and provide consistent and ongoing training in order to ensure success for the employee and for the operation.
- The labor market and labor pool within that market will have an impact on the manager's ability to successfully recruit talented employees.
- The Internet has expanded the labor market with Web-based job sites as well as with large hospitality organizations that now post job openings and accept online applications on their own corporate Web sites.
- The direct and indirect costs of employee turnover can be substantial, and hospitality managers will often see a negative effect on their recruiting efforts if the operation's turnover is high.
- Potential job applicants can be recruited both internally and externally; each source of recruitment provides advantages and disadvantages, depending upon the unique aspects of the operation.
- Employee referral programs and employee referral bonus plans are an excellent example of internal employee recruiting methods.
- Small operations seldom have the luxury of being fully staffed, and these operations should accept walk-in applicants when it is possible.
- Advertising normally consists of placing a help-wanted ad in the local newspaper, but in order for a want ad to be targeted, it should be carefully written to ensure the operation attracts applicants with the necessary skills and abilities to fill the specific position.
- The new workforce consists of minorities, women, displaced homemakers, and recent immigrants; each of these groups provides an untapped source of talented employees, but the hospitality manager must be proactive in reaching this potential labor market.

PRACTICE QUIZ

1. Hospitality operations that are located 50 miles or more from the nearest major city will normally have less local recruiting opportunities than those locations nearer to major population centers.
A. True B. False
2. Many large hospitality operations maintain corporate Web sites, but job postings and the ability to submit an online application are still rare for such sites.
A. True B. False

3. Because large hospitality operations possess the financial resources to invest heavily in their recruiting and training efforts, smaller operations have no advantages whatsoever over larger organizations.
A. True B. False
4. Employees who leave an organization on their own are classified as *voluntary separations*.
A. True B. False
5. A hospitality business that has a strict no nepotism policy would prohibit the hiring of relatives of individuals already employed by the organization.
A. True B. False
6. Which of the following would *not* be considered a direct cost of employee turnover?
A. Separation costs
B. Training and orientation costs
C. Costs associated with preemployment drug testing
D. Lowered employee morale leading to lost worker productivity
7. Which of the following should be emphasized when writing a help-wanted ad for a local newspaper?
A. A description of the job and the employer
B. The benefits of the job
C. How to apply for the job
D. All of the above
8. One disadvantage of using an employee referral system for recruiting new job applicants is
A. Friends and relatives of current employees should never be hired.
B. An employee referral system tends to maintain the status quo of current employees in terms of race, religion, sex, and other protected classes.
C. Employees will rarely recommend their friends and relatives, even if the employees are satisfied with their work environment.
D. Referrals rarely work out and the effort involved in setting up such an in-house program rarely pays off.
9. Identifying key items that your organization offers such as services or benefits and then presenting those key items in a way that they will appeal to a target audience of potential job applicants is known as
A. Internal recruiting
B. Labor pool analysis
C. Hot buttons
D. External recruiting

10. The No-Tell Motel maintains a year-round housekeeping staff of 23 full- and part-time employees. Voluntary and involuntary separations in the department for the year ending December 31 totaled 37. What is the No-Tell Motel housekeeping department's turnover rate for the year?
- A. 62 percent turnover rate
 - B. 112 percent turnover rate
 - C. 88 percent turnover rate
 - D. 161 percent turnover rate

REVIEW QUESTIONS

1. Your restaurant or hotel needs to hire entry-level workers to fill a variety of front- and back-of-house positions. You have determined to target the Hispanic and senior citizen labor pools in your immediate area. Develop two distinctive help-wanted advertisements that will utilize hot buttons to effectively target job applicants in each pool. You may wish to prepare your ad targeting Hispanics in Spanish, if possible. Remember that the length of the ad in terms of advertising copy will determine its cost: the larger the ad, the more expensive. Where will you place each ad? Why? Are there potential venues for your ad other than the local newspaper? Explain. Be prepared to present your ads to the rest of the class and to support your decisions with examples from both the lecture and text.
2. Telephone the advertising department of your local newspaper and determine the cost and pricing guidelines for a business that wishes to place a help-wanted ad. How does the day of the week on which the ad is to run impact the cost? Do using features such as bold and italics have an effect on the cost? Be prepared to share your findings with your classmates.
3. Assume you own or manage a small lodging or food service establishment. Write a nepotism policy for your establishment. If you choose to write a no nepotism policy, be sure to include sound reasoning and principles for your policy. If you choose to allow the hiring of relatives, be sure to qualify your policy in such a way as to clarify reporting relationships among supervisors, departments, and relatives, where applicable. Locate one other student in your class who has written a policy that is the opposite of your policy and attempt to convince the student to change his or her policy to reflect your own. Were you successful in changing the other student's mind? Why or why not? Be prepared to present your policy and findings to the rest of the class.
4. Conduct a search on the Internet and locate a hospitality-related business Web site in which job applicants may apply for position openings. Describe some of the key features of the company's Web site. Do you feel that the Web site the company uses is an effective way to recruit job applicants? Why or why not? Be prepared to share your findings with the rest of the class.

5. Aside from a large hospitality company that may host its own corporate Web site, there are dozens of specific employment Web sites such as Monster.com where any number of businesses may advertise job openings. Compile a list of at least five hospitality-specific job recruitment Web sites. From the list you have compiled, be prepared to discuss the features of each Web site. Examples include such areas as geographic span of the jobs, types of jobs advertised, types of companies that have placed ads, and so forth. Be prepared to share your findings with the rest of the class.

**HANDS-ON
HRM**

Eric Masters recently began a new job as the rooms division director of a 400-room hotel located in an affluent suburb of a large, southeastern city. Since coming on board nearly eight months ago, Eric has noticed a persistent problem of understaffing in the hotel's housekeeping department. Guest rooms are rarely cleaned in a timely manner, and room attendants are often sent back to correct deficiencies uncovered by the department's floor supervisors. Guest comment cards are overwhelmingly negative toward the housekeeping department, and Eric realizes that he must get to the bottom of the problem before things get so far out of hand that the hotel's profit margin is seriously endangered.

Eric has scheduled a meeting with the hotel's executive housekeeper, Naomi Wilson. Naomi has been with the hotel for nearly 15 years. After working her way through the ranks of the housekeeping department and after completing an associate's degree at the nearby community college, she has held the position of executive housekeeper for the past nine years.

When Eric and Naomi meet, Naomi stresses that she can't remember a time when the housekeeping department has not been "stretched to its limit." "It's hard work," she explains to Eric. "No one wants to clean hotel rooms on this side of town for the wages we pay." "Just talk to Liz," Naomi continues. "She'll tell you how we've been working our employee referral system and placing help-wanted ads, but nothing seems to work." "That's a good idea," says Eric. "Let me ring her office and see if she has a few minutes to join us."

Liz Ribeiro, the hotel's human resources director, has been with the property for nearly as long as Naomi. When Liz joins the meeting, she explains to Eric that the hotel instituted an employee referral program more than 10 years ago. The plan started out successfully, but for the past few years, it has become increasingly difficult to administer as fewer and fewer people have been applying to fill the positions needed in the housekeeping department. "Perhaps it's time to rethink the employee referral system," says Eric. Liz explains that even though the pool of referrals seems to be shrinking, it does bring applicants into the hotel who are already somewhat familiar with the nature of the work and the hotel's expectations. "Besides," Liz adds, "this

knowledge that they bring to the table helps us keep our training and orientation costs down.”

“Well, clearly,” says Eric, “we’ve got to be doing more.” Liz tells Eric that she supplements the program by running ads every week in the newspaper. “I’m spending a fortune on advertising,” she says, “but no one ever applies; every hotel in town is hiring room attendants.”

“Okay,” says Eric. “I’m starting to get the picture.” He goes on to explain that in order to remain competitive and to increase guest comment scores, Naomi and Liz are going to need to come up with some creative strategies to locate and recruit qualified staff. “You will have my full support,” promises Eric. “This is so important to our overall success that the vice president of operations has made this his top priority.”

QUESTIONS

1. What seems to be the primary flaws in the hotel’s recruitment strategy? How have these issues led to the staffing problems that the hotel currently faces?
2. What creative strategies could be used that would allow the hotel to tap into labor supplies that have been ignored over the past few years?
3. Is it an asset or a liability that the hotel is located in an affluent suburb of a large city? Explain your answer. If the hotel’s location is an asset, how could the hotel capitalize on this? If the location is a liability, what strategies might be employed to turn this liability into an asset for the hotel?
4. As they grapple with this challenge, what kind of support should Naomi and Liz expect from the hotel’s general manager and from its vice president of operations? If they request financial resources, how should the money be spent?

KEY TERMS

Employee recruitment The process of locating and maintaining a pool of qualified applicants to fill positions within the hospitality organization.

Labor market The geographical area in which the hospitality business focuses its recruiting efforts.

Labor pool The individuals who live in the labor market and who have the skills, attitudes, knowledge, and abilities that the hospitality operation requires.

Employee turnover The voluntary and involuntary separations of employment within an organization.

Separation A human resources term that refers to individuals who have left the organization, either voluntarily or involuntarily.

Turnover rate A comparison of the number of employees who have left the organization for any reason with the number of employees in the organization that is expressed as a percentage. The turnover rate is calculated by dividing the number of employees separated by the number of employees in the organization.

Nepotism In the work environment, the term normally refers to hiring relatives of individuals who are already employed by the organization. The term could be expanded to include close friends of employees as well.

Internal recruiting Identifying sources of labor from inside the organization.

External recruiting Identifying sources of labor outside the organization.

Ad copy The actual written message included in a print advertisement. Copy may also refer to the spoken message in TV or radio media.

Hot buttons Key items such as services or benefits that are presented within your recruitment material (e.g., want ads or job postings) that will most appeal to your target audience.

NOTES

1. Maren L. Hickton, "Service: Problem Employees," *Restaurant Report, LLC*, (Miami, FL). www.mareninc.com.
2. Robert H. Woods, William Heck, and Michael Sciarini, *Turnover and Diversity in the Lodging Industry* (Washington, DC: American Hotel Foundation, 1998).
3. Timothy R. Hinkin and J. Bruce Tracey, "The Cost of Turnover: Putting a Price on the Learning Curve," *Cornell Hotel and Restaurant Administration Quarterly* 41:3 (June 2000), 14–21.
4. Reprinted with permission from *Lessons in Service from Charlie Trotter* by Edmund Lawler. Copyright 2001 by Edmund Lawler, Ten Speed Press, Berkeley, CA, www.tenspeed.com.
5. Maren L. Hickton, "Service: Problem Employees," *Restaurant Report, LLC* (Miami, FL) www.mareninc.com.
6. "Making the Case for Inclusion: The Multicultural Foodservice and Hospitality Alliance 2004 Report to Industry" (Cranston, Rhode Island: MFHA, 2004).
7. Ibid.
8. *QuickVue Guide for Hospitality* (Cranston, Rhode Island: MFHA, 2004).