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Cultivating Thriving Hospitality Teams in the Post-pandemic World

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About the Author



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<https://www.shutterstock.com/image-photo/positive-caucasian-waiter-cheerful-african-american-1096256600>

People are at the center of the biggest challenges facing the hospitality industry today. In fact, over 1 million workers have exited the industry since March 2020, and hundreds of thousands of jobs remain vacant.

Front-line hospitality employees bore the brunt of pandemic restrictions, personal health risks, aggressive customers, and sociopolitical unrest. Now, the labor shortage has given employees newfound leverage to establish personal boundaries, demand fair and equitable wages, and make unprecedented choices about where they work.

Consequently, this historic power shift is impacting workplaces across the country as evidenced by rising wages, increased unionization, and the selectiveness of candidates in their job searches, among other factors.

Today, job candidates are not only less plentiful but also less experienced, and the new labor force requires hospitality operators to do more with less. Industry-leading employers are finding creative ways to attract quality talent, invest in employee

development, and capture labor efficiencies in their business models, but some hospitality operators are struggling to adapt.

Based on insights from Empowered Hospitality's over 300 hospitality clients, there are four practical strategies that can help cultivate thriving hospitality teams in 2023.

Starting at the beginning

Retention begins with sourcing and selection. Specifically, leading companies focus on clearly articulating and promoting their employer brand, following a structured interview process, and proactively building their candidate pipeline.

Building an excellent team starts at the top of the funnel, where strategy focuses on attracting numerous interested candidates. Leading hospitality companies project a distinct identity to attract employees, highlighting what makes their work environment unique. They do not try to appeal to everyone; rather, they share the quirks and challenges employees may experience in their organization and ensure the ethos they advertise aligns with reality. By both expanding the candidate pool and projecting a unique identity, leading companies can select individuals whose skill sets, experience, and beliefs match their precise needs and culture.

Leading companies also employ a consistent, multifaceted screening process. They often utilize multiple structured interviews, realistic job previews and trails, skill assessments, and written pre-employment assessments to thoroughly vet candidates. This structured process evaluates the many dimensions of a candidate's qualifications and provides candidates with a realistic window into the employee experience.

Finally, a proactive approach to recruiting and succession planning is critical to achieving sound results. Consistently building a candidate pipeline enables leading employers to avoid desperation-based hiring, provides upward mobility to internal candidates, and reduces turnover by improving employee morale and productivity.

Providing structured onboarding and training

Once an offer has been extended, a structured and supportive onboarding process solidifies a candidate's positive first impression. 69% of employees are more likely to stay with a company for three years if they experience great onboarding (Hirsch, 2017), and companies that implemented a formal onboarding program saw 50% greater employee retention and 62% greater productivity among new recruits (Gallup, 2019).

First Course NYC, a New York City-based culinary apprenticeship program, identified five key attributes of successful onboarding from the direct survey responses of over 50 new line cooks and their supervisors:

1. Follow a consistent onboarding and training process

2. Orient new hires to their surroundings, their team, and the mission and values of the company
3. Use technology to increase visibility, efficiency, and legal compliance
4. Cultivate connections between a new hire and their teammates
5. Deliver coaching and formal feedback consistently

Apprentices who received eight weeks of structured onboarding and on-the-job training through First Course NYC surpassed an 80% retention rate after 90 days, exceeding the industry norm. Laura Hennemuth (BU SHA '13), the Empowered Hospitality liaison to First Course NYC, explains, “The small moments of connection during an onboarding and orientation process leave a lasting impact... Apprentices have highlighted meeting their coworkers, getting to know the chef, and receiving a tour of the restaurant as the most special parts of their experience.” These results reinforce that structured onboarding and training can have a measurable impact on retention among hospitality employees at all levels.

Supporting growth and development

While structured recruiting, onboarding, and training improve employee retention during the first years of employment, a dearth of ongoing learning and development may jeopardize long-term employee satisfaction and productivity. A 2021 survey of over 1,000 hospitality employees identified learning and development (“L&D”) as a top driver of job satisfaction (Harri 2021). Yet, few hospitality companies have a formal L&D department or even a single resource dedicated to this area. Executing an effective L&D program at scale is difficult, given the technological and linguistic limitations of many hospitality employees. According to Rachael Nemeth, CEO of Opus Training, traditional learning management systems (LMS) are not working for hospitality operators: “Only 30% [of 1,000 multi-unit restaurant groups surveyed] have an LMS... Legacy LMS didn’t work for them, so they hacked their own system so it would be accessible to their workforce.”

L&D is most effectively delivered through diverse formats that engage employees both on the job and asynchronously, including one-on-one coaching, classroom-style workshops, pre-shift meetings, training manuals, quizzes, field trips, online learning, and text-based tools like Opus.

Delivering L&D is the first step, but linking learning directly to career advancement fosters transparency, equity, and motivation. To reinforce the impact of L&D, employers should establish clear job descriptions and competency-based pay bands that tie work achievements such as cross-training, product knowledge, and soft skills to compensation and job growth. This approach provides a clear roadmap that keeps employees engaged as they climb upwards.

Embracing an employee-centric approach

While a warm welcome, structured training, and ongoing development enhance overall retention, the hospitality industry must also meet employees' fundamental personal needs to reverse the talent exodus that began in 2020.

During the pandemic, compensation was one of the most-cited reasons that employees left hospitality. With state and city minimum wage hikes, pay transparency requirements across more than 15 states, and labor shortages propelling wages upward, leading employers are reexamining their compensation philosophies. In addition to establishing competency-based pay bands, employers are adjusting their tip pools to include back-of-house and support positions (where permitted under state and local law). By instituting customer surcharges to contribute towards employee wages and benefits, employers are proactively increasing compensation for existing employees to match market rates. Progressive employers surpass the mandatory minimum wage and instead align starting pay rates with the living wage and/or other competitive businesses in their area.

Employee benefits are also newly in focus. 88% of employees say health benefits are important to them and their families, yet only around 30% of restaurants offer medical insurance (Society of Human Resources Management, 2022). Implementing benefits is challenging, particularly for the 70% of independent restaurateurs with under 100 employees. Purchasing competitive benefits requires subject matter expertise and buying power, and premiums have increased on average by 2-5% annually since the pandemic began. Ultimately, employee participation in medical insurance has historically been much lower in hospitality than in other industries, further discouraging employers from investing the time and effort needed to implement basic benefits.

In the best cases, employers take a holistic approach to total rewards, thinking about compensation, benefits, well-being, and L&D as a complete employee ecosystem. By offering a variety of flexible, low-cost benefits to complement traditional health insurance, and fostering a positive work environment, small businesses can both care for their employees and preserve their narrow margins.

The final ingredient in an employee-centric workplace is well-being. Well-being may be difficult to define, but it is easy to identify when it is absent. Hospitality employees experience high levels of drug and alcohol abuse, addiction, and depression. Sexual harassment and discrimination claims are also more prevalent in hospitality than in any other industry. Unpredictable schedules, long hours, over-extended teams, inattentive managers, and abusive guests can all contribute to the mental and physical health issues that plague our industry.

In the wake of the pandemic, employees increasingly turn to their workplace for camaraderie, refuge, and emotional support. Today's hospitality employers have an opportunity to shift their relationship with employees by listening, fostering mutual respect, and offering a platform for employees to engage in meaningful social causes. Leading employers are also keenly aware of the emotional and physical toll of the pandemic, offering employee assistance programs, app-based counseling services, and wellness programs. The old philosophy of "leave your issues at the door" no longer applies and, in fact, can be quite dangerous.

Despite the challenges presented by today's hospitality workforce, employers have the potential to cultivate thriving teams. To start, employers must acknowledge that the needs and desires of hospitality employees have evolved significantly over the past two years and that employees are in the driver's seat like never before. Structured recruiting, onboarding, and ongoing development processes can have a measurable impact on retention and employee productivity. Most importantly, leading companies will commit to cultivating an environment where employees feel supported, safe, and seen.

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