

# HOSPITALITY QUEST 2019: THE SEARCH FOR THE ELUSIVE EMPLOYEE

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*"Hey Steve, this is Mr. Joe over here at Big Eats. Man, I have a problem and I need to pick your brain. I can't find enough applicants and hire enough employees to fill the openings I have at my stores. I even had to close down the store over on 42nd Street one day last week because I could not find employees to work the evening shift. Overtime is killing me! Even when I offer overtime hours to my employees, they don't want to work it. I really need help. Got any suggestions?"*

Yes, indeed—the labor market is tight. And with the [nationwide unemployment rate below 4 percent, 263,000 new jobs created in April 2019](#), and a sizzling economy, the labor market is likely to get even tighter. This is especially true for the hospitality industry, which has traditionally relied upon a steady stream of lower-skilled and younger applicants eager to enter into the job market. In fact, the National Restaurant Association predicts that jobs in the food service industry will top 15 million in 2019, and lists recruiting and retaining employees among the top challenges for operators.

Yet, just 19 percent of 15- to 17-year-olds had jobs in 2018, and 58 percent of 18- to 21-year-olds had jobs, according to a Pew Research Center study published in November 2018. This is significantly down from years past. The cause of this trend is difficult to predict. Whether parents are not pushing their kids to enter the workforce, or there are too many other extracurricular activities to occupy their time, one thing is certain: younger workers are not as eager to pick up a part-time job, even at the local eatery that is begging for help.

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## LEGAL ROADBLOCKS ALSO COMPLICATE HIRING

Federal and state laws can also deter hiring anyone who is under 18 years of age. Under the federal Fair Labor Standards Act (FLSA), there are regulations that preclude employees who are 16 and 17 from performing certain job duties, such as operating power-driven machines like mixers and meat processors, and delivering food via automobile. Another layer of federal regulations applies to 14 and 15-year-olds, which significantly restricts the number of hours that can be worked during a day and workweek, particularly during the school year. If you are skeptical, check out "[Fact Sheet #2A: Child Labor Rules for Employing Youth in Restaurants and Quick Service Establishments Under the Fair Labor Standards Act \(FLSA\)](#)" on the U.S. Department of Labor's website.

State laws also serve as a bugaboo to employing minors, and these laws can vary greatly from state to state. One example is in Louisiana, where additional rules and regulations for employing require that all minors (defined as under 18 years of age) to have a 30-minute uninterrupted work break within every five hours of employment. A failure to comply with this requirement will subject the employer to a significant fine.

## TIME TO GET CREATIVE

So, what can Mr. Joe at Big Eats do to increase applicant flow and hire more employees at his stores? We told Mr. Joe that one idea is to increase his starting wage and increase benefits, which he did not want to hear. The fact is, however, many competitors for this part of the workforce (such as big-box retailers) have increased their starting wages well above minimum wage in order to attract applicants.

A quick Google search offers other examples of how employers are creatively trying to solve this workforce problem. From utilizing mobile apps that allow employees to swap shifts at the last minute when conflicts arise, to allowing employees to express their opinions on branding of the products being sold, to handing out recruiting cards to customers who visit the establishment, to offering bonuses to employees who recruit other employees to join the company, to teaming up with AARP to recruit and hire older workers—it is clear that creative thinking gives employers a distinct advantage.

Need another example? Look no further than the Louisiana Restaurant Association's Education Foundation (LRAEF), which is tackling the workforce issue head on. The LRAEF is a major supporter of the nationwide ProStart program, a two-year program for high school students teaching culinary techniques and management skills that are specifically tailored to the food service industry. Today, there are 56 Louisiana high schools and almost 2,000 Louisiana high school juniors and seniors participating in the program.

According to Wendy Warren, the Vice President of Communications for the LRA, "The LRAEF provides school support grants to purchase ingredients for labs, testing materials, and for field trips. The high school students also participate in the Raising Cane's ProStart Invitational, held yearly at the New Orleans Convention Center, and that event provides the students with a chance to show their skills and compete for \$1.2 million in scholarships. ProStart is a comprehensive program and it is a great way to get our young people interested in the food service industry. We hope they will discover that there are exciting and fulfilling career opportunities in the industry. While employing teens may present challenges, hiring ProStart students will make the challenge worth it given their advanced training."

## **CONCLUSION**

So, our advice to Mr. Joe at Big Eats? In addition to suggesting that he may want to look at raising his starting wage and offering additional benefits, he will have to get creative in his search for more applicants and good employees.

Yes, the labor market is tight. But, by partnering with a local restaurant association, using technology and social media, and just generally letting the creative juices flow, even Mr. Joe will be able to find and retain the elusive employees that he so desperately needs.

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