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The power of employee engagement
Redefining the restaurant experience

Introduction

In today's competitive restaurant marketplace, successful brands need to do much more than offer good food at a reasonable price. They need to deliver a differentiated customer experience along with their meals. But differentiation is not so simple. It requires a restaurant to execute on all dimensions of the customer experience: value, menu, quality, and the right managers and employees to tie it all together.



Engaged and motivated employees are at the heart of positive restaurant experiences—from how customers are greeted when they walk through the door, pick up a take-out order, or get home delivery, to how quickly and well their food is prepared and served. According to our recent customer experience survey, a staff of friendly, hospitable employees was cited as the most important element needed for a positive experience at a restaurant.¹

An employee's level of engagement heavily influences a customer's attitude toward the brand. News of a poor customer experience with a restaurant's employees may spread virally across social platforms and through word-of-mouth, often prompting consumers to abandon a location or even a brand altogether. In contrast, a positive interaction with an energized and engaged employee can turn a first-time customer into a lifelong enthusiast.

Today, restaurants' corporate budgets are weighted strongly toward customer and digital investments. This often causes employee initiatives to be under invested, which can result in a gap between a customer's digital and in-person experience. In light of this gap, investments in employee engagement have never been more important. A company's commitment to employee engagement can have considerable reach and strategic value, both as a driver of workplace satisfaction and as a profit-enabling initiative. Employee engagement is not just an HR issue; it is a strategic imperative that should be addressed and endorsed at the executive level, with accountability at every tier of the business. Companies seeking to improve employee engagement face a host of challenges and opportunities, including:

- How do they convert hourly workers into true brand ambassadors who actively "own" positive customer interactions?
- How can they elicit the differentiating behaviors, attitudes, and interactions that imprint positivity given the challenges facing the restaurant industry?
- How do franchised models create a consistent experience across the brand for the customer given co-employment laws and the barriers therein?
- Just as companies are investing in the customer's digital experience, how can they choose digital investments that enhance employee training, processes, and overall experience?

These questions and concerns are significant drivers for a revised approach to talent strategy and employee engagement as restaurants seek market share and a positively differentiated customer experience.

Challenges and trends in restaurant employee engagement

Investing in employee engagement can give restaurant brands a competitive edge in today's marketplace. The restaurant industry is going through a period of intense competition and economic pressure. This is due in part to the rise of smaller chains and independent players, as well as minimum wage pressures. However, there are clear high performers in the restaurant space.² What's the secret to their success? Winning brands are discovering that strategic employee engagement programs are the foundation for redefining and transforming the customer experience, driving brand loyalty, and growing their market share.

Unfortunately for restaurant companies, a staggering 51 percent of American workers surveyed are not engaged in or committed to their work³, and one in 10 US workers are in the restaurant workforce.⁴ Compounding these statistics is the reality that restaurants typically face high turnover. Talent attrition is a significant factor that limits a company's attempt to create a consistent employee and customer experience. Addressing these talent challenges and the effect they can have on the customer should motivate restaurant executives to innovate their talent approach hand in hand with their go-to-market strategy, creating a customer experience that is differentiated and successfully derived from a positive employee experience.

Many restaurants are incorporating a slew of consumer-facing digital technologies to help streamline the ordering process—mobile payment platforms, self-ordering kiosks, and third-party delivery services among them—to satisfy today's on-the-go, on-demand customers. Investments in digital are transforming the customer experience in the restaurant, which in turn, are changing the expectations and responsibilities for the employee. The growing presence of technology and innovative ordering functionality should be considered catalysts for investing in employee engagement and experience, helping ensure that employee knowledge and capability meets or exceeds the increasing demands from the customer and the business. As technology

advancements increase, it becomes even more imperative for restaurants to create a parallel path to empower, train, and engage their employees, helping create the highest quality and most consistent customer experience possible.

Restaurant executives need to focus considerable attention and resources on developing and implementing employee retention strategies and motivating today's fluid and demanding workforce. While this task can seem daunting, the benefits can be significant: Studies show that organizations with engaged employees have a workforce that is 57 percent more effective and 87 percent less likely to leave compared to organizations with low levels of engagement.⁵ According to our recent consumer survey on the overall restaurant experience, 60 percent of respondents stated that a positive dining experience would cause them to visit a restaurant more frequently.⁶ Given such a direct correlation to brand loyalty and consistent revenue streams, restaurants must prioritize both sides of the consumer–employee engagement equation.

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Building a “simply irresistible” culture

Our Simply Irresistible Organization™ model helps restaurants revamp their employee engagement strategy to create exemplary employee experiences that translate into positive customer impressions. Deloitte has distilled employee engagement into five core elements (or indices) and 20 underlying attributes that collectively work to make an organization “irresistible” to its employees. We have learned that these five core elements (or indices) drive engagement (figure 1).

realized when the individual dimensions are treated as interconnected elements and are given appropriate attention and energy in design, execution, and monitoring. The model’s dimensions build on each other, creating strengths, reinforcement, and synergy across the entire talent management life cycle to actualize the simply irresistible organization—which, in turn, creates a differentiated and positive experience for the customer.

Many organizations can highlight areas of this model where they are strong, or even excel, when compared to their competitors. However, the model’s promise is

Figure 1: Building a “simply irresistible” place to work⁷

Our conversations with hundreds of executives identified critical strategies that make an organization “simply irresistible.”

Simply Irresistible Organization™ model






 Meaningful work	 Supportive management	 Positive work environment	 Growth opportunity	 Trust in leadership
Autonomy	Clear and transparent goals	Flexible work environment	Training and support on the job	Mission and purpose
Select-to-fit	Coaching	Humanistic workplace	Facilitated talent mobility	Continuous investment in people
Small, empowered teams	Investment in development of managers	Culture of recognition	Self-directed, dynamic learning	Transparency and honesty
Unstructured time	Agile performance management	Fair, inclusive, diverse work environment	High-impact learning culture	Inspiration
Cross-organization collaboration and communication				

Figure 2: Employee engagement’s role in the customer value chain⁹

Obtaining an advantage in the marketplace is a critical driver for the changing nature of experiences across customers and employees. Enabling and achieving employee engagement is key to success on the journey to the desired customer experience.

Create meaningful work

The first and perhaps most important part of building successful employee engagement is to establish an environment in which employees feel that their work is meaningful, that it’s purposeful, and that they are making a difference. For restaurant employees, this might feel like an impossible ideal. Beyond showing up and collecting a paycheck, how does an organization connect employees to its purpose, helping create a sense of personal meaning, impact, and accomplishment?

For most restaurant employees, the context for their job is transactional. They make the food, take the money, clean the tables, etc. While this approach is functionally successful, there is value to be had in providing a more strategic context for the employee. Instead of the employee understanding their function as taking the order or working the fryer, contextualizing their purpose as part of a larger positive customer experience—regardless of function—can help generate an end-to-end understanding of the customer value chain (figure 2) and drive a stronger sense of personal purpose. More importantly, it can help employees see opportunities to positively impact customers and create a structure for them to deliver on this experience.

A good employee sees his or her functional job as important to the customer experience; a brand ambassador sees it as his or her responsibility to create the best experience for a customer—whether this means picking up trash in the parking lot, greeting customers as they pass by, helping a customer carry an order to their table, or voicing ideas for improvement to restaurant management.

Set the expectation that every employee, regardless of role, is personally responsible for the customer experience. This infuses meaning into the work and increases the likelihood of a successful restaurant experience. Organizations that give their employees more decision-making power and support experiences have higher levels of productivity and financial growth.⁸



Foster supportive management

A great management team is a critical resource for restaurants seeking new ways to support their employees. Strong managers operate alongside—not above—their employees. They set goals, coach for high performance, and provide real-time feedback and support through digital technology. Companies that invest in strong managerial staff and leverage the advancements in digital and social platforms have the potential to make a considerable, positive impact on employee engagement, performance, and retention. Great management also contributes to the next irresistible organization element—establishing a positive work environment.

Supportive management begins at corporate, but given that many restaurants have a franchised model, co-employment laws can inhibit a brand's efforts to standardize the overall experience for the customer and employee. The number of franchise owners is growing year over year, and companies should be focused on choosing the right franchise owners, onboarding them, and investing in their ongoing training. By carefully screening and hiring new franchise owners, store managers, and other leaders, an organization can intentionally bring in management that is already aligned with the corporate culture and vision.

Those employees who demonstrate strong brand ambassador qualities and who “own” the customer experience should be identified as high-potential candidates and developed for advancement in the organization. By hiring, developing, and investing in those employees who align with the corporate vision, restaurants help these employees execute on the customer value chain with the highest possible standards.

Restaurant organizations with thriving and supportive management will require their store managers to spend time developing their employees. Regional and corporate leaders will monitor store leadership on these activities and ask about high-potential employees that deserve extra attention and consideration for learning

opportunities. At an enterprise level, the organization will look for digital opportunities to make these check-ins efficient, value-added, and monitored, and will automate the performance management processes associated with them (leadership pipeline tracking, developmental actions, etc.). Failing to do these things can impede the organization's ability to create an engaged workforce; there is simply no way to create an engaged workforce if management is seen as unsupportive.

Establish a positive work environment

If leaders want employees to engage with their organization, employees should feel comfortable, valued, and motivated. For restaurants, this goes beyond keeping work areas clean and safe. It means adding more high-value initiatives, such as establishing a culture of recognition in which employees are acknowledged for their performance by managers and peers. Research shows that “high-recognition companies” have 31 percent lower voluntary turnover than companies with a poor recognition culture.¹⁰ Companies can build this culture through social reward systems, frequent thank-you activities, and a general environment of appreciation.

It is not uncommon for restaurant managers to see their workers as hourly commodities. With turnover often at high levels, some managers may not invest the energy in getting to know their employees. But this may, in turn, contribute to employee turnover. By creating and providing a positive work environment where employees feel valued, managers can reduce the turnover cycle. After all, employees may be more likely to quit without notice, ignore a request, or deliver dissatisfying customer service if they feel like no one cares about them or the work they do.

For the hourly restaurant employee, a positive work environment can start with feeling cared for by management. Does the store manager recognize and appreciate when an employee creates a positive customer experience? Does management take time to get to know the employee's aspirations and career goals? Is there acknowledgment of the employee who independently picked up trash in the parking lot? Recognizing these behaviors can not only create a positive work environment, it also helps create a sense of meaningful work.

Companies that invest in strong managerial staff and leverage the advancements in digital and social platforms have the potential to make a considerable, positive impact on employee engagement, performance, and retention.

Create ample opportunities for growth

Engagement research shows that learning opportunities, professional development, and career progression are among the top drivers of employee satisfaction—particularly among employees under age 25.¹¹

Successful brands create opportunities, both formal and informal, that help employees learn on the job, take on developmental assignments, and find support when they need it. Exceptional organizations are leveraging digital platforms and technology to meet their employees' development needs in real time, tracking progress toward goals, and leveraging analytics to identify potential hot spots for further investigation.

Restaurant franchisees and managers should engage in real-time performance management with their employees. Leadership should be looking to reward productive employees through compensation and growth opportunities to incentivize desired workplace behaviors. Recognizing and rewarding the employee who demonstrates brand ambassador behaviors not only creates a positive environment and meaningful work for the employee, it shows other employees that these behaviors are valued.

At an enterprise level, restaurants should also look at their leadership policies and behaviors to make sure that innovative and digitally enabled employee learning, development, and mobility are emphasized and recognized as important business objectives. Most leaders are rewarded for "making their numbers." While this is certainly important, leaders should also be rewarded for developing their people, improving employees' skillsets, and attaining high retention rates. When company leaders support their employees, the outcome is an increasingly reliable and productive workforce that trusts leadership to make good business decisions.

Trust in leadership's vision

Finally, company leaders should demonstrate and communicate a strong sense of purpose to build trust among their employees and give them an inspirational "North Star." This is certainly not easy for any organization, and it's even more difficult for restaurants and other geographically dispersed companies. As the message and vision is communicated from level to level, region to store, and employee to employee, some of the substance of the message can be lost.

But restaurants can create trust in leadership's vision for the organization. Having store practices that resonate with the strategic vision is a good start for hourly employees. The organization should show its willingness to commit to its stated direction.

Hearing that leadership has a vision for reduced turnover and highly engaged employees is one thing. It's an entirely different experience to see store policies shift to require development check-ins with each employee, hear managers recognizing people for demonstrating brand ambassador behaviors, and feel appreciated by leadership. Putting these words into action makes the vision personally relevant and individually valuable—and it helps align the employee with the strategic vision.



Employee engagement: Winning themes

Despite the numerous challenges to creating and sustaining high levels of employee engagement, some restaurant brands are differentiating themselves by changing their approach to maximizing employee productivity and building workforces that directly impact the customer experience. Many of the strategies used by some of today's largest and fastest-growing restaurant brands draw upon many elements of the Simply Irresistible Organization™ model.

More often than not, leaders in customer service are also leaders in employee engagement. Brands that prioritize employee engagement consider their workforce to be their frontline brand evangelists and ultimately their competitive advantage. These brands invest heavily in their managers to drive high levels of employee engagement. They treat managers as strategic and high-potential employees running their own small business. Managers should be encouraged to share their experiences and challenges with each other and the organization, and work together to influence best practices for the brand overall. This sense of empowerment can drive a heightened feeling of personal ownership and responsibility toward achieving the brand mission—and this trickles down to all employees.

Many brands have opted to leverage technology in the workplace to enhance the customer experience. Customers can use a mobile app to pre-order their menu selections ahead of arrival. Many chains also provide the option of using a self-service kiosk to place orders in addition to the traditional register—often drastically reducing wait times. In some ways, this

technology is reducing employee work responsibilities. But it is also changing employee behaviors and the expectations of the organization and the customer.

Infusing consumer-facing technology into the restaurant experience requires engaged employees who are ready to learn, operate, and troubleshoot these new systems in addition to fulfilling their pre-existing, day-to-day responsibilities. The customer expects employees to deliver a positive experience, regardless of technological advances, automated processes, or manual activities. Restaurant organizations must have employees who are ready to deliver on these expectations.

To accomplish this ideal of an engaged workforce, exceptional organizations are leveraging digital technology to not only automate and innovate their talent management practices, but also to meet and reward their employees where they are. By creating new or using existing social platforms, restaurants can use real-time data to reward an employee who is mentioned in an online review or a Tweet, recognize a restaurant that is tagged on social media platforms, and even draw recognition from other restaurants, regions, and employees as they operate across the digital community.

It is no coincidence that the restaurant brands driving impressive growth are becoming known as much for their customer experience as they are for their food. The innovative employee-centric vision these organizations have built into their services models has redefined the experience for their customers.

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Create a cultural vision and measure progress

Our employee engagement model provides a strategic framework for creating highly engaged employees, but the model needs to be adapted to each individual restaurant brand and its own unique cultural vision. What do you want your customers to experience when they interact with your employees at your restaurant? How do you want them to remember your brand? How are you leveraging digital technology to make the realization of the Simply Irresistible Organization™ a reality? What specific employee expectations and behaviors will help you reach that goal?

Each restaurant brand should have a unique and tailored strategy. Following a structured and empirical approach to developing a comprehensive customer and employee experience strategy can help. All of the pillars of the Simply Irresistible Organization™ model can be enabled and made more efficient through digital technology. By looking for opportunities to integrate technology into employee-manager interactions, scheduling, performance management, and learning and development, organizations can further engage a workforce to deliver on the brand promise.



Delivering on a strategic imperative

As customers are engaged across more channels, employee engagement becomes even more critical. Now more than ever, employee engagement should be embedded into the very fabric of a restaurant's business, embraced by executives and employees alike.

If your organization is not prioritizing employee engagement, you may not be prioritizing the customer experience, either. Many factors can influence the restaurant customer experience, but the engaged employee ties them all together—regardless of whether those experiences occur in the restaurant, at the drive-through, or on a digital platform. To be successful in the marketplace, brands should focus on creating great customer experiences through brand ambassadors who adopt the brand's mission as their own and take personal

responsibility for the customer experience. This creates a positively differentiated experience, which can help to create success for the customer and the restaurant.

The restaurant companies that want to win in today's highly competitive marketplace will need to replicate these brand ambassador behaviors across the chain—whether franchised or corporate—and across geographies. Providing a consistently positive restaurant experience is what creates customer loyalty, and companies cannot achieve it without an engaged workforce. Working toward excellence in each of the five core elements that drive engagement creates the win-win restaurant situation—the employee experience improves and your customers get a better experience with your brand.



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Endnotes

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