



# EMPLOYEES THAT LAST, RESTAURANTS THAT LAST:

HOW NYC FOOD SERVICE BUSINESSES HIRE  
AND RETAIN THE WORKERS THEY NEED



## HAVE YOU RETAINED WORKERS FOR MANY YEARS? DO YOU VALUE YOUR WORKERS OF ALL AGES?

**Apply for the 2015 Age Smart Employer Awards  
at [AgeSmartEmployer.org](http://AgeSmartEmployer.org). Last year's winners received much publicity  
and one was invited to the White House.**

The Age Smart Employer Awards—an initiative of the Robert N. Butler Columbia Aging Center and The New York Academy of Medicine, funded by the Alfred P. Sloan Foundation— addresses the needs of both businesses and older workers by:

- Researching best practices of NYC employers, especially small businesses
- Honoring employers who value workers of all ages through an awards program
- Supporting businesses interested in hiring and retaining older workers



# EMPLOYEES THAT LAST, RESTAURANTS THAT LAST:

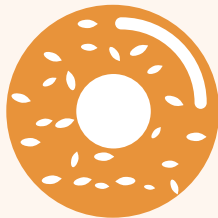
HOW NYC FOOD SERVICE BUSINESSES HIRE AND RETAIN THE WORKERS THEY NEED

Owning a restaurant or other food service business in NYC can be exhilarating and equally exhausting. Success feels particularly elusive when your employees come and go when you need them most.

Food service has the highest rate of worker turnover of any industry. Business owners tell us that high staff turnover and a shortage of qualified people willing to work hard are their biggest and most costly staffing challenges.

Yet many NYC businesses in the food industry have retained workers for years or decades.

ONE THING WAS CLEAR – BUSINESSES THAT THRIVE FOR DECADES HAVE RETAINED WORKERS FOR DECADES.



Learn from restaurants like Katz's Deli, Bergen Bagels, Benchmarc, Amy's Bread, etc.

The Age Smart Employer Awards program listened to 100+ NYC small business owners, as they shared their struggles and secret ingredients to hiring and retaining the workers they value. Look inside for the 10 strategies owners of restaurants and food service businesses like yours use to retain their workers. Get tips from new, thriving businesses and those that have lasted for generations, from across the boroughs.



# 10 WAYS TO REDUCE TURNOVER AND RETAIN THE WORKERS YOU NEED

1

## Hire for character and shared values more than skills

Many successful businesses said they would rather hire someone with no food service experience but a positive attitude and readiness to work hard.

- **Indiana Catering** (Hell's Kitchen) looks for hires who "love service" above applicants with only experience.
- **Bogota Latin Bistro** (Parks Slope) calls it "values driven" hiring.
- **Moishe's Bake Shop** (East Village) calls it hiring for "good character."
- **Salsa Caterers and Special Events** (East Tremont) owner Daniel Garcia says, "I always tell someone new, you can spill coffee on someone... but because you're awesome in service it's going to wash away the mistake you might make. I'd rather take somebody who has the heart and the values than the skill set."

2

## Hire people who know and have another tie to your business

Many businesses find that their workers are more likely to stay with them if they are connected to each other and to the neighborhood. A few hired loyal customers. Many hire through employee referrals.

- **Veniero's Pastry's** (Lower East Side) owner Robert Zerilli says he could create a worker family tree with all of the relatives the bakery has employed over the years. This has included many workers who have stayed with him for decades.
- **Salsa Caterers and Special Events** (East Tremont) has hired several children of employees who are now adults and affectionately calls them "little salsaritos."
- **Dufour Pastry Kitchens** (Hunt's Point) hires from surrounding neighborhoods by working through local agencies and organizations.
- **Corner Social** (Harlem) recently hired a regular customer as its general manager.



## 3 Hire older workers

Older workers stay in jobs longer than younger workers. In 2014, the median tenure of workers ages 55-64 in all industries was 10.4 years, more than three times the 3.0 years for workers ages 25-34 years (US Bureau of Labor Statistics).

“It is better to hire older people because you know they’re going to be there,” says Michael O’Neal, owner of the **Boat Basin Café** (Upper West Side), which has about 20 workers over age 50, including servers and kitchen staff who handle up to 1,000 customers a day.

“The younger we are the more we are in a job just for ourselves. The older workers tend to understand that we’re in it for something greater than ourselves. Then one becomes connected to the mission of the business and it becomes a bigger job. The value of that can’t be brought to dollars and cents,” said David Turk of **Indiana Catering** (Hell’s Kitchen).

“There is something to be said about youth and looks, but it’s really not youth and looks. It’s energy,” said Jeremy Merrin of **Havana Central**. “We have older servers who do really well here because they have great character and make it a good experience, and young people who don’t have the personality to win over guests.”

**SILVER PALACE**, a high volume dim sum restaurant in Upper Manhattan, has numerous employees from its opening in the 1970’s and seeks older workers for openings because they integrate better into the team environment.

### HOW DO I ATTRACT OLDER WORKERS TO HIRE?

*There are 700,000 workers over 50 in NYC, and many more are looking for work.*

- Use age-friendly language like “mature workers welcome” on job listings.
- Although the Age Discrimination Employment Act generally affirms age-neutrality in areas of employment, the statute permits favoring older employees. Simply put, an employer can target job ads to retirees without violating ADEA.
- Ask current workers for recommendations As Nico Russo of Gargiulo’s Restaurant says: “Every time you get a new person they have a friend who needs a job.”
- Recruit from sites with worker profiles like LinkedIn.com and Harri.com. Even though Harri.com skews much younger, today, it has 1,000 job seekers in NYC over age 50.
- Recognize experience in a field with transferable skills, like retail (customer service) or a superintendent of a building (management and maintenance).
- Do not assume a position is below a person’s salary expectations or qualifications unless a person says so.





## 4

## Offer benefits to set yourself apart

Most small food service businesses cannot afford to pay health insurance or retirement plans, so those that do set themselves apart from competitors. Several said that they began by offering one type of benefit and then increased benefits as they grew or became more successful.

- **Ben's Best Kosher Delicatessen** (Rego Park) offers profit sharing and vests workers through a defined pension fund. They have several workers who have been there for 20+ years.
- **Gargiulo's** (Coney Island), **Make My Cake** (Harlem) and **Veniero's Bakery** (Lower East Side) pay for at least a portion of health insurance.
- Dozens of restaurants, including **Katz's Delicatessen** (Lower East Side), hire union workers who have full benefits.





## 5 Offer flexibility and other perks

- **Settepani Restaurant** (Harlem) is one of many restaurants that offer servers time off for acting and music gigs. Owner Leah Abraham says that allowing people to nurture their other interests, retains workers longer in an industry known as a back-up for those with other interests.
- **Benchmark**, parent company of Manhattan restaurants **Landmarc** and **Ditch Plains** allows workers to take off the month for Ramadan annually.
- **Katz's Delicatessen** (Lower East Side) keeps the jobs of immigrants who return to home countries for three or four months a year.

Many food service businesses retain and pay valued workers on a case-by-case basis during extended medical and family emergencies. Workers spoke of employers who lent them money for extraordinary expenses, those who allowed kids to come with them to work and those who sponsored immigration visas.





# TURNOVER IN THE FOOD SERVICE INDUSTRY



Cost estimates to replace a worker range from as low as **one-fifth** of a worker's annual earnings to more than a **full year's** earnings (Center for American Progress, Society of Human Resource Managers)

**This includes visible costs:**



**And invisible or hidden costs:**



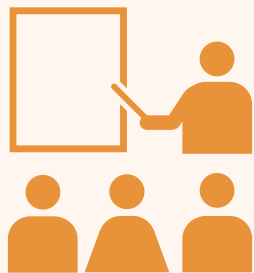
Exit Costs



Recruitment Costs



Orientation Costs



Training Costs

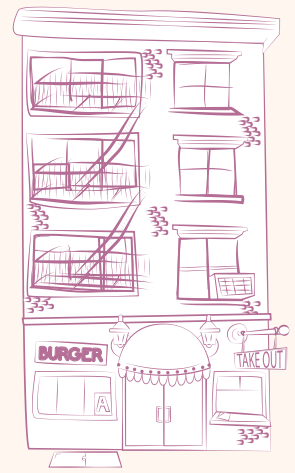
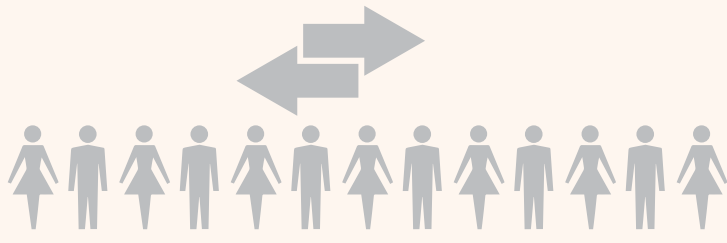
- Management time
- Disruption to fellow employees
- Damage to morale
- Missed business opportunities
- Lost productivity until new employee is up to speed
- Loss of knowledge
- Skills and expertise
- Impact on reputation and relationships with customers





# TURNOVER IN THE FOOD SERVICE INDUSTRY

The restaurant and hospitality industry has the highest staff turnover rate of any industry in the U.S.  
(The Worker Institute, Cornell University; US Department of Labor)



Employee turnover averages range by restaurant type from **22%** annually (high-end restaurants) to **120%** (quick-service restaurants).  
(The Worker Institute, Cornell University)



What would you do with the 'found money' you save by lowering worker turnover?

- Invest in the business** by buying that new sign, A/C system or delivery van you've long wanted
- Pay higher wages** to reward good workers
- Add more staff** to improve quality, service, table turnover and profit



## 6 Pay competitive wages

Food service businesses with high retention say increasing hourly wages by even a few dollars helps keep valuable employees.

“You have to pay better than your peer group. If your peer group is paying \$14 to \$15 [an hour], you have to pay \$15 to \$17. It’s worth it,” said Jeremy Merrin, owner of **Havana Central** (Times Square), who also gives workers bonuses.

**Corner Social** (Harlem) keeps staff small enough to ensure everyone has enough hours to make a living and only need one job.

“We try not to have too many people, and the right composition of people, so everyone has a fair chance of making decent money,” says owner Ivo Philbert. “Most folks make a pretty good penny due to volume.”





## 7 Create paths to advancement

Retention is high when staff can see a future in a better position, with good models at:

- **Mumbles Restaurant** (Gramercy Park) where the chef started as a dishwasher
- **Dufour Pastry Kitchens** (Hunt's Point), where production line workers have moved to the office
- **Bergen Bagels** (Fort Greene), where the manager moved up from handling deliveries.

And when they are enticed by small promotions along the way, with good models at:

- **Havana Central** (Times Square) created intermediate positions – four levels of hostess with new titles and small raises –leading to better retention.
- **Benchmarc** similarly promotes line cooks they want to retain to “kitchen managers.” They get small raises, take administrative work off the hands of the executive chef, and still work as line cooks.
- **Bartleby and Sage** (Long Island City) has retained kitchen staff for 7+ years by creating a ladder to climb: “We promote constantly,” says Event Catering Coordinator Greta Poretsky.





## 8

## Create "family" or "team" environment

Most long-lasting businesses spoke frequently about being a family, which at its heart meant treating each worker as a valuable individual with differing strengths and needs. From accommodating people with flexible work hours and assisting people in emergencies to praising their good work and providing high quality family meals.

- **Amy's Bread** (Long Island City): "Part of it is to treat the employees very well and have it be a great place to work. Trying to consistently respect everybody and take care of them, recognize their special occasions, give them raises every year, have a nice environment to work in, reasonable hours and balance, and pride in their product. All that stuff makes people happy."

- **Ben's Best Kosher Delicatessen** (Rego Park) "Someone has to watch out for them. They watch out for me. I watch out for them, What we do here is never a job for anyone. It's a home," said owner Jay Parker.
- **Peter Pan Donut and Pastry Shop** (Greenpoint): "I think of them as like daughters," said owner Donna Sifakas of her workers. Ana, an employee in her 9th year at the bakery says, "It's a nice atmosphere. I feel appreciated."





## 9 Develop worker-centered scheduling

- **Green Kitchen** (Upper East Side) has a set schedule for its 24/7 restaurant that only changes twice a year, giving all workers predictability and more senior workers better shifts (e.g., two consecutive days off).
- **Peter Pan Donut and Pastry Shop** (Greenpoint) has reduced turnover since trusting workers to swap shifts without asking permission. “I tell them I don’t care who works as long as someone shows up,” says owner Donna Sifakas.





## 10 Retain valuable workers who might otherwise retire

Small restaurants and other food service businesses consistently describe older workers as more reliable, as having a stronger work ethic and better communications skills. Older workers are also praised as a calming force in group dynamics and as holders of the restaurant's history.

"Consistency is incredibly valuable financially," says Greta Poretsky of **Bartleby and Sage** (Long Island City).

Restaurants describe making small adaptations to physical tasks as a way to keep valuable older workers (e.g., giving them tables near the kitchen or their own busser), but they also told stories such as that of an 89-year-old woman who initiated lugging a bag of concrete up from the basement and an older worker at first reticent to try a new point of sale system who quickly became faster than everyone else.

"She was the fiercest most meticulous waitress we ever had," says Andreas Matischak, manager of **Heidelberg** (Upper East Side) of a 70-year-old who recently retired, one of the busy restaurant's several older workers. "Each table was set perfectly... You didn't have to tell her to do anything. She worked her whole life in the industry."

### AMY'S BREADS

(Long Island City)

*"(Our older bakers) have seen the company grow from a small company and a young company to where we are today. It gives me a sense of confidence and pleasure to have this sense of continuity."*

*This history has kept its bread bakers for many years (some more than 20).*

*"We all know each other and trust each other very much. That combination gives the company a lot of stability."*

- Amy Scherber, Owner





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<sup>†</sup>Advisorship does not indicate endorsement of the material contained within.





To read about more NYC businesses and strategies they use to meet their staffing challenges,  
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