



# Restaurant Labor Shortage Guide

Guidance and tools to navigate staffing shortages in hospitality

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# Table of contents

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Introduction .....	3
Hiring Tools .....	4
Faster Job Descriptions with AI .....	5
Interview Scorecard .....	7
Hiring Cost Calculator .....	9
Retention Tools .....	11
Turnover Cost Calculator .....	12
Manager Upskill Checklist .....	13
Conclusion .....	14

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# Introduction

## State of the industry

Finding and retaining staff is one of the biggest challenges in the hospitality industry today. More than half of operators stated that recruiting remained their top challenge according to RestaurantBusinessOnline.com<sup>1</sup>.

Taken together, hiring, retaining, and managing a workforce takes more time and incurs higher costs than it once did. This bottleneck creates a drag on the rest of the business impacting service speed, customer satisfaction, and operational efficiency.

## What's driving the labor shortage?

The labor market is tight and further constricted by factors following in the wake of the COVID-19 pandemic. The business response to the pandemic drove greater participation in remote and gig work positions, which offer more flexibility and competitive wages than hospitality roles. Further, hospitality professionals want more from their employers. They want training

opportunities, better health benefits, and a path forward in their careers. Persuading these workers to return to hospitality has been a slow process.

The second factor is the competition between restaurants and hotels recruiting from the undersized labor pool. When there are not enough candidates to go around, success is heavily influenced by the organization's ability to attract and retain top talent. For every experienced line cook you recruit, your competition must work all the harder to get the next one.

## How to win in the current hiring market

Winning in this hiring market requires a combination approach: giving prospects the benefits they want and developing the most efficient, effective recruiting process. In this guide, we have assembled a kit of helpful resources to expedite your organization's hiring process and make it more enticing for prospective employees.



<sup>1</sup>Nick Upton, "[Restaurants' Labor Situation Has Improved, but It's Far From Perfect](#)," *Restaurant Business*, published April 18, 2023



# Hiring Tools

Fountain found that 46% of candidates who abandoned a hiring process did so because of a poor hiring experience<sup>2</sup>. To build the most effective hiring process, recruiting teams need to be fast, organized, communicative, and transparent. The hiring process is the candidate's first exposure to the company. Leading with professionalism goes a long way to drive engagement and reduce abandonment.

Another critical element is speed. Applicants are more likely to accept a job offer if it is the first they have received. Further, the same data from Fountain finds that 47% of applicants who abandoned a hiring process did so, because they found another position<sup>3</sup>. Many restaurants hiring applicants on the spot or on the same day. There is an industry expectation of speed. The ability for your

hiring process to swiftly screen, interview, and deliver offers to candidates will make the difference in a tight labor market.

Given these dynamics, the quick wins in improving your hiring process can be found in professionalism and speed. To help in this effort, we've assembled three hiring tools for your use.

## Punch-up your hiring process

- Job templates AI prompt to post open positions faster
- Interview scorecard for better candidate experiences
- Hiring cost calculator for greater insight into bottlenecks and expenses



<sup>2</sup> ["More Than 6 in 10 Companies Have High-Volume Recruitment Needs, According to New Aptitude Research Report."](#) Fountain, 2024

<sup>3</sup> ["The Real Costs of Recruitment."](#) SHRM, 2023, Accessed 29 Oct. 2024

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# Hiring tools: Faster Job Descriptions with AI

## Faster Job Descriptions with AI

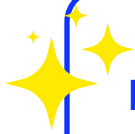
Once a position opens on the team, it's important to prepare a job description for publication on top boards as quickly as possible. The faster it is posted, the faster you can begin screening applicants and interviewing.

To help this step move along, use AI chatbot tools. Options like ChatGPT can generate detailed job descriptions instantly. With minor customization, you can tailor these descriptions for your business and recruit for common roles in the organization.



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# Hiring tools: Faster Job Descriptions with AI



## Build it with AI

Below is a reusable AI prompt that will help you get started building job descriptions using AI chatbots. Simply copy this prompt, fill in any missing details, and paste into the chatbot. The AI tool will then generate a usable job description.

### AI Prompt:

Create a detailed job description for a position at a restaurant. The position title is [JOB TITLE] at [RESTAURANT NAME], located in [LOCATION / ADDRESS]. This is a [FULLTIME OR PART TIME] position with shifts that may vary based on restaurant hours.

Responsibilities include [LIST DUTIES]. Be specific about daily tasks so the candidate understands what the work would entail.

Specify the skills and experience necessary for the position. Qualifications include [LIST QUALIFICATIONS].

Include a section describing benefits and compensation. Benefits include [LIST BENEFITS, WAGES, TIPS, etc]

Include some content in the job description about the business so we can convey culture. [ADD MISSION STATEMENT or BUSINESS SUMMARY].

# Hiring tools: Interview Scorecard

## Interview Scorecard

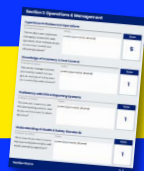
The questions asked in an interview are critical to understanding whether an applicant is a good fit. However, they are also important for creating a positive interview experience. Intriguing, thoughtful questions make an impact on the applicant and reflect the quality of the company and opportunity.

Use this Interview Scorecard to manage your conversations with applicants. They include sample questions around competency and cultural fit with a scoring system to assess candidate performance. The scorecard is also organized by role, so you can easily tailor the interview to the open position. Try out our Interview Scorecard for your next vacancy to learn more about your candidates before sending an offer.



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# Hiring tools: Interview Scorecard



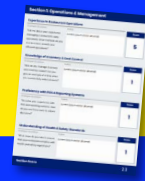
## How to Enhance with AI

You can use an AI chatbot to improve and expand the sample questions in your Interview Scorecard. Try pasting the interview questions into a chatbot followed by these prompts:

- “Suggest ways to make these questions more engaging, focusing on specific scenarios that highlight a candidate’s ability to exceed guest expectations at similar positions in the past.”
- “Write follow-up questions for each of the questions listed here. The follow-ups should encourage the candidate to elaborate and go deeper.”
- “Give me five options for an unexpected question meant to reveal the candidate’s problem-solving skills. Please avoid obvious cliches.”

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# Hiring tools: Hiring Cost Calculator

## Hiring Cost Calculator

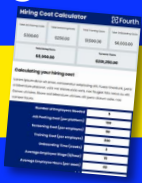
Benchmarking data reports from the Society for Human Resource Management (SHRM) find that the average cost per hire in the hospitality industry is nearly \$4,700.<sup>3</sup> This number is influenced by many factors both positively and negatively. The lower-wage, fewer-benefits nature of many positions in hospitality put downward pressure on the average cost, but high turnover rates and a tight labor market drive it back upwards.

It's important for any hiring team looking to improve their recruiting process to understand how they stack up against industry benchmarks. Use our Hiring Cost Calculator to gain a better sense of your process and identify areas for improvement.



Get control over hiring costs

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<sup>3</sup> "The Real Costs of Recruitment." SHRM, 2023, Accessed 29 Oct. 2024

# Hiring tools: Hiring Cost Calculator



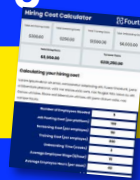
## How to Enhance with AI

Trying to understand the results of your Hiring Cost Calculator? AI can help. Paste your data into an AI chatbot followed by one of these prompts:

- “Compare our hiring cost results with industry benchmarks to determine where we stand. What insights can we gain from this comparison, and what specific changes should we consider making to align our costs more closely with industry standards?”
- “Identify the top three areas where we can improve our hiring efficiency.”
- “Create an action plan based on these insights. What short-term and long-term strategies should we implement to optimize our hiring process, and how will we measure the success of these changes over time?”

**Get control over hiring costs**

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# Retention Tools

While considerable effort and expense should be spent on recruiting top talent from the labor pool, it is just as important to retain the employees you have. Turnover can add up to a significant expense for the organization and contribute to a higher cost-per-hire.

Even more pressing, the hospitality industry has a significantly higher turnover rate compared to other industries. The U.S. Bureau of Labor Statistics notes the average annual turnover rate in the hospitality industry is 74% compared to 12–15% for other industries in the U.S.<sup>4</sup> That means if a restaurant hires four new employees in a year, they should expect to also lose three in the same period.

The consequence of high turnover is that the hiring team must always be looking for new workers, leading to a higher cost-per-hire.

Simply put, employees stay at organizations that fulfill their needs,

and one of the most cited needs by candidates in hospitality is career development. LinkedIn data found that 94% of employees would stay at a company longer if it invested in their career. More, 83% of employers see retention as a key challenge for success<sup>5</sup>.

Manager retention is an essential piece of this puzzle. Experienced restaurant managers boost profitability by providing consistent leadership that enhances operational efficiency and improves staff and customer satisfaction. This stability leads to better financial oversight, lower turnover, and a more positive dining experience, all key drivers of long-term success.

## Upgrade your retention strategies

- Turnover cost calculator for greater insight into direct and indirect costs.
- Guide for professional development of your managers.



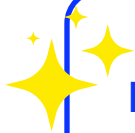
<sup>4</sup> U.S. Bureau of Labor Statistics. [Job Openings and Labor Turnover Survey \(JOLTS\)](#). U.S. Department of Labor, 2024, Accessed 29 Oct. 2024

<sup>5</sup> LinkedIn. [Develop Employees: Career Development Resources](#). LinkedIn Learning, 2024

# Retention Tools: Turnover Cost Calculator

## Turnover Cost Calculator

Use this Turnover Cost Calculator to better understand the impact of employees leaving the organization. From there, you can take steps to understand why employees are seeking new employment and address those needs.



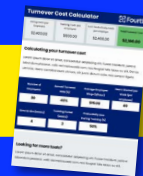
### How to Enhance with AI

The results of your calculator is just a number. Use AI to put it into context with these prompts. Paste your data into an AI chatbot followed by:

- “Compare our results with industry benchmarks to assess our position. What insights can we draw from this comparison, and what specific adjustments should we consider making to reduce our turnover costs in line with industry standards?”
- “Based on the results, identify the top three areas where we can enhance employee retention.”
- “Develop a comprehensive action plan based on these insights. What immediate and long-term steps should we take to decrease turnover rates, and how will we track the success of these initiatives over time?”

**Gain clarity on turnover costs**

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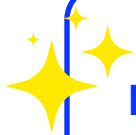




# Retention Tools: Manager Upskill Checklist

## Manager Upskill Checklist

One of the most cited needs by candidates in hospitality is career development. To help retain your managers and develop their skill set, we've assembled a Manager Training Upskill Checklist. This checklist will outline the essential skills that affect job performance, such as budgeting and forecasting, conflict resolution, inventory and cost control, local advertising, and more. Put this checklist to use as you working with your team to develop their skills.



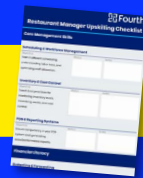
### How to Enhance with AI

With the upskilling checklist in hand, you can enhance its value by using AI to develop training materials or refine the checklist. Try these AI prompts::

- “Suggest modifications to tailor the content for specific manager roles. What key skills unique to each role should be highlighted?”
- “Identify opportunities to integrate real-world scenarios into the training guide. What specific challenges faced in our organization can be used to create practical exercises?”
- “Customize the content to align with our company’s values and mission. What key messages should be included to reinforce our commitment to exceptional guest service?”

**Build the best team in the business**

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# Conclusion

## Success starts with your team

Restaurants are composed of people, and it's the people in your business that drive success. You can have the best food or the most luxurious property, but without a team to support it, you won't have the guest experience that brings repeat business.

For that reason, hospitality businesses must invest in their recruiting process and retention strategy. The competitive landscape is being shaped by the tight labor market and high industry turnover rate. In today's market, hire the best talent, and you will find success.

But to do that, you will need the best recruitment strategy. The templates and guides found in this guide are key to getting there.

### Looking for more?

Contact Fourth for more on hiring, retention, management tools or visit [fourth.com](https://fourth.com)

**Learn more**

