



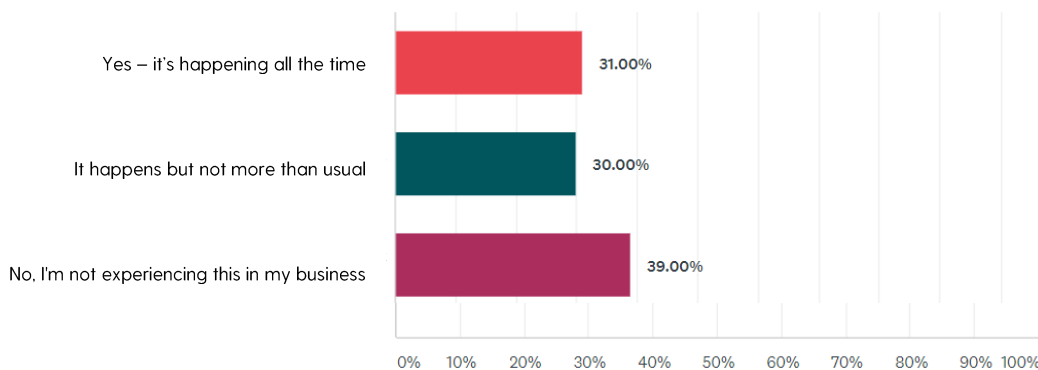
# MEMBER SURVEY

## Head hunting, wages, recruitment & #love hospo

restaurant  
association  
of new zealand

JULY, 2021

**This year, have you experienced more frequent 'head hunting' of key staff by other businesses?**



Those that said this **was** a problem in their business indicated that on average 19% of their staff had been lost to 'head hunters'.

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**If you answered yes to the previous question, what percentage have been head hunted by Australian businesses?**

At this stage, feedback overall was that head hunting from Australian companies was not yet having an impact. Three percent of the survey respondents indicated they had experienced this.

However, it was acknowledged that this may become more prevalent and is a concern as wages in general are higher in Australia.

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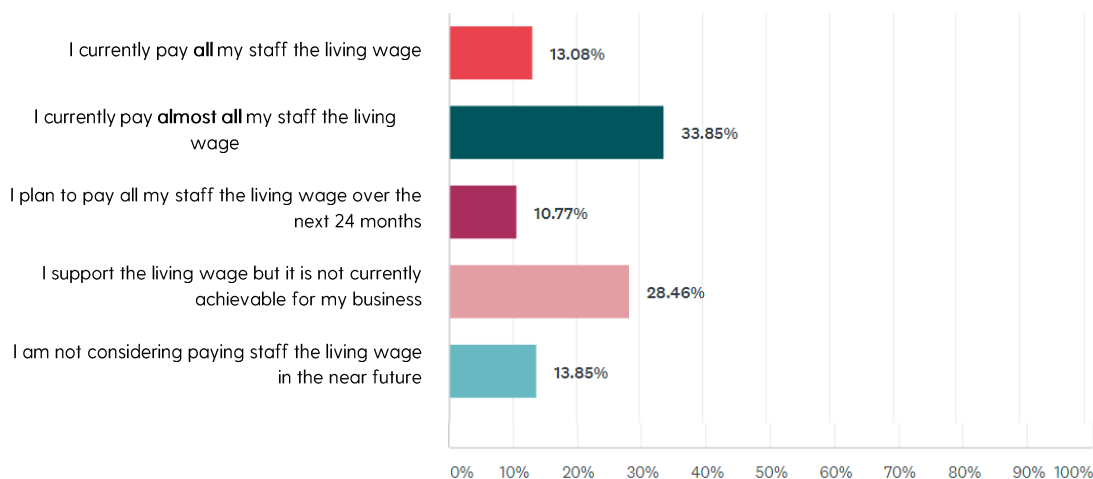
# MEMBER SURVEY

## Living Wage

JULY, 2021

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### What is your position on the Living Wage (for 2021/22 this is \$22.75)?



#### SELECTED COMMENTS:

I pay my experienced staff more than the living wage. I pay my part time school students with no experience minimum wage.

I am working towards paying the Living Wage to all FTers, but not achievable for lesser skilled/experienced part-time staff.

The only staff not on or well above this wage are our very young (15 - 17 year old) school kids who wash dishes etc.

We pay all our adult staff living wage, however we hire a lot of school children (particularly due to the shortage) who are not trained enough as yet to earn it, and live at home therefore it goes against our belief they should be paid living wage. Our seniors are on a lot more than living wage.

We moved to a living wage structure on 5th July with most of our team well above the Living Wage rate already.

100% kitchen and 70% FOH are above it; not new/inexperienced.

We have quite a few students who are still at school. A couple are 14/15 and get paid their age/hr. Most are already on minimum wage. They are living at home, supported by their parents, so I think \$20/hr is plenty for them. Starting out and unskilled also need to get up to speed before being paid more than \$20/hr. Very happy to pay more than the living wage for those who can do their work well.

We are currently making plans to get 60% of staff on or above the living wage by September 1st. This will mean all full time staff will be on or above the living wage with more junior/less experienced staff still below it.

The idea of having everyone on the living wage is great on paper but we're not sure the business would be able to sustain it at this stage. It would also mean the more senior staff would need to be well above the living wage as we don't think having a 16 year dishwasher who's in his first job being paid \$22.75/hour works out fairly.

I find it impossible to keep wage costs below the business benchmark of 35%. Even after paring back staff hours, 50% staff wages is becoming the norm after the minimum wage and \$25.50 chef increases. 50% is the 'true' or real cost, after taking into a/c ACC, hol pay, etc. The higher minimum wage is undervaluing my talented senior staff, because the gap between their rates has substantially decreased, even after a pay rise to top staff.

The living wage should be higher in the big cities like Auckland and lower in the regions due to the vast difference in the cost of housing, parking, commute times etc. One size does not fit all.

It's a NICE idea but totally out of consideration at the moment. We are struggling to get staff from chefs to front of house and have recently taken on 3 16 year olds because there was no one else and we desperately needed staff. I could not justify paying these sort of rates to young staff, let alone afford to pay all our existing staff to this level. As the minimum wage has done every year it still pushes all other wage rates up the chain too!

We employ some very young, inexperienced people etc who we are not currently planning to pay this (all part timers& students.).

Wages have already gone up 33% in last 4 years it affects the whole wage bill all the other staff have to go up as well.

Except my two new 15 year old high school helpers. They earn adult minimum wage however. One of my high school staff is on living wage. She does the role to the level of a professional.

I am opposed to the living wage concept solely on the basis that it is an ideologically established number that has no verifiable modelling around it. We pay according to skill, productivity and the ability to recover costs from our customer, while returning a modest profit on our business. It concerns me deeply that conversations around wages come from groups that have no fundamental understanding of our business, industry or broader economy.



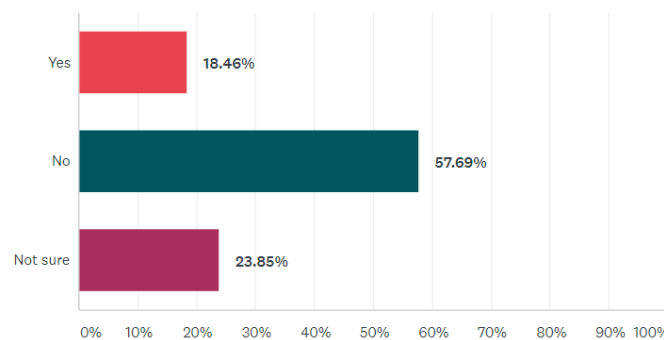
# MEMBER SURVEY

## Wage rates

JULY, 2021

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### Do you think offering higher wages would solve the industry's staffing challenges?



#### SELECTED COMMENTS:

Its not just the pay. We need to make hospo seem like a career not just a stop gap job.

It might go towards the recognition of our industry as a viable career, but it would impact the profitability of the business, unless we raise prices which is also unsustainable.

Higher wages well help but also the environment you curate for employees to work in.

Offering higher wages would help - but it clearly needs to be sustainable for businesses (so consumers need to be prepared to pay more for menu items). However, the reality is an equally critical challenge is that few Kiwis see it as an appealing career. The big question is how do you change this (particularly in this post-Covid world with limited international workers)?

We are already paying higher wages than nurses, retail, and many other sectors that require 4 years training. The problem is during Covid, the government told everyone to retrain out of hospitality and retail, so there's simply less people.

Offering higher wages currently is not helping getting any applications for the positions we are listing.

The labour market is very tight, all sectors are crying out for more workers. It's an employee's market and they can move from job to job easily, get paid well with no experience and have no loyalty.

Talent and knowledge does not come from instant high wages.

Wages alone won't attract people. It is more around workplace culture and other non-tangible things that make the difference.

They are not sustainable given the volume of sales that we have.

It is a merry go round. If I pay my staff more, I have to increase my prices, my customers complain (they already do) and they don't come back.

More complex than just pay, career pathways, ect have an

effect, incentives, happy to pay great people well over minimum.

It's possible that it could draw more attention to this being a legitimate career path.

I would love to but can't afford to keep increasing wages. We are a daytime cafe selling low value products requiring a lot of labour and inputs to produce. You can't keep paying higher wages if the end product is a \$23 burger or a \$5 coffee. Customers don't want to pay \$30 for a cooked lunch at the beach - no matter how good it is. Nor do they buy alcohol, which does offer a better margin.

The NZ attitude to hospitality needs to change before staffing issues get better. There are some NZ hospitality businesses that are poorly organised and are morally inept and it reflects on the industry.

I still don't believe this would necessarily entice more kiwis into a hospitality career.

Not immediately, I believe it would take a few years for the industry to feel balanced again.

The problem is not raising wages, it is fixing the cost of housing. If you raise wages then everything else has to be raised as well!

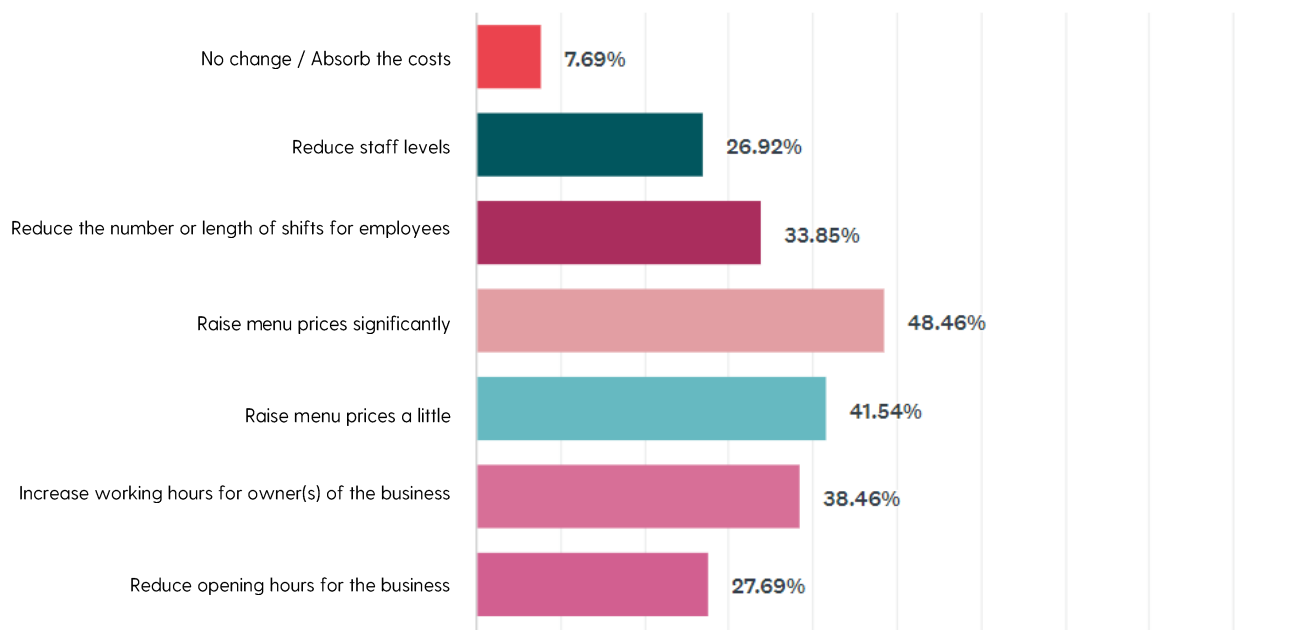
Of course - but that's a long term thing. Our staff deserve it but it relies heavily on customers paying more.

Minimum wage should be for completely untrained positions or junior positions in training for the first month. Not for any employee who has been expected to train and upskill themselves, or supervise others.

Maybe eventually but it's a skills shortage. It takes time to build skills. And hiring unskilled worker/s can lead to business failure.

Yes and No - some changes need to be made in the industry to improve how people view the industry as a viable career - currently staff slog it out, and can't buy a house etc regardless, so a lot of them are leaving to try to better their earnings.

## If you did raise employee wages in your business, what changes would you need to make within your business?



### SELECTED COMMENTS:

Do anything we can to still remain profitable and provide a value-for-money service to our guests. It's important to remain an affordable option.

I have already done all of the above and are working (owner) a lot more hours. There is not enough employees out there. Hence why I am employing school students and only open in the evenings.

There is no way we could absorb more than we have done already. The Govt has increased sick leave, bereavement leave, annual leave and the minimum wage in the last 12 months! Minimum wage 3 years in a row, even during COVID. This will be inflationary no doubt about it, it has to be.

Managing the rostering closely, watching wage targets, and reduce hours if necessary.

Customers aren't willing to pay more for coffee/brunch than we already charge. Our already small margins have been decimated.

The public need more knowledge on what it costs to get a plate of well sourced food served by lovely people in a nice surroundings on the table.

There is no room to absorb the costs. We would have to look at alternative ways of cutting costs - simplify menus, use labour saving devices, more pre-prepared foods. Unfortunately, we do not think the market will sustain menu price increases to the level required to offset the increased labour cost.

We raise our wages annually, and when minimum wage increases it means the ones above it increase as well.

We like operating at the current level so don't want to decrease staff or opening hours. We try to keep our prices as low as possible but if increasing them means less customers, then ultimately we would reduce staff/hours.

Would have to absorb costs, both owners already take most of the slack for on the floor labour.

More promotion to increase the volume of customers coming through the door. Our biggest battle with sales is that there is a saturation of hospitality venues within a very small community

Our wages have crept up to 35 / 40% over the last few years, it was 30% for many years prior. small price hikes = small raise. Higher prices = higher wages.

Over the last 4 years as each government directive has taken more and more money from the business, we are now unable to absorb or "automate". Our only choice is to now directly on-charge to customers the increases in wages, additional sick leave, additional public holidays, proposed unemployment insurance and any other items unions will dictate to us.

We are currently looking at closing Mondays and/or Tuesday as many full time staff are working 6 or 7 days. It's mentally challenging if you don't know when your dedicated down time is and we can't sustain it. As owners we're on call or working 24/7.



# MEMBER SURVEY

## Recruitment strategies

JULY, 2021

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### Can you list any successful recruitment or retention strategies that you can share with others?

#### SELECTED COMMENTS:

We have hired a lot of school kids. It's all we have available to us, and we're determined to train them!

We have a track record of investing in our employees to become owners of their own business within our group. There is a path for growth and also a true sense that hospitality can be a career not just a part time job.

Being flexible and accommodating with hours/leave requests. Offering meals and drinks. Paying well. Offering long term stability (even though some choose to leave when they say they want long term).

Use of Hospo Start. Look after your team like family, they are your internal customers. You look after them, they look after your external customers.

In terms of retention, we find staff are liking working only days with the odd night service.

On top of this, we offer free meals on shift and a 25% discount if dining off the menu (at any time).

None of my chefs earn under \$25.50. Good communication. Appreciating staff with feedback.

Be a well-rounded employer. Understand the psyche of each staff member and be patient with the way they work or receive info. I've got a staff member that's super on to it and doesn't need much supervision. I've also got a chef where I need to be

super hands on and it's taken us 6 months of learning from both ends to a place where we can work together.

Listen and watch carefully, people don't tell you everything you need to hear. It's up to each owner to be attentive to the staff and change our management style depending on the learning style of each staff member.

Prioritize your team & your culture in your business, pay wages up to your wage budget % and increase them as sales grow - whether this is 28%, 33% - view it as belonging to your staff. Understand it's your staff that provide the guest experience, and give it its heart & soul. Check in with them, support them with their own goals, have retention plans & growth plans within the business for key staff.

Pay bonuses for exceptional achievement - we often give an extra one week's pay for people who go above and beyond. Bonus pays based on turn over have worked for us before and kitchen achieving production goals also.

Build a proper career path within the business. Don't pay inexperienced staff same as senior staff. Have an open book policy so staff see full picture and have ability to contribute to ideas. Run a bottom up model for ideas rather than top down management driven model.

Offer incentives. Offer wellbeing support and workshops. Have a wellbeing policy in place to support staff in need. Tune into your staff needs and know what makes them want to come to work.



# MEMBER SURVEY

## Why do people #lovehospo?

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JULY, 2021

### What do your staff love about working for you / working in hospo?

#### SELECTED COMMENTS:

Perks, emotional wellness and rewards.

The work is challenging but also rewarding. Everyone has to work for a living so they love being able to do this in a safe, beautiful place like Queenstown.

We are a relatively long term business. Several staff have worked for more than ten years. We have children and grandchildren of original staff working now, so it is like an extended family/whanau. Most staff do a variety of tasks and we range from super busy to very quiet, so I think the variation keeps it interesting too.

Hearing from satisfied customers and getting a thank you at the end of their shift.

Flexibility, no 2 days are the same, getting to know customers.

Me! I keep my staff because they are loyal to me. I treat them with respect and am honest with them.

Performance incentive scheme, openness around the business level and management, all staff input.

Good pay; satisfied hours; weekends off as we open 5 days only from Monday to Friday; provide free work meals; local and loyal customers.

We like to keep the vibe fun however, we also really care about the job at hand. We have three owners working full time in the cafe so they know we are just as hands on as the rest of the staff members. We encourage growth within the business (all three owners are past employees).

My staff say they love working for me. They enjoy working with me trying solutions to continually improve the business. They enjoy the lovely feedback and relationship with regular customers. They enjoy working together and the camaraderie. Many enjoy the buzz and the feeling of achievement of working together to get through a busy shift. They enjoy the satisfaction of being creative to produce fantastic food that customers enjoy.

Our culture, workshops, random acts of kindness, training.

They love working with a great product and personal customer satisfaction, and have trust / support that values their input and effort in a collaborative work environment. It does get busy / hard work and we work together in finding solutions in a fast environment. We can't exist without our amazing staff members. We are only as busy as the staff we have and we would love more so we can be busier at peak times.

We are a really tight knit crew and have a family vibe. There is no hierarchy (I as the owner do 80% of the dishes) and everyone

pitches in on all jobs and we all make decisions together. It's just a really fun place to be

The regulars and customers!!! The most joy we get every day is talking to regulars...and of course we try to have some fun at work and look after our staff as much as is possible in this current environment of increasing wages, costs and all while our sales have NOT returned to pre covid levels

The work place culture is excellent. Many of our staff are 5 years plus with us. Average up to 10 years.

The Chefs love the challenge, learning our innovative food style and the changing menu etc- they also love people loving their food...the feedback is great!"

All of my staff have at least one weekend day off so they can be there for family or friend gathering and roster that does not change, laid back work atmosphere, everyone knows what they have to do and what is expected of them.

Meeting people, being part of a great team, include days/nights out, work hard for 9 months and have 3 months off - some on salary.

The hours. The staff meals (made by the owner). The trust and empowerment. The flat structure during service. If a teenage kitchen hand asked for help mid service, even our head chef would stop and run.

Great Career development.

Doing something with a positive and tangible purpose and the challenge of a chaotic dynamic environment. Getting it done is like being on the winning team everyday.

Many of our staff are on the younger end of life - and we work hard to offer them life skills in what is often their first couple of paid jobs. They enjoy the flexibility of hospo rosters, the ability to swap shifts and help their teammates out when they need time off. They enjoy learning skills like cooking for the first time, creating friendships with customers and being part of something "local" and "kiwi" - rather than just a larger anonymous corporate employer and HR department.

Room to grow creativity.

Open flat management structure for input into growth of business and changes needed.

We have a great team, lovely customers, and an amazing location where we get to see the sunshine and river all day! We work with amazing suppliers and produce, and seasonally change our menus. We host fun events that they love and no day is ever the same.