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THE JOURNAL REPORT: LEADERSHIP

A Menu of Options

Restaurants have a host of ways to motivate employees to provide good service

By **JANET ADAMY**
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When it comes to motivating workers to provide great service, which works better: the carrot or the stick?

The restaurant business, which depends on service more heavily than most other industries, offers a glimpse into how companies juggle rewards and reprimands to motivate employees.

THE JOURNAL REPORT



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High-tech tools can be a godsend² for companies looking to improve customer service. Or they can be a nightmare. Plus, customer service has evolved³ from the simple mantra, "The customer is always right."

- See the [complete Leadership](#)⁴ report.

Because most servers get the majority of their pay from tips, restaurants already have a powerful mechanism for encouraging good service. Yet unpredictable pay, late hours and the strain of being on your feet still make it hard to keep workers providing that good service with a smile.

So, restaurants are using a host of motivators -- many focusing on positive reinforcement rather than the fear of reprimand.


"Using positive reinforcement always works better than, 'If you don't do this, you're going to get written up,'" says Steve Baker, training director at Morton's the Steakhouse, the Chicago-based upscale steakhouse chain.

The restaurant industry employs an estimated 12.5 million people, more than 9% of those employed in the U.S., according to the National Restaurant Association, the industry's trade group. Nearly half of all adults have worked in the restaurant industry at some point in their lives, the group says.

Positive Approach

Restaurants say positive reinforcement is often the most effective way to motivate workers. At Morton's, which is owned by **Morton's Restaurant Group Inc.**, workers have mandatory meetings before each shift, where they share a meal and give examples of times when they provided good service during previous shifts.

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RESTAURANT TIPS



U.S. eateries employ 12.5 million people and sell more than \$500 billion of meals, snacks and drinks a year. Here are some of the ways they motivate workers to provide

great customer service:

- **RUN NIGHTLY SALES CONTESTS** to encourage workers to sell more drinks and food
- **GATHER SERVERS** before each shift and have them share their best customer-service stories
- **TRACK EACH SERVER'S SALES** performance using computer software
- **LIST SERVICE INSTRUCTIONS** on small cards instead of in a thick manual
- **HIRE PEOPLE** who are predisposed to giving great service

Sources: National Restaurant Association; WSJ reporting

The managers also tell servers about which VIPs plan to visit that evening. For Morton's, encouraging servers with pep talks and stories of others' successes generates energy for the workers and is more effective than having managers tell workers they'll face consequences if they don't perform, says Mr. Baker.

Some places try to boost performance by turning the work into a game. Elizabeth Blau, who has helped develop restaurants for hotels Wynn Las Vegas and MGM/Mirage, says many of her clients run nightly contests for servers to see who can sell the most of a certain item, like a glass of wine or the chef's special entree.

Some restaurants tally sales at the end of the month and give the server with the highest beverage total a free dinner or a bottle of wine. Damian Mogavero, who runs

Avero LLC, a company that helps restaurants track and break down sales data, says one California restaurant has rewarded the top wine seller for the month with a free trip to Napa Valley.

But restaurant veterans caution that such contests can go too far: Too much focus on the competition can foster a negative attitude among employees. "You want to keep it fun," says Ms. Blau.

With that in mind, some restaurants use sales data as a mechanism for encouraging their weakest employees. Mr. Mogavero says one of his clients takes the top-selling server out to lunch every week to congratulate him or her. That client also takes the server with the week's lowest sales to lunch to talk to that person about how he or she can improve.

Morton's doesn't do sales contests because its average check is already high, Mr. Baker says, and the restaurant doesn't want guests to feel like they've ordered too much food.

Measuring Performance

Helping restaurants make the most of their sales data are companies like New York-based Avero.

As the chief financial officer of a small restaurant group and a onetime busboy, Mr. Mogavero was frustrated that his managers didn't have better data with which to evaluate servers and restaurant performance. So in 1999, he created Avero and began designing software that would provide detailed performance metrics.

Avero's software can measure how often servers sell particular items, like wine and dessert, and averages them based on the number of guests a person has served to offer a more accurate comparison between servers. Avero installs the software on the computer system that's linked to where servers place their orders.

The software gathers the sales data and makes the results available on a Web site for managers to access. Mr. Mogavero says Avero charges a setup cost and an annual subscription fee for the program, but he declines to say how much he charges a typical client.

Mr. Mogavero says the software helped one client discover that a particular server had never sold a bottle of wine. It turned out that server simply didn't know the proper way to open the wine at the table and, as a result, avoided selling it.

"By being able to see those trends," he says, "you're able to coach them accordingly."

But Mr. Mogavero cautions that encouraging workers to chart higher sales can backfire. Some restaurants have stopped pushing bottled water because guests were shocked to see how much it added to their bill, he says.

Another motivator is making it easy for employees to provide good service. And one way to do that is to make the rules and goals of an establishment easy to learn and follow.

For instance, instead of having an employee manual, Morton's lists its service basics on tan-colored cards that are a little bigger than a checkbook. The cards include tips like "Never reach in front of a guest when serving or clearing food or beverages" and "Refill water glass when 2/3 full."

Mr. Baker, the training director, says "if you break [the rules] down into modules, it's a little less daunting."

Trainers also do oral instead of written tests to quiz employees on service policies and use role playing to teach service techniques. This approach is less intimidating than a written exam and allows trainers to ask deeper questions based on a server's initial responses.

Morton's also gives hefty rewards to employees who stay with the company. For instance, to celebrate their 10-year anniversary with the chain, everyone from dishwashers to restaurant managers gets a cash bonus and a free trip to Chicago. There, they attend a recognition luncheon and stay at the Ritz-Carlton hotel. Workers in Chicago also get to stay at the hotel when they attend the gathering.

'Inherent Skills'

Other restaurants say the best way to provide good service is to hire employees who are naturally inclined to give it. Gary Danko, chef at Restaurant Gary Danko, which won the prestigious James Beard Foundation award for outstanding service earlier this year, says he tries to select workers who are outgoing and eager to please.

"You hire people for their inherent skills," says Mr. Danko, whose restaurant is in San Francisco. "You can teach people the mechanics." When hiring, Mr. Danko says he relies heavily on first impressions because guests form their opinion of a server in about five seconds.

He says one effective motivator is empowering employees to use their own judgment about how to please guests. Mr. Danko lets servers decide when to give tables a complimentary glass of champagne or an extra dessert instead of leaving those decisions to managers. When the restaurant takes a reservation, the person who takes the call tries to gather as much information as possible about the reason for the dinner and any food allergies to help servers prepare for that party, he says.

In addition to good pay and benefits, Mr. Danko says that offering flexible schedules helps retain

workers. And a stable staff leads to happier guests.

Operating a restaurant is like "a Broadway musical," he says. "It goes on every day, and you need to make sure you have the people who are trained in the roles to perform."

--Ms. Adamy is a staff reporter in The Wall Street Journal's Chicago bureau.

Write to Janet Adamy at janet.adamy@wsj.com⁵

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