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Best practices on employee absence management

NRN webinar explores top tips on managing no shows or late employees

March 30, 2011 | By [Lisa Jennings](#)

Consistency in discipline and planning for the unexpected are key in reducing absenteeism and tardiness on any restaurant staff, said a panel of experts in a webinar Wednesday on employee absence management.

Sponsored by workforce management technology and services firm Kronos Inc. and hosted by Nation's Restaurant News, the webinar featured panelists Steve Brooks, director of information systems and beverage development for Tumbleweed Southwest Grill; Meg Rose, director of company operations for Firehouse of America; and Jeff Maier, industry principal of hospitality and retail for Kronos.

About 200 attendees participated in the webinar, highlighting the importance of absence management for restaurant companies. In foodservice, the absence of an expected employee can cause serious disruptions – particularly at a time when squeezed labor costs are forcing employers to keep staffing tight.

In general, American businesses lose an average of 2.8 million work days each year because of unplanned absences, according to the U.S. Bureau of Labor Statistics, a trend that is estimated to cost roughly \$74 billion annually.

For employers, the cost of such absences average about 2 percent of payroll, though the indirect costs of loss of productivity and replacing labor are estimated to be as high as 4 percent, according to consulting and outsource specialist Mercer LLC in a study sponsored by Kronos.

Brooks of the Louisville, Ky.-based Tumbleweed, a 38-unit Tex-Mex casual-dining chain, said his company has been working to improve its policies for handling absenteeism and tardiness. Currently, the chain has a rate of about 3.5 percent, split evenly between those absent and those late.

The result has been the development of a consistent policy that allows for the progressive discipline of employees that don't show or show up late.

A participant survey during the webinar showed that 74.3 percent of attendees said they have standardized unit-level absence management policies and procedures in place.

Of those, 45 percent said their strategies were focused on the unit level with no reporting to headquarters, while another 42.5 percent said they execute at the unit level but also report to higher-level management. Another 12.5 percent said their policies involve all stakeholders across the chain or company.

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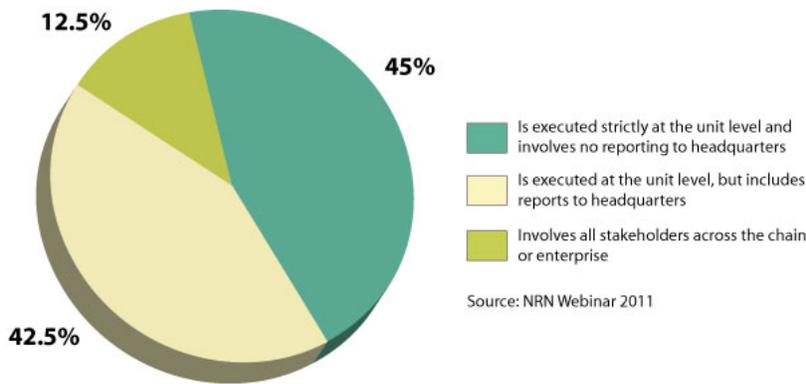
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My restaurant company/chain's absence management strategy:



When asked how managers react to employees that simply do not show up, Brooks said it's not enough just to fill the spot with another body. Managers are tasked with finding a "suitable replacement," meaning an A-level server must be replaced by another A-level employee.

Tumbleweed keeps people on staff who are cross trained to cover for others in the event of unexpected absences, Brooks said.

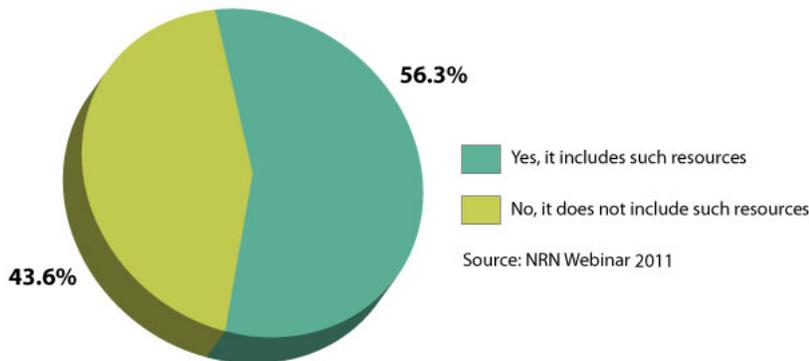
The biggest challenge is the unexpected absence that hits managers with 30 minutes or less notice, he added.

Rose, from Firehouse, a 445-unit, fast-casual sandwich chain based in Jacksonville, Fla., said the chain uses a system where restaurant-level managers can make a 911 call to headquarters where a certain number of staffers are trained to fill in as substitutes. Those subs can typically fill a position within 15 minutes, she said.

That strategy also drives an understanding by all involved that being short on staff in one restaurant impacts the entire chain, said Rose. "And our GM's don't feel that it's a negative to say, 'hey, I need help.'"

Among those attending the webinar, 56.3 percent said their companies offer resources to help managers quickly determine whether they need to call in extra help.

Does your restaurant company/chain's absence management response include resources to help managers quickly determine if he or she can maintain desired sales, product quality and customer service levels by redeploying workers already on site versus needing to call in help?



At Tumbleweed, for example, Brooks said business intelligence systems allows the company to look at sales going years back to see how various influences impacted sales, including factors like staffing and weather.

If an employee doesn't show on a rainy day in February, for example, the manager could look back at how days with similar weather during the season were impacted. If rainy days are historically slow, it may not be necessary to replace the server or cook, for example.

Both Brooks and Rose said education is important in helping managers use such tools well.

At Tumbleweed, the business intelligence system looks at the ratio of staffing to sales and sends managers alerts if labor levels are too low or too high.

Maier, the hospitality head at Kronos, said such automated systems for tracking absences and tardiness can help restaurant chains determine what might be causing the behavior and how to address it.

Such systems can also help with monitoring disciplinary action and the impact on operations, said Maier.

State laws vary in terms of unemployment statutes, but both Brooks and Rose said the most severe problem with employees that don't call and don't show up could be the potential termination.

Both executives, however, said their progressive discipline policies clearly outline consequences, beginning with a verbal warning and increasing to the point of termination, if necessary.

When employees simply misread a schedule, that can be considered a no call/no show situation, and Rose contends that companies need to maintain consistency on how such incidents are addressed, even if the employee is stellar when at work.

Brooks said managers at Tumbleweed will call or text no-show employees, which can save those who simply misread a schedule, but disciplinary consequences remain in place.

Rose recommended that employers carefully document all disciplinary actions, and, with every interaction, managers should be very clear about what the consequences will be for the next offense.

Some automated systems will hold off on including a chronically late staffer on the schedule until a manager addresses the issue, said Maier.

Sick leave policies can also impact absenteeism.

As state and local lawmakers across the country increasingly look at mandating paid sick leave, the webinar panelists said it's important to encourage employees who are ill to stay home to prevent further absences.

Rose estimated that about 10 percent of absences among corporate Firehouse units are due to illness, and the company offers paid sick leave to managers.

At the store level, employees are encouraged to stay home when sick and managers try to help those workers make up missed hours later, when they are no longer contagious.

Both Brooks and Rose said companies can also offer incentives for low absenteeism or tardiness rates, such as allowing employees to pick the shift they want to work or even gifts such as tee-shirts or gift cards.

Only about 37 percent of webinar listeners said their company's absence management strategies hit targeted returns on investment or were considered cost effective. Another 63 percent, however, said they did not feel their strategies achieved targeted ROI.

Brooks said the cost-effectiveness of such programs depends on what was invested. But he said the biggest return on investment is "knowing that you can service your guests better and that you don't miss opportunities for sales."

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