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Personnel

Purdue University Cooperative Extension Service
2 Evaluating Food Service Establishments...Key Check Points Personnel

The manager of a food service establishment and/or the manager and his superior need to take the time to make an overall analysis to determine the results that the organization is actually obtaining. This should be done several times a year. The evaluation should determine how well the food service operation is doing and where improvements should be made. Then some priorities, objectives, methods, and deadlines for improvements can be established.

This is one of a series of pamphlets describing how a person can fairly comprehensively, yet in less than a day, provide an overall evaluation of a food service operation. The key items, or food service conditions, to evaluate under each major category are described. Taken together, the key indicators of general conditions measure the degree of efficiency (minimal costs) and effectiveness (optimal organizational satisfaction). A major category that has a deficient key indicator should be investigated further, and corrective adjustment should be considered and/or made when appropriate. A discussion of facts by management with the operating personnel is perhaps most needed to develop mutual understanding of the problems. Attainable performance objectives should be jointly established and reviewed at a later date.

If all key indicators are satisfactory in a major category, other aspects of that category are probably being handled with similar care. If all of the key indicators are high, but the profit is not adequate, then it will be necessary to examine the operation for inefficient purchasing and receiving practices, improper menu pricing, inaccurate records or financial statements, inventory method and method of computing the value, production waste, plate waste, security and pilferage, and so forth.

These operational analysis guidelines may be used by the manager of a single food service establishment for self-analysis, or by the unit manager's supervisor.

1. Management—Planning, Organizing, Controlling (HE-202)
2. Personnel (this publication)
3. Purchasing (HE-204)
4. Receiving, Storage, Issuing, Inventory (HE-205)
5. Food Preparation (HE-206)
6. Food Presentation and Service (HE-207)
7. Maintenance of Building and Equipment (HE-208)
8. Sanitation and Housekeeping (HE-209)
9. Statistical and Ratio Analysis (HE-210)
10. Consumer Satisfaction (HE-211)

2. Personnel

Management of personnel is exceedingly important to the success of a food service establishment. Make an honest check of these points in your personnel program and follow up any weak spots with an improvement program.

- Is each employee treated as an individual?
- Does your operation comply with all state and federal laws and regulations? Who is responsible?
- Is the dignity of the individual employee and his/her right to privacy respected?

Key indicators of a sound personnel program are the use of job descriptions, continuous training, improving personnel relations and motivation, performance appraisals, discipline of employees, personnel evaluation ratios, and turnover.

Job Descriptions

A requisite for satisfactory performance is a clear understanding by an employee of exactly what he is supposed to do, how and when he is supposed to do it, and what end results are
desired. If duties and tasks have been written, the employee is much more likely to know and understand his job, and employee and supervisor are much more likely to be working toward the objectives of the organization. Job descriptions should include the following:

- **Job title**—name or number.
- **Work activities**—specific tasks performed, types of raw food and supplies used, interactions required among other workers and customers, nature of supervision, and supervisory duties performed as part of the job.
- **Conditions of employment**—the level of the job and its position in the organization structure, hours of work, method of payment and fringe benefits payable, and time the job requires—full or part time, permanent or temporary.
- **Work environment**—physical aspects such as location, and the presence of any hazardous or unpleasant conditions.
- **Job specifications**—characteristics such as education, experience, skill, and other personal qualifications necessary for the performance of the job. Items listed on the job specifications should be related to actual work performed.

A clear-cut description reduces confusion, misapplied effort and emphasis, failure to assume or assign responsibility, and the inability to evaluate performance. Well thought-out job descriptions will aid in granting rewards more accurately and fairly.

**Training**

Training is concerned with increasing knowledge and skill in doing a particular job. In the broad sense, training can be considered to be any planned, organized effort that is specifically designed to help individuals develop increasing capabilities. The purpose of training is: to develop job knowledge and skills; to provide information; and to change the attitudes of employees.

Is training frequently given on a supervisor-to-employee basis? Is training provided in reaction to a question asked or to a job not being done well, safely or in a sanitary manner? Is the trainer prepared to give the necessary training time to improve and/or correct the performance? Is he aware of the best times of the day and location in which to teach? Is he knowledgeable about the raw product and equipment needed? Can he outline the job sequence (what), and the points to stress (how)? Does management orient the employee, explain the operation, test the employee’s performance, and follow up with checks on performance? Does management accept the obligation to train and develop those who report to them? The results managers achieve in productivity, costs, quality, safety, morale, and methods are frequently proportionate to the quality of the training employees receive when they begin their jobs and while they are on the job.

**Improving Personnel Relations and Motivation**

Do jobs provide employees the opportunity to **achieve** through completing a task, solving problems, seeing the results of their own efforts? Are accomplishments specifically **recognized**? Is the **work itself** as varied and interesting as possible, offering sufficient challenge to allow for achievement but not so much challenge that the employee will frequently face the disappointment and dissatisfaction of failing? Does **responsibility** take the form of giving the employee adequate control over his own job and thus the opportunity to fulfill all the other satisfiers (achievement, recognition, work itself, responsibility, advancement, growth), and to achieve the **advancement** and **growth** which such fulfillment can produce. By organizing jobs in this way, management gives employees the opportunity to realize true satisfaction from their jobs.

**Performance Appraisal**

Assessment should emphasize work objectives mutually determined between management and each employee, and the evaluation of each employee’s performance in terms of the degree of accomplishment to the establishment’s objectives. The development and administration of a sound program of performance appraisal results in a superior performance in the long run and tends to recognize and compensate for performance. Among the basic elements of a performance appraisal program are:

- Determining who is to rate.
- Determining when ratings are to be made.
- Training and indoctrination of the raters, particularly in avoiding such errors as:

  ... halo effect, where the rater allows one aspect of a person’s character or per-
formance to influence his entire evaluation.
... central tendency, where the rater makes all or almost all personnel average.
constant error, where the rater rates all too harshly (tough rater) or too easily (easy rater).
... miscellaneous biases, where the rater shows bias against members of the opposite sex or of another race, religion, nationality, or to senior employees.

- Conducting the appraisal interview. Performance appraisal is a two-way communication tool to better understand work expectations. Employees want to be told where they stand with their job and their boss. You need to communicate what you expect of performance, what you expect in attitude, and what work standards you expect.

- Creating an atmosphere where the employee freely expresses his true feelings and concerns about who he sees in the job, about his expectations, and his work performance.

Is there constant informal evaluation on a day-to-day, face-to-face basis to make corrections, to provide coaching and to show appreciation for good performance? Are appraisals fully communicated? Are appraisals of major offenses or deficiencies made as close to the occurrence as possible?

Discipline of Employees
The purpose of employee disciplining has two basics: (1) to prevent and correct undesirable employee performance such as situations that are counterproductive, breaking rules and regulations, and things that cause problems for a supervisor or the employer and (2) to help the employee develop self-discipline to do the job the best way. This is the most permanent way to prevent and correct.

This check list will be most valuable if you make an honest appraisal of your discipline of employees, then summarize the apparent weak spots and follow this up with a remedial program:

- Do the employees know the organizational policies, rules and regulations? How are they informed?

- Are there a consistent policy of discipline for employee misconduct? How is it reviewed and monitored to insure equal treatment?

- Are all forms of discipline promptly made a matter of a well-documented and comprehensive written record? Do you discipline the employee instead of the personnel file?

- Is there a procedure for discharge?

In the application of discipline are the following guides observed:

- Is disciplinary action administered in private?
- Is there always an explanation of what constitutes proper behavior in the application of a penalty?
- Is disciplinary action applied by the immediate supervisor?
- Does this manager attempt to assume a normal attitude toward the employee after the disciplinary action?

Personnel Evaluation Ratios
The most frequently used formal evaluation methods are those which examine the organization's employment statistics. Statistics are most meaningful when compared to the same unit's past performance. Statistical factors by themselves never explain or evaluate anything. The reasons for the statistics are the important thing. Statistics only indicate where to begin to look for evaluation problems. The following is a list of ratios which can be computed for an organization and compared over time to learn trends and to locate trouble spots that need correction.

Effectiveness ratios
1. Ratio of number of employees to total output—in general.
2. Sales in dollars per employee for the whole company or by organizational unit (business).
3. Output in units per employee hour worked for the entire enterprise or organizational unit.
4. Scrap loss per unit of the enterprise.
5. Payroll costs by unit per employee grade.

Accident ratios
1. Frequency of accident rate for the enterprise as a whole or by organizational unit.
2. Number of lost-time accidents.
3. Compensation paid per 1,000 hours worked for accidents.
4. Accidents by type.

5. Accidents classified by type of injury to each part of the body.
6. Average cost of accident by part of the body involved.

Organizational health ratios
1. Number of grievances filed.
2. Number of arbitration awards.

Turnover and absenteeism ratios
1. Attendance, tardiness, and overtime comparisons by organizational unit as a measure of how well an operation is handling manpower loading.
2. Employee turnover by unit and for the organization.

Employment ratios
1. Vacations granted as a percentage of employees eligible.
2. Sick-leave days granted as a percentage of man-days worked.
3. Maternity leaves granted per 100 employees.
4. Employment distribution by chronological age.
5. Employment distribution by length of service with organization.
6. Employment distribution by sex, race.
7. Managerial manpower distribution by chronological age.
8. Average age of work force.
9. Average age of managerial work force.

Turnover
High employee turnover is costly, some say about $500 per employee. Turnover is the net result of the exit of some employees and entrance of others to the organization. Studies have shown that there is a consistent negative correlation between measures of job satisfaction and turnover. The higher an employee’s satisfaction, the less likely he is to resign from the job.

Turnover is figured as follows:

Separation rate (%) = \[ \frac{\text{Total no. separations/month}}{\text{av. no. employees on payroll}} \times 100 \]

A yearly turnover rate of 20-40% is generally considered good (low). Management should carefully examine the entire personnel program when yearly turnover exceeds 150%. By checking the turnover rate over time, a trend can be found. If the turnover rate is high, these factors should be evaluated: job orientation and training, pay, opportunities elsewhere, job interest and motivation, quality of supervision, and the employee (fringe) benefits of the organization.

Summary and Conclusions
The following check list will be most valuable if you honestly appraise your personnel program, identify the apparent weak spots and follow this up with an improvement program.

- Is each employee recognized and treated as an individual? Does the personnel program respect the dignity of each employee and his/her rights?
- Are personnel policies and procedures clearly defined?
- Are there written statements covering the duties and responsibilities of each job? Does each employee know what his job is, the quality standards of work expected, and who is his boss?
- Do managers and supervisors recognize their responsibilities for continuous on-the-job training? What assistance and training do they receive to carry out this responsibility? Does training have the support of top management? Does each employee receive the kind of job instruction to enable him to do his job the best way?
- Does management recognize the individually different needs of each employee to determine the incentives that should be used? Has management taken positive steps to create a work environment that will reduce the causes of frustration and minimize the conflicting situation that invariably develop in an organization?
- Is each employee’s performance evaluated by his supervisor against objectives or expectancies that were established at some previous time? Does the supervisor take corrective action on deficiencies by making plans for improvement? Is there a better two-way understanding of work expectations as the result of performance evaluation?
- Does each employee know the organization’s policies and rules? Is there a consistent policy of discipline for employee misconduct? Are all forms of discipline promptly made a matter of well documented written record? Is there a procedure for discharge?
- What is the annual turnover rate for cooks, cold food preparation personnel, service, and sanitation employees?
References

Other Publications, Catalogs
Correspondence Courses
National Restaurant Association
One IBM Plaza, Suite 2600
Chicago, Illinois 60611

Educational Institute of the American Hotel and Motel Association
Stephens S. Nisbet Building
1407 South Harrison Road
East Lansing, Michigan 48823

National Institute For the Food Service Industry
120 South Riverside Plaza
Chicago, Illinois 60606

Cahners Books International, Inc.
221 Columbus Avenue
Boston, Massachusetts 02116

Small Business Administration, 575 North Pennsylvania Street,
Indianapolis, Indiana 46204, has the following management assistance series covering a wide variety of topics:

Management Aids (Free)
Small Marketers Aids (Free)
Small Business Bibliographies (Free)
Small Business Management Series Booklets
Starting and Managing Series
Small Business Research Series

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