



# Building a Great Staff on a Limited Budget

by Michael Scott, MPA



**T**he year was 1991. I was working at the time as the director of Human Resources for a small, rural hospital in Central Indiana. To address a glaring deficiency identified in our patient satisfaction surveys, we hired a new food-services director whose progressive approach promised to boost our efforts in this area.

One of the first strategic recommendations of this new director was to reinvent the role and responsibilities of our current cook position. We elected to retitle it “Lead Chef,” with a position description reflecting a world class model that would allow us to “exceed” patient expectations.

Through this position our goal was to deliver a foodservice operation featuring an exquisite culinary arts experience that was unmatched among hospitals nationally.

Once the position description was finalized, we posted it in the jobs section of one of the area’s major newspapers. Our hope was to attract a chef from a local five-star restaurant. We were delighted with the response, receiving resumes from a half dozen top-flight candidates. One candidate, however, stood out from the crowd as he possessed a stellar background at several restaurants in cities like Indianapolis, Chicago, and New York.



## CREATIVE BUDGET APPROACHES TO STAFFING



We interviewed this candidate and were blown away as he was a perfect match. The problem was, we were now confronted with the task of how we could pay him commensurate with his market value, given our limited budget. After careful deliberation with our newly minted food services director and chief financial officer, we invoked a creative budget approach which freed up the money necessary to make this new hire. Namely, we eliminated our two cook positions so that we could combine the salaries into one.

And the rest was history. Our new chef was hired, leading to some transformative results for our foodservices department, including the highest commendation from the Joint Commission on Accreditation of Healthcare Organizations that year.

What I personally learned from this experience is there are lots of creative ways to overcome budgetary constraints which can hinder the recruitment and retention of staff. In your leadership capacity you have probably been confronted with myriad barriers to attracting and keeping good employees. With continued economic uncertainties facing our nation, tight budgets have become the norm leading to constraints in terms of starting pay rates as well as raises. You may also find yourself competing for talent with other local employers who might be in a position to offer better wages and benefits. Then there is the reality, particularly if you are in the hospital world, of entry level staff viewing food services as a stepping stone for positions in other departments that pay better and offer greater opportunities for professional advancement.

Determining how to maintain a competitive pay rate on a tight budget can therefore be a frustrating endeavor, akin to solving a Rubik's Cube on a regular basis. Ensuring consistency in your foodservices operation becomes nightmarish if you are constantly facing a revolving door of staff. Clearly it's no fun having to train new team members knowing full well that they'll likely leave within 3-6 months because of pay issues.

Before we get into some potential solutions to this enduring challenge, a couple of points are in order. For starters, it's important to look at these issues holistically, namely from a total compensation perspective. What I mean by this is that wages are not the only component that we should be addressing. Rather, keep in mind that there are other options—such as benefits and incentives—that can be effectively employed to help mitigate the impact of low wages on an employee's sense of job satisfaction.

A good example of this is the experience I had years ago working as a bookseller at Barnes & Noble in South Bend, Ind. What was so remarkable about working there was the level of passion and commitment displayed by the team despite being paid minimum wage. In fact, the retention

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rate was extraordinarily high for a retailer, with a number of store associates reporting that they had been there three years plus. When I inquired among my cohorts as to why this was the case, their responses were consistent across the board:

“It’s the little things that management does to say thank you for a job well done.”

The message here is it’s often the subtle non-monetary things that make a difference in influencing staying power among staff. It involves focusing on the small intangibles that you can control as a leader versus the larger macro issues from up top that you have less influence over.

All this being said, there is no denying that personal income is a major factor in determining length of employment among your staff. On a daily basis we hear much media chatter about the decline in earnings among many Americans amid the growing cost of living expenses. While we should offer a sensitive listening ear to these concerns, keep in mind that there may be only so much we can do to influence the outcome of budget decisions when it comes to wages.

Expanding upon this point, turnover should be viewed as a healthy reality in an evolving foodservice department. Unlike members of Congress who often become dysfunc-

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*\*Survey conducted by the consulting firm Cubiks*

tional and unproductive when term limits do not exist, we should provide positive support, mentoring and encouragement to staff who may need to matriculate to new job horizons when they have extenuating financial needs, opportunities for career advancement, or are simply no longer a good match for the position they’re in. Hanging on to staff just because they are a warm body needed for a job role can quickly escalate into a zero sum game leading to a decline in morale and productivity.

OK, let’s now look at a few themes to consider for addressing staff pay when working on a shoestring budget.

1. **The Performance Review:** With pay being an important issue among staff, the prevailing mindset among employees during a performance review discussion tends to be “how much am I going to get?” versus “how much value did I deliver during the performance review period?” The bottom line is, your most valuable staff members are those who demonstrate excellence in delivering consistent work results. Therefore every staff member should be required to provide a one-page outline of their job-related significant accomplishments in order to be considered for a wage increase, particularly when it comes to wage bumps that place the incumbent at the higher end of what is allowable in terms of an increase.
2. **Perks and Other Intangibles Count:** In the absence of a big salary budget, it is incumbent upon you as a leader to identify other rewards and incentives to keep your team happy. Maybe it’s a small gift card to a local restaurant or retailer for those employees whose performance consistently goes beyond the call of duty. Or free or discounted meals at your hospital cafeteria. And per what was mentioned earlier in this article, even just a thank you can go a long way toward cultivating staff commitment in lieu of limited dollars.
3. **Assess Your Staffing Mix:** One philosophy that is gaining credibility in many organizations is paying fewer people more money. Not only does this often provide a morale boost among the tight knit team you have on board, but it can eliminate many of the inefficiencies associated with having too many staff members. Having fewer, more productive people may be the answer when budgets are simply too tight to accommodate a larger team.
4. **Grow Your People:** According to a survey conducted by the consulting firm Cubiks, which assessed employee opinions on staff development and talent management, employees place a very high value on development opportunities offered by their employer. The survey goes on to show that employees often prefer development opportunities to a pay raise or extra time off. In fact, 93 percent said they would stay longer with an organization that invests in their development; 70 percent would choose development over additional leave time; and a whopping 50 percent indicated a preference for development opportunities over a pay raise.

As we head into 2015, tight wage and salary budgets are one of the realities you will continually face. Navigating through the tough act of keeping employees happy and productive amid pay concerns involves a dose of creativity combined with a bit of luck and good fortune. Utilizing the thoughts and perspectives above will hopefully be beneficial in attracting and retaining a talented team committed to the delivery of world-class food service for your organization. **E**



**Michael Scott, MPA** is a Denver-based organizational development strategist with extensive experience in the healthcare field. He has a long history as a speaker and writer for ANFP.

 [michael.orgbrain@gmail.com](mailto:michael.orgbrain@gmail.com)

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