



OPERATIONS

Workers are serving themselves: Restaurants should as well

The pandemic has turned the restaurant industry on its head, with employees realizing that restaurants need them more than they need restaurants. This newfound bargaining power has led many workers to migrate to other industries, while those who remain are seeking incentives to stay.



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On the front door of a Chipotle Mexican Grill in big block letters, [a cardboard sign reads](#), "Sorry for the inconvenience but due to us being overworked, understaffed and under-appreciated we are protesting until conditions are changed."

This incident is one of many, wherein the restaurant workers that remain amidst the ongoing labor shortage are demanding better working conditions. This month, employees at a Wendy's in North Carolina [signed en masse](#), posting a sign to the drive through intercom that read, "We ALL Quit!! Closed!!" On May 20th, a day before the McDonald's shareholders meeting, [employees in over fifteen cities went on strike](#), demanding better pay and improved working conditions.

The pandemic has turned the restaurant industry on its head, with employees realizing that restaurants need them more than they need restaurants. This newfound bargaining power has led many workers to migrate to other industries, while those who remain are seeking incentives to stay.

Nevertheless, restaurant owners and executives are blaming a myth that "no one wants to work," a message propagated by politicians, business owners, and media outlets. Many believe that covid relief packages and unemployment benefits have incentivized restaurant workers to stay home, with over [70%](#) of restaurant operators blaming the labor crisis on higher pay from unemployment, or even higher pay from other industries.

Restaurant employees, on the other hand, claim that they haven't returned to the industry for a multitude of reasons: physical strain, non-livable wages, bad hours, no sick days and near-constant sexual harassment, racism, sexism and queerphobia. Still, [86%](#) of employees said they would return to the industry if the right conditions were met. So what is the disconnect here? Why don't employers and employees see eye to eye on causes of the labor shortage, and what can be done about it?

One [employee](#) stated that, "The pandemic stripped away the enjoyable parts of the job, leaving it purely transactional." Employees are serving themselves, and customers should be too. Restaurant workers do not appear to be coming back any time soon, so restaurants will need to find other solutions to the labor shortage, most notably self-ordering technology.

The problem

As the restaurant industry continues to rebound from the pandemic, restaurant job openings continue to increase. In fact, restaurant job openings [have increased more than in any other sector](#), with many deeming the worker shortage an outright labor crisis.

Many restaurants have been forced to find new ways to incentivize labor, such as offering bonuses for reaching 30, 60 and 90 days worked, [giving employees free iPhones](#), and even [rewarding applicants with free appetizers](#). All this, in addition to over 40% of restaurant operators struggling with the rising cost of worker wages.

Turnover rates are also higher than pre-pandemic levels, further increasing the pressure on restaurants. In June, the rate for limited-service turnover had increased over 10% to [144%](#), and full-service restaurants' turnover increased 4% to [106%](#).

For employees, the conditions are even more abysmal. The [entirety](#) of the sign posted on the window of the Chipotle reads, "Ask our corporate offices why their employees are forced to work in borderline sweatshop conditions for 8+ hours without breaks. We are overworked, understaffed, underpaid, and underappreciated."

Federal unemployment benefits ended on September 4th. Even still, CERB unemployment was \$2,000/month, amounting to only \$12.50 an hour, a less-than-livable wage in many U.S. cities, and far less than the buzzed-about \$15 minimum wage many employees are seeking.

Tipped workers are subject to sub-minimum wage laws: \$2.13/hour, federally. Only [seven states](#) have mandated that restaurant workers receive a full minimum wage as a baseline, with tips on top. Due to the pandemic, tips have decreased drastically; research from One Fair Wage showed that [tips in New York City are down at least 50%](#) due to the pandemic. For context, [87%](#) of restaurant workers said they would rather have a set livable wage than tips.

Restaurant workers have the [lowest reported wages](#) of any occupation tracked by the United States Department of Labor, and food system workers are [twice as likely to use food stamps](#) as the rest of the population. Many of the restaurant workers who are serving your meal are food insecure themselves.

What's more, research from Black Box Intelligence shows that over [two-thirds](#) of current and former restaurant workers said disrespect from customers is a factor in the industry's labor shortage. However, even more disturbingly, [almost half](#) of workers cited emotional abuse from their managers as a factor in leaving the industry. [15%](#) said they were sexually harassed by managers or co-workers, and another [15%](#) said they were sexually harassed by customers. In fact, the restaurant industry is the [single largest source of sexual harassment charges filed by women](#).

Given the circumstances of the restaurant industry, it is no wonder that restaurant workers are feeling and not acting

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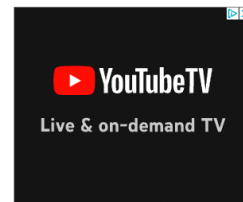
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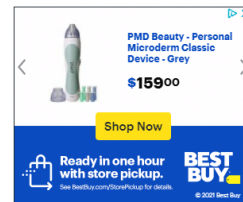
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Given the circumstances of the restaurant industry, it is no surprise that restaurant workers are leaving and not coming back.

The solution

The way that we transact commerce has changed drastically as a result of the Covid-19 pandemic. Sam Zietz, CEO of self-ordering solutions provider Grubrrr stated that, "Before the Covid-19 pandemic, self-ordering technology was gaining traction; however, the pandemic acted as an accelerant as restaurants dealt with hiring challenges, wage gaps and labor shortages."

Whereas before restaurants could afford to throw cheap labor at their problems, they no longer have labor, and it is no longer cheap. Because of this, restaurants have to find other ways to adapt, as restaurant workers do not show signs of returning to the industry.

According to research from SOTI, an IoT and mobile device management platform, 73% of customers prefer retail self-service technologies over engaging with store associates. Similarly, 76% said that they have a faster, more positive shopping experience when retailers use mobile technology, including both self-service mobile tools.

Journalist [Sara Selevitch](#) explains that when she wrote about her experiences, as an essential restaurant worker, "a surprising number of comments suggested that if I didn't like the way things were, I shouldn't work in restaurants." Now, it seems that people, especially restaurant owners, are eating this advice. The quit rate reached an all-time industry high of 5.6% in April.

Thankfully, according to Zietz, "deploying kiosks allow operators to shift staff resources to improve other operational aspects of efficiency. For example, replacing a cashier with a kiosk in a quick-service restaurant can move that staffer to the production line, thereby increasing throughput and driving more revenue."

For restaurants struggling to find workers, and workers who do not want to return to restaurants, kiosks present a natural opportunity for innovation within the struggling industry. Gone are the days of workers tolerating harassment for incorrect orders or to make tips. Instead, customers can order from kiosks, ensuring both timeliness and accuracy, as well as an overall improved experience for all parties involved.

For restaurant operators, the value of self-ordering technology is threefold. Customers order more when they order with their eyes and with touch, leading to an increase in average ticket size. In addition, self-ordering technology offers custom upsells and loyalty programming, thereby driving incremental revenue. Due to the decrease in labor costs and streamlined efficiency through repurposing employees, restaurants can also expect to experience decreased operating costs, yet again maximizing revenue. Finally, customers are happier using self-ordering technology. With shorter wait times, accurate orders, and customized personalization, self-ordering technology turns one-time customers into regulars to further grow a restaurant's business.

Beneath all the grumblings of the labor shortage, comes an opportunity for innovation. Even if restaurant operators are right, that people "just don't want to work anymore," they now have other ways to innovate their business that better prepare them for the future of the industry. Workers are serving themselves, and restaurants should do the same.

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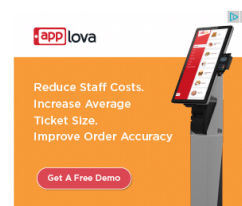
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