



Nudge

Ingredients for a thriving frontline: Gen Z with a side of mobile

Exploring the preferences of the emerging workforce
you need to engage and inspire



Table of contents

| | |
|--|----|
| Introduction | 3 |
| Top 3 staffing challenges in foodservice | 4 |
| The silver lining: Generation Z | 6 |
| The secret sauce: Mobile technology | 7 |
| Key ingredients to a successful mobile program | 11 |
| Conclusion | 13 |



Introduction

The \$800 billion US foodservice industry faces unique opportunities¹ amid economic expansion and rising trends toward consuming meals outside of the home.² The National Restaurant Association reports that 56% of adults would rather spend money on an experience, such as dining out, than purchasing an item from a store.²

While that's a positive outlook, it exposes significant and rising challenges in staffing and a battle for talent in a tight labor market, increasing pressure on companies to meet both customer and employee expectations. In the current economy, the winning brands will be those who invest in improving the guest experience by harnessing the power of their employees, who serve as brand ambassadors at the moments that matter most.³



Top 3 staffing challenges in foodservice

As the workforce continues to evolve, staffing is the single biggest problem facing the foodservice industry, with three challenges, in particular, having a dramatic effect on guest experience, operational excellence, and profits.

1. Low unemployment rate

We're currently experiencing the lowest unemployment rate in nearly 50 years,⁴ causing an extremely tight labor market where employees no longer rely on hourly jobs as they used to. It's also created a battle for talent among employers and is disrupting brand operations and execution on the guest experience.

2. High turnover

Companies are also facing high turnover rates, especially among restaurant managers, with the average turnover cost for full-service restaurant operators \$146,600 USD, annually.⁵ Additionally, with an increase in retail wages, competition is high when retaining top frontline talent in the industry.

3. Evolving workforce

Due to later retirement and younger generations entering the workforce,⁶ five generations are coexisting in the workplace, bringing varying behaviors and learning preferences with them. To stay ahead, brands are having to adapt quickly, creating employee experiences that meet a variety of needs and expectations, so they don't fall prey to high turnover.

In this competitive industry, frontline employees are undoubtedly key drivers in driving sales and repeat customers. However, most brands face understaffed restaurants and a lack of qualified employees in the job market, making it increasingly difficult to achieve a competitive edge through customer experience. The silver lining? Generation Z.



“A driver of sales and traffic performance is delivering on exceptional service, which is close to impossible for foodservice providers in the current labor market. Consider that the average restaurant company has only 34% of their locations fully staffed!”

— TDn2k, *Chilly Sales & Traffic Growth, Understaffed Restaurants Plagued February*⁷

The silver lining: Generation Z

It's estimated that Gen Z—the generation born after 1996—will soon account for 61 million people in the U.S. alone, a number that's already larger than Gen X and two-thirds the size of baby boomers.⁸ Hitting the workforce in a big way, Gen Z is bringing with them new behaviors, expectations, and preferences that the industry can leverage⁸ to attract new talent and retain employees at all levels of frontline teams.

Attracting digital natives

Having grown up as digital natives, Gen Z is primed to respond strongly to technology in their workplace, but that's not all. Learning, collaboration, mentorship, and recognition are top of mind when job searching, and it's mobile technology that can help organizations meet these expectations as well as utilize the skills and behaviors of Gen Z that drive action and deliver on business results.

“73% of Gen Z think the restaurant industry is a good place to get a first job, and almost 40% would like to progress within the industry.”

—*The National Restaurant Association Educational Foundation, The Next Generation of Restaurant Leaders*⁹

The secret sauce: Mobile technology

Employee-focused mobile technology is enabling companies to increase performance, decrease engagement challenges, and improve overall communication across their organizations. Fast becoming an essential part of delivering company, product, and promotional information, it also addresses the preferences and expectations of the evolving workforce composition.⁶

As smartphone ownership continues to grow—more than two billion people around the world and 96% of Gen Z own smartphones—companies are recognizing that their employees are literally holding the solution to staffing challenges in their back pockets.¹⁰



Conquering operational challenges while meeting the needs of your workforce

To stay ahead in the tight labor market, foodservice operators can build an engagement program that leverages employees' personal mobile devices to help solve top operational challenges, strengthen compliance, meet the expectations of Gen Z, and improve the employee experience for every generation in the workforce.



Education:

Learning is a top priority for Gen Z workers. As they enter the workforce, foodservice organizations are pushed to find tools that educate and engage their staff. That's where mobile comes in. Through an employee-focused app, brands can deliver information directly to their frontline in real-time, creating empowered and knowledgeable associates equipped to drive a consistent guest experience.

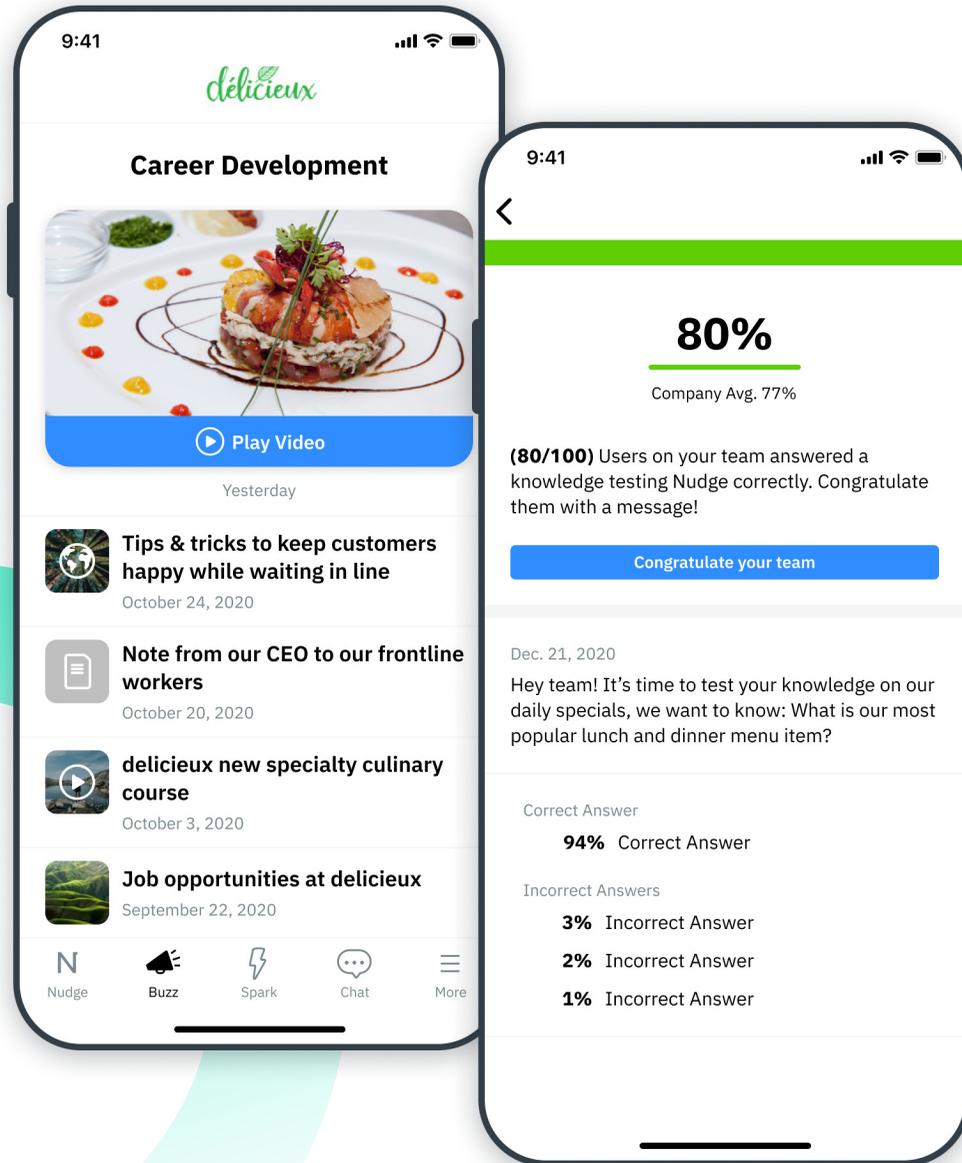


Communication:

Communication is crucial in all businesses and, if not executed effectively, can impact key behavioral drivers and the overall employee experience. With effective communication in the workplace top of mind for Gen Z,¹² organizations are using mobile to improve communication initiatives, increase productivity across teams, and help frontline staff succeed.

90% of Gen Z want a human element in their job through team collaboration paired with new technologies.

—Inc., *How Generation Z Will Transform The Future Workplace*¹¹



Coaching:

Gen Z wants frequent feedback from their managers.¹² To meet their expectations, organizations can empower frontline managers with mobile technology that provides insight into the engagement and knowledge of their employees. By gaining insight into their team's strengths and weaknesses, frontline managers can identify high-impact areas for coaching and build engaged, high-performing teams. Additionally, mobile can ensure managers are equipped to develop each member of their staff, regardless of generation, improve team performance, and deliver the best customer service possible.



Collaboration:

When you have multiple generations working together, thinking and speaking in various ways, it is critical to provide the tools for easy collaboration and overall success.⁶ Mobile allows companies to do exactly that, by connecting teams across locations, keeping frontline staff collaborative and connected, while also meeting technology expectations.



Recognition:

Recognition goes a long way with employees, regardless of the generation.¹¹ Mobile technology not only creates an environment where staff across multiple locations can celebrate successes together, but it also helps to close the relationship gap between managers and teams, head office and frontline staff, and various generations in the workplace.



Compliance:

With food safety top of mind for foodservice providers, an employee mobile solution can help communicate critical information across locations, in real-time, in a matter of seconds. Additionally, head office and frontline managers can gain insight into whether employees have understood the content by asking knowledge-based questions and garnering feedback directly from the frontline, thus ensuring the safety of guests and employees.

Gen Z is set to make up roughly 20% of the American workforce by 2020,⁸ pushing companies away from traditional methods of educating, collaborating, and communicating with frontline staff. Instead, brands must look to implementing a tech-friendly approach that engages employees, reaches frontline teams across locations, and stands out in the competitive job market.



Key ingredients to a successful mobile program

Mobile offers multiple opportunities for businesses to improve their employee experience. Utilizing the various communication formats that mobile offers, foodservice organizations are able to increase engagement, performance, and the overall results of their customer experience.

Gamification

Going against conventional thinking, gamification offers several benefits to a business, including skills development, innovation, and transparency. Research has shown that gamification is not only effective in creating a memorable guest experience but also engaging frontline employees, especially for the Gen Z workforce—80% of Gen Z say that gamification would make them more productive in the workplace.¹¹



Feedback

Frontline staff have the most insight into customer satisfaction and product feedback. Using mobile, brands can source feedback, ideas, and best practices from the frontline. Establishing a feedback loop connects corporate with frontline staff and helps companies garner important feedback on in-market campaigns, which helps to improve market response rates, as well as ideas for business improvement.

Microlearning

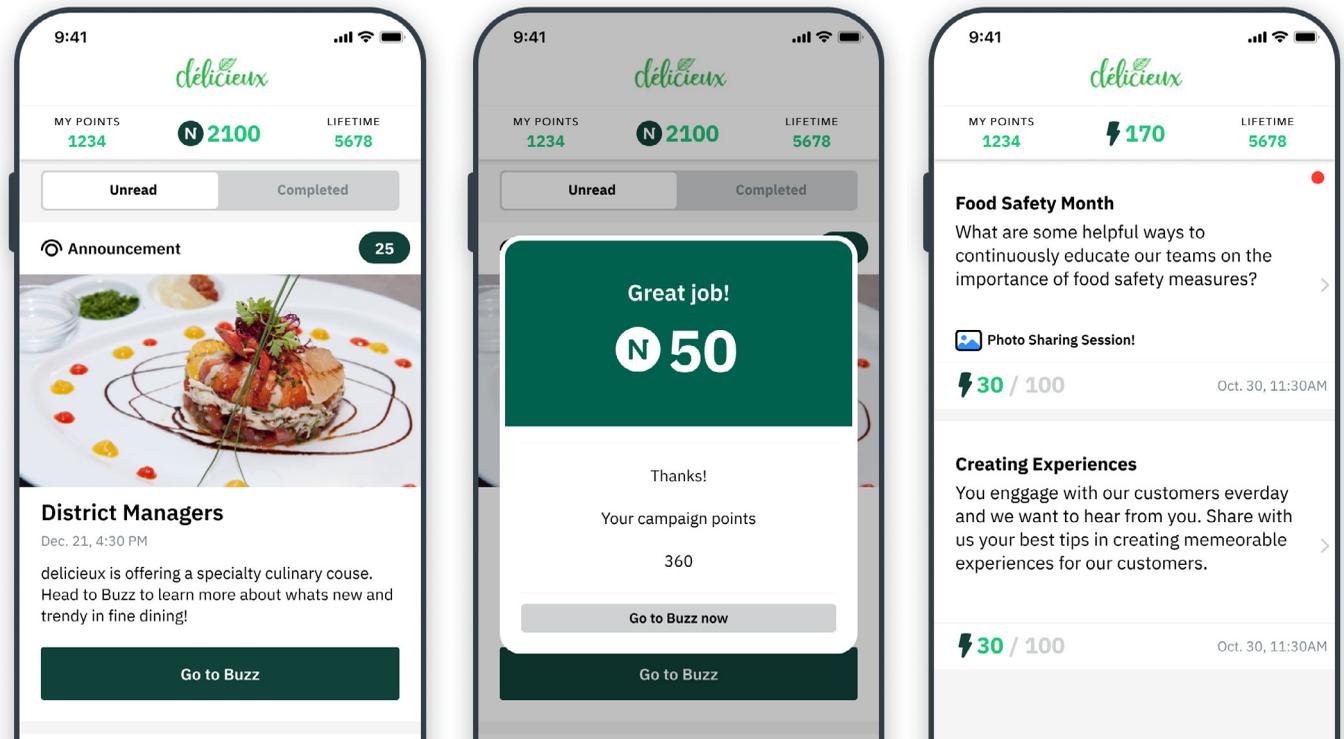
The average attention span for Gen Z is 8 seconds—4 seconds shorter than millennials,¹³ making it even more challenging for organizations to engage their staff. Utilizing mobile helps brands share important information with frontline teams through targeted, bite-sized campaigns that not only help staff excel in their day-to-day roles, but also boosts engagement and encourages positive behaviors from store-to-store.

Rewards

When recognized for performance and productivity, employees have increased morale and job satisfaction, which helps to lower turnover, while also giving companies a competitive advantage in a tight labor market. Additionally, reward programs help to create a collaborative environment, where employees work to achieve team based goals for extra rewards.

“Two-thirds of Gen Z say they need feedback from their supervisor at least every few weeks in order to stay at their job.”

—The Center for Generational Kinetics, *The State of Gen Z*¹²



Conclusion

Foodservice brands need to find innovative and engaging tools to help tackle hiring and retention challenges because the tight labor market isn't going away anytime soon. Looking to Gen Z—who is set to fundamentally change the workforce—companies can leverage the new behaviors, expectations, and preferences they bring into the work environment to re-engage disengaged frontline staff.

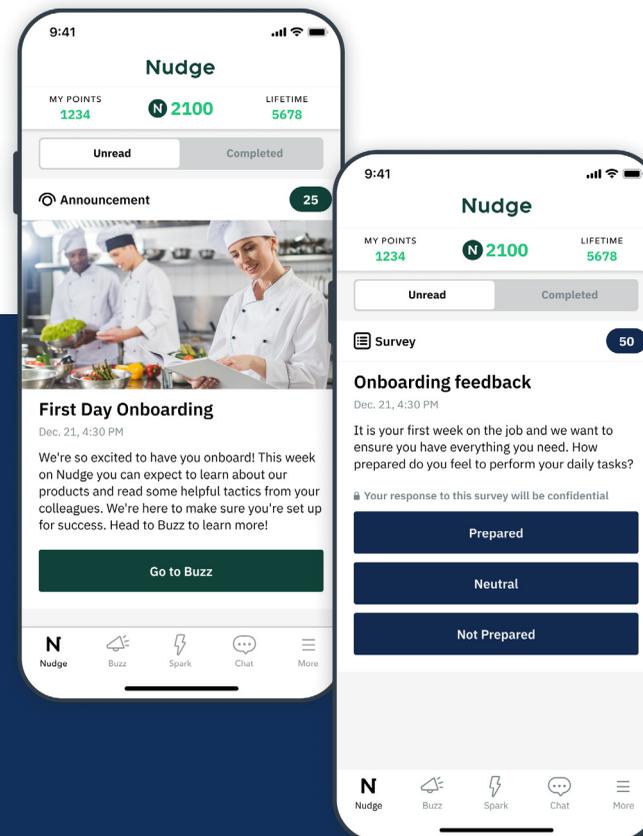
Eager to learn, grow, and feel connected to the brands they work for, Gen Z wants an employee experience that blends technology with learning and human interaction—two key factors in their job search. By pairing their preferences with mobile technology, foodservice organizations will gain the ability to not only create innovative working environments that help to improve training and communication, but also stand out in the competitive job market. Additionally, mobile will make it easier for organizations to reach every member of their team, no matter the location, with content that speaks their language, entices their minds, and makes them feel connected. These attributes of employee-focused mobile technology result in lower turnover rates and empowered frontline staff, unlocking the potential to create memorable guest experiences and repeat visits.





Let's mobilize *your* frontline

We hope you were intrigued by what you've read in this ebook. We work with foodservice organizations who prioritize the people who bring their brand to life every single day and we're always amazed by the results. By aligning your corporate goals with powerful content, Nudge delivers a mobile solution designed for enthusiastic adoption by your frontline workforce.



Contact us to learn more about how we can work with your brand to drive employee performance and engagement in ways that are meaningful to your business.

Email hello@nudgerewards.com to get in touch or visit www.nudgerewards.com/demo to schedule a product demonstration.



Sources

1. *"The growth menu: How the U.S. restaurant industry is negotiating a challenging environment."* PwC, 2018.
2. *"2019 State of the Restaurant Industry."* The National Restaurant Association, 2019.
3. *"The restaurant of the future."* Deloitte, 2016.
4. *"Unemployment is at its lowest level in nearly 50 years, new jobs report shows"* NBC News, 2018.
5. *"Restaurants Are Raising Their Minimum Wages As They Shift Focus To Labor And Retention."* Forbes, 2018.
6. *"There are now 5 generations in the workforce—can they work together?"* Fast Company, 2019
7. *"Chilly Sales & Traffic Growth, Understaffed Restaurants Plagued February."* TDn2k, 2019.
8. *"61 Million Gen Zers Are About to Enter US Workforce and Change It Forever."* CNBC, 2018.
9. *"The Next Generation of Restaurant Leaders."* The National Restaurant Association Educational Foundation, 2018.
10. *"Smartphone Ownership Is Growing Rapidly Around the World, but Not Always Equally."* Pew Research Center: Global Attitudes & Trends, 2019.
11. *"How Generation Z Will Transform The Future Workplace."* Inc., 2019.
12. *"The State of Gen Z."* The Center for Generational Kinetics, 2018.
13. *"5 Differences Between Marketing to Millennials vs. Gen Z."* Forbes, 2017.
14. *"How retailers can improve the employee experience."* Nudge Rewards, 2018.

About Nudge

Nudge is a communications platform that empowers deskless employees and drives better outcomes for your business. Backed by the power of behavioral science and the highest user ratings in its category, Nudge mobilizes non-desk teams by providing the information, inspiration, and insights employees need to exceed expectations and stay connected at work. Leading brands such as Compass Group, Staples, and Margaritaville rely on Nudge to boost employee engagement, exceed sales goals, and transform the customer experience.

For more information, please visit www.nudgerewards.com.