



REPORT

Cutting Turnover in Restaurants:

*How Technology
& Strategic Hiring
Boost Retention*

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highmatch.com





About HighMatch

HighMatch offers *modern assessments* tailored to your organization's roles, competencies, and culture. Personalized by workplace psychologists, our solutions can be delivered at any stage of the hiring process, with support for every job level.

We provide highly relevant, data-driven insights that boost employee retention and engagement while streamlining your hiring process. Launched in 2004, HighMatch is trusted by leading enterprise organizations, including Keller Williams, Mercedes Benz, NVR, TSMC, and Comcast, to help solve their most pressing talent challenges.

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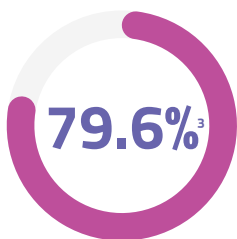
This report explains the underlying challenges in the restaurant industry's current hiring landscape and provides actionable insights to modernize your recruitment process. By implementing these solutions, you can enhance employee retention and effectively reduce rapid turnover.

INTRODUCTION

The restaurant industry is a rapidly expanding sector, even post-pandemic, thanks to continual innovation. 2024 marks an increase in restaurant employment, despite a downward trend in 2023.¹ However, profit growth faces rigorous challenges due to high turnover. A 2023 survey found that 1 in 4 current restaurant employees planned to leave the industry within a year.²

While some turnover is expected in the restaurant industry, voluntary turnover is largely preventable. This happens when valuable employees, who you want to retain, choose to leave. Involuntary turnover, such as dismissing underperforming staff, also contributes but is less significant. Reducing both types of turnover is essential for improving overall industry stability.

AVERAGE RESTAURANT EMPLOYEE TURNOVER RATE STATS:



While the hiring landscape has recovered from the pandemic, turnover remains uncomfortably high for profit margins, restaurant stability, and consumer satisfaction.

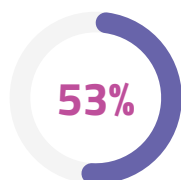
Up to 30% of employees are expected to leave the industry entirely within the next two years.⁴

A Q2 2024 STATE OF THE INDUSTRY REPORT FOUND TURNOVER RATES TO BE:⁵

Quick Service Restaurants



Non-management

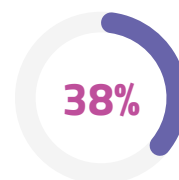


Management

Full Service Restaurants



Non-management



Management

The National Restaurant Association found that hiring is still the biggest challenge for restaurant operators⁶ despite the high predicted growth. To increase profits, restaurant operators must reduce turnover and its associated costs with modernized, retention-focused hiring practices.



Industry Challenges & Current Hiring Practices

Industry growth faces challenges from *inflation, wage increases, understaffing, consumer pressures, and poor hiring practices.*

All of these hurdles are exacerbating turnover costs and reducing profits.

INCREASED INFLATION

Inflation continues to rise, with the Consumer Price Index (CPI) reporting that food prices in July 2024 were **2.2% higher** than in July 2023.⁷ Menu prices have also risen to **4.1% more** than in 2023—and are likely to continue increasing.^{7 8} Although inflation rates are projected to slow down over the next year or two, prices themselves are unlikely to decrease.

INCREASED WAGES

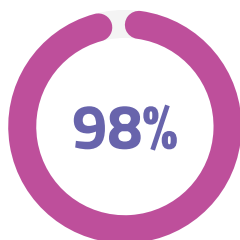
Wages have also steadily **increased by 30%** over the past five years and are continuing to increase,⁹ cutting into profit margins. Restaurant operators have to find a balance of menu price increases and staff hour reductions to maintain profitability.¹⁰ Cutting wages is no longer an option for restaurants who want to remain competitive in the industry. However, reducing hours and staffing is contributing to increased turnover pressures.



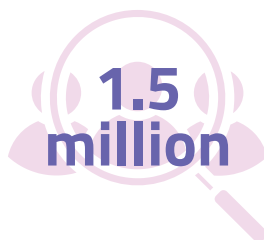


SHORTENED HOURS AND UNDERSTAFFING

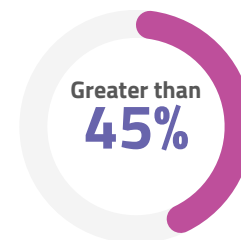
A majority of the restaurant industry has been forced to shorten operating hours due to understaffing. On average, restaurants are open 7.5 hours less.¹¹



of restaurants were **short at least one position** in 2022¹³



leisure and hospitality job openings went **unfilled** in 2023¹³



of restaurant operators are still too **short staffed** to effectively support current customer demand, with quick service being most affected⁶

Job openings are remaining listed for longer, and a quarter of restaurant operators intend to turn to the gig economy in an effort to fill positions.⁶ **Most understaffed restaurants are more than 10% below the level needed to operate well.**⁶

This upheaval pushes current employees into overtime, leading to greater turnover as they seek positions where they will be less overworked.



CONSUMER FINANCIAL PRESSURES

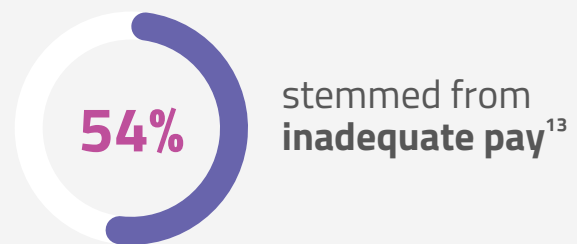
Consumers are also feeling increased financial pressure. However, even though a third of consumers have sharply reduced their spending,⁶ interest in dining out remains. A majority of customers consider dining out *"an essential part of their lifestyle,"*⁷ offering restaurants hope—if they can correct their turnover and its costs.



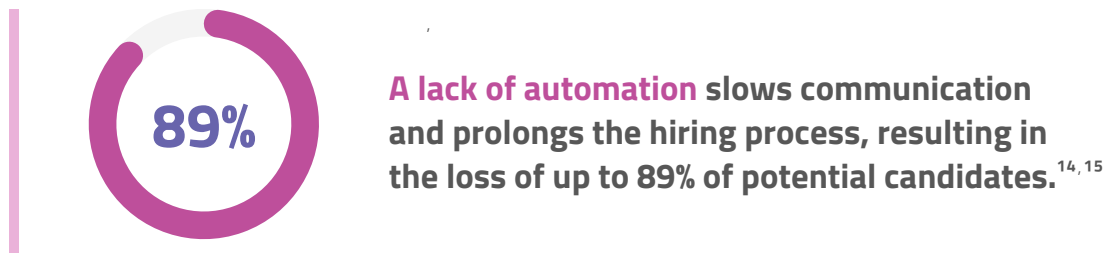
OUTDATED HIRING PRACTICES

The restaurant industry is an undoubtedly tricky hiring landscape by nature and outdated hiring practices are only worsening the gap.

Low hourly pay and **poor manager relationships with employees** are top pain points.^{4,13}



Current hiring practices fail to connect with the increasingly young, online-focused labor pool.



Additionally, an over-reliance on outdated methods like job boards, while underutilizing referrals, community connections and brand-building through career pages and social media, limits the candidate pool.¹⁹

Long, uninspiring job postings fail to engage candidates and generic company culture descriptions—such as calling the workplace ‘*a family*’—are seen as red flags by Gen Z, the largest generation in the restaurant workforce.¹⁵



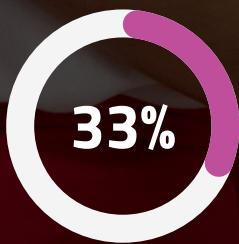
Causes of High Turnover & Labor Shortages

There is more to high turnover and labor shortages than financial stress and outdated hiring practices.

The longer employees are retained the more successful restaurants tend to be. Full service restaurants experience greater employee stability and culture than limited service restaurants. However, the hiring landscape rapidly fluctuates because of both the candidate pool and perceptions of restaurant industry jobs.

THE CANDIDATE POOL

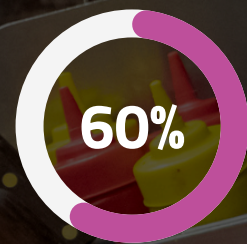
The restaurant industry experiences seasonal fluctuations, with consumer demand peaking during the summer and holiday seasons, leading to a rise in restaurant employment during these times.



of all adolescents with jobs are **employed by the restaurant industry**, or 1.7 million jobs³



of restaurant employees are **younger than 25**¹⁶



of restaurant employees are **younger than 35**¹⁶

With such a young labor force often balancing school time with work, seasonal turnover is inevitable. However, that cannot account for all of the current turnover crisis.



Candidate & Consumer Perceptions

LACK OF PAY & OPPORTUNITY

Most employees who have left or are considering leaving the restaurant industry cite **higher pay (28%), better scheduling (23%), and more career advancement opportunities (17%)** as top reasons.¹⁷

Workers increasingly see **good pay** as essential to job satisfaction, while roles like servers and crew members are often viewed as 'dead-end' due to limited growth opportunities. This perception fuels turnover and highlights the need for **better compensation and career pathways**.

TIPPING CULTURE & TIPLATION

Increased tipping volatility has furthered instability in industry jobs, leading to more of those employees seeking alternative employment that can provide a reliable source of income.



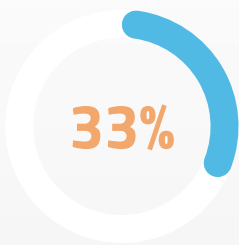
of consumers have noticed an **increase in demand for tips**¹⁸



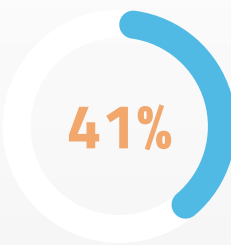
of consumers oppose restaurants **recommending specific tip amounts**¹⁸



of consumers **view tipping negatively**¹⁹



of consumers view tipping as **"out of control"**¹⁹



of consumers feel restaurants should **increase wages** rather than rely on tipping¹⁹





COMPANY CULTURE THAT UNDERVALUES EMPLOYEES

Restaurant industry company culture has garnered negative perceptions from employees and consumers alike, with employees feeling increasingly under-appreciated. Due to greater incidents of abuse from guests and managers, employees are seeking jobs where they feel valued rather than disposable.

A company culture that fails to prioritize improving current conditions based on employee and guest complaints compounds the high-stress restaurant environment, particularly in quick-service establishments.



Impacts on Restaurant Operations

Inflation, low wages, reduced hours, consumer cutbacks, high turnover, and labor shortages are all contributing to a tougher hiring environment. These challenges fuel a cycle of turnover, which hurts both profits and growth. Growth is especially important because it has been linked to better employee retention.

In 2024, *brands with higher year-over-year traffic growth kept employees longer* –5.2 months more for quick service and 7 months more for full service.⁶



LABOR SHORTAGES

Labor shortages continue to harm *restaurant profits, brand image, and company culture*, fueling a cycle of high turnover.

As of 2024, 45% of restaurant operators remain short-staffed.²⁰ High turnover leaves remaining employees overburdened, *increasing burnout and driving more quality staff to quit*. Half of food service workers report leaving due to burnout,²¹ and nearly half of managers feel overworked daily.²²

Staff shortages lead to longer wait times and reduced operating hours, cutting into revenue and hurting the restaurant's reputation. These shortages also lead to rushed hiring, resulting in poor-fit talent and more early turnover, further compounding costs and eroding employee morale.

PROFIT LOSS

EMPLOYEE COSTS

Hiring and onboarding new employees is expensive, with quick service restaurants losing \$10 billion annually to turnover.²³ ***Losing just one employee can cost a restaurant up to \$5800, with more than half of the cost coming from lost productivity alone.***²⁴ Senior roles cost restaurants even more, up to six times the annual salary.²⁵ As more employees leave, it weakens the company's culture and makes it harder to maintain consistency, ultimately affecting overall performance and profitability.

CONSUMER COSTS

Consumer values and perceptions of restaurants are intrinsically connected to turnover because high turnover creates an inconsistent experience for consumers and carries perceptions of unreliability. **Consumers value consistency and positivity in their restaurant experiences.**

Up to 80% of additional business is derived from repeat customers, and brand loyalty is a critical business investment.²⁶ Establishing consistent employee responses to consumers is essential to providing consumers with the consistent, culture-driven experience they expect.²⁶ Rapid turnover makes it highly difficult to successfully cultivate positive consumer experiences.



Solutions

Only **27%** of restaurant operators expect to be more profitable in 2024 due to food costs, wage increases, and turnover costs.²⁰

The turnover crisis requires solutions that *modernize* and *automate hiring practices* to *streamline the candidate pipeline* and *increase retention* by securing employees that are a better fit for your organization. Afterwards, you must strategically develop an onboarding process and company culture of retention.

THREE STEPS TO MODERNIZE & AUTOMATE YOUR HIRING

Effective, modernized hiring utilizes engaging job descriptions, leverages technology to identify and retain talent, and innovates talent acquisition through pre-employment assessments. **Under half (46%) of all current employers report regularly improving their hiring process.**¹⁵

STEP 1) MODERNIZE JOB POSTINGS

Current job descriptions for restaurant positions are often vague or too dense for engagement. Most current candidates find job opportunities digitally, will be under 25, and are often seeking seasonal work that can fit with their school schedules, meaning hiring content must:

- Utilize detailed job descriptions that are quick and informative to capture applicant attention
- Leverage keywords and SEO to boost clicks and increase the chances of reaching the right candidates
- Advertise a company culture with a genuine dedication to quality, care, and teamwork
- Set clear, accurate, and straightforward expectations of job duties and benefits





STEP 2) AUTOMATE YOUR HIRING PROCESS

To acquire the best fit talent, you must streamline your candidate pipeline. Automation allows you to expedite your pipeline by shifting the work off your HR personnel while efficiently highlighting the most viable candidates.

As of 2024, 75% of restaurant operators believe technology gives them a competitive edge, yet only 23% recognize their restaurant as lagging behind competitors.⁶ However, most restaurants are missing a key area for improvement: hiring. While automation in ordering and delivery is common, many operators overlook the power of automation in hiring. Leveraging technology to streamline the hiring process would drastically reduce turnaround times, helping you connect faster with candidates who align with your core competencies. Timely follow-up on application status—a critical factor for candidates—is often where restaurants fall short.



75% of restaurant operators **believe technology gives them a competitive edge**



23% recognize their restaurant as **technologically lagging** compared to competitors





STEP 3) ASSESS CANDIDATES BEFORE THE INTERVIEW

Automation expands your ability to screen and match candidates efficiently through pre-employment assessments. These assessments:

- Give you the tools to better understand the talent available
- Allow you to critically compare candidates' core competencies, personalities, and fit against your needs
- Help you streamline the talent pool to the most viable candidates, expediting your hiring process by avoiding the drain of manually sifting through hundreds of applications

Taking this step prepares you to understand candidates pre-interview, making your interviews more effective by helping you focus only on going in-depth with the best candidates.

Six Ways to Strategize Onboarding & Company Culture

After implementing modernized hiring practices, leverage proven onboarding and retention strategies to cultivate the new talent you have attained.

- 1 Listen to and address employee and customer concerns.** Emphasize a respectful, supportive, communicative company culture, especially to your managers.
- 2 Read company review sites.** Sites like Glassdoor.com highlight what candidates want and what current or previous employees liked and disliked about your organization.
- 3 Utilize exit surveys.** These tools leverage insights from why employees leave, allowing you to solve those complaints and reduce further losses.
- 4 Onboard for success.** The most effective onboarding utilizes consistent training to prepare employees for their roles and company practices. Assessing what makes current outstanding employees valuable provides a roadmap for onboarding new talent.
- 5 Cultivate stability and growth.** Candidates want competitive pay, flexible scheduling, career opportunities, and a strong culture. Well-paid employees with growth paths are more stable, reducing turnover and balancing higher wages.
- 6 Reward work ethic with development.** Career advancement builds brand loyalty and boosts retention, especially among Millennials and Gen Z. Promoting top talent fosters a culture of support, growth, and strong work ethic.



How HighMatch Can Help

HighMatch offers a comprehensive suite of tools to help you efficiently modernize your hiring to connect with—and retain—quality talent. Our assessments provide you with psychologist-backed and industry-proven insights about your candidates and even your current team.

Collaborating with HighMatch gives you expert-led, actionable insights to streamline your hiring, onboarding, and talent development processes.



PRE-EMPLOYMENT SCREENING

HighMatch Screen and **HighMatch Assess** allow you to evaluate candidates through skill assessments, minimum qualification evaluations, culture fit screenings, and personality assessments. These mobile-first tools enable you to deploy applicant screening surveys and personalized assessment solutions that match your hiring language and selection criteria. Rapid scoring filters a high volume of candidates to select for best fit.



INTERVIEW OPTIMIZATION

Tools like **HighMatch Interview** give hiring managers a playbook of consistent, insightful **interviewing practices** to understand a candidate's potential at a much deeper level. Our structured approach makes interviews more objective and efficient, helping you identify quality talent.



DEVELOPMENT & ONBOARDING ROADMAPS

HighMatch Develop helps you plan onboarding and development strategies to strengthen your talent pool. With a clear roadmap, managers can drive growth, promote from within, and retain high-quality candidates identified through the hiring process.

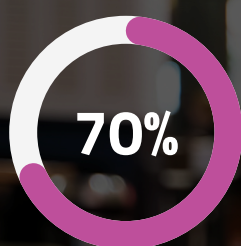
HighMatch combines advanced technology with expert guidance to help you make smarter, data-driven hiring decisions.

Our tools give you the control and preparation you need to combat the ongoing turnover threat and build a more successful future that runs with the projected industry growth.

HighMatch's strategies are proven to reduce turnover and its costs. A large national food distributor we partnered with faced a 70% turnover rate, costing them over \$4 million in 3 years.

HighMatch helped them restructure their hiring process with tools to combat turnover. Implementing minimum qualification surveys, job preview videos, and behavioral tests streamlined the candidate pipeline to the most qualified talent.

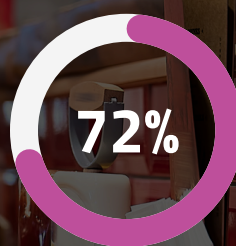
Only those who passed all three assessments were considered. The organization experienced a 72% reduction in turnover after implementing these solutions. Within the first year, they saved \$300k.



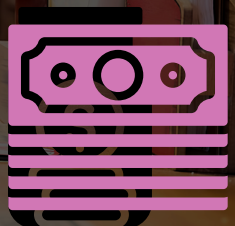
This large national food distributor faced a **70% turnover rate...**



...which cost them over **\$4 million in 3 years.**



The organization experienced a **72% reduction in turnover** after implementing HighMatch.



Within the first year, they **saved \$300k.**

Conclusion

Restaurant industry turnover is extremely costly in operating hours, profits, and public perception, hindering your organization's growth during this industry boom. ***You can mitigate turnover and its impacts with automated, modernized hiring practices to source and retain talent.***

Nearly three-quarters of employers have or are planning to invest more in improving the hiring experience within the next year.¹⁵ Join them and take the strain off your organization. Automated hiring tools like pre-employment screening and assessments connect you with best fit applicants that truly respond to your needs and embody your values. Grow a company culture that keeps pace with candidate needs by providing the pay and development opportunities that current candidates seek.

Tackling industry turnover can be overwhelming, but by investing in sustainable modern solutions, you can significantly reduce turnover costs and position your restaurant to thrive alongside the industry's rapid growth, all while fostering long-term employee retention.

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RESOURCES

¹ <https://restaurant.org/research-and-media/research/economists-notebook/analysis-commentary/restaurant-employment-resumed-its-upward-trajectory/>

² <https://www.nrn.com/workforce/1-4-restaurant-workers-expect-leave-industry-within-year-survey-finds>

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⁸ <https://pos.toasttab.com/news/the-cost-of-going-out-to-lunch>

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¹⁷ <https://www.restaurantdive.com/news/why-arent-restaurant-workers-coming-back-heres-what-the-data-shows/606198/>

¹⁸ <https://www.pewresearch.org/2023/11/09/tipping-culture-in-america-public-sees-a-changed-landscape/>

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²⁵ Houran J. (2017). New HR study: Candid recruitment experiences with LinkedIn. <https://www.hospitalitynet.org/opinion/4065719.html>

²⁶ <https://blog.pedanco.com/the-true-cost-of-losing-a-customer-4bdd3360abf0>



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