

Restaurant Association of Nova Scotia

Labour Shortage for Restaurant Industry

Report
September 2023



Introduction

The Restaurant Association of Nova Scotia (RANS) has conducted a survey to help gain insight into the labour shortage in the restaurant industry in Nova Scotia. With the data gathered from this survey, it is aimed to gain valuable insight into where the labour shortages are and what measures businesses are taking to draw in potential employees. With significant labour shortages occurring in our sector, this information can help determine how employers are currently handling the shortage as well as providing potential recruitment and retention solutions. This report can also be viewed in conjunction with the Exit Survey Report to better understand the gaps between what employers are doing and why employees are leaving the industry.

About RANS

The Restaurant Association of Nova Scotia (RANS) is a non-profit association that has successfully represented the food and beverage sector since 1947. RANS continuously makes a positive impact for the restaurant industry through advocacy, education, partnerships & promotion. Over the past 2.5 years, RANS has worked relentlessly to support the industry through the pandemic. The association worked closely with government and public health to make sure decision-making processes considered the best interests of the industry. RANS delivered programs, webinars, regular updates, and ongoing support to assist operators during an incredibly challenging time.



About the Survey

The survey was completed by 56 people and was targeted to anyone who owns or manages within the restaurant industry in any capacity. Survey questions and results are in Appendix A at the end of the report.



67.3%
Restaurant operators have increased wages to cope with the labour shortage

54% of respondents stated an increase in hours worked by owners/managers

3 Major Themes

The data was analyzed by a subcommittee of the Human Resources/Education Committee, and from that analysis 3 major themes emerged:

1 Managers and Owners are Working More

A lack of applications for management positions has owners and managers taking on more responsibilities.

2 There are Fewer Applicants

In the industry, businesses are seeing fewer applicants and there is an increase in applicants not showing up to interviews or newly hired staff not showing up to work.

3 Lack of Infrastructure

Overall lack of infrastructure support mean that employees struggle with affordable housing, adequate transportation and childcare which can significantly limit their ability to work.

A rural restaurant reported avoiding International Recruitment due to a lack of housing and public transport

How Restaurants are Coping


Based on the themes that emerged, the HR/Education Committee subcommittee identified 4 recommendations for the Restaurant Association of Nova Scotia to consider.

1 Increased Compensation and Benefits

Employers have increased wages to entice new employees and to retain current staff. Other employers have gone a step further to have health benefits.

2 Reduced Hours of Operation

Restaurants are reducing their hours of operation to compensate for the lack of staff and to prevent burnout in staff and management.



49% of respondents
report their
organization has
reduced operating
hours



Recommendations cont...

Based on the themes that emerged, the HR/Education Committee subcommittee identified 4 recommendations for the Restaurant Association of Nova Scotia to consider.

3 Increase Menu Prices

To offset the cost of wages as well as other price increase, employers are increasing menu prices.

4 Flexibility for Staff

Employers are more willing to work with employees in scheduling. In some cases, to work around class or childcare schedules but also to keep staff engaged.



Respondents reported a significant decrease in job applicants

Recommendations

Based on the themes that emerged in both the Labour Shortage Survey and the Exit Survey given to people that exited the food & beverage industry, the HR/Education Committee subcommittee identified 3 recommendations for the Restaurant Association of Nova Scotia to consider.

1 Invest in employees

Increasing wages with inflation so that it is feasible for employees who want to stay to be able to support themselves and their families. This includes investing in health benefits and other perks.

2 Advocating for Better Infrastructure

Employers and the Association can advocate for better infrastructure in the province to make it possible for employees to access safe and affordable housing, reliable transportation and other aspects of living that would increase their quality of life.

3 Third Party Supports

Employers can reach out for support with non-profit employment organizations to connect people looking for work and employers. Especially programs that offer wage subsidies.

Other than the labour shortage, increased costs and staff burnout are the issues affecting businesses

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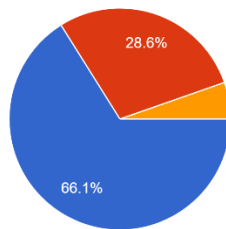
The Organization

Organization Structure

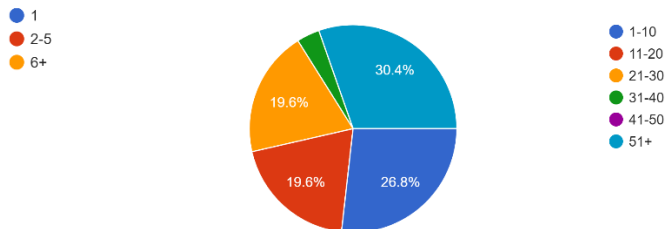
Respondents are 91% owners and/or managers of the organizations.

66.1% of organizations had a single location with the most frequently seen number of organizational staff having 51+ employees (30.4%), 1-10 employees (28.8%), 11-20 (19.6%), and 21-30 (19.6%).

My organization has ____ locations.
56 responses



My organization has ____ employees.
56 responses



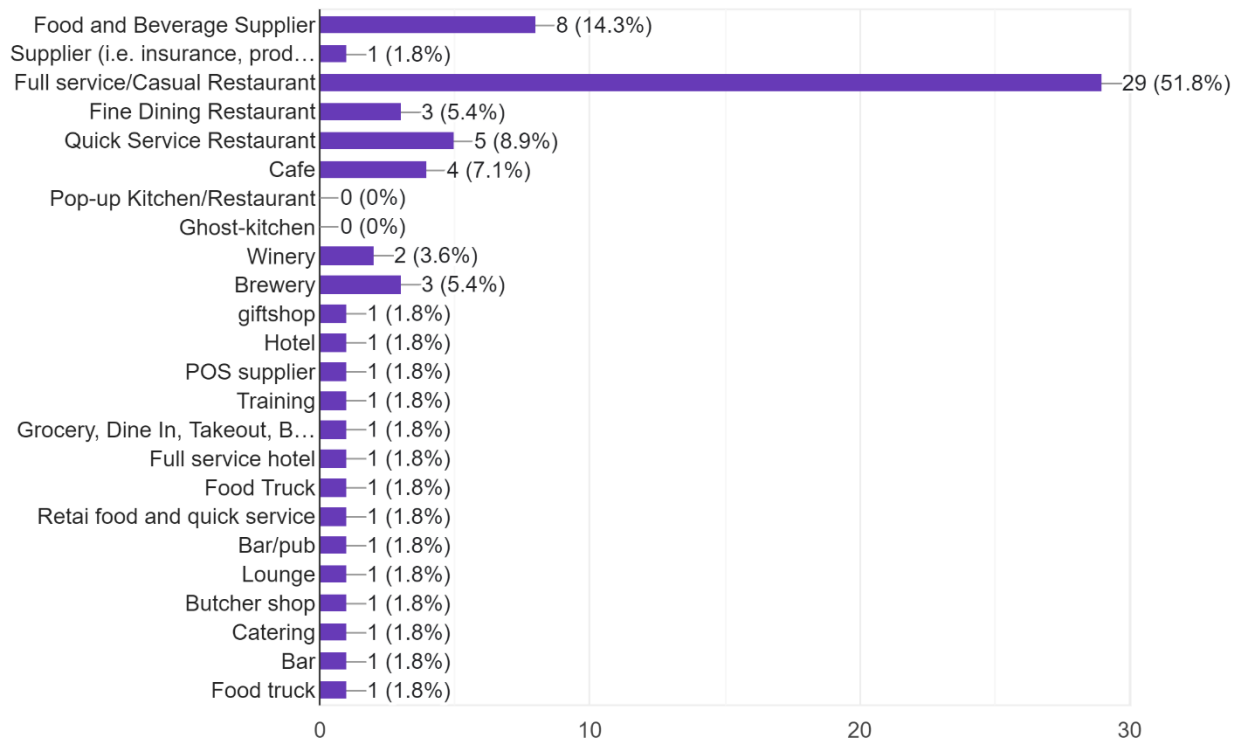
In addition, 81.8% of respondents were year-round operators and 18.2% seasonal.

Many respondents best describe their organization as Full Service/Casual Dining (51.8%) or Food & Beverage Supplier (14.3%). Respondents could choose from multiple options in this question.

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My organization is best described as:

56 responses



Organizational Culture

1. Employees

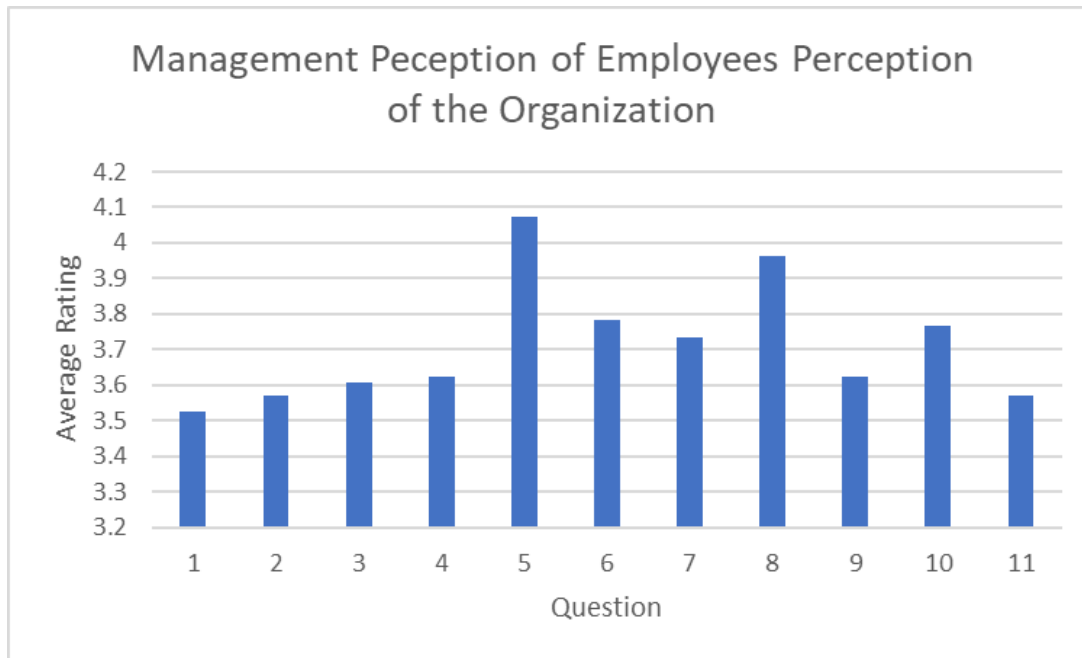
Summary (1.1 to 1.11)

Respondents were asked a series of questions about how they perceive employees feel about organizational culture and how the staff is treated on a scale from 1 – Strongly Disagree to 5 – Strongly Agree. Refer to the individual graphs for more details.

The highest rated average is in response to the statement **Our employees feel the organization practices the moto: "Treat others as I wish to be treated."** (See statement 1.5) and **Our employees feel the organization gives managers plenty of autonomy** (See statement 1.8).

Appendix A

The lowest rated were **Our employees feel the organization empowers employees to make decisions** (See statement 1.1) and **Our employees feel the organization recognizes and celebrates employee successes and achievements** (See statement 1.2).



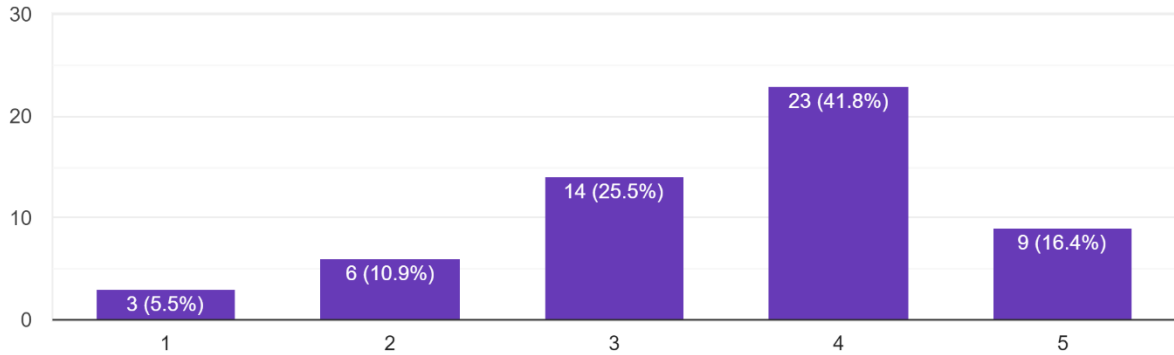
1.1 Our employees feel the organization empowers employees to make decisions.

Respondents Agree or Strongly Agree (58.2%) with the idea that their employees feel that their organization is employee focused. Neutral is the next highest response at 25.5%.

Appendix A

Our employees feel the organization is employee focused.

55 responses

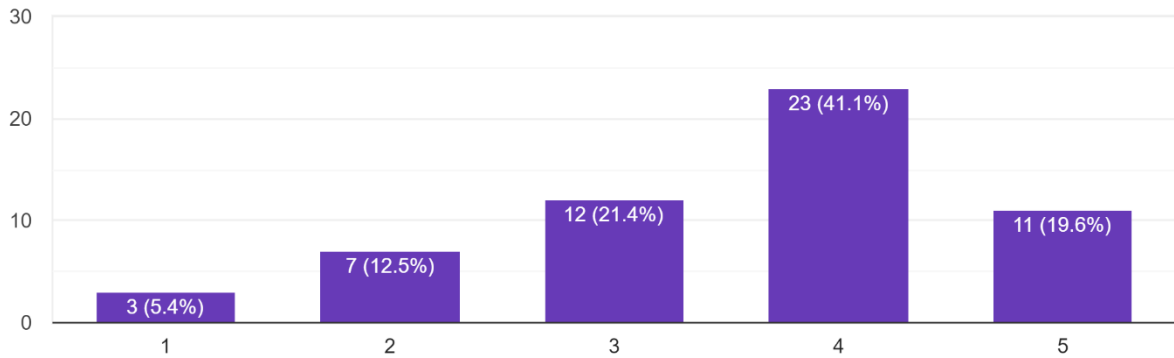


1.2 Our employees feel the organization recognizes and celebrates employee successes and achievements.

Respondents Agree or Strongly Agree (60.7%) with the idea that their employees feel that their organization is celebrating employee achievements and successes. Neutral is high at 21.4%.

Our employees feel the organization recognizes and celebrates employee successes and achievements.

56 responses



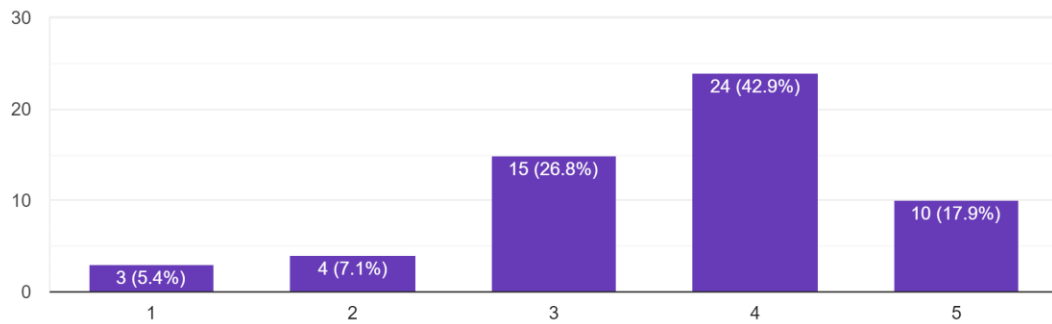
1.3 Our employees feel the organization empowers employees to make decisions.

Appendix A

Respondents Agree or Strongly Agree (60.8%) with the idea that their employees feel that their organization empowers employees to make decisions. Neutral is high at 26.8%.

Our employees feel the organization empowers employees to make decisions.

56 responses

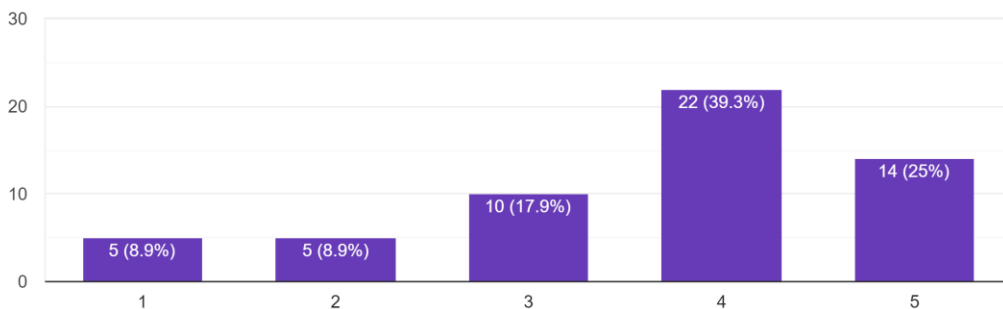


1.4 Our employees feel the organization offers job security.

Respondents Agree or Strongly Agree (64.3%) with the idea that their employees feel that their organization empowers employees to make decisions.

Our employees feel the organization offers job security.

56 responses



1.5 Our employees feel the organization practices the moto: "Treat others as I wish to be treated."

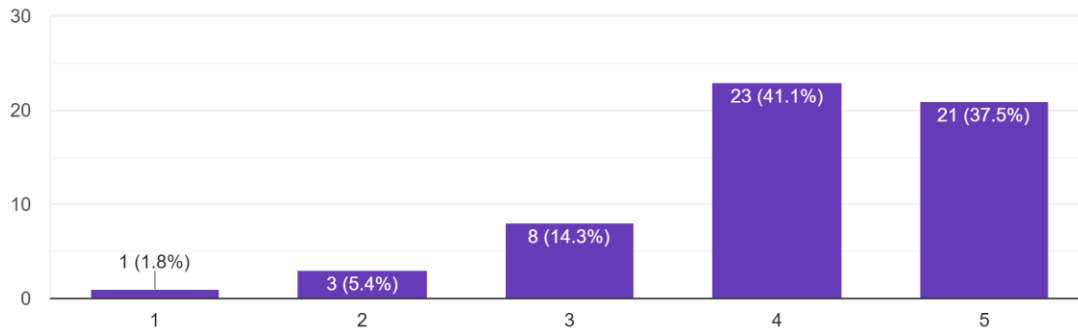


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The motto “treat others the way you want to be treated” is rated high with respondents. 78.6% Agree or Strongly Agree. This has the highest average rated response.

Our employees feel the organization practices the moto: "Treat others as I wish to be treated".

56 responses

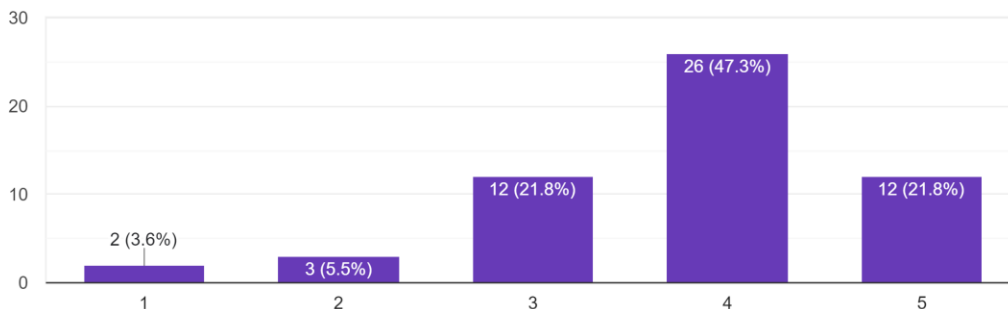


1.6 Our employees feel the organization consistently reinforces the company's culture.

Respondents Agree or Strongly Agree (69.1%) with the idea that their employees feel that their organization consistently reinforces the company's culture. Neutral rated at 21.8 %.

Our employees feel the organization consistently reinforces the company's culture.

55 responses



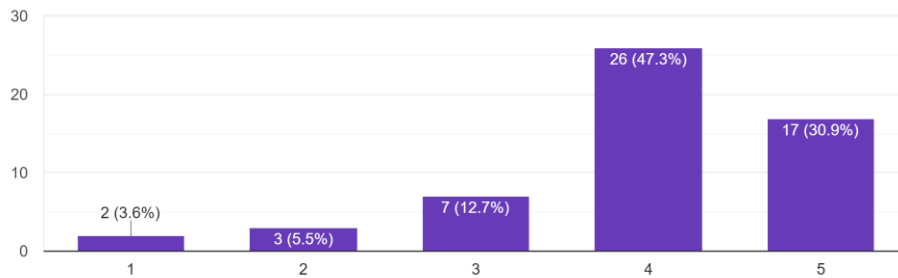
1.7 Our employees feel the organization treats mistakes as opportunities to learn.

78.2% respondents Agree or Strongly Agree with the idea that their employees feel the organization treats mistakes as opportunities to learn.

Appendix A

Our employees feel the organization gives managers plenty of autonomy.

55 responses

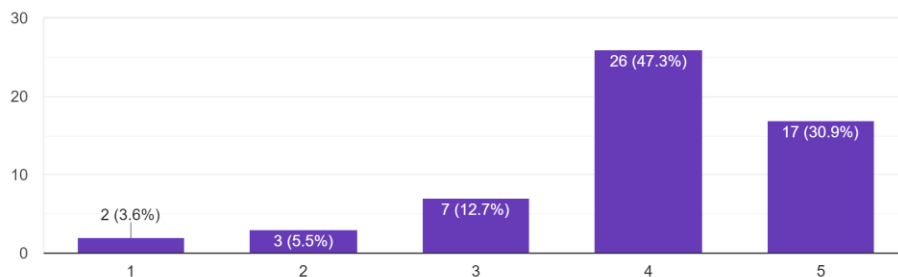


1.8 Our employees feel the organization gives managers plenty of autonomy.

78.2% respondents Agree or Strongly Agree with the idea that their employees feel the organization gives managers plenty of autonomy.

Our employees feel the organization gives managers plenty of autonomy.

55 responses



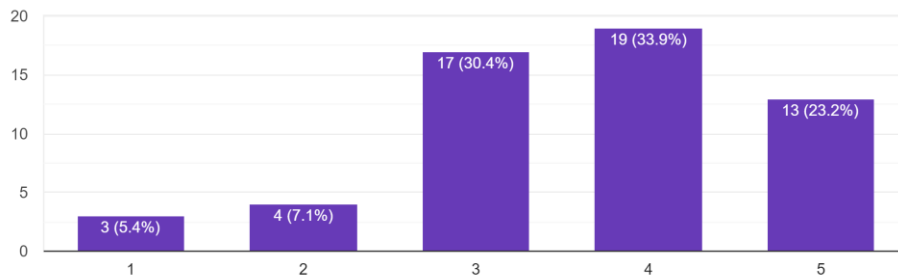
1.9 Our employees feel the organization is a place that encourages innovation.

Only 57.1% respondents Agree or Strongly Agree with the idea that their employees feel the organization is a place that encourages innovation. 30.4% of respondents answered Neutral to the question.

Appendix A

Our employees feel the organization is a place that encourages innovation.

56 responses

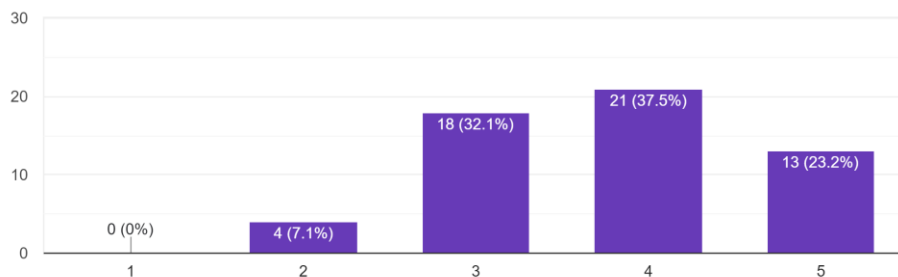


1.10 Our employees feel the organization is a place where employees are passionate about their work.

60.7% of respondents Agree or Strongly Agree with the idea that their employees feel the organization is a place where employees are passionate about their work. 32.1% of respondents answered Neutral.

Our employees feel the organization is a place where employees are passionate about their work.

56 responses



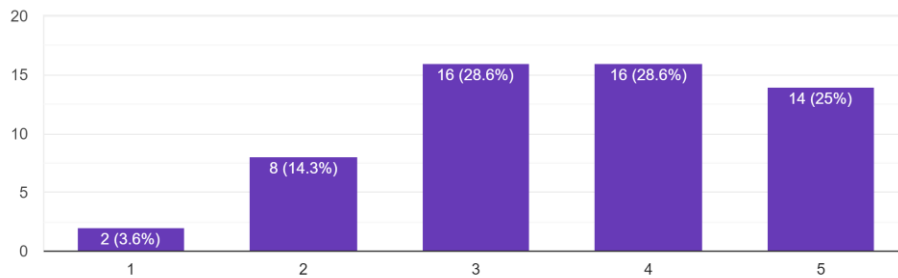
1.11 Our employees feel that burnout is something management experiences.

53.6% of respondents answered agree or strongly agree with the statement. 28.6% of respondents are Neutral with the idea that their employees feel that burnout is something that management experiences.

Appendix A

Our employees feel that burnout is something management experiences.

56 responses



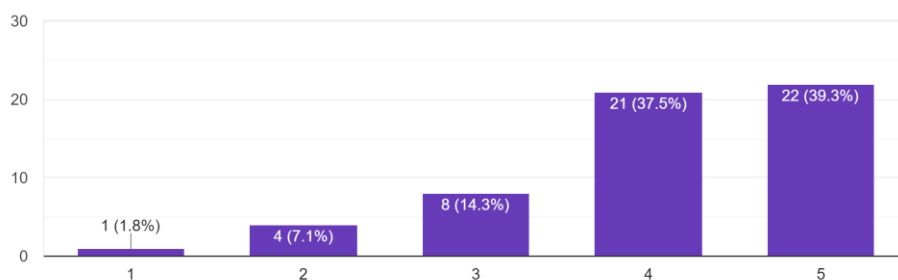
2. Management

2.1 Management is given plenty of autonomy in their role.

According to respondents 76.8% Agree or Strongly Agree that people in management roles are given autonomy to make decisions.

Management is given plenty of autonomy in their role.

56 responses



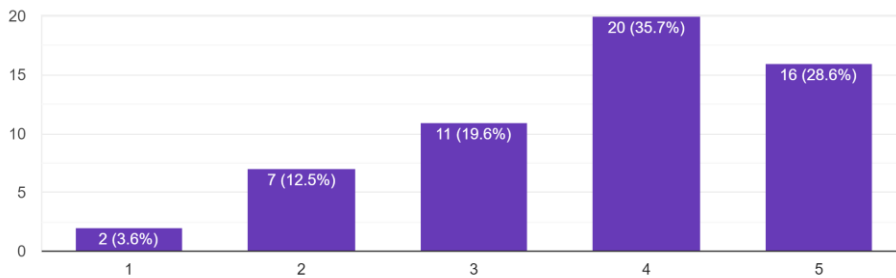
2.2 Burnout is a problem for management

There is very high agreement that management is experiencing burnout. 64.3% Agree or Strongly Agree with the statement. The reason can perhaps be found in the responses to 3.4 wherein respondents are asked what they are currently doing to deal with the labour shortage. After “increase wages” (67.3%), the second highest response is “increase the hours worked by management” (54.5%).

Appendix A

This also highlights one of the discrepancies in what employers believe that employees perceive. In question 1.11 only 53.6% of respondents believe that their employees feel that burnout is something that management experiences

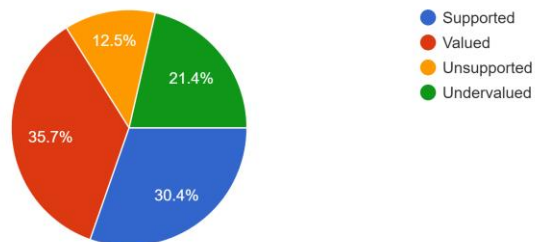
Burnout is a problem for management.
56 responses



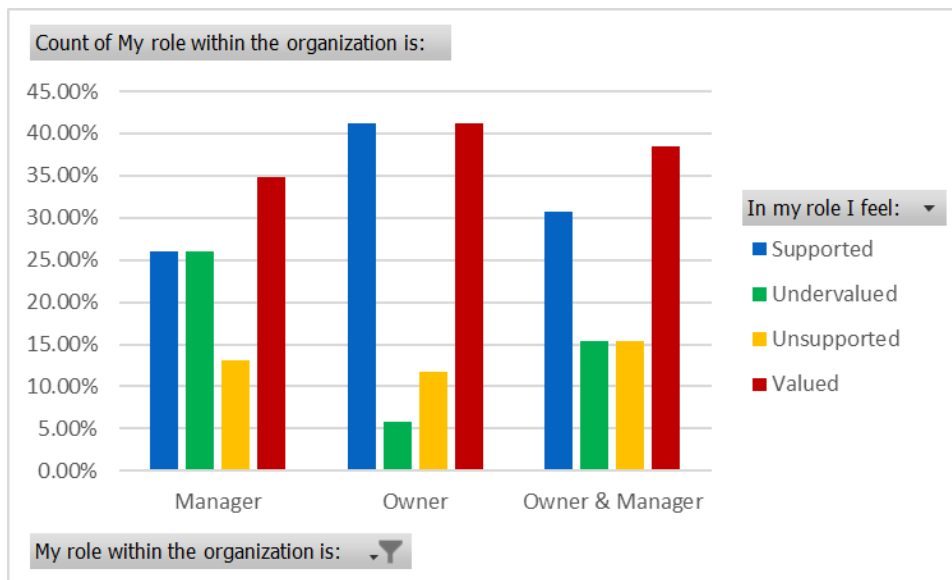
2.3 In my role I feel:

66.1% of respondents feel both valued and supported. When broken down further, owners and owner managers are more likely to feel valued and supported than managers.

In my role I feel:
56 responses



Appendix A



2.4 What is your organization implementing to support employees and improve retention?

According to the respondents the top three plans that organizations will use to support employees are to:

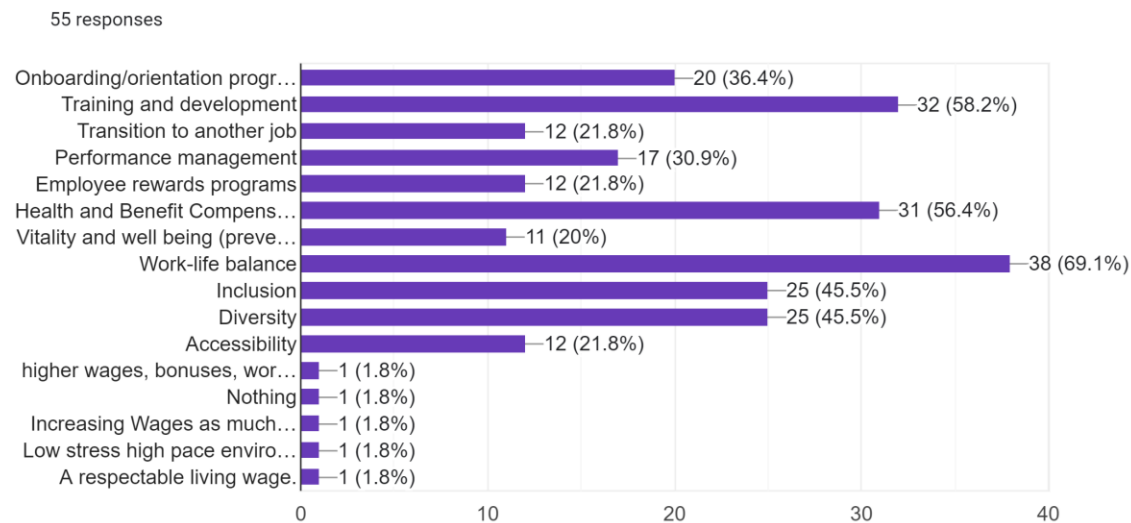
- Implement measures for work-life balance for employees. (69.1%)
- Implement additional training and development for employees. (58.2%)
- Implement health benefits and compensation. (56.4%)

In addition, respondents held Inclusion (45.5%) and Diversity (45.5%) higher on the list of ways to support employees. Respondents could choose multiple statements in response to this question.

In the Exit survey that RANS completed earlier in 2022, three main reasons that employees are leaving the industry are challenging work environments (21.7%), challenges with leadership and management (36.2%), and lack of job security (49.3%) and poor compensation (73.9% poor wages, 66.7% lack of benefits). The Exit survey had 69 respondents and allowed multiple responses to the question “List your primary reasons for leaving [the restaurant industry].”

This highlights the misalignment of perception between what is pushing employees out of the restaurant industry and what employers plan to do to recruit and retain them.

Appendix A



2.5 Respondents ranked from 1 to 4 how their organization provides resources for their employees.

Respondents ranked the statements from 1 (Most Applicable) to 4 (Least Applicable). Below is the most frequent response rank of each statement.

The most frequent response to “Most Applicable” is “my organization provides resources for staff to do their job”

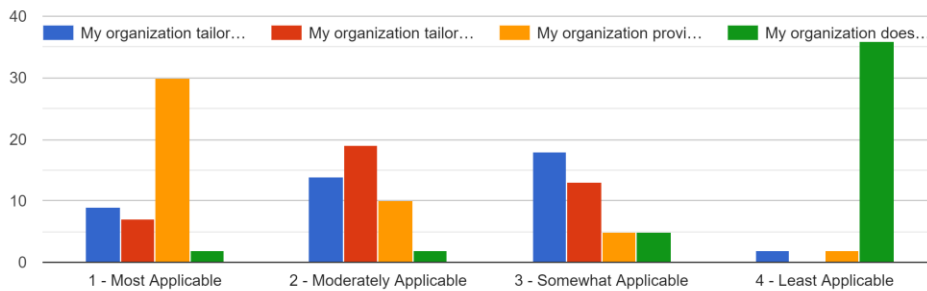
The most frequent response to “Moderately Applicable” is “my organization tailors employment positions so employees can do a better job.”

The most frequent response to “Somewhat Applicable” is “my organization tailors employment positions so employees can do a better job.”

The most frequent response to “Least Applicable” is “my organization does not tailor employment conditions to employee needs because it creates a precedent.”

Appendix A

Please rank the following statements from 1 (most applicable) to 4 (least applicable).

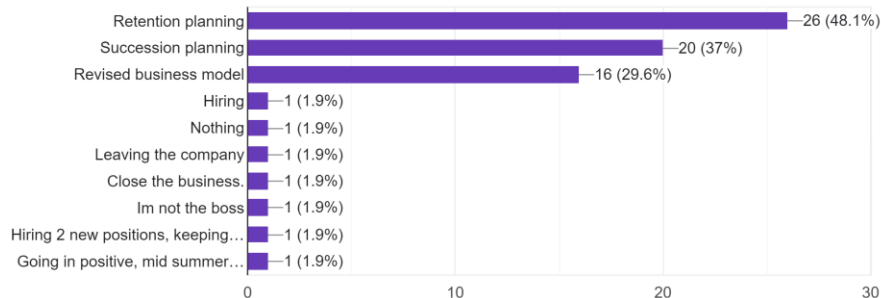


2.6 Organizational plans for the next six months

Retention planning (48.1%), succession planning (37%) and revising business model (29.6%) are the top three plans that organizations are focusing on over the next 6 months.

Which of the following best describes your new plans for the next 6 months? (please select all that apply)

54 responses



Labour Shortage

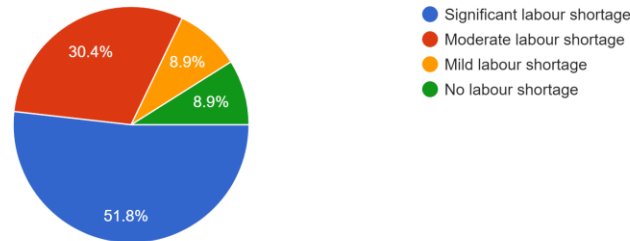
3.1 Your organization's current experience with the Labour Shortage?

Unsurprisingly, over 80% of respondents are experiencing significant to moderate labour shortages in the last 6 months.

Appendix A

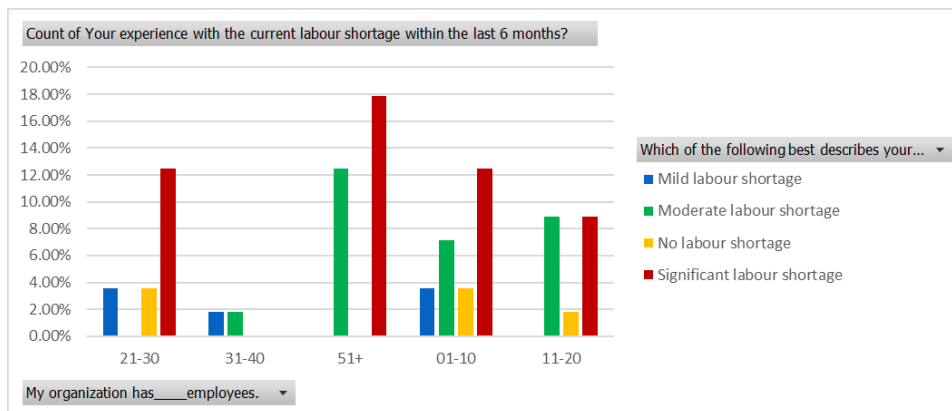
Which of the following best describes your experience with the current labour shortage within the last 6 months?

56 responses



When the numbers are broken down by size of organizations, the smaller organizations are more likely to express “Mild” to “No” labour shortage.

Of the 56 respondents, 27% are organizations with 1-10 employees. Of that 27%, 7.14% of the respondents replied “No Labour Shortage” to “Mild Labour Shortage”. There is a similar pattern for organizations with 21-30 employees (19.64%), 7.14% of the respondents replied “No Labour Shortage” to “Mild Labour Shortage”.



3.2 Rate the extent to which other issues are impacting your organization.

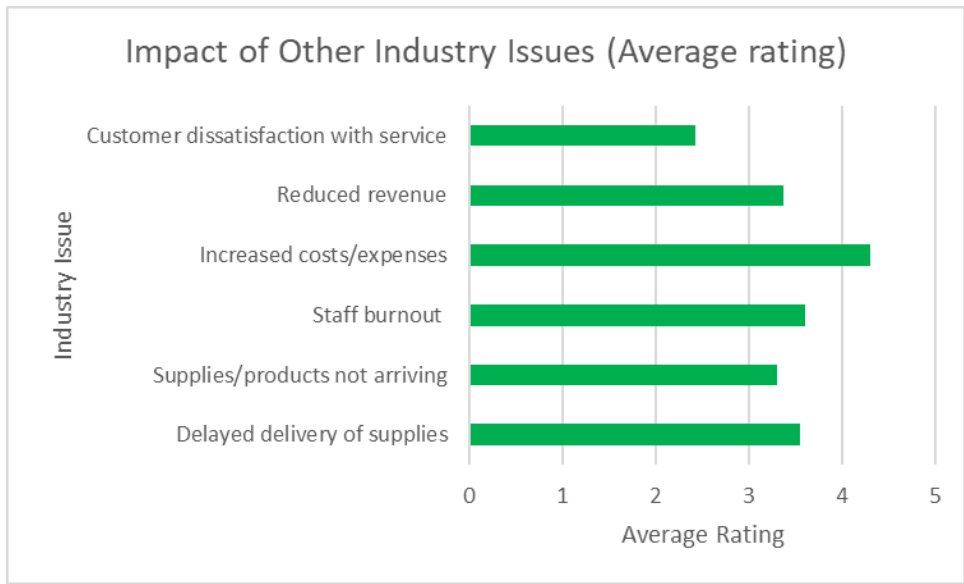
Respondents were asked to assess the impact of industry issues, other than the labour shortage, that are affecting their businesses (1 - No Impact to 5 - High Impact).

The issue most impacting businesses is “Increase of Costs/Expenses” with an average rating of 4.3. “Staff Burnout” (3.6 avg) was the second highest average rating which is reinforced in the data in Question 3.4 and in the focus group wherein it is reported that owners, managers and experienced staff are taking on more work and responsibility.

The least impacted issue is “Customer Dissatisfaction with Service” with an average rating of 2.4.



Appendix A



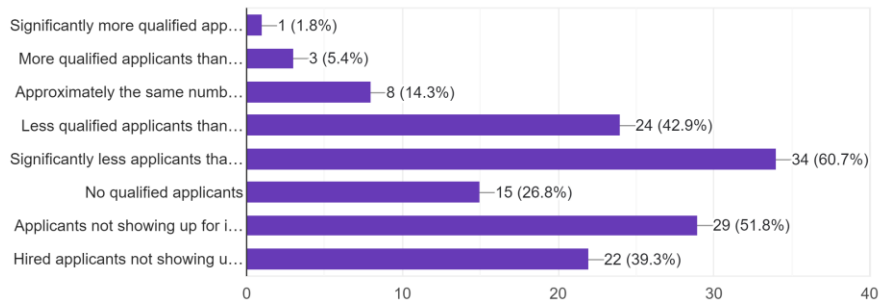
3.3 Evaluate the job application situation within your organization?

60.7% of respondents are seeing fewer people applying to jobs in the food & beverage industry. In addition, 51.8% of respondents say they have applicants who do not show up for interviews.

This follows a national trend of “ghosting” interviews. In November 2022, the Canadian Federation of Independent Businesses reported that [37% of respondents](#) said that applicants stopped responding part way through the application process. In the same report, results showed that the number of applicants that stop responding is 56% in the Canadian hospitality industry. Furthermore, in the RANS Labour Shortage Survey results show that 39.3% of “Hired applicants not showing up for first shift”.

Which of the following best describes the current situation with applicants within your organization/establishment? (please select all that apply)

56 responses

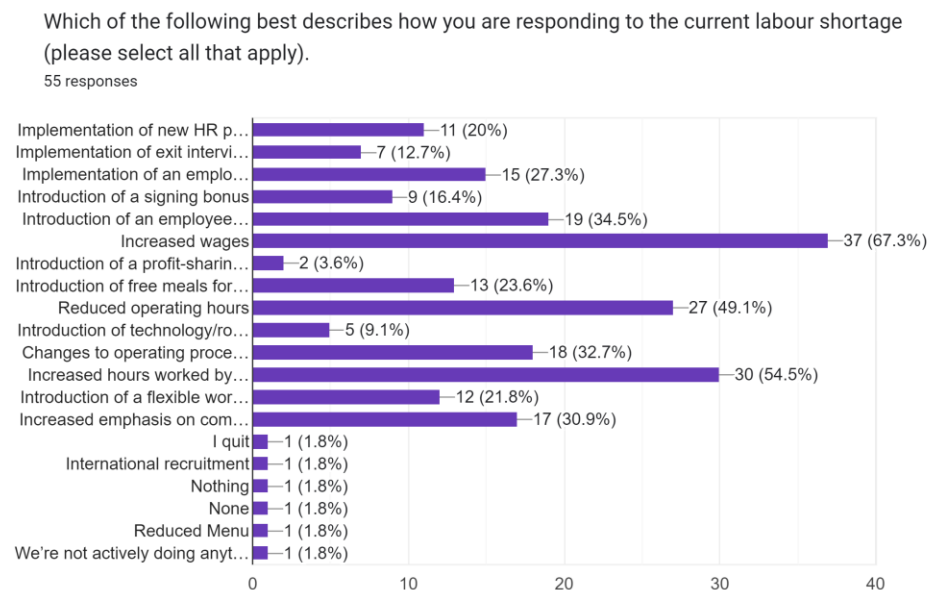


Appendix A

3.4 How are you responding to the labour shortage?

The top three changes that operators have made to deal with the labour shortage include “increasing wages” (67.3%), “increasing managers’ hours” (54.5%) and “reducing operating hours” (49.1%).

“Employee benefits” (34.5%), “changing operations” (32.7%) and “emphasis on company culture” (30.9%) also scored high as options that respondents are using to retain or recruit employees to work for their organizations.



Qualitative Data: Focus Group

The Focus Group for the Labour Shortage was hosted online February 2, 2023. The respondents included three owner operators. Two respondents are based in the Halifax Regional Municipality and one is rural.

How are you currently being impacted by the labour shortage?

- Added managerial responsibilities
- Difficulty finding people with the needed skills and experience
- Poor infrastructure (e.g., lack of housing, inadequate transportation options, lack of childcare)
- Immigration Barriers (e.g., long application processes)
- A call for increased compensation (e.g., wages, benefits)

When answering the question “how are you currently being impacted by the labour shortage?”, all three respondents (owners) indicated that they have taken on more managerial responsibilities over the past year due to the labour shortages.

Appendix A

Respondents also expressed that it has been difficult finding people with managerial experience, and that although employees can be found, they do not have the skills or experience needed. This is especially true for kitchen employees. Respondents shared that it takes more time to train new employees and that many employees lack “soft skills”.

The two respondents with businesses in HRM have turned to immigration to combat the labour shortage.

A lack of infrastructure makes hiring staff difficult. One respondent avoids hiring internationally because there is no housing or transportation to accommodate the late hours of a restaurant. Another respondent must pick up employees from the bus stop because it does not come close enough to the establishment.

Employees have more demands of the employer including choice of shifts and high wages for shifts that don't get tips.

What are current or past initiatives that you have tried to help with the labour shortage?

- Advanced planning when hiring immigrants
- Providing flexibility in employee schedules
- Reduced hours of operations
- Searching for hiring resources
- Wage support from local non-profit organizations

Respondents that hire through immigration plan up to one year in advance.

Allowing more flexible schedules to accommodate employee's availability, especially around transportation and childcare.

All have reported reducing operations to deal with the labour shortage.

Only one respondent had success finding employees through non-profit organizations which included a wage subsidy and support for staff. The same company also had good luck with O2 high school programs.

Other respondents expressed a need for government support to top up low wages.

What are your plans and goals moving forward?

- Menu Price Increases
- Changes to Tipping Allocation



Appendix A

Restaurateurs expect much of the same going forward. One respondent is planning on increasing prices, while another one has already increased prices. Customer response to inflation is mixed.

All restaurants have changed how they collect and distribute tips to better comply with regulations. Two have tipping committees and one will be starting contact tipping.

Limitations

A limitation to the RANS Labour Shortage Report is a small sample size. We learned that the labour shortage in urban and rural areas are different and that they are using different methods to attract employees. Future surveys might focus more on the differences between rural and urban operator experiences.