

# MINORITIES BRIDGING THE GAP

BY JAMES E. PETERS

**W**hile many operators lament the good old days when a "Help Wanted" sign in the window brought 100 applicants, today's industry leaders have recognized the need to tap into the ever-expanding labor pool of minority workers.

In the next decade, the ranks of racial and ethnic minorities—chief among them African-Americans, Hispanics, and Asian-Pacific Islanders—will grow dramatically. At the same time, the overall labor pool will grow only slowly, and the foodservice industry will be competing with other industries for workers. Becoming more involved in the community, supporting basic education programs, adapting to cultural differences, and expanding opportunities in supervisory and managerial positions for minority workers will be the hallmarks of success.

Forward-thinking companies have already begun to face the problem, and their success offers a valuable lesson. Oak Brook, IL-based McDonald's Corp. offers career development, operations training, and "Fast Track" programs developed specifically for minorities. As a result, 25.9% of the company's employees, and 15.8% of its managers, are black. Moreover, *Black Enterprise* magazine's 1989 report cited McDonald's Corp. as one of the "50 Best Places for Blacks to Work."

Says Robert M. Beavers Jr., McDonald's senior vice president and zone manager, and a member of the board of directors, "If a company is going to really provide opportunities for blacks, Hispanics, and women, it must be willing to take risks." Among the programs he recommends are multicultural training workshops, more aggressive recruiting efforts, encouraging managers to sponsor

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and participate in community networks, and encouraging company officers to become mentors.

**RACE RELATIONS.** Last January, the National Restaurant Association held its first Foodservice Employment 2000 Seminar in Washington, DC. The seminar offered strategies for recruitment, retention, and advancement. Representatives of racial and ethnic minority advocacy groups attended the conference, offering their perspectives.

Jeffrey Prince, the NRA's senior director of communication, believes the industry offers many opportunities to minorities. He says the marketplace is correcting any discriminatory practices that may have existed. "Because of the labor shortage our industry faces, we cannot exclude anyone."

"African-Americans want to be a part of the mainstream," observes John Dixon, general manager of the Washington, DC, J.W. Marriott Hotel. "They want to

be in the race, but they have been running with one leg tied. Affirmative action says we should untie the leg and let everyone run in the race on a more equal level. But it takes time for the leg to heal and strengthen."

Dixon believes affirmative action is a remedial step to bringing all people to the starting gate. "Expanded opportunity" is another term for affirmative action, which doesn't stop with the hiring process. It applies to training, remedial education, and the cultural adaptation and support necessary to prepare people to compete equally.

Ernie Royal, a black entrepreneur in Rutland, VT, speaks from personal experience of the many social changes that have occurred over the years. In his late 70s, he's still active as chef and manager of his restaurant, Royal's Hearthside. Royal began his career as a chef in a Boston hotel. Realizing his opportunities for advancement were limited there, he leased space and opened his own successful restaurant outside of Boston.

Later, Royal made an offer to buy the building, but the bank refused him a loan. Royal is convinced it was because he was black. He moved to Rutland, and with the help of the seller, bought the restaurant he owns today.

A lot has changed in the 30 years since Royal left Massachusetts, but he is still deeply disturbed about the gap between the industry and the minority community. "Why is it that our industry is so desperately seeking labor when unemployment among black and Hispanic youth is double that of whites?" asks Royal. "Youth has been the backbone of the industry. Our industry works off of the imagination, creativity, and expansive energy of youth. How can we get more young people to consider our industry?"

**THE FACTS.** A report by the Hudson Institute shows that American-born white males accounted for 47% of the la-

## THE LABOR FORCE

By the year 2000, white males will represent only 15% of new entrants to the labor force. Forty-two percent will be white females and 43% will be nonwhite workers.



SOURCE: Hudson Institute

\*Projected



Robert Beavers Jr.

Senior vice president  
McDonald's Corp.  
Oak Brook, IL

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bor market in 1985. Between now and the end of the century, however, this group will represent only 15% of new entrants to the labor force. American-born white females will dominate the entrant group, representing 42% of new workers. The remaining 43% will be represented by nonwhite groups.

Between now and the year 2000, the Hispanic labor force is expected to grow by 6 million, a 4.1% annual increase. The Asian-Pacific Islander labor force should grow by 2.4 million, a 3.9% annual gain. And the African-American labor force is expected to grow by 3.7 million, or 1.8% annually. The overall labor force growth rate is projected to be only 1.2% a year.

The foodservice industry is a significant employer of racial and ethnic minorities. The industry's employment of blacks rose 61% from 1980 to 1986, and was up 56% for Hispanics. Employment of these groups is climbing at twice the overall industry growth rate of 27%.

Yet, while the industry continues to suffer from a severe labor shortage, especially in the Northeast, unemployment among minority groups remains high, especially among youth, a traditional source of labor for the foodservice industry. Last year, black youth had an unemployment rate of 32.4%, almost twice that of white youth.

**NEW AVENUES.** Siobhan Nicolau, president of the Hispanic Policy Development Project and a panelist at the NRA meeting, says, "Traditional roads to upward mobility are closing. When both the man and woman in a household work and the family still functions as part of the working poor, something has to change." She adds that while African-Americans and Hispanics are a large part of the foodservice labor force, they remain in the kitchen and are not as well represented in the better-paying and more visible front-of-the-house jobs.

Department of Labor statistics for 1988 indicate there are 20% more blacks and Hispanics employed in foodservice than in the general labor force. However, in the past five years, the percentage employed as supervisors has remained unchanged. And for tipped jobs in the front of the house, such as bartender and server, there has actually been a decrease. The percentage of African-Americans and Hispanics employed as foodservice supervisors is 10.8% and 7.7%, respectively; as bartenders, 2.2% and

5.9%; and as short-order cooks, 16.6% and 10.6%. African-American workers account for 10.7% of the general labor force, and Hispanic, 7.4%.

Meanwhile, wages and benefits in the foodservice industry lag behind those of other industries, including other segments of retail trade, according to the Department of Labor. In 1988, the average weekly earnings for workers in eating and drinking places was less than 65% of the average in the retail sector as a whole, and average hourly earnings were less than half those of the private sector. Typically, benefits offered by foodservice employers are less comprehensive than those of other industries.

Minority members traditionally work in hourly positions, and view them as subservient, demeaning, low-status jobs. They see low wages, no benefits, no clear-cut career ladders, and few advancement opportunities.

That is a situation that will need to change. John Bazemore, management development specialist for Days Inns of America, Atlanta, predicts that by the end of the 1990s, white females and racial and ethnic minorities will dominate the workplace. "Their values and the importance of family in their lives will be reflected in schedules and benefits."

**PERCEPTIONS.** Nicolau points out that while the median age of the white population is 34, half of the country's 20 million Hispanics are under the age of 25. She adds that in a report prepared by the National Institute for Work and Learning, Hispanics, unlike other young people in hourly fast-food jobs, said they would like to make a career of the food industry—if only they knew how to.

Indeed, few young minority members are encouraged to make a career of foodservice. Tom Fat, who is Chinese, owns Fat City Cafe in San Diego, though he is trained as a tax attorney. His father, Frank Fat, founded the restaurant 50 years ago. "My father needed work to support his family, and at the time, there were few options for him," says Tom Fat. "Chinese either had restaurants, laundries, or grocery stores. He worked hard, and encouraged all of his children to get a good education.

"Our family has three generations working in foodservice," adds Fat. "We operate it as a business, and are working to create our own chain. But we have also

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## EXPANDING OPPORTUNITY

**T**hrough the end of the next decade, the number of jobs in separate eating and drinking places will swell by 177,570 positions annually—twice the rate of overall job growth—to employ 2.5 million additional workers. Many of these jobs can be filled from the increasing ranks of minorities, particularly in the area of supervisory positions. As it stands today, Department of Labor statistics indicate that while there are 20% more blacks and Hispanics employed in foodservice than in the general labor force, in the past five years, the percentage employed as supervisors remained unchanged.

branched off into other businesses and real estate." Collin Fat, Tom Fat's nephew, has his master's degree in hotel and restaurant management from Cornell. He is unusual among Asian-Pacific Islanders of his generation. "Most are encouraged to enter professions such as engineering, business, or mathematics. Careers in foodservice are not high on the list," says Tom Fat.

Eddie Isom left a promising career with Marriott Corp. to pursue his personal mission of expanding management education programs for blacks. Today, Isom is general manager of the Howard Inn, part of Howard University, a black educational institution in Washington, DC. While black educational institutions are graduating more hospitality managers each year, Isom believes mainstream institutions need to become more aggressive in recruiting blacks and other minorities into their programs.

**MORE OPPORTUNITIES.** Although the foodservice industry is repeatedly confronted with an image problem, change is occurring. The challenge is to present these changes and opportunities to potential employees and their families. It is important to show that there are more opportunities available than just dishwashing. But the industry must also make it clear that dishwashing can be a step on a career ladder in foodservice.

Industry groups recommend that the following steps be taken:

- Have black, Hispanic, and Asian industry leaders address parents, school guidance counselors, and community leaders. People need to see that there are opportunities, and that a career in foodservice is a viable goal.
- Create more multi-cultural training programs, make more aggressive recruiting efforts, and provide mentoring within company staffs.
- Define and publicize your company's career ladders to attract workers.

Savvy operators realize that it is necessary to market for employees just as they've always marketed for customers. To regain their competitive edge, foodservice businesses must develop cross-cultural competence. Investments in education and training—not only in job skills, but in literacy, language, and social skills—must also be made.

Beavers of McDonald's believes that recruiting labor requires more than putting ads in the paper and signs on marquee. The company actively encourages licensees and managers to join and sponsor community groups and to serve on boards of agencies working with youth and minorities. According to Beavers, "This provides us with an opportunity to educate groups about job opportunities at McDonald's and, at the same time, dispel myths about foodservice. Through word-of-mouth, people start recommending nephews and nieces, sons and daughters."

In addition, it provides an opportunity for McDonald's management to learn about cultural issues and community concerns. Being an active participant in the community gives the company exposure that advertising dollars could never buy.

In order to overcome attitudinal barriers to foodservice careers, companies must present positive role models to students and their families. Isom of the



Tom Fat

Owner  
Fat City Cafe  
San Diego, CA

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PHOTOGRAPH BY ROBERT SMULL, THE LENS MAN

Howard Inn believes it is necessary to develop a continuing collaboration with schools and community to consistently reinforce the message about the variety of job opportunities in foodservice. Having black or Hispanic industry leaders like Beavers and Dixon address parents, school guidance counselors, and community leaders is also important, so people can see that there are opportunities in senior positions.

For students in low-income urban areas, more appropriate role models would be maitres d', bell captains, chefs, and bartenders who can give the students a more realistic image of the industry, and discuss the greater variety of job opportunities available.

"If the maitres d' or chefs from major hotels talk about their jobs, who they work with, who their customers are, and how much they make, it will make an impression on the students," observes Isom. They will learn that being a dishwasher or busser can be the first step in the career ladder toward supervisory or mid-level management positions.

Atlanta-based Arby's Inc. has developed its Management Assessment Program as a formal career ladder program. Hourly workers have a variety of opportunities to gain management experience, as shift leaders, relief associate managers (RAMs), associate managers, and managers. Unit managers are given cash incentives to develop RAMs, and are therefore constantly on the lookout for talented hourly workers. The program started out informally, but now involves special marketing, monthly meetings, and an annual RAM convention.

**CROSS-CULTURAL TRAINING.** Because of low unemployment rates in various parts of the country, foodservice businesses are hiring workers who are not fluent in English. Language barriers reduce productivity and can obstruct advancement.

Cultural differences can also keep employees from achieving their full potential. A lack of understanding by managers and supervisors of how cultural differences affect a person's job performance can undermine working relationships and lead to rapid turnover because of worker dissatisfaction.

An innovative public/private sector pilot project in Arlington, VA, called the Workplace Literacy Partnership Program and presented by the Wilson

School with federal and state funding, is providing basic English and communication skills to 400 employees in 12 hotels. Under the guidelines of the program, the business partner must match some of the school's contribution. Companies may do this by donating space for classes, paying employees for attending class, and offering bonuses for employees who complete the class.

An indirect outcome of the program is that the education system is becoming more aware of the needs of the hotel and restaurant industries through the partnership. This will result in more positive attitudes about the industry by teachers and school administrators.

**MENTORS.** Becoming involved in the community, creating clear career ladders, and removing language and cultural barriers are all ways to get more people into the work force, but attention must also be given to helping them advance through the ranks. This usually requires ongoing support from senior management. The mentoring process often begins when one individual identifies with another who has similar physical and cultural attributes, and has already attained some measure of success.

For many blacks and other racial and ethnic minorities, there are very few role models to readily identify with—someone who can teach them how to act, how to understand the environment, and how to adapt their behavior to succeed. Many have had to turn to white males as their mentors. For others, like Dale Foulkes, a unit manager for Marriott Food and Services Management in Falls Church, VA, family members served as mentors. Foulkes' father was a senior manager at IBM who helped him learn the process of becoming a manager.

One problem Foulkes notes about his own advancement was the high turnover of managers, and the need to reestablish a relationship with every new manager. He believes having a stable management team is important for staff development, and allows talented and ambitious workers an opportunity to gain the trust and confidence of their supervisors.

Today, Foulkes feels an obligation to black youth who did not have such a strong male figure in their lives, and works to educate them about the diversity of the industry and the many opportunities available.

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**Ernie Royal**

Chef/manager  
Royal's Hearthside  
Rutland, VT

**“Why is it  
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**MINORITY EMPLOYMENT**

The foodservice industry is a significant employer of racial and ethnic minorities:

From 1980 to 1986, foodservice employment of blacks rose 61%; for Hispanics, 56%.

Employment of these minority groups has climbed at twice the 27% rate for total industry growth.

SOURCE: Bureau of Labor Statistics

Many members of racial and ethnic minorities who enter management positions hit a "glass ceiling" where, for no apparent reason, their advancement stops. Many leave and begin their own businesses. JoAnn Price, president of the National Association of Investment Companies, states that franchise businesses are "light years ahead of others in offering minorities more focused advancement opportunities."

Her firm is an association of Small Business Investment Companies (SBICs) that provide venture capital for minority businesses. According to Price, SBICs look more favorably upon minorities trying to buy a franchise than on those starting their own businesses. "Franchisors provide management support and a proven product." In addition, she says, "Franchised businesses are on the cutting edge of breaking down racial barriers. If minorities own their own businesses they hire other minorities, creating support for further management development."

Kentucky Fried Chicken, in Louisville, KY, is among the companies aggressively working to increase opportunities for minorities. A company commitment to open 20 new minority-owned KFC restaurants a year went into effect in 1988, and the company now feels that the program is yielding encouraging results.

KFC's program includes a guaranteed loan program, arrangements with minor-

ity-owned banks for credit and banking services, and use of minority-owned vendors and supply companies.

**JUMPING THE BIG HURDLE.** Compensation, including wages and benefits, appears to be the most-identified barrier to increased participation by racial and ethnic minorities in foodservice employment. Strong industry lobbying against legislation on these issues sends a negative message to the minority community.

William E. Hartsfield, a Dallas-based attorney who represents a number of foodservice companies, proposes a radical compromise position on the minimum wage issue that would also address the proposed minimum standards for health benefits. "By combining both wages and health benefits in one package, employers could be given the opportunity to provide employees with the best compensation, based upon their needs."

Hartsfield's plan is not to oppose the raise in minimum wage, but to lobby for a credit for benefits. For instance, with a minimum "compensation" package of \$4.25 an hour, an employer could offer \$3.35 in wages, 40¢ in health insurance, and 50¢ in child care to one employee and 90¢ in education benefits to another in lieu of insurance and child care.

In addition to allowing both the employer and employee the opportunity to structure the most flexible compensation package, such a program does not discriminate against employees who don't require insurance or who are childless.

Richard Berman, a Washington, DC-based industry consultant on labor issues, believes that wages and benefits cannot be legislated on a national basis because of the variation in economic climates throughout the country. "What a restaurant operator can afford to pay a low-skilled worker in Oklahoma is considerably different than what a restaurant operator pays in Boston, where even at \$7 an hour, many jobs are unfilled."

Berman believes the marketplace should define compensation. Employers who need workers will have to create the proper compensation package to attract them. If they have to pay more than what the consumer is willing to absorb in menu prices, then the business will close.

"Legislated compensation that is not sensitive to the marketplace can result in a situation opposite to what is intended," warns Berman.



Carl Ashurst

Executive chef  
Doubletree Hotel  
Monterey, CA

**“Managers  
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PHOTOGRAPH BY LOU PAPPAS