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**HR PRACTICES, EMPLOYEE BEHAVIOR,
CUSTOMER SATISFACTION, AND
RESTAURANT PERFORMANCE**

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ABSTRACT

This paper looks at performance at the individual restaurant level from the perspective of management, customers and employees. The results are based on surveys of each of these three groups conducted between June and September 2001 at a sit-down, casual restaurant chain. There are several key findings. Service-related employee training and giving staff a say in making decisions improves customer satisfaction and loyalty. How employees perceive the service climate in their restaurant is a better predictor of positive customer perceptions than managers' appraisal. Employees who score higher in terms of being conscientious and extroverted on a personality test perform better. The kind of service climate created by management affects employee performance and customer satisfaction and loyalty. This study is an important milestone which represents the Center's first research on the foodservice industry based on the collection and analysis of primary (original survey) data.

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A Note on Restaurant-Specific Information

For restaurants that participated in the surveys, we are providing, as a separate document, information on how their employees and customers responded to selected groups of items, as well as summaries of some of the items obtained from the owner/manager survey.

To protect the confidentiality of responses, however, we do not provide this information if the number of responses from each restaurant was less than ten for customers or employees.

To link this report to the restaurant-specific information, we use the notation “[#],” where the number in the brackets refers to the corresponding item in the separate report. For example, “[3]” indicates the third item in the restaurant-specific report.

A Note on Statistical Significance

At various places in this report, we provide information concerning the statistical significance of our results. Typically, you will see something like, “Chi-square = XX, d.f. = XX, $p < XX$.”

This information tells the likelihood that the results shown are due purely to chance. The lower the likelihood that the results are due to chance, the more significant the result is.

The notation “ $p = (\text{some number})$ ” or “ $p < (\text{some number})$ ” provides a measure of what this likelihood is. For example, “ $p = .05$ ” means that there is a 5% likelihood that the results are due to chance. The lower the value of “ p ,” the more significant the result is. By convention, 5% is often used as the cutoff value to indicate a significant result.

If you want, you can ignore the details. Just keep in mind that “significant” means that the results are not likely to be due to chance, while “not significant” means that there is a higher-than-acceptable probability that the results are due to chance.

Introduction and Overview of the Project

This report summarizes the information gathered via surveys of customers, employees, and owners and managers of a casual sit-down restaurant chain. The surveys were conducted by Stephen J. Smela, Hui Liao and Aichia Chuang¹ of the University of Minnesota between June and September, 2001. Support, financial and otherwise, was provided by a grant from the Alfred P. Sloan Foundation through the University of Minnesota's Food Industry Center.

The purpose of the project was to investigate the linkages between human resources management practices, employee attitudes and behaviors, customer satisfaction, and the financial performance of the restaurants. As the project progressed, however, it became apparent that we were not going to be able to conduct all of the analyses we had envisioned, for two main reasons. First, we received a complete set of surveys (from customers, employees, and owners/managers) from only twenty-eight restaurants, which is an insufficient number for many statistical purposes. Second, we were unable to obtain the data on the financial performance of individual restaurant locations that would allow us to make the complete set of linkages from HR practices to financial outcomes.

Nonetheless, the information contained in this report should prove useful. And while we were not able to perform all of the analyses we had envisioned, Hui Liao and Aichia Chuang have been able to do some of them. Briefly, their results indicate:²

- The “service climate” fostered by management has positive impacts on employee performance and customer loyalty and satisfaction.
- Employees’ perceptions of the service climate within their restaurants proved to be more accurate than the perceptions of owners and managers, in that employees’ perceptions better predicted positive customer outcomes.
- The more conscientious and extroverted employees are (as measured by a standard personality scale), the higher their level of performance will be.
- Providing service-related training to employees and giving them a say in decision-making are both related positively to customer loyalty and satisfaction.

The following three sections contain the results from the owner/manager, customer, and employee surveys.

¹ Stephen Smela and Hui Liao are still at the University of Minnesota.

² Now at National Taiwan University of Science and Technology.

The Owner/Manager Survey

To conduct the owner/manager survey, we mailed three paper questionnaires to each of the 55 restaurant locations, asking that each owner or manager complete a separate questionnaire. We received a total of 51 responses from 33 locations: one response from each of 22 locations, two responses from five locations, three responses from five locations, and four responses from one location.

We report results both by individual owner/manger and by location; the context should be obvious from the number of responses we report. If we received multiple responses from a single location, we aggregated them when preparing results by restaurant.

WHO RESPONDED?

Of the 51 responses we received, 31 were from managers and 20 were from owners who participate in management. None were from absentee owners (that is, those who do not participate in management). Consequently, in this section we refer to respondents as “managers,” even though some were owners as well.

Forty-five of the respondents reported that they were a manager at a single location; two were managers at two locations; and four were managers at four locations. For those that managed multiple locations, only one reported that management practices were not consistent across locations.

MISCELLANEOUS RESTAURANT CHARACTERISTICS

Advertising expenditures. Sixteen restaurants reported spending additional money beyond the fee paid to the restaurant chain organization. The amount spent ranged from \$1600 to \$15,000 per year.

Employee turnover. Managers reported that over the past twelve months, the number of employees hired roughly equaled the number of employees currently working at their restaurant. Of those hired over the past twelve months, approximately half had already left. In other words, turnover rates averaged around 50% over a 12-month period, whether turnover was measured relative to the existing number of employees or the number of employees hired over that period.

WORK PRACTICES AND EMPLOYEE BENEFITS

Influence employees have over decisions at work. Managers were asked five questions pertaining to employee involvement in decision-making.³ Response categories ranged from “not at all” (assigned a value of 1) to “a great deal” (assigned a value of 5). Responses from these five items were averaged to produce an overall “employee input” index.

³ For example, “To what extent can employees resolve customer complaints on their own?”

The value of this employee input index ranged from 1.8 to 4.8 over the 33 restaurants from whom a manager survey was received. [1] The lowest score stood by itself between a score of 1 (“not at all”) and 2 (“just a little”). Two restaurants reported a level of employee influence between 2 (“just a little”) and 3 (“a moderate amount”). Fourteen restaurants ranked their level of employee input in decision-making between 3 (“a moderate amount”) and 4 (“quite a lot”), and sixteen restaurants had an employee input score between 4 (“quite a lot”) and 5 (“a great deal”). The average value was 3.8, indicating that managers thought their employees were just under having “quite a lot” of involvement in decision-making.

Employee benefits. Managers were asked to indicate which of thirty-one employee benefits their restaurant provided to employees. Table 1 on the next page shows how many of the fifty-one respondents to the owner/manager survey reported the presence of each benefit.

While a large number of managers reported “vacation time” as an employee benefit, in retrospect it appears that many respondents interpreted the term “vacation time” to mean any vacation time, whether paid or unpaid, since the meaning of the term was unclear on the questionnaire.

Similarly, “free parking” is a highly-cited benefit, but most likely refers to parking on the premises along with customers.

It is interesting to note that only 22 managers reported having an employee suggestion system, since a simple (but effective) suggestion system is an inexpensive way to increase employee empowerment which, as noted above, is positively linked to desirable customer outcomes.

Health insurance was cited as one of the most-desired fringe benefits by employees. The fact that seventeen respondents reported its presence indicates that providing health insurance is not necessarily beyond the means of restaurants.

Finally, given the large proportion (45%) of employees who are students, we note that only one manager reported providing tuition assistance to employees.

Table 1. Number of Managers Who Reported Providing These Employee Benefits.

Flexible working days	49	Flexible working hours	49
Free parking	47	On-the-job training	44
Promotion from within the restaurant	39	Vacation time	36
Discounts on goods and services	30	Performance-based pay	30
Employer-provided meals	28	Job sharing	25
Sexual harassment awareness programs	23	Employee suggestion system	22
Job rotation	17	Health insurance	17
School to work programs	17	Conflict or grievance resolution programs	14
Bonus for good performance	12	Employer-sponsored recreational, social, and service activities	11
Workplace violence program	10	Public recognition for contributions	9
Diversity awareness programs	4	Career counseling services	4
Mentoring programs	4	Apprenticeship programs	3
Retirement plan	3	Profit-sharing plan	2
Sign-on bonus	2	Family counseling	1
Tuition benefits	1	Day care services	0

RECRUITMENT AND SELECTION

Recruitment methods. The numbers of managers using various recruitment methods appear in Table 2. The results are not surprising; we simply note that the research literature supports using referrals from current employees, which is the most-cited method.

Table 2. Number of Managers Who Reported Using These Recruitment Methods.

Referral from current employees	47
Newspaper advertising	42
Internal job postings	26
Posting around town	10
Job placement service	7
College recruiting	5
Internet postings	2
Soliciting from competitors' locations	1
Reader board	1
Walk-in applications	1
Window sign	1
Sandwich board	2

Selection practices. Table 3 shows the numbers of managers who reported using specific selection practices. We note the high prevalence of “giving applicants an accurate idea of what the work is really like.” The research literature demonstrates that use of these “realistic job previews” has beneficial effects such as reduced turnover.

However, some of the selection practices are at odds with findings from academic research. Research generally supports the use of structured interviews instead of unstructured ones. And, as noted above, personality tests would be useful for selecting employees who are conscientious and extroverted, two of the traits that are positively linked to desirable customer outcomes.

Table 3. Number of Managers Who Reported Using These Selection Practices.

Giving applicants an accurate idea of what the work is really	40
Unstructured interviews ⁴	37
Reference checks	30
Probationary period	20
Structured interviews ⁵	20
Letters of recommendation	16
Background checks	12
Intelligence tests	1
Work-sample tests ⁶	1
Personality tests	0
Vocational interest tests	0
Honesty tests	0
Drug tests	0
Other	2

⁴ Interviewers are allowed to ask follow-up questions and questions are not necessarily job-related.

⁵ Interview questions are pre-determined, consistent for all applicants, and closely related to job requirements.

⁶ Selection tests that ask applicants to perform tasks that are actually a part of the work required on the job.

Fit with the job versus fit with the organization. Owners and managers were asked to report the extent to which they considered a list of seven factors when making a hiring decision. The first four of these factors measure the *fit between the person and the job*—that is, whether the applicant has the skills, interests, and personality needed for the job. The last three factors measure the *fit between the person and the organization*—whether the applicant will fit in with coworkers and the overall environment in the restaurant. Each set of factors was aggregated to produce a summary score.

Responses to these items from 50 owners and managers appear in Table 4. As one can see, owners and managers are slightly more concerned with how well the applicant will fit into the overall organization than how well the applicant’s qualities match the requirements of the job, although both are obviously important.⁷ These results are not surprising, given the importance of inter-personal relationships in the restaurant setting. [2]

Table 4. Degree to Which Managers Base Their Hiring Decisions on Person-Job Fit and Person-Organization Fit.^a

	Not at All	To a Small Extent	To a Moderate Extent	To a Great Extent	Absolutely
Fit between person and job	1	2	11	30	3
Fit between person and organization	0	2	12	26	10

^aNumbers indicate numbers of managers reporting each level of use.

Service orientation of training. We asked managers to indicate the degree to which their training of employees who interact with customers emphasizes customer service. We aggregated responses from thirteen items to create an index of the service orientation of training.

Based on these aggregate results, twenty-six restaurants emphasize customer service “to a great extent” during training; six emphasize service “to a moderate extent” during training; and none emphasize customer service “not at all.” One restaurant did not respond to these items. [3]

⁷In fact, 25 respondents ranked person-organization fit as more important than person-job fit, 17 ranked person-job fit more highly, and 8 indicated that they were equally important.

PERFORMANCE MANAGEMENT

We used fourteen items to gauge three different aspects of managing employees: how much the restaurant accommodates its employees' needs;⁸ how much the management encourages employees to work toward a common goal;⁹ and how much recognition the employees receive for their efforts.¹⁰ A higher level of agreement with statements on these topics corresponds to a higher rating for the restaurant.

The average level of agreement (by restaurant) of managers with these three sets of statements appears in Table 5. One can see that, overall, managers rate their restaurants highly in terms of how they manage employees. However, one restaurant consistently received low marks.
[4]

We will compare managers' ratings of these items with parallel ratings by employees later in this report.

Table 5. Average (by Restaurant) Agreement of Managers with Statements Concerning Performance Management.^a

	Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
The restaurant accommodates its employees' needs	0	1	0	2	3	19	8
Employees work as a team to achieve a common goal	1	0	0	0	9	17	6
Employees receive recognition for their efforts	1	0	0	0	0	11	21

^aNumbers indicate number of restaurants with an average level of agreement in each category.

Frequency of employee evaluations. We asked owners and managers how often they evaluate the performance of their employees. Responses ranged from “no formal evaluations” to “once a week or more,” with the average falling around once a year. In retrospect, the wording of the question left a lot of room for interpreting what it means to “evaluate the performance of an employee,” so we do not present the results here.

⁸ For example, “The restaurant considers employees' goals and values.”

⁹ For example, “I encourage employees to be team players.”

¹⁰ For example, “I say a good word when I see members are helping each other out.”

Bases for employee evaluations. We asked managers the extent to which they use items corresponding to four sets of criteria in their evaluation of employees: job performance; behavior against the organization; behavior against other people; and citizenship behavior (voluntarily behaving in ways that are not part of their job description but that are helpful to others and the organization).

We aggregated the items to produce aggregate scores that measure the extent to which the four sets of criteria are used in each restaurant. A summary of the results obtained from 27 restaurants appears in Table 6. [5]

As is evident, managers are more concerned with harmful behaviors against the organization or other people than they are about performance of the employee's job *per se* and about organizational citizenship behavior.

Table 6. Extent to Which Restaurants Use Each of Four Sets of Criteria in Evaluating Employees.^a

	Not at All	To a Small Extent	To a Moderate Extent	To a Great Extent	Absolutely
Performance of job tasks	1	0	0	14	13
Negative behavior directed against the organization	1	0	0	5	22
Negative behavior directed against other people	1	0	2	4	21
Organizational citizenship behavior	1	0	3	17	7

^a Numbers indicate number of restaurants with an average level of use in each category.

Behavioral norms and expectations. We asked managers the extent to which they encourage or discourage behaviors related to how employees are evaluated—in other words, how strongly do managers make their expectations known? On the following page, Table 7 shows the number of restaurants reporting the various degrees of discouragement to behaviors against the organization¹¹ or other people,¹² and the degree of encouragement given to positive behaviors.¹³ [6]

Once again, we see that managers place more emphasis on preventing negative behaviors than on promoting positive behaviors. And, as before, one restaurant stands out from the others, in that it reports “strongly encouraging” and “insisting upon” negative behaviors, but this response may just reflect misunderstanding the question.

¹¹ Evaluated through a set of four items such as “doing poor quality work” and “being absent from work.”

¹² Evaluated through a set of four items such as “acting rudely toward someone.”

¹³ Evaluated through a set of eight items such as “obeying work rules even when nobody is watching.”

Table 7. Extent to Which Managers Discourage or Encourage Negative and Positive Behaviors.^a

	I will not tolerate this	Strongly discourage	Somewhat discourage	Not clear	Somewhat encourage	Strongly encourage	I insist upon this
Negative behavior directed against the organization	20	12	0	0	0	0	1
Negative behavior directed against other people	21	9	2	0	0	1	0
Organizational citizenship behavior	0	0	0	0	3	22	8

^a Numbers indicate number of restaurants with an average level of encouragement/discouragement in each category.

Rewarding good performance. Of the 33 restaurants that returned owner/manager surveys, two reported that they had no explicit means of rewarding good performance on the job, and 31 said that their rewards took only the form of informal, oral praise (Table 8). Just over half reported promoting employees based on performance, and fewer than half had any other kind of formal reward system.

Table 8. Number of Locations That Reported Using These Rewards for Good Performance.

Good employees are recognized orally and informally	31
Good employees are promoted to a higher level position	17
Some monetary rewards, not related to employees' regular pay, are provided (for example, store coupon or a bonus)	14
Some non-monetary rewards are provided (for example, basketball tickets, an extra day off)	12
Wages are tied directly to employees' performance	12
Good employees are recognized formally (for example, "employee of the month")	4
Nothing special, employees are paid a flat hourly rate	2
Other	3

Perceptions of service climate. As mentioned in the introduction to this report, the “service climate” in a restaurant has important and positive influences both on employee performance and customer satisfaction and loyalty. Moreover, management plays an important role in determining the service climate at each location.

To measure service climate, we asked respondents to rate seven aspects¹⁴ of their restaurant on a scale from “poor” to “excellent.” Responses to these seven items were combined to create a measure of the service climate. Scores from individual managers were averaged to create an overall measure for the restaurant. [7]

We will compare the scores provided by managers with those provided by employees later in this report.

Table 9. Number of Restaurants Reporting that Their Service Climate Is				
...				
Poor	Fair	Good	Very Good	Excellent
0	3	14	15	1

PERSONALITY

Finally, we asked managers to respond to a series of items relating to personality. These items corresponded to five dimensions of personality, shown below in Table 10. On a scale from 1 to 5, a score of 1 indicates that the individual does not exhibit that dimension of personality, while a score of 5 indicates that the individual strongly exhibits it. Table 10 contains the lowest, average, and highest values of the scores obtained from the managers for each personality dimension. [8]

As is evident from Table 10, restaurant managers, on the whole, score highest on the Agreeableness and Conscientiousness dimensions and lowest on the Neuroticism dimension.

¹⁴ For example, “the efforts to measure and track the quality of the work and service in your restaurant.”

Table 10. Summary Statistics for Five Dimensions of Personality for Forty-Nine Mangers.

	<i>Lowest Value</i>	<i>Average Value</i>	<i>Highest Value</i>
Extroversion	1.3	3.6	4.8
Agreeableness	3.2	4.2	5
Conscientiousness	2.5	4	5
Neuroticism	1.2	2.1	4.2
Openness to new experiences	2.5	3.7	4.9

The Customer Survey

BACKGROUND ON THE CUSTOMER SURVEY

Each restaurant in the chain received 150 customer questionnaires, with the instructions to distribute ten questionnaires per meal time (breakfast, lunch, dinner) over five consecutive days. Customer questionnaires were completed between August 1 and September 30, 2001. The restaurants were instructed to offer customers \$1 off their bill in exchange for completing the questionnaire.

Of the 8,100 customer questionnaires distributed, 2,167 were returned, yielding a response rate of 27 percent. Thirty restaurant locations returned customer questionnaires, with the number of questionnaires returned per location ranging from three to 147. Sixty-two percent of the responses (1,357 in all) came from the ten locations that returned more than 100 completed questionnaires.

The choice of which customers would be asked to complete a questionnaire was left to the discretion of the staff of each restaurant. Each dining party chose who among them would complete the questionnaire.

This method of selecting respondents was chosen as the most practical given the circumstances of the study. However, due to the manner in which respondents were selected, it is quite possible that the individuals who completed the questionnaires are not representative of the restaurants' customers in general.¹⁵

In particular, we suspect that women are over-represented among survey respondents, for two reasons supported by the research literature. First, women may have been more likely to respond positively to the request to complete a questionnaire. Second, women may have been more likely to be chosen (or to volunteer) from among their dining party to complete a questionnaire.

It is more difficult to judge the degree to which survey respondents are representative of the restaurants' customers along other dimensions, such as age, income and education levels, or profession, but we expect that these results are less affected by the method of respondent selection than gender is.

Finally, since the bulk of the completed customer questionnaires came from a relatively small number of locations, the results presented here may not apply to restaurants in general.

With these caveats in mind, we proceed with our analysis of the results.

¹⁵ A more representative sample would have been obtained by, for example, choosing every fifth party of customers, and then choosing the person within the party with the most recent birthday to complete the questionnaire. Due to the difficulties we encountered in having the customer surveys completed at all, it is doubtful that such a method could have been implemented in this study with any reasonable degree of reliability.

RESPONDENT DEMOGRAPHICS

Customers who completed a questionnaire had the following characteristics:¹⁶

- 95% were White/Caucasian
- 1.5% were Black/African American
- 1.5% were Hispanic/Latino

- 57% were married
- 23% were single
- 9% were divorced or separated
- 7% were unmarried and living with a partner
- 4% were widowed

- The average education level was 14 years
- 25% had 16 or more years of education

- 12% were students (8% full-time and 4% part-time)

- 75% are currently employed. Of those:
 - 79% are permanent employees
 - 13% are self-employed
 - 8% are temporary, contract, or seasonal employees

 - 82% work full-time and 18% work part-time

- Respondents were distributed across occupations in the following manner:
 - 45% managerial and professional specialty occupations
 - 19% technical, sales, and administrative support occupations
 - 15% service occupations
 - 10% operators, fabricators, and laborers (unskilled labor)
 - 9% precision production, craft, and repair occupations (skilled labor)
 - 2% farming, forestry, and fishing occupations

¹⁶ We present information on customers' age and gender in the next section.

- Respondents were distributed across income categories¹⁷ as follows:
 - 6% had incomes under \$10,000
 - 8% had incomes between \$10,000 and \$20,000
 - 15% had incomes between \$20,000 and \$30,000
 - 14% had incomes between \$30,000 and \$40,000
 - 15% had incomes between \$40,000 and \$50,000
 - 42% had incomes over \$50,000

MARKET ANALYSIS

In this section we present an analysis of the restaurants' customers through three lenses:

- How frequently customers visit the restaurants
- Their sources of information about the restaurants
- The reason for their visit on the day they filled out the questionnaire

We perform these analyses using the following breakdowns:

- Customer gender
- Customer age
- Meal time at which the questionnaire was filled out

We begin by providing background information on the three breakdown categories, then proceed with the three analyses of interest.

Breakdown Categories

Gender. Of the 2,167 respondents to the customer survey, 2,105 reported their gender. Of these, 983 (47%) were male and 1,122 (53%) were female.

Age. As shown in Table 11 on the next page, the majority (69.7%) of respondents were over age 35, with 39.4% in the 35—54 age bracket and 30.3% in the 55 and over category. Because the percentage of respondents under age 17 is relatively low, we omit them from some subsequent analyses.

¹⁷ Typical annual household income.

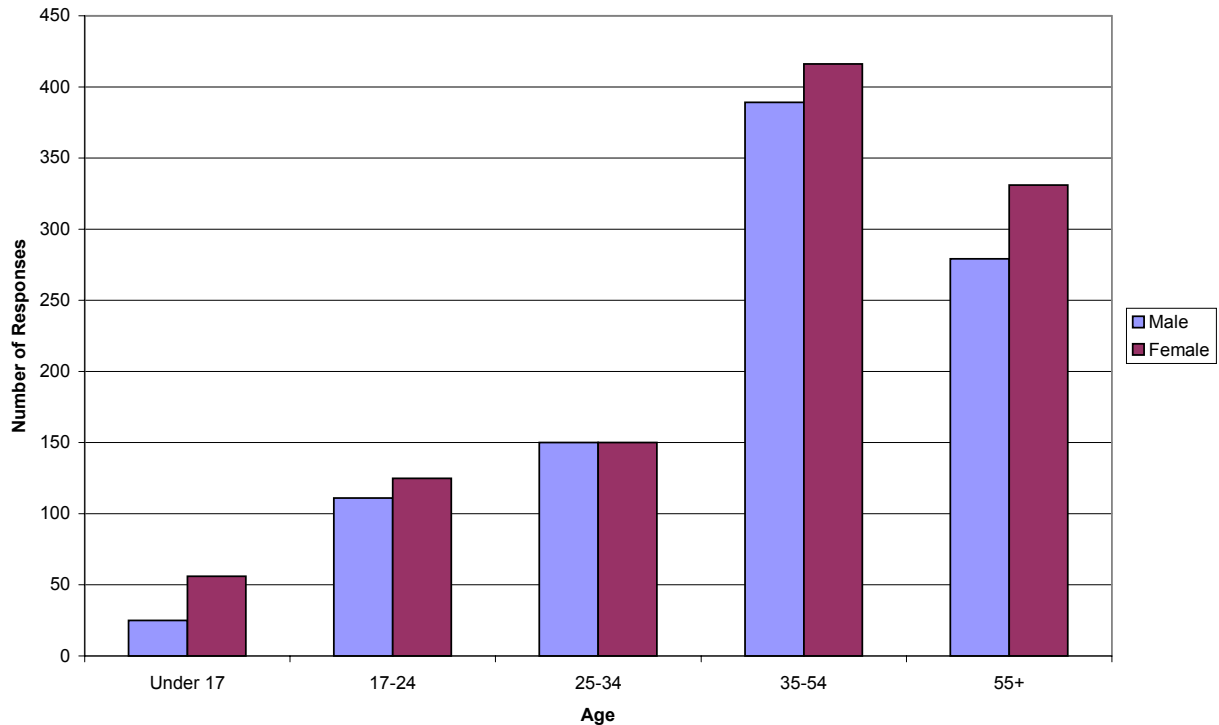
Table 11. Age Distribution of Customer Survey Respondents.		
Age Category	Number	Percent of Total
Under 17	90	4.3
17—24	236	11.4
25—34	301	14.6
35—54	815	39.4
55 and over	626	30.3

Meal time. The distribution of respondents according to the type of meal they were having appears in Table 12. Because over ninety percent of the meals reported were either breakfast, lunch or dinner, in some subsequent analyses we report results for these meals only.

Table 12. <i>Distribution of Customer Survey Respondents Across Meal Times.</i>		
Meal Type	Number	Percent of Total
Breakfast	813	38.9
Brunch	102	4.9
Lunch	438	20.9
Dinner	642	30.7
A snack	66	3.1
Other	31	1.5

Gender vs. Age. Figure 1 shows the breakdown of the age categories by gender. In keeping with the overall results, the number of women in each age category is equal to or greater than the number of men. Given the distribution of respondents across the age and gender categories, however, there are slightly more women than one would expect in the under 17 category, and slightly more than one would expect in the 25—54 age range.¹⁸

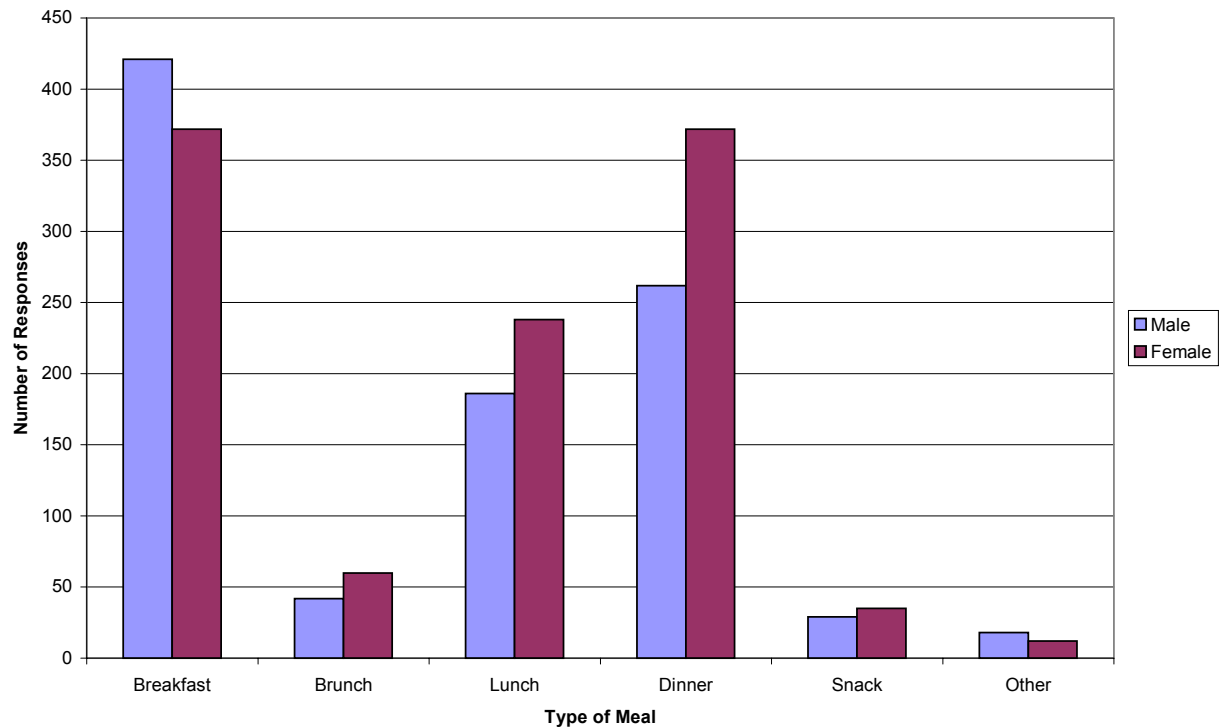
Figure 1. Customer Age, by Gender



¹⁸ This difference between what one would expect and what is actually observed is great enough to be statistically significant (Chi-square = 10.5, d.f. = 4, $p = .03$)—that is, not likely the result of random chance.

Gender vs. Meal time. The distribution of customers by gender across the various meal times appears in Figure 2. The over-representation of men at breakfast (and their corresponding under-representation at lunch and dinner) suggests that the gender composition of customers varies according to the meal time.¹⁹

Figure 2. Customer Gender, by Mealtime



Frequency of Visits to the Restaurants

In this section we present our analysis of how frequently customers visit the restaurants, using the three breakdown categories just presented.

We asked respondents how frequently they visit both the restaurant they were in that day, and the chain's restaurants in general. While one would logically assume that "the chain's restaurants in general" includes the restaurant they were in, it appears that many customers interpreted the question to mean "other of the chain's restaurants" (that is, not including the one they were in). Consequently, the results for "the chain's restaurants in general" should be viewed with this discrepancy in mind.

Frequency of visits by gender. Figures 3 and 4 show the frequency of visits for males and females. About the same proportion of men and women report that their visit that day was

¹⁹ This variation of gender across meal times is statistically significant (Chi-square = 25.1, d.f. = 5, $p < .001$).

their first visit to either that particular restaurant or to any of the chain's restaurant. However, among those for whom it was not their first visit, men reported a higher frequency of visits than women, with a higher proportion of men than women reporting that they visit the chain's restaurants at least once a week.

Figure 3. Frequency of Visits to this Restaurant

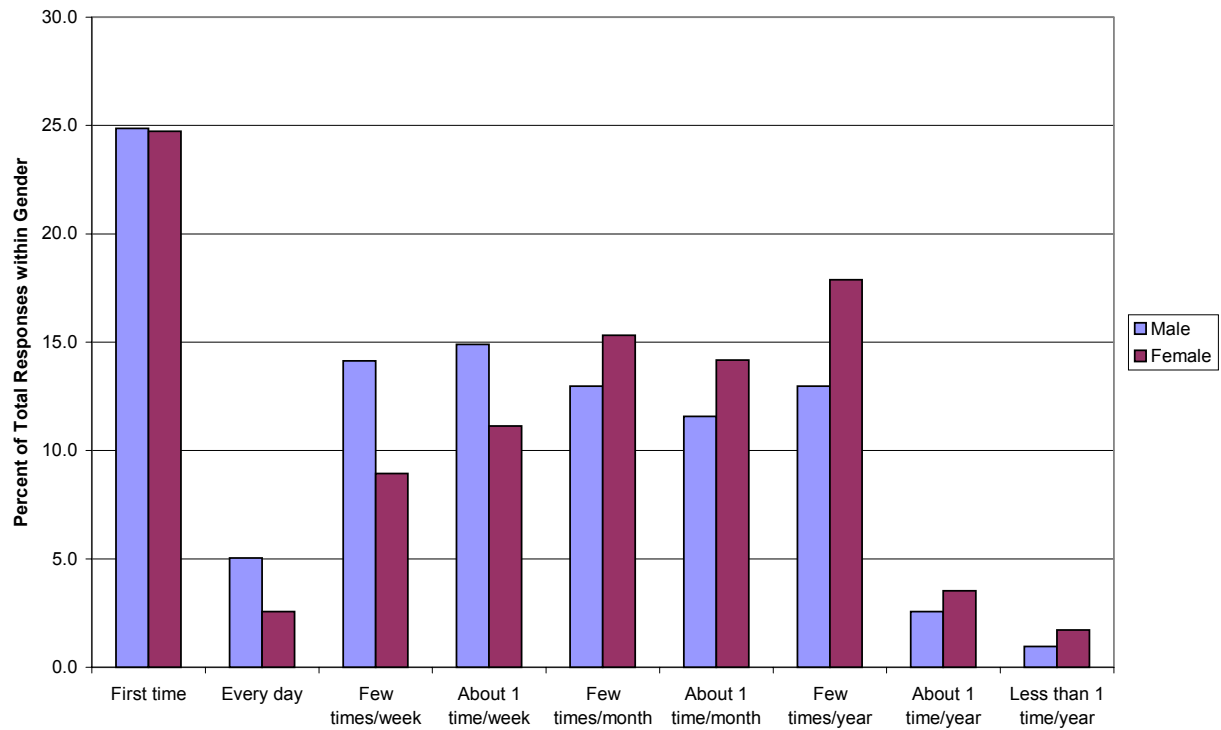
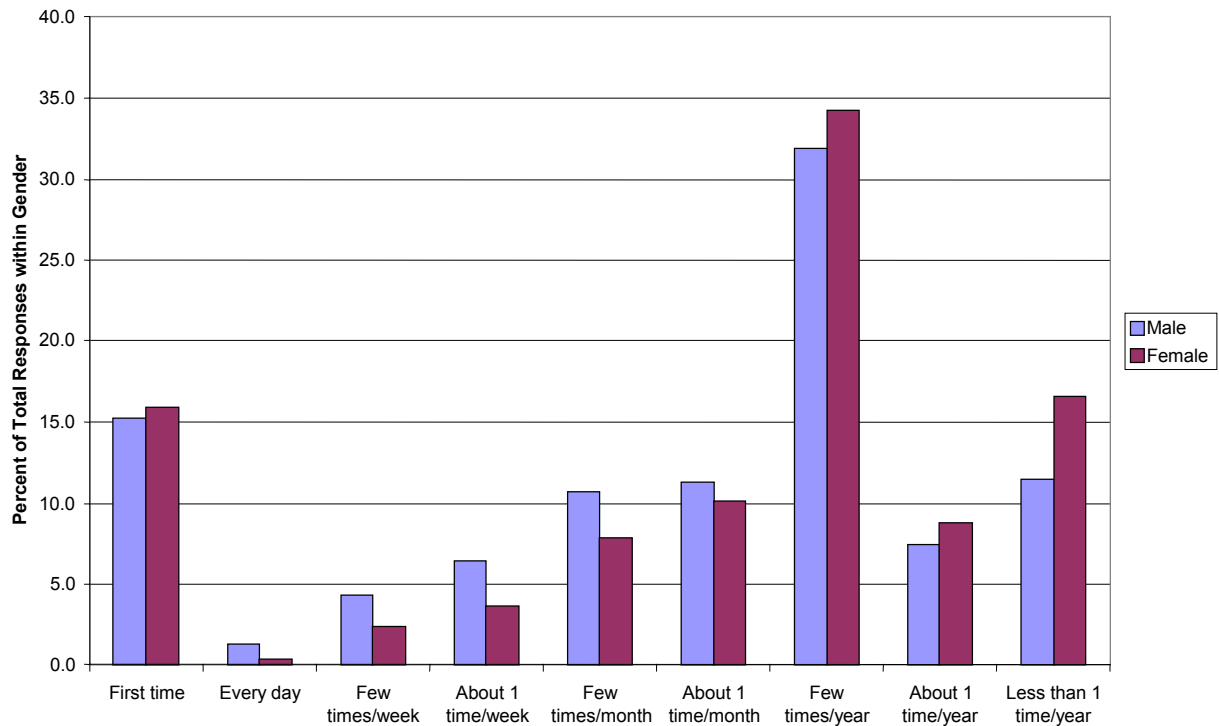


Figure 4. Frequency of Visits to the Chain's Restaurants in General



Frequency of visits by age.²⁰ The frequency of visits to the restaurant where the questionnaire was completed appears in Figure 5. Notably, among customers under age 55, the highest proportion said that that day's visit was their first to that location. Only a small proportion of respondents said that they visit that location every day, about once a year, or less than once a year.

The frequency of visits to "the chain's restaurants in general" appears in Figure 6. The most notable difference between this and the previous figure is the much higher proportion of respondents who report visiting an one of the chain's locations a few times a year or less frequently. It is on this basis that we believe that many respondents interpreted the question to mean "a location other than the present one." Otherwise, the relative heights of the bars shows a pattern similar to the pattern in the previous figure: among customers under age 55, the highest proportion said that that day's visit was their first to one of the chain's restaurants, and few said that they visit an one of the chain's locations every day.

Differences among the age groups exist when one looks at the highest frequencies (about one time a week or more often) of visits to that particular location. Among those aged 55 and over, 37.6% visit that location at least once a week. This group is followed by the 35—54-year-old group, 26.2% of whom visit at least once a week,

²⁰ Due to the small numbers of customers in some categories, we were not able to test whether the relationship between age and frequency of visits is statistically significant.

Figure 5. Frequency of Visits to this Restaurant, by Age

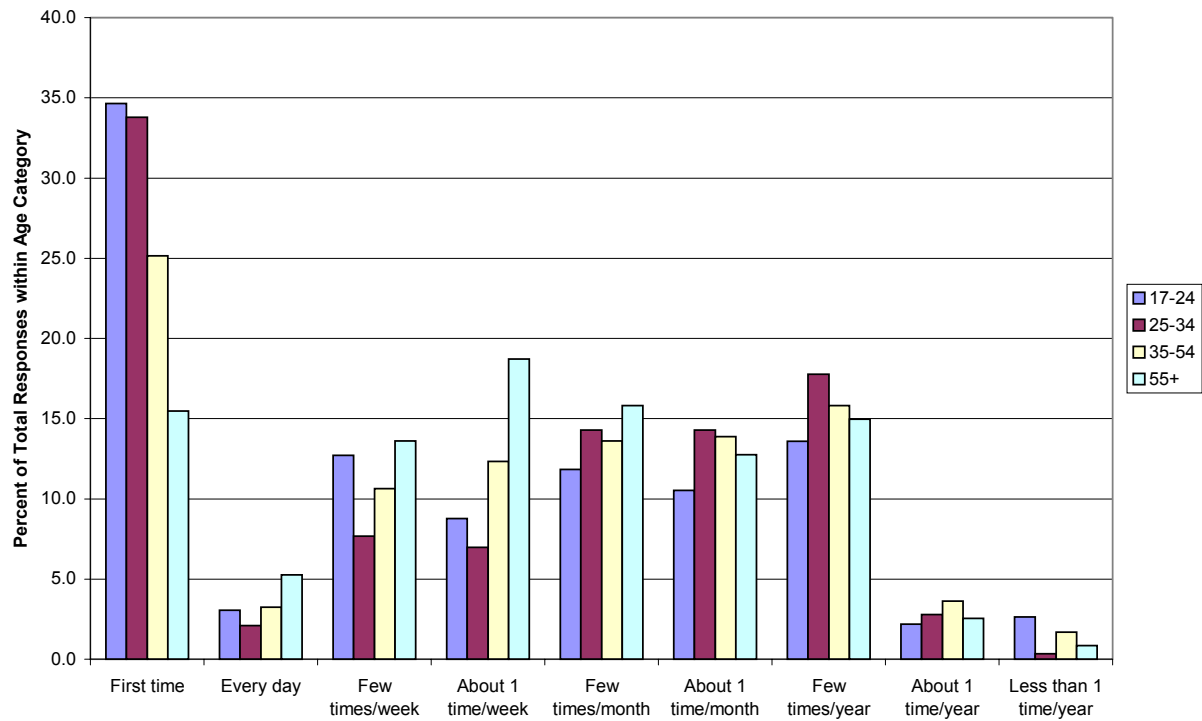
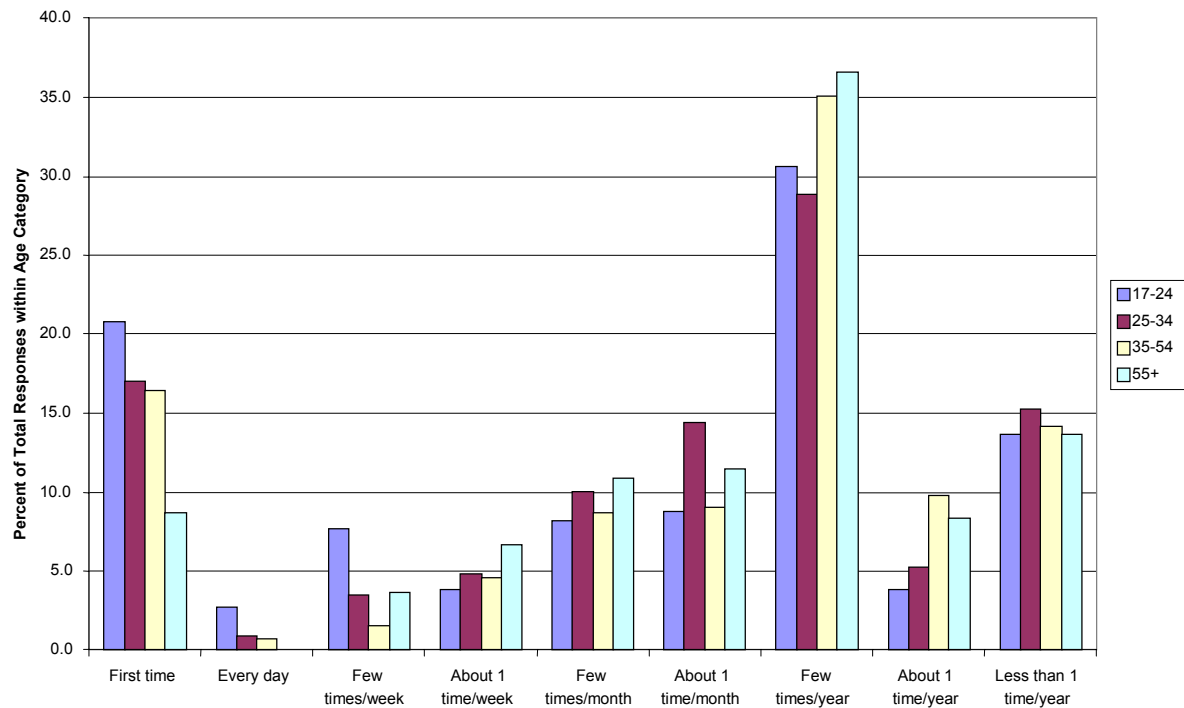


Figure 6. Frequency of Visits to the Chain's Restaurants in General,

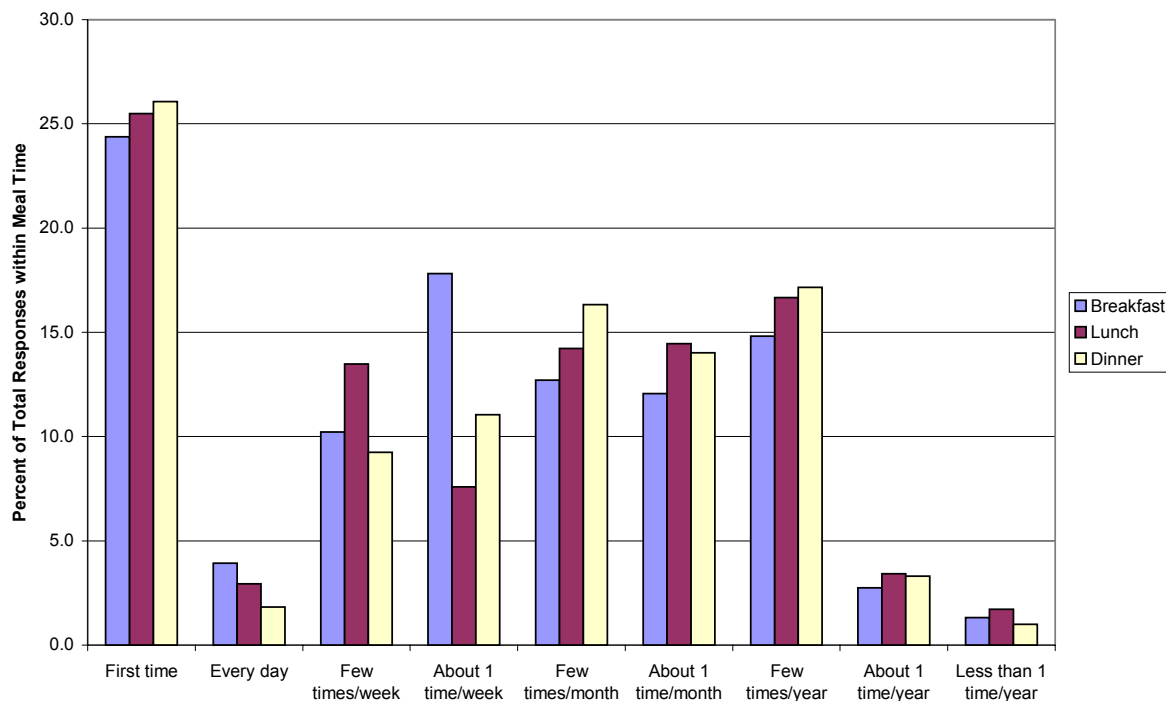


then the 17—24-year-old group (24.6%), with the 25—34-year-old age group reporting the lowest proportion (16.7%) of frequent visits. As one can see from Figure 5, however, the youngest group prefers to visit a few times a week (perhaps for social reasons), those aged 35—54 are about even split between “a few times a week” and “about once a week,” and those 55 and older prefer to visit about once a week (perhaps as part of a weekly routine).

Results for visits to “the chain’s restaurants in general” are broadly similar, although the rankings of the groups with the most frequent visiting habits are different. The proportion of respondents who visited at least once a week was highest among those aged 17—24 (14.2%), followed by those 55 and older (10.3%), those 25—34 (9.2%), and those 35—54 (6.8%). However, the possibility that the question was not interpreted in a consistent manner should be kept in mind.

Frequency of visits by meal time. The frequency of visits, both to the individual location where the questionnaire was completed and to one of the chain’s locations in general, does not appear to vary by meal time (Figures 7 and 8). The only exception to this observation is that a higher proportion of lunch customers reported eating at that particular location “a few times a week,” while a higher proportion of breakfast customers reported eating at that location “about once a week.”²¹ No such relationship between meal time and frequency exists for visits to the chain’s restaurants in general.²²

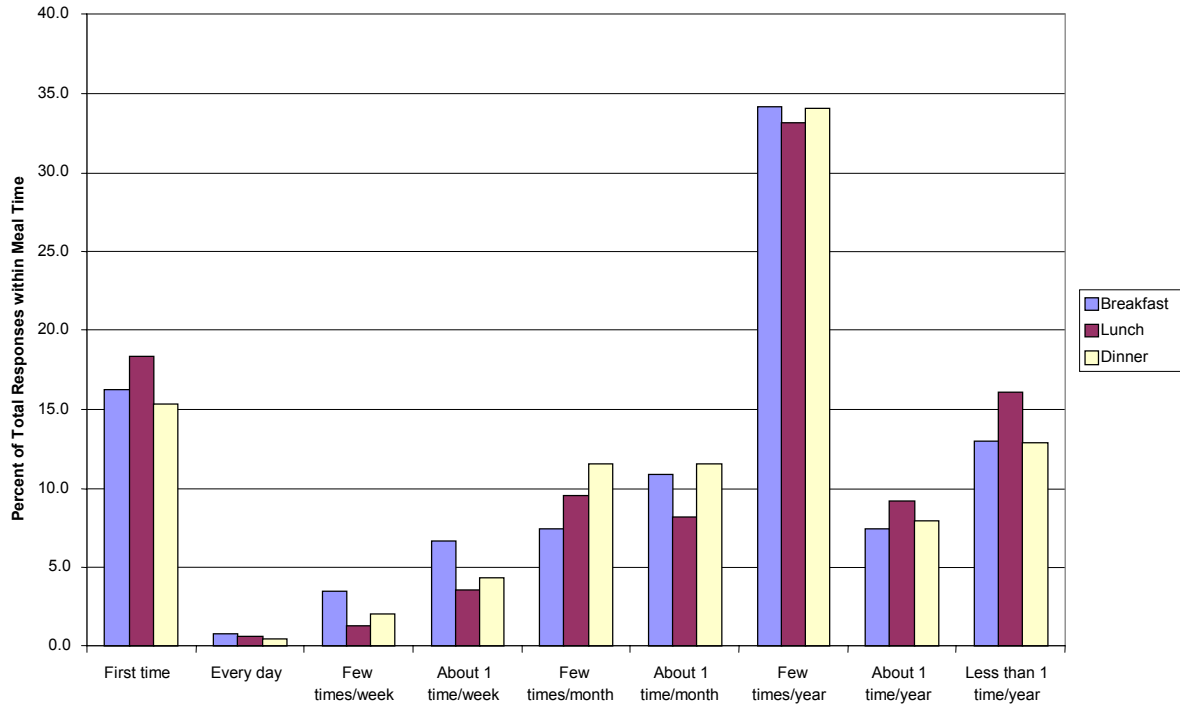
Figure 7. Frequency of Visits to this Restaurant, by Meal Time



²¹ The relationship between meal time and visit frequency for the particular location is statistically significant (Chi-square = 41.5, d.f. = 16, $p < .001$).

²² The relationship is NOT statistically significant (Chi-square = 18.67, d.f. = 16, $p = .286$).

Figure 8. Frequency of Visits to the Chain's Restaurants in General, by Meal



Sources of Information about the Restaurants Chain

We asked customers about their sources of information concerning the restaurant chain, both before their first visit to any location and currently.²³

Sources of information by gender. As shown in Figures 9 and 10, there are no meaningful differences between men and women in terms of where they receive information about the chain. Prior to respondents' first visits, their main source of information about the chain was television commercials, followed by "general knowledge/reputation," and roughly equal proportions of "friends and family" and "can't remember" (Figure 9).

Once a customer has visited an one of the chain's restaurant (Figure 10), his or her source of information changes, but again there are no real differences between men and women. By far the greatest source of information is personal experience, followed by television commercials, and "friends and family" and "don't know." However, current sources of information depend on whether it is a customer's first visit. As shown in Table 13, first-time

²³ Due to low numbers of responses in some categories, formal tests of statistical significance would not be appropriate for the relationships discussed in this section.

customers are more likely than repeat customers to report television commercials, and less likely to report personal experience, as their current source of information.

Figure 9. Main Source of Information about the Restaurant Chain Prior to First by Gender

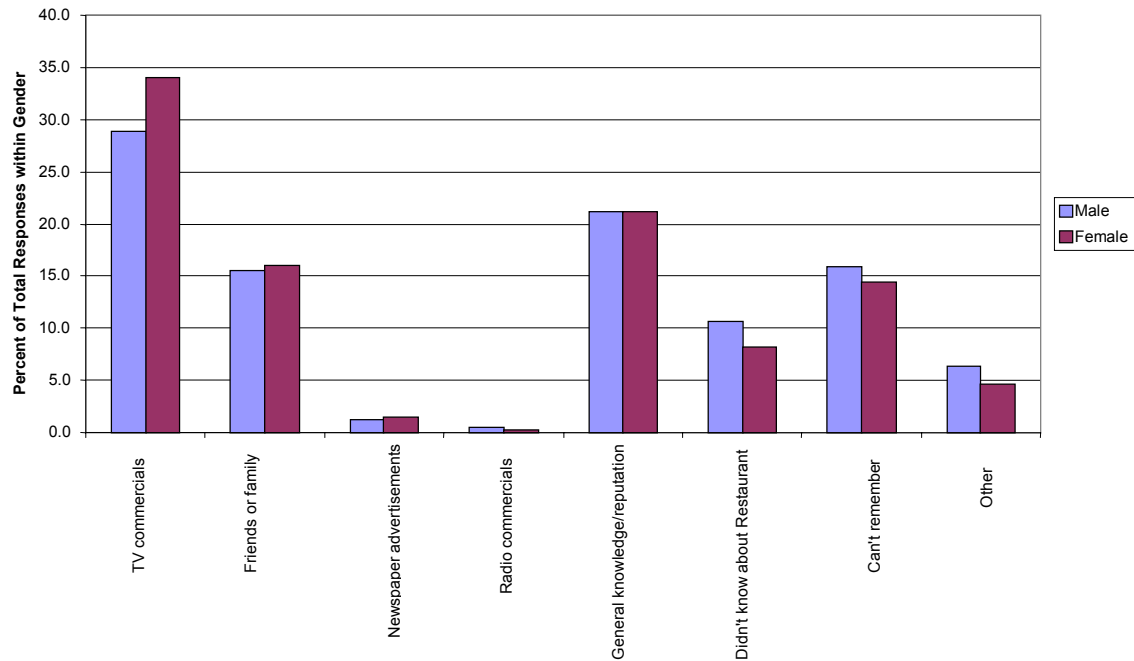


Figure 10. Current Main Source of Information about the Restaurant Chain, by Gender

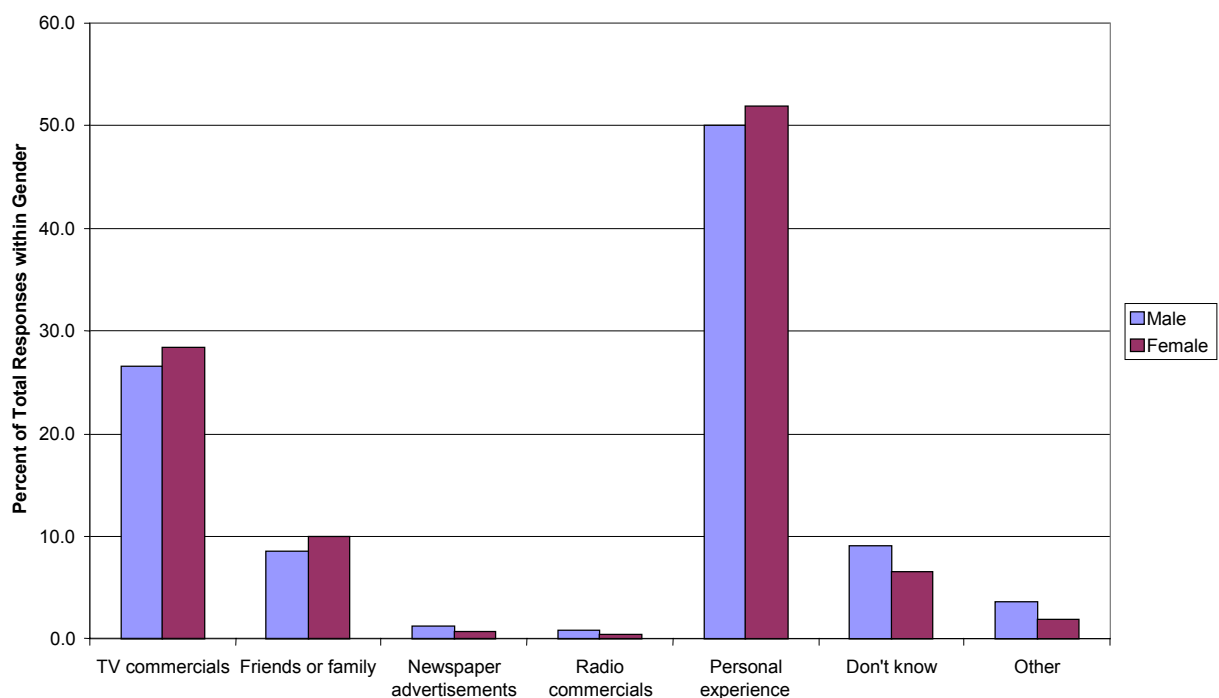


Table 13. Current Source of Information for Customers.
(percent of each customer category)

	First-Time Customers	Repeat Customers
TV commercials	40.0	23.8
Friends or family	9.2	9.7
Newspaper advertisements	1.5	1
Radio commercials	1.3	< 1
Personal experience	25.0	58.4
Don't know	16.8	4.9
Other	6.29	1.8

Source of information by age. Viewing the sources of information about the restaurant chain through the lens of age produces pictures quite similar to the ones produced using gender (Figures 11 and 12). Prior to the first visit (Figure 11), television commercials were the main source of information, followed “general knowledge/reputation” and “friends and family” and “don’t remember.” There are no great differences among the age groups, with the exception that, compared to younger respondents, those aged 55 and over relied less on television and more on friends and family and general knowledge.

After the first visit (Figure 12), personal knowledge becomes most important, followed by television commercials. Interestingly, the importance of personal knowledge increases, and that of television decreases, along with increasing age.

Figure 11. Main Source of Information about the Restaurant Chain Prior to First Visit, by Age

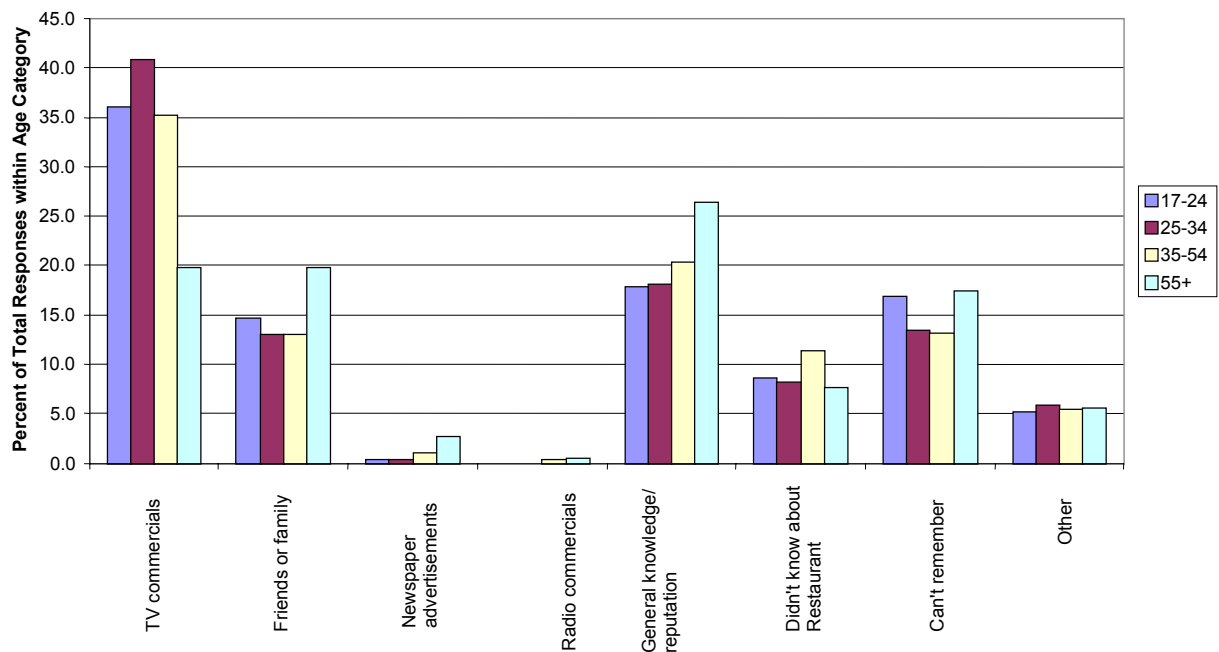
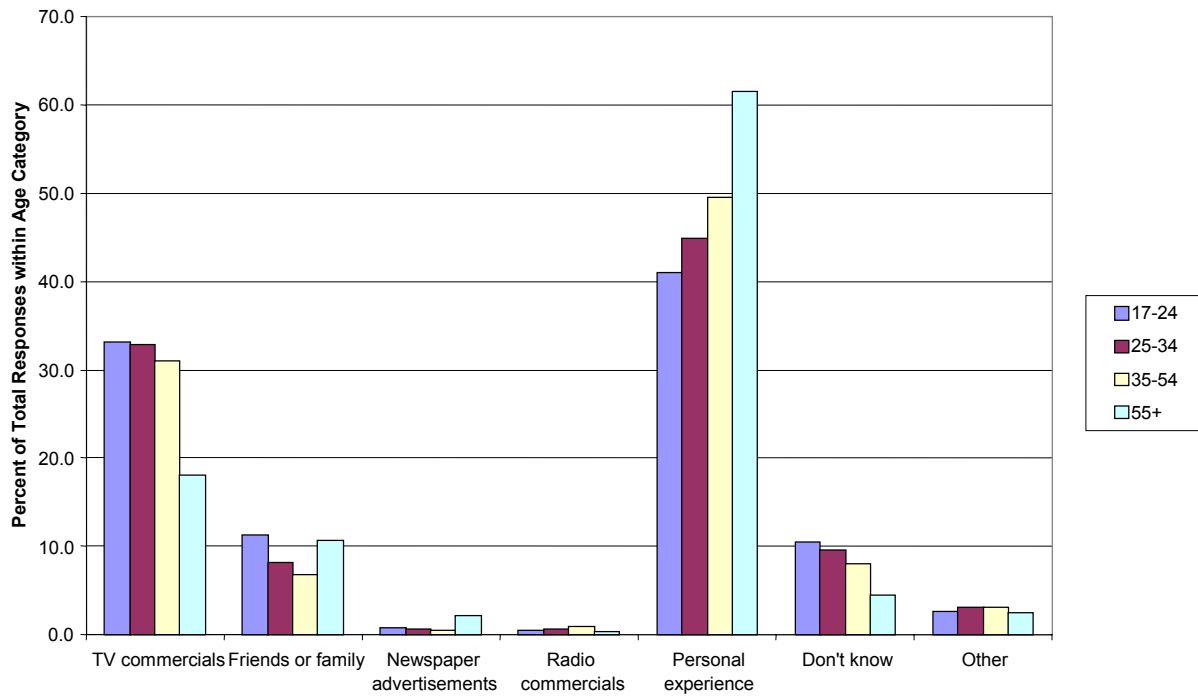


Figure 12. Current Main Source of Information about the Restaurant Chain, by Age



Source of information by meal time. The graphs of sources of information about the restaurant chain according to meal time (Figures 13 and 14) show patterns substantially similar to those above, with no real differences among meal times.

Figure 13. Main Source of Information about the Restaurant Chain Prior to First Visit, by Meal

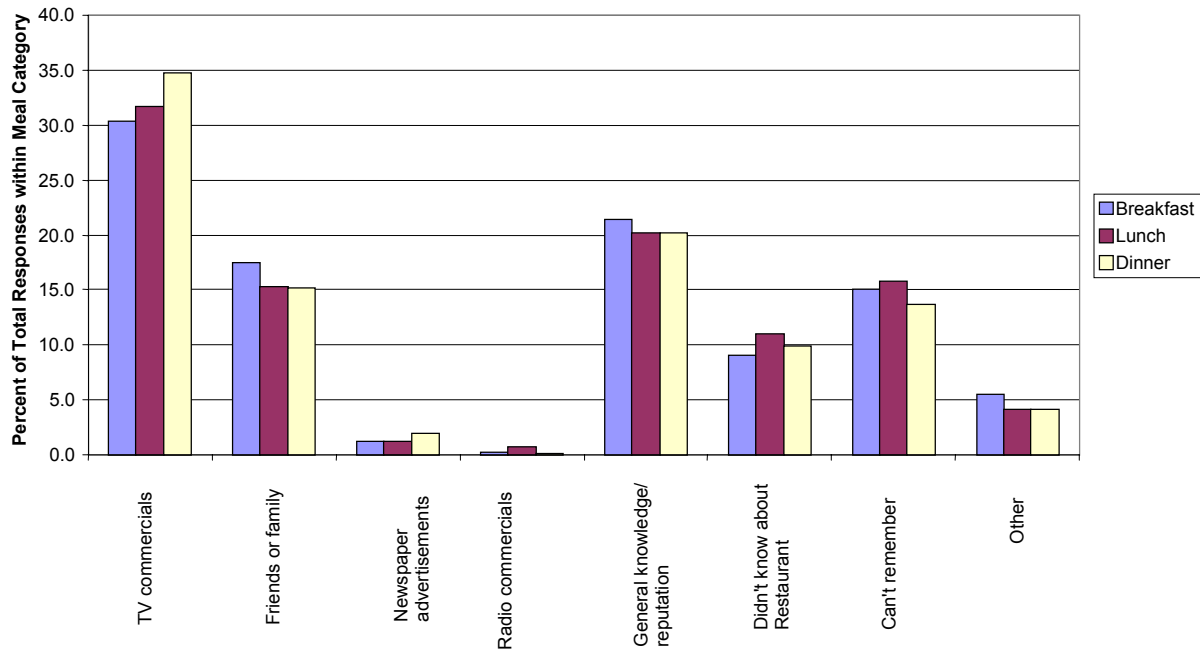
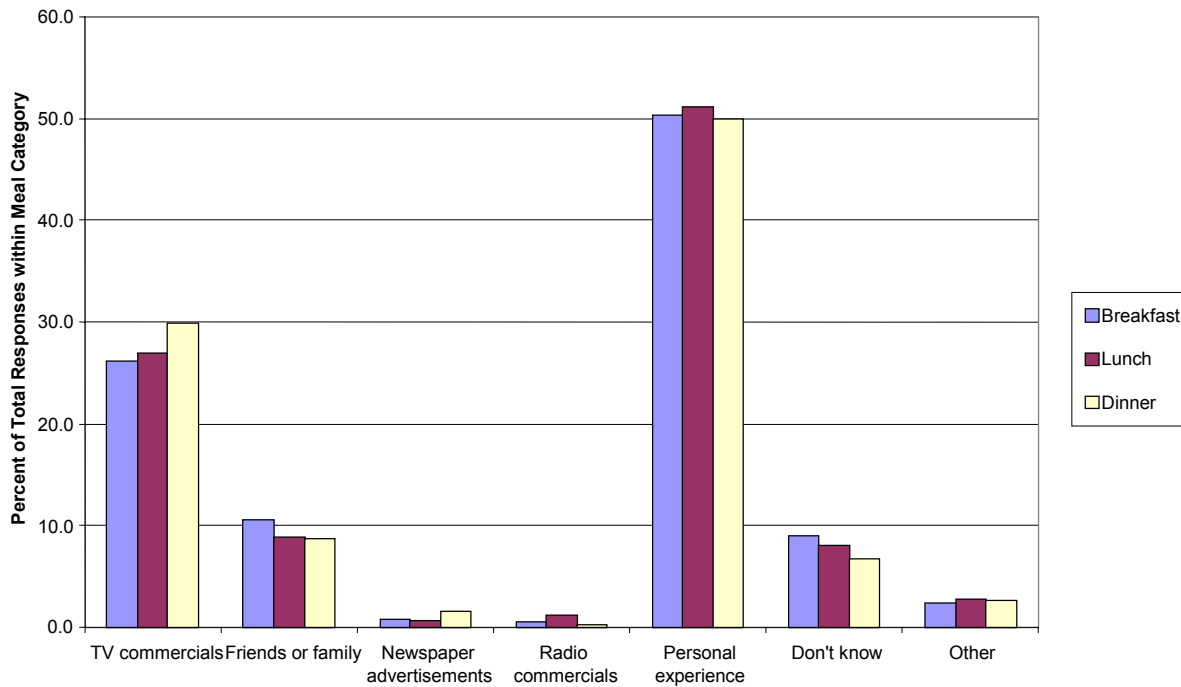


Figure 14. Current Main Source of Information about the Restaurant Chain, by Meal



Reason for Visiting the Restaurant Chain

Most customers face a variety of choices of where to eat once they have decided to eat away from home. This section summarizes customers' responses to the question, "Why are you visiting this restaurant chain today?" Customers were allowed to choose more than one reason.

Reason for visit by gender. As seen in Figure 15, men and women visit the chain's restaurants for essentially the same reasons. The most common reason was a *convenient location*, cited by 63% of customers. *Quality food* was the second most-cited reason, selected by 41% of females and 36% of males,²⁴ followed by *quality service* and an *enjoyable environment*.

Obviously, a restaurant's location is of paramount importance, but once the location is fixed little can be done about it. What these results suggest, however, is that customers value the chain's restaurants for the quality of the dining experience, as opposed to reasons of economy. In fact, only around 10% of respondents said they chose the chain's restaurants because it was *inexpensive*. Somewhat more respondents (around 16%) said they chose the chain's restaurants because it was a *great value*, suggesting that the value received for the money paid is more important than the absolute cost.

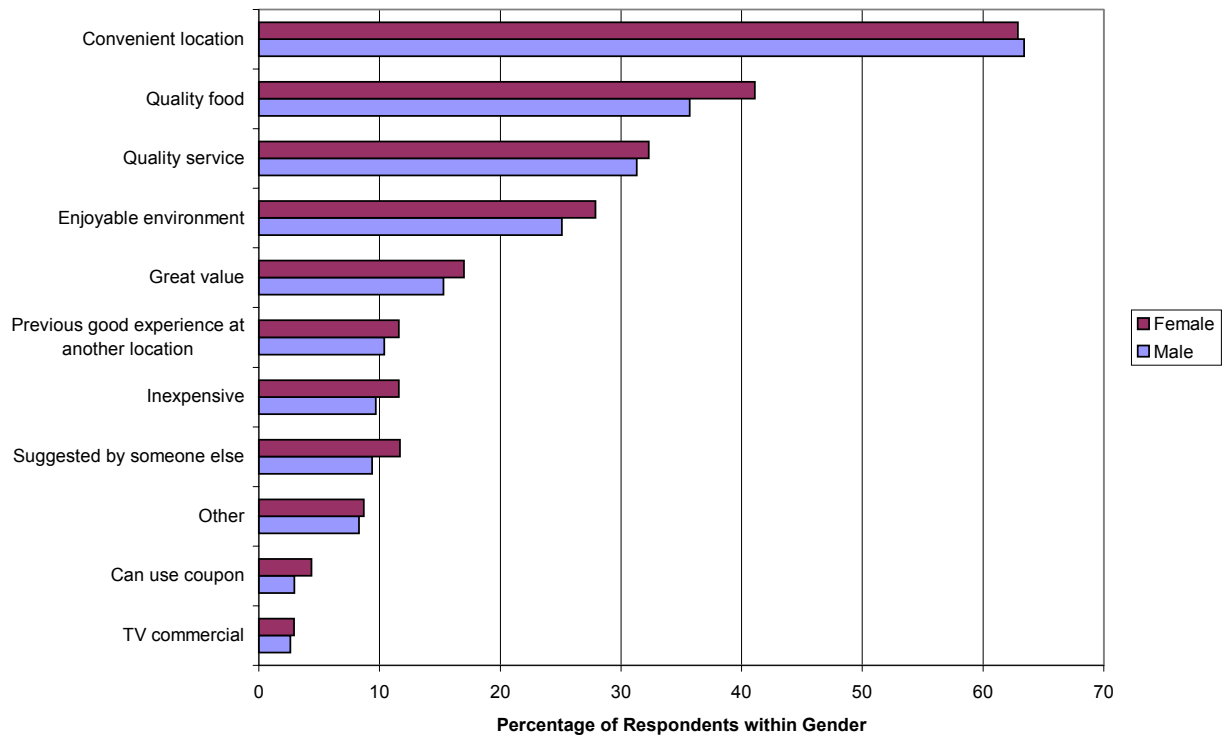
Relatively few respondents cited a *previous good experience at another location* as the reason for that day's visit, suggesting that customers make their decisions based on the characteristics of that particular location rather than the general reputation of the chain.

Finally, the least-chosen category was *television commercials*. This implies that TV commercials may be important for creating brand image but do little to motivate customers to visit the chain's restaurants on a day-by-day basis.

When combined with the information presented above on sources of information about the restaurant chain, these results suggest that, prior to becoming a customer, most people form their opinions about the brand based on television commercials. Once someone has visited an one of the chain's restaurants, however, her opinion is shaped largely by the characteristics of that particular location, and her opinion does not necessarily generalize to other locations.

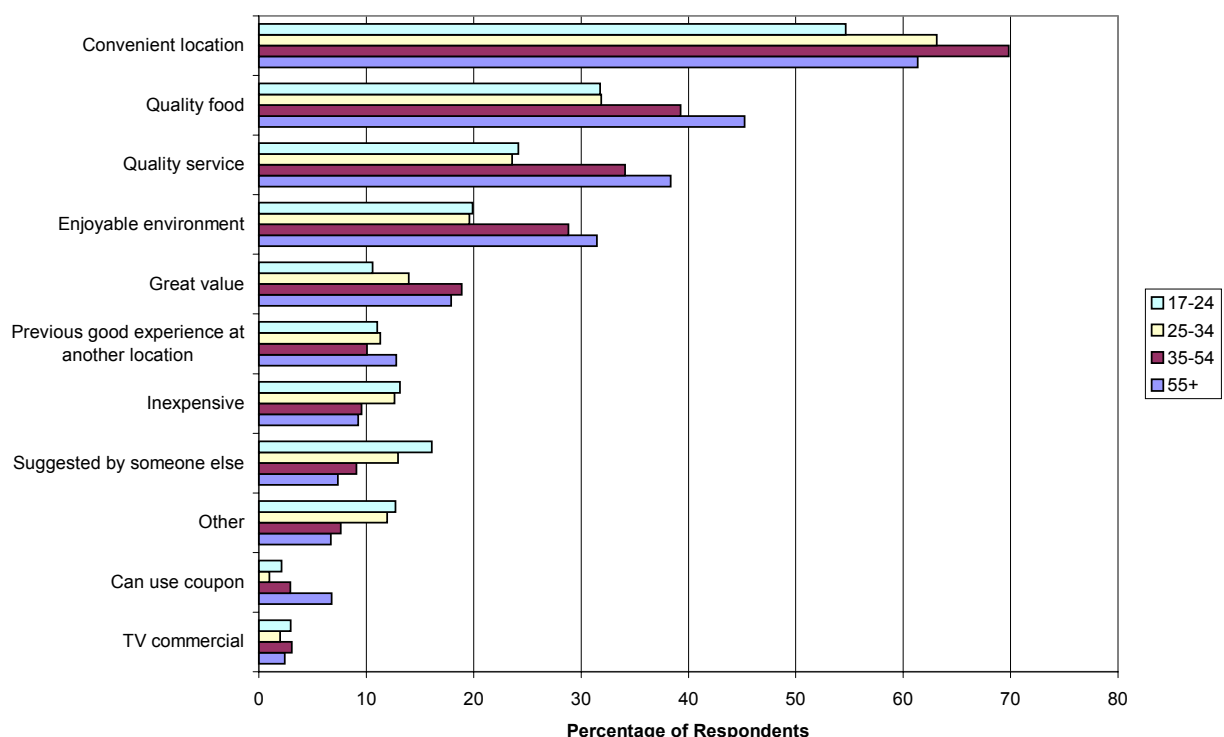
²⁴ This is the only statistically significant difference between males and females among the reasons for visiting the chain's restaurants.

Figure 15. Reason for Today's Visit, by Gender



Reason for visit by age. While there were essentially no differences between men and women in the reasons given for visiting the chain’s restaurants, there are considerable differences between age categories (Figure 16). In fact, the variation between age categories is statistically significant in all cases except when the reason given is either a *previous good experience at another location*, *inexpensive* prices, or *television commercials* (none of which are particularly important reasons).

Figure 16. Reason for Today's Visit, by Age



Once again, *location* is the most important factor. However, location is not as important for 17—24-year-olds as it is for the other age groups, and it is most important for 35—54-year-olds.

For the reasons of *quality food*, *quality service*, an *enjoyable environment*, and a *great value*, there is a rather sharp difference between customers over the age of 35 and those 34 and under. This suggests that older customers value the quality of the experience more than younger customers do.

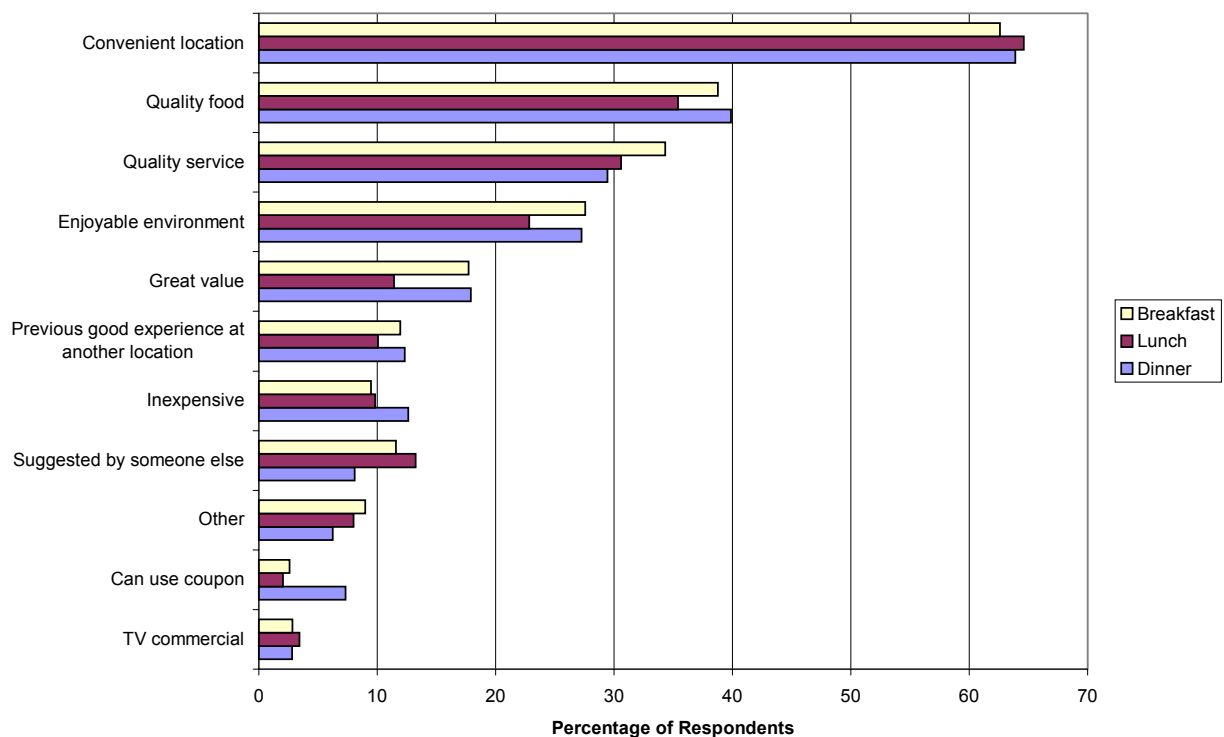
As noted above, there were no significant differences among age groups in the number of respondents who said that a *previous good experience* at another location motivated their visit that day.

Younger customers were more likely to say that they visited the chain’s restaurants because it was *inexpensive*, but this difference was not statistically significant. However, younger

customers were significantly more likely to visit one of the chain's restaurants because it was *suggested by someone else*, which implies that younger persons see them as a place to socialize.

Reason for visit by meal time. Viewing the reasons for that day's visit through the lens of meal time produces a picture that mirrors those presented above (Figure 17). Results do not vary significantly between meal times, with two exceptions. Lunchtime customers were less likely to cite *great value* as a reason for their visit, and the percentage of customers who said their visit was motivated by the ability to *use a coupon*, while small, was significantly higher for dinner customers than for customers at other times.

Figure 17. Reason for Today's Visit, by Meal Time



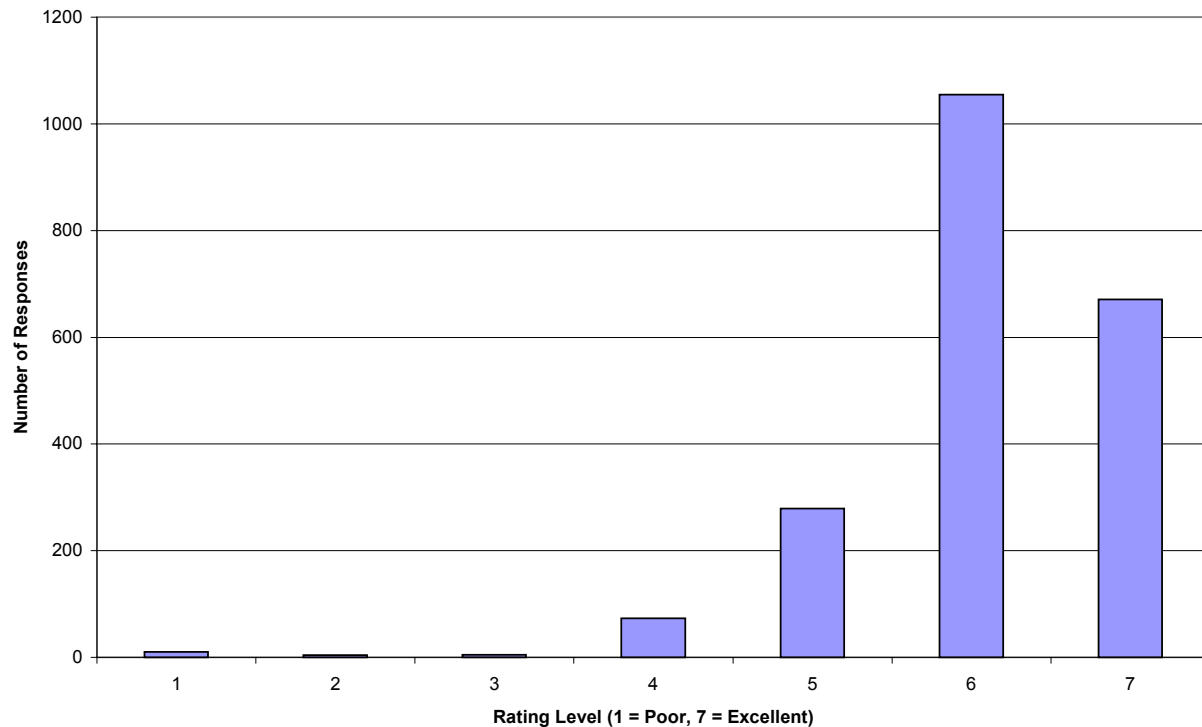
CUSTOMERS' EVALUATIONS OF THEIR EXPERIENCES

We asked customers to rate the restaurant they visited according to three aspects of quality—the physical condition and attractiveness of the restaurant; the service they received; and the competency of the employees. We also asked the customers to tell us about their level of satisfaction with their overall experience, and about their intentions to return to both that particular restaurant or to the chain's restaurants in general.

In this section, we present the results for respondents overall and results by restaurant.

Quality of the physical condition of the restaurant. We asked customers ten questions concerning the physical condition of the restaurants.²⁵ We aggregated responses from these ten items to produce an overall index of each customer's satisfaction with the physical condition of the restaurant. Figure 18 shows the range of responses we obtained.

Figure 18. Customer Satisfaction with Physical Aspects of the Restaurant



As is readily apparent, most customers rated the physical condition of the restaurant highly, with over 82% of respondents giving the restaurant they were in one of the two highest ratings, a six or a seven.

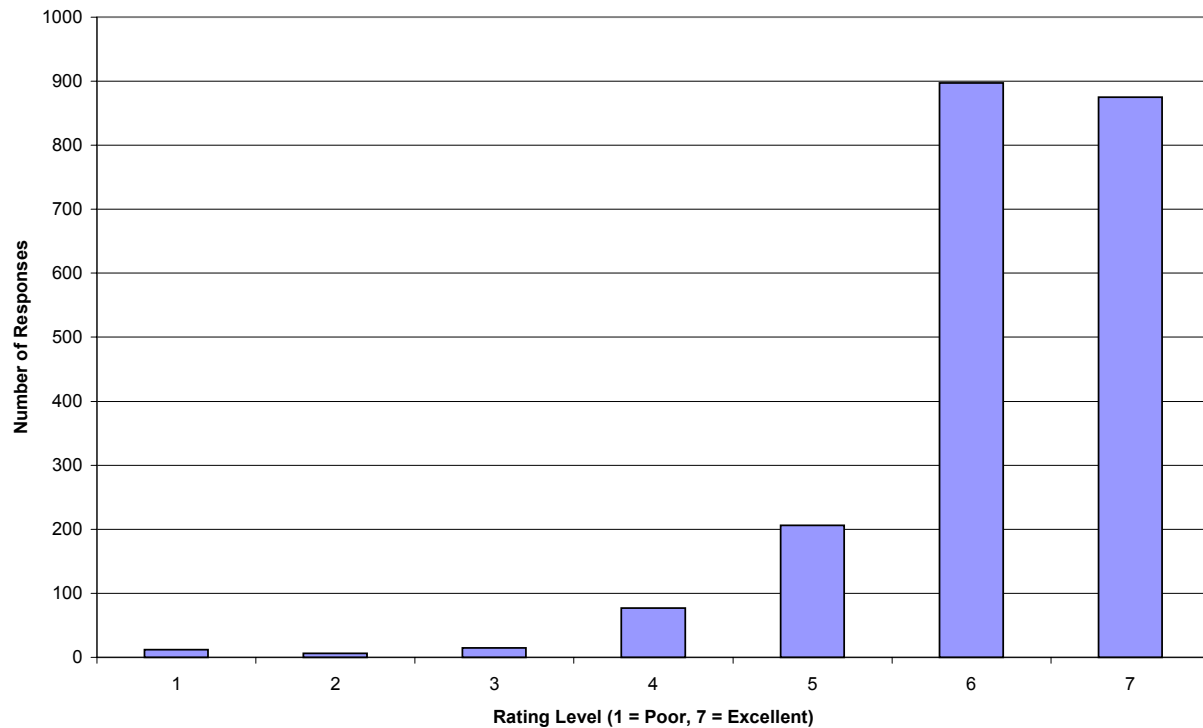
We also averaged customers' ratings by restaurants. Of the thirty restaurants that provided us with customer surveys, one received an overall score between 4 and 5, twenty-seven received a score between 5 and 6, and two received a score between 6 and 7 for physical quality. [9]

Quality of service. Eight items on the customer survey were related to service quality.²⁶ Once again, we aggregated responses to these items to create an overall service quality score.

²⁵ For example, the cleanliness of the bathrooms and how comfortable the seats are.

²⁶ For example, promptness of service and accuracy of the check.

Figure 19. Customer Satisfaction with Service Quality in the Restaurant



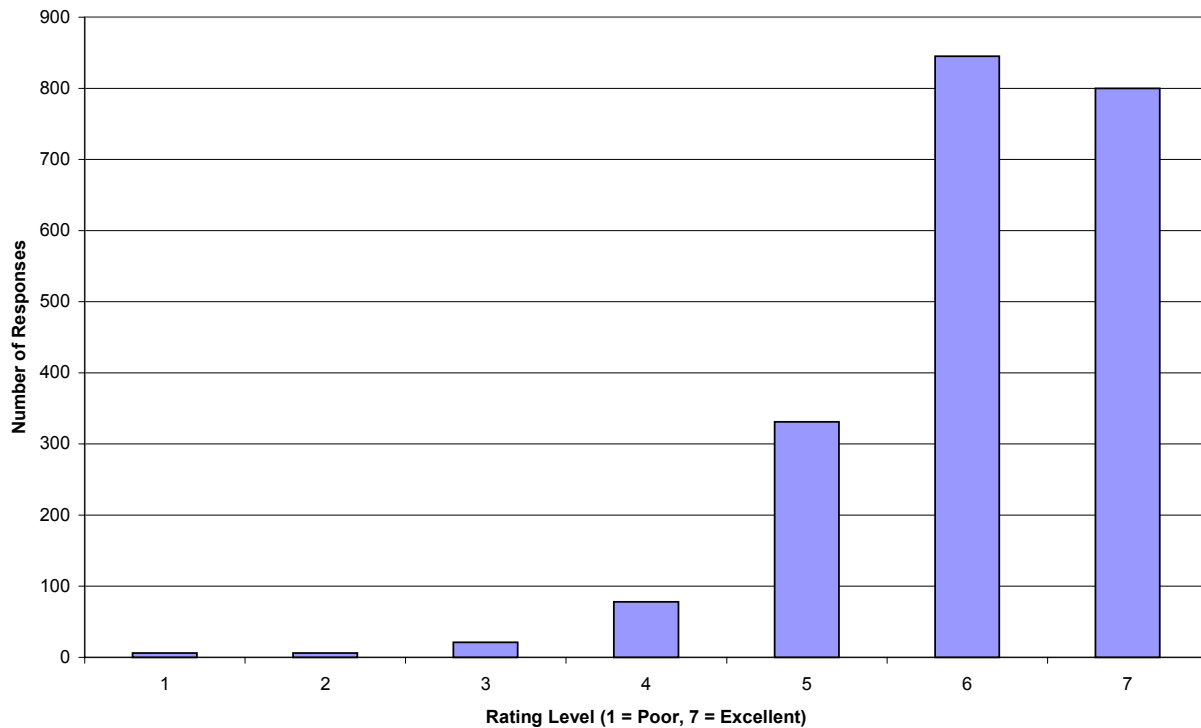
As seen in Figure 19, once again customers gave their restaurants high marks for service quality, with almost 85% of all scores in the upper two categories.

On a restaurant basis, 19 restaurants received an average service quality score between 5 and 6, and 11 received an average score between 6 and 7. [10]

Employee quality. Following the procedure described above, we aggregated responses to eleven items on the survey about the quality of the employees.

Figure 20 shows the distribution of these aggregate scores. As with service quality, most respondents rated the quality of employees highly, with almost 80% of the scores falling into the upper two categories.

Figure 20. Customer Evaluation of Employee Quality



On a restaurant basis, 1 restaurant received an average employee quality score between 4 and 5, 25 received a score between 5 and 6, and 4 received an average score between 6 and 7. [11]

Were customers' expectations met? We asked customers if their expectations were met in six different areas. Table 14 shows the percentages of respondents who said their expectations were met, exceeded, or not met.

Most customers reported that their expectations were met. A large percentage said that their expectations were exceeded, and only a few said their expectations were not met. [12]

Table 14. The Degree to Which Customers' Expectations Were Met in Six Different Areas.^a

	Worse than I expected	Met my expectations	Better than I expected
Physical facilities	3.2	80.5	16.3
Appearance of personnel	2.0	73.7	24.3
Ability to perform the promised service dependably and accurately	2.1	66.4	31.5
Knowledge and courtesy of employees and their ability to convey trust and confidence	1.1	65.4	33.5
Caring, individualized attention	2.2	60.6	37.2
Willingness to help customers and provide prompt service	2.9	57.1	40.0

^aNumbers are percentages of respondents who selected each category.

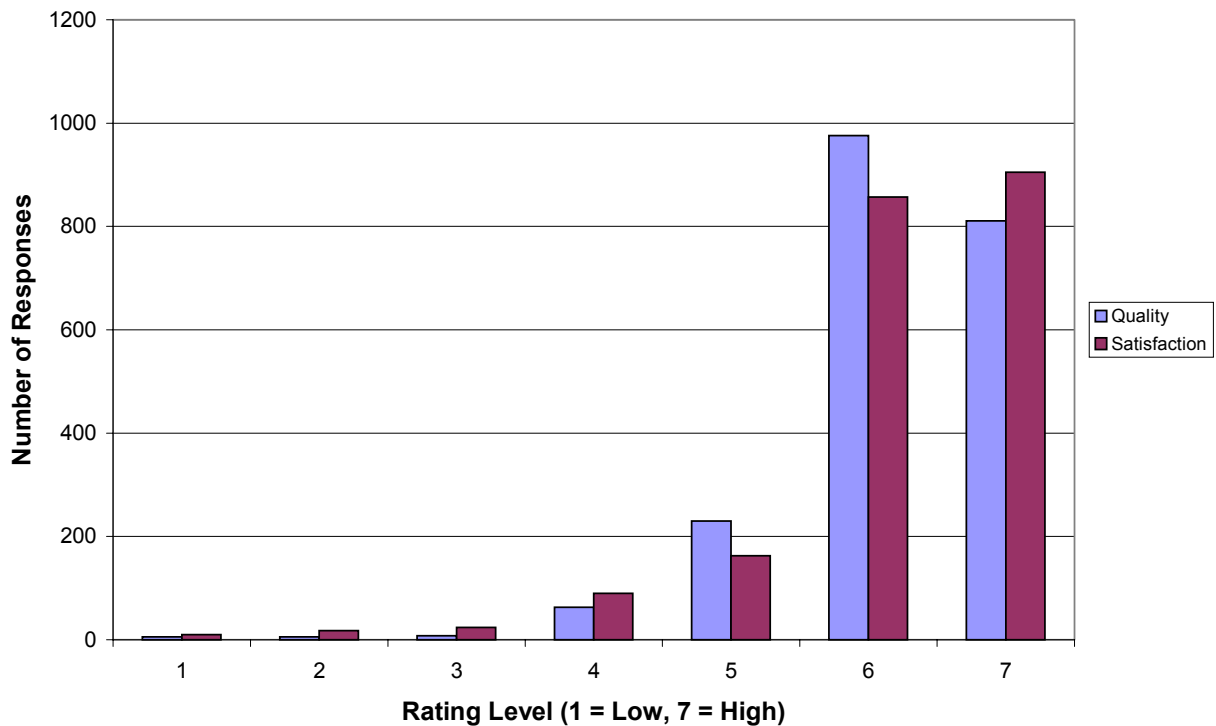
Overall quality evaluation and customer satisfaction. To obtain customers' overall evaluations of the quality of their dining experience, we combined the ratings for physical quality of the restaurant, quality of service, and quality of the employees. Separately, we used three items to create an index of customers' overall satisfaction with their visit. Summaries of these two measures appear in Figure 21.

Once again we see that customers rate the quality of the chain's restaurants highly and report being quite satisfied with their experience.

On a restaurant basis, twenty-five locations received an average quality score between 5 and 6, and five received an average score between 6 and 7. [13]

For overall satisfaction, customers at fourteen locations reported an average level of satisfaction between 5 and 6, while those at sixteen locations had an average satisfaction level between 6 and 7. [14]

Figure 21. Customer-Reported Quality and Satisfaction



CUSTOMERS' RETURN INTENTIONS

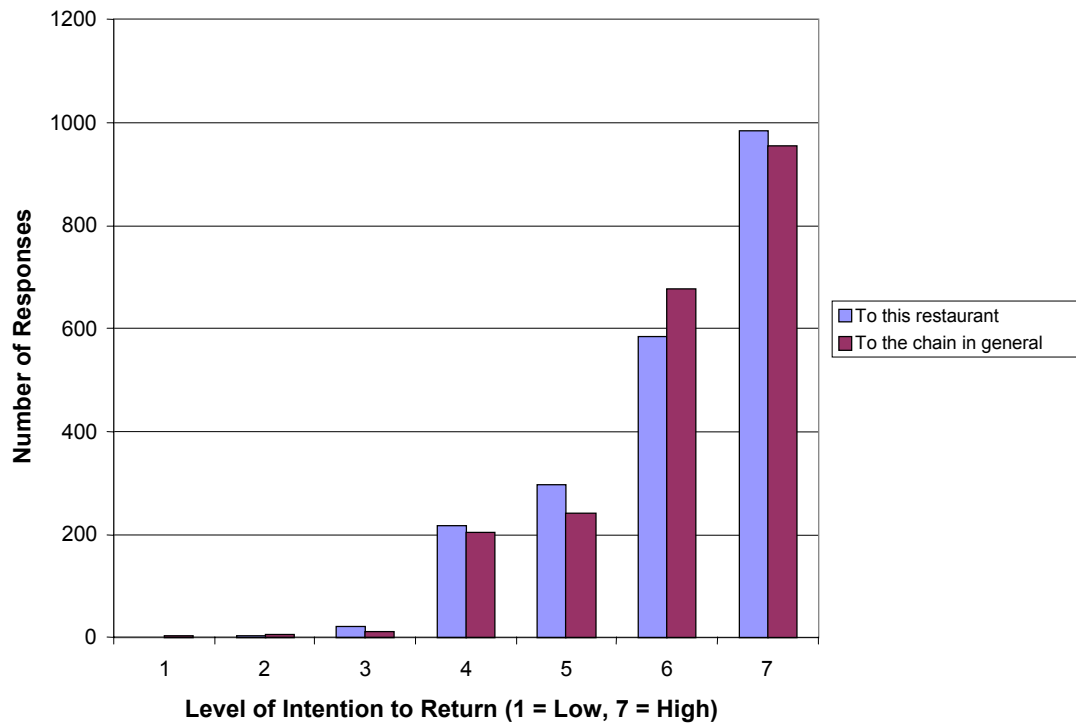
Finally, we asked customers five questions about their intentions to return to the particular restaurant they were in and to the chain's restaurants in general. We then aggregated the responses from these two sets of questions to produce two summary indexes.

Figure 22 shows the results, which appear quite good: the motivation to return to that particular restaurant was in the top two categories for 78% of respondents, and the motivation to return to the chain in general was in the top two categories for 82% of respondents.

Customers at twenty-four locations reported an average level of motivation to return to that restaurant between 5 and 6; those at six locations had an average level between 6 and 7. [15]

The averages were slightly higher for returning to the chain in general. Customers at twenty-three locations reported an average motivation level between 5 and 6, and those at seven locations reported an average level between 6 and 7. [16]

Figure 22. Customer Intentions to Return



The Employee Survey

BACKGROUND ON THE SURVEY

After contacting each restaurant location to ask how many employees it had, we sent each location the corresponding number of employee questionnaires along with the customer questionnaires; the total number of employee questionnaires distributed was approximately 1,500. We asked managers to distribute the questionnaires to their employees along with sealable envelopes to put them in in order to maintain the confidentiality of the responses. The managers then collected the surveys and returned them to us.

We received from 30 restaurants a total of 341 employee questionnaires that were at least partially completed. The number of questionnaires returned from each location participating in this effort ranged from one to 27, with a median of ten.

The rather low response rate means that the results presented here should not be relied upon unduly, because employees who were motivated to fill out the questionnaire may differ from the chain's restaurant employees in general.

EMPLOYEE DEMOGRAPHICS AND BACKGROUND INFORMATION

Respondents to the employee survey had the following characteristics:

- 67% were female, 33% were male.
- The median employee age was 21.²⁷ The average age was 26.5, which is higher than the median of 21 because of the effect that older workers have on the average.
- 86% of the employees were White/Caucasian; 5% were Hispanic/Latino;²⁸ 3.5% were Black/African American.
- 59% were single; 23% were married; 11% were living with a partner; 6% were divorced/separated.
- Employees' average education level was twelve years; 90% of the respondents had more than ten years of education; 25% had fourteen years or more; only 5% of the respondents had 16 or more years of education.
- 154 respondents were waiters or waitresses; 85 were cooks; 65 were dishwashers; 50 were hosts or hostesses; 37 were cashiers; 33 were busboys; 29 were "other;" and 26 were shift leaders or supervisors.²⁹

²⁷ That is, half of the employees were under age 21 and half were over age 21.

²⁸ We provided questionnaires translated into Spanish to those who needed them.

²⁹ Because some employees reported more than one job title, the total exceeds 341 (the number of questionnaires received).

- 60% of the respondents said they had “a lot” of experience “working in this type of job,” including experience at other restaurants or places like dining halls; 28% said they had “some” experience; and 12% said they had “very little.”
- Using 30 hours/week as the dividing line between full- and part-time employment, 48% of the respondents reported working full-time, and 52% worked part-time.
- Employees worked an average of 28.3 hours/week.
- 45% are students; and 38% of employees are full-time students
- 25% of the respondents have been in their jobs two months or less; 50% have been in their jobs ten months or less; 75% have been in their jobs less than two years.
- The average length of service is just over 2 ½ years, which is considerably higher than the median of ten months just cited. But the average is pulled up by a small number of long-term employees.³⁰

Wages and fringe benefits. Employees reported that their average wage was just under \$8/hour, with 50% of all employees earning \$5.75 or less.

Employees thought that a “fair” wage for the work they did averaged \$9.74/hour, with 50% saying \$7/hour or less would be fair.

To look at it another way, the gap between employees’ wages and what employees thought was a fair wage was around \$1.25/hour.

A substantial majority (75%) of employees said their fringe benefits had zero value.

Regularity of work schedule. We asked employees how regular their work schedules were and how important the regularity of the work schedule was to them. As Table 15 shows, on average the regularity of the work schedule appears to be in balance with what employees need. It is possible, however, that the regularity of the work schedule may be higher than what an individual employee needs in order to be satisfied. A more detailed analysis shows that over one-third of respondents (110 out of 316 who responded to this question) reported a gap between what they needed in terms of regularity of the work schedule and how regular their work schedule was. In other words, for these employees, the work schedule is not as regular as they would like.

³⁰ While tenure increases with age, it would be incorrect to assume that a newly-hired older worker would last longer than a newly-hired younger worker. The age/tenure relationship is based, in part, on the fact that younger workers haven’t had the opportunity yet (due to their young age) to stay in a job for an extended length of time.

Table 15. Employees' Views of the Regularity of Their Work Schedules.^a

<i>How regular is your work schedule at this restaurant?</i>		<i>How important is the regularity of your work schedule to you?</i>	
Very irregular	10%	Very unimportant	9%
Somewhat irregular	13%	Somewhat unimportant	8%
Not sure	7%	Not sure	9%
Somewhat regular	40%	Somewhat important	31%
Very regular	30%	Very important	44%

^aPercentages are the percentages of employee respondents choosing that response level.

WORKING CONDITIONS

Employee stress. We asked employees to tell us how often they feel stressed by six aspects of their jobs.³¹ Figure 23 shows the aggregate results from these items. Overall, employees do not consider their jobs unduly stressful: only 14% of the respondents reported feeling “often” or “always” stressed.

When these results are averaged across restaurants, two restaurants have employees who are “often” stressed; sixteen have employees who are “sometimes” stressed; and twelve have employees who are “rarely” stressed. [17]

Difficulty performing one’s job properly. We asked employees how often it was difficult or impossible to do their jobs because of organizational constraints like poor equipment and supplies or conflicting job demands. We aggregated responses from these eleven items to produce an overall measure of the frequency of such difficulties (Figure 24).

Very few employees (9%) had difficulty more frequently than once or twice per week.

Employees in twenty-one restaurants had an average frequency of difficulty of less than once a month; those in six restaurants had average frequencies between once a week and once a month; and those in three had averages between once or twice a week and once or twice a day. [18]

³¹ For example, “I am responsible for too many tasks.”

Figure 23. Frequency of Stress Among Employees

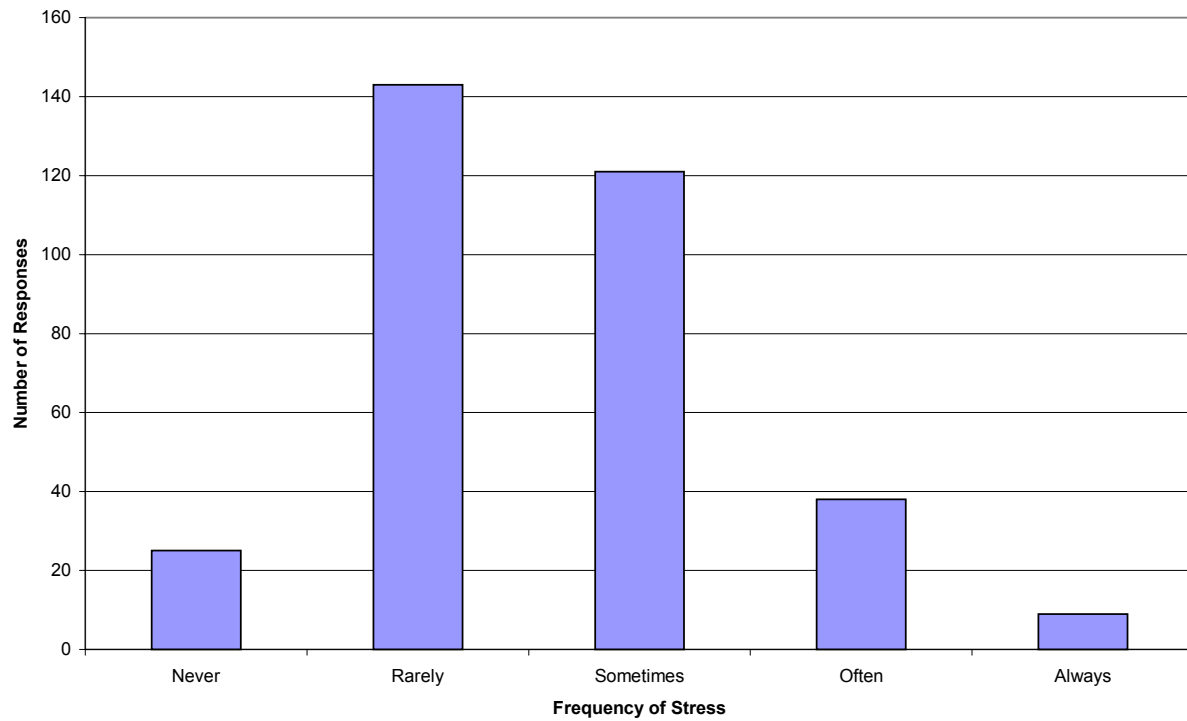
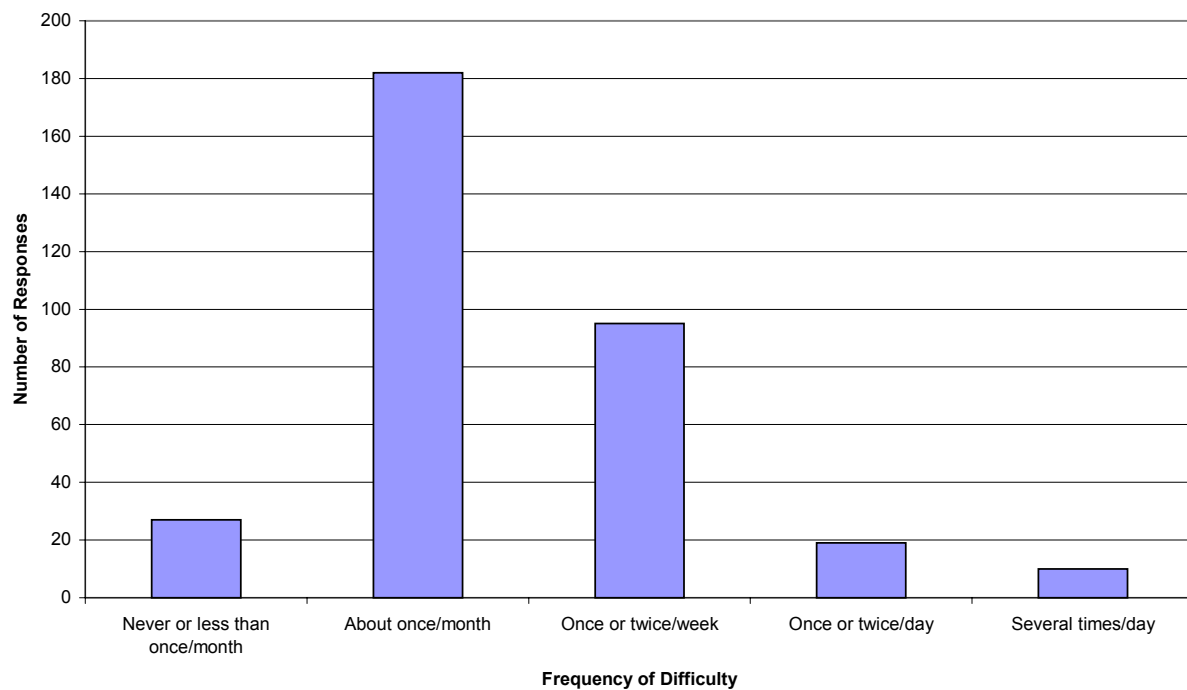


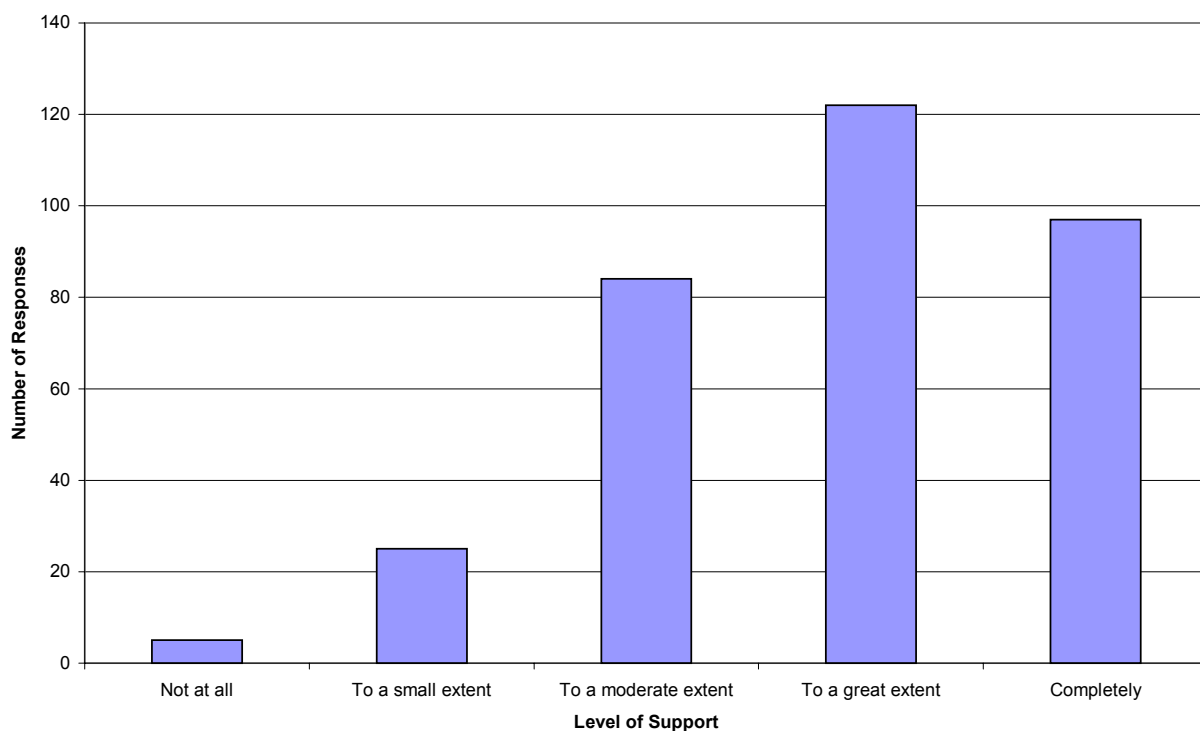
Figure 24. Frequency of Difficulty in Performing One's Job Due to Organizational Constraints



Support from coworkers. We used four items³² to gauge the extent to which employees felt they could rely on their coworkers. Figure 25 presents the results of aggregating responses to these for items for each employee. All in all, the results are favorable: 66% of employees indicated that they could rely on their coworkers “to a great extent” or “completely.”

In twenty-five restaurants employees indicated, on average, that they could rely on coworkers between a “moderate” and a “great” extent. The average level of inter-employee reliance was between “great” and “completely” in three locations, while in two locations it was at the lower end of the spectrum, between “small” and “moderate.” [19]

Figure 25. Extent to Which Employees Can Rely on Coworkers for Support



Service climate. We asked the employees to respond to the same items as the managers did regarding the service climate in their restaurants. As shown in Figure 26, most employees had a high opinion of their location’s service climate, with most rating it “good” or “very good.”

Table 16 shows the distribution of restaurants’ average ratings from employees. Employees in three locations judged the service climate there to be “fair;” those in

³² For example, “Can you count on your coworkers to help you with a difficult task at work?”

Figure 26. Employees' Ratings of Their Restaurants' Climate for Service

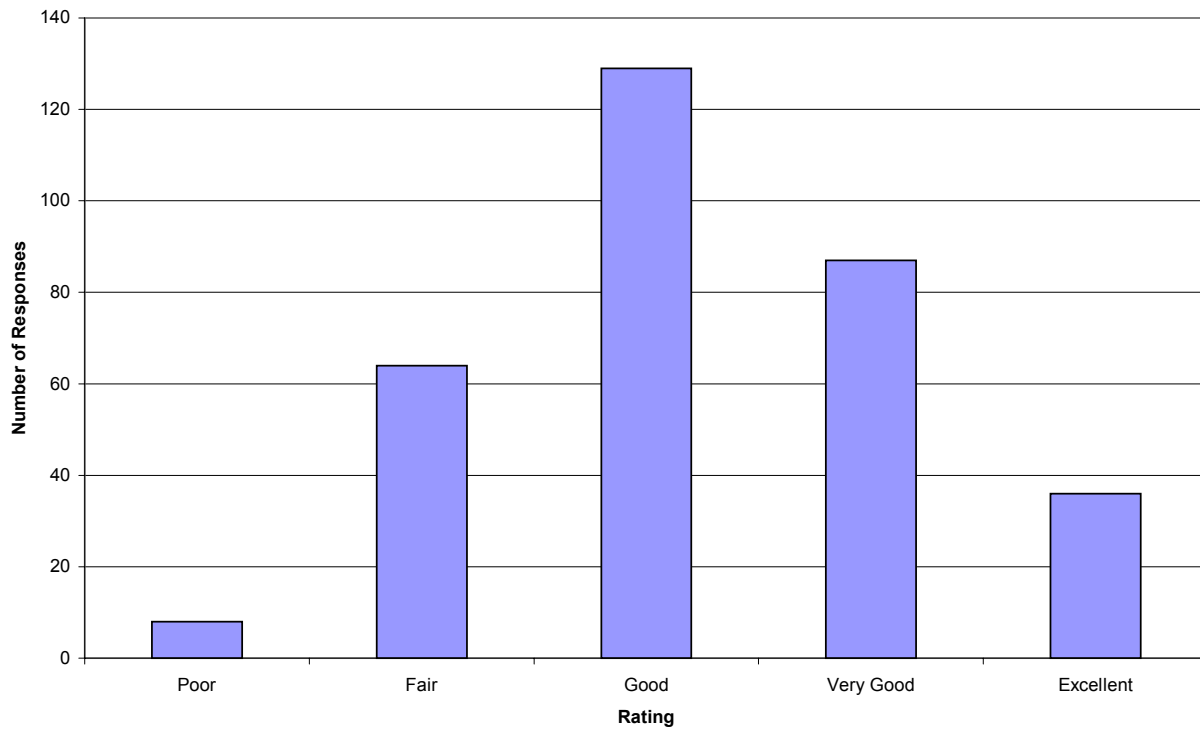


Table 16. Employee Evaluations of Their Service Climate.^a

Poor	Fair	Good	Very Good	Excellent
0	3	18	9	0

^aNumbers indicate numbers of stores with the corresponding average rating from their own employees.

eighteen locations judged it to be “good;” and those in nine locations said the service climate was “very good.” No store received an “excellent” rating from its own employees. [20]

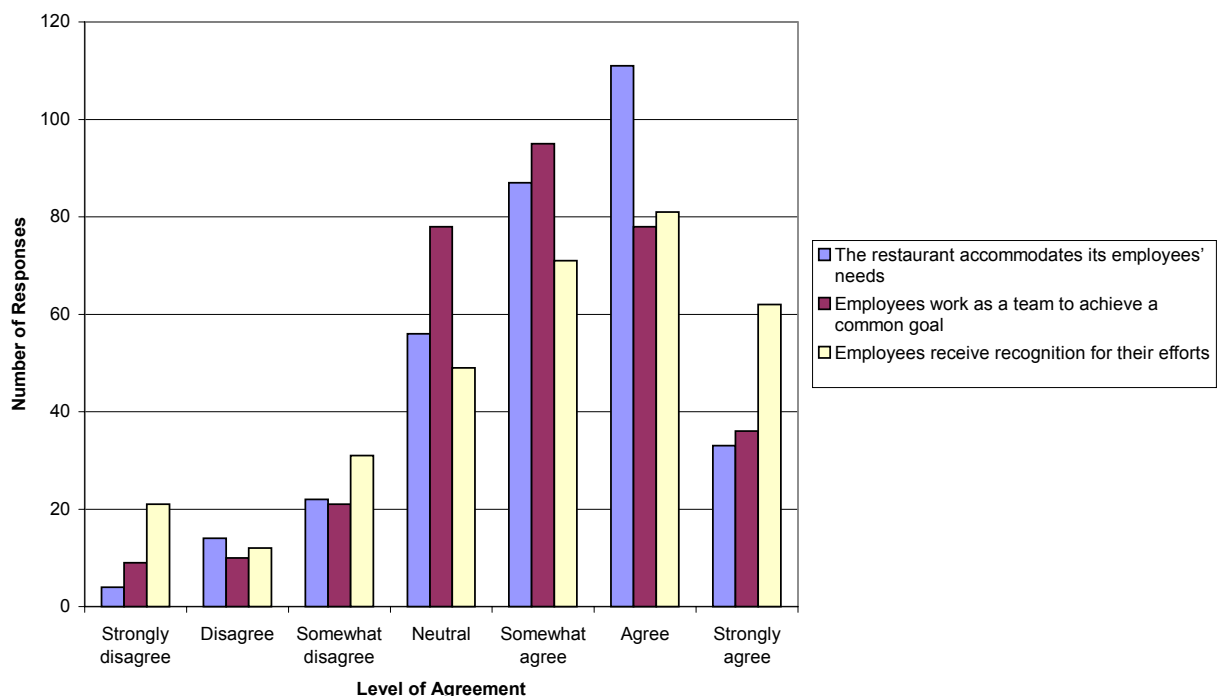
There was some divergence between employees’ and managers’ views of their store’s service climate. (Compare Table 16 above with Table 9 on page 14.) In two locations the employees gave a higher score (“good”) than managers did (“fair”). In seventeen locations, employees and managers had the same assessment of the service climate. In eight locations, managers rated the service climate one level higher than employees did (“very good” vs. “good,” for example). In one location, managers thought the climate was “very good” while the employees thought it was “fair” (two levels below). The biggest discrepancy arose in one restaurant, where the managers rated the climate as “excellent” and the employees thought

was only “fair.”³³ As stated in the introduction to this report, employees’ perceptions of service climate are more predictive of positive customers outcomes (satisfaction and intention to return) and should therefore be considered more reliable than managers’ perceptions.

Employee evaluation of management practices. We asked employees to respond to the same statements as the managers did concerning accommodation of employee needs, employees working as a team, and recognition of employee efforts. Figure 27 summarizes these results.

Employees expressed the most overall agreement with statements concerning accommodation of employee efforts, followed by statements concerning employee teamwork. Employees expressed mixed agreement with statements about recognition for their efforts—this group of statements had the highest number of employees who said they “strongly agreed” with them as well as the highest number of employees who said they “strongly disagreed,” “disagreed,” or “somewhat disagreed” with them.

Figure 27. Extent to Which Employees Agree with Statements about Their Restaurants’ Management Practices



Aggregate results for locations appear in Table 17. Comparing these results with those in Table 5 on page 11 (which summarizes managers’ ratings), we see that, overall, employees are more

³³ This makes for a total of 29 comparisons, due to the fact that some restaurants returned employee surveys but not manager surveys, and vice versa.

likely to say that they “somewhat agree” with these statements, while managers are more likely to say they either “agree” or “strongly agree.” Once again, there appears to be a gap between employees’ and managers’ perceptions. The biggest discrepancy is related to statements about recognition of employee efforts. In only one location did employees “strongly agree” with them on average, whereas managers in twenty-one locations indicated strong agreement. [21]

Table 17. Average (by Restaurant) Agreement of Employees with Statements Concerning Performance Management.^a

	Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
The restaurant accommodates its employees’ needs	0	1	1	2	18	7	1
Employees work as a team to achieve a common goal	0	0	2	2	21	5	0
Employees receive recognition for their efforts	0	1	2	5	15	6	1

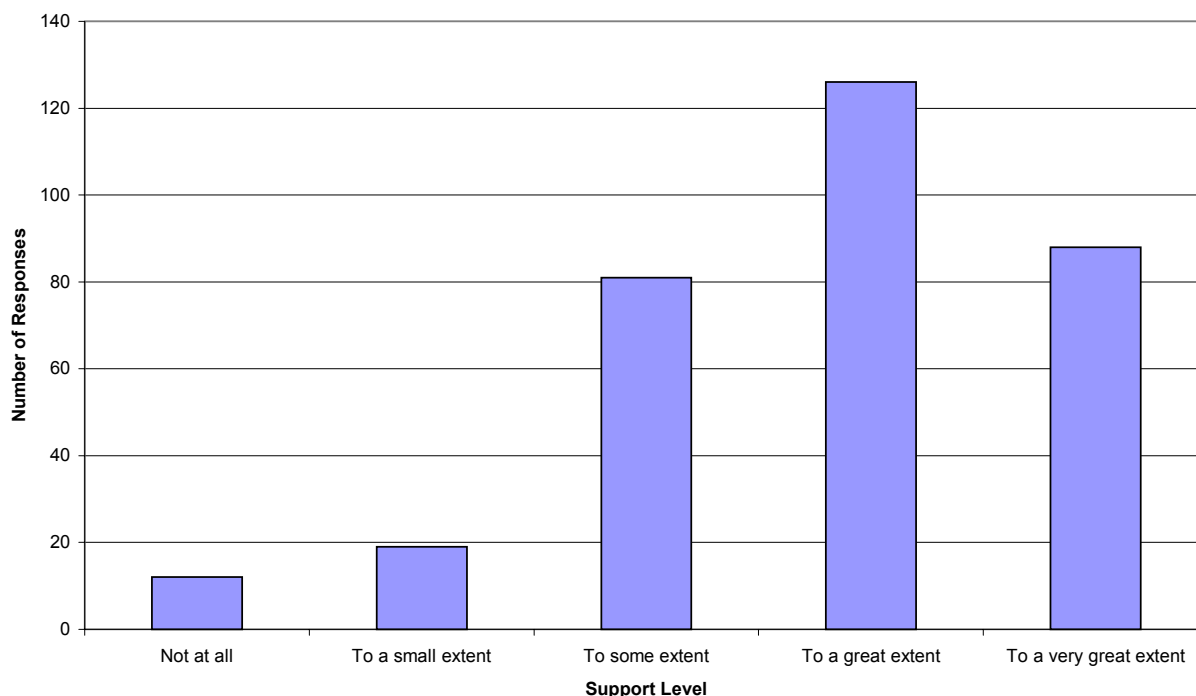
^aNumbers indicate number of restaurants with an average rating in each category.

Support from immediate supervisor. We asked employees how much support they receive for their work directly from their immediate supervisor.³⁴ Figure 28 summarizes employees’ responses. Just under two-thirds (65.6%) of employees reported receiving such support to a “great” or a “very great” extent, indicating a high average level of support.

On a restaurant basis, the employees of three locations reported on average being supported “to some extent” by their supervisors; those at twenty-three locations reported being supported “to a great extent;” and at four locations employees felt supported “to a very great extent.” [22]

³⁴ We used four items like, “To what extent does your immediate supervisor help you with a difficult task at work?”

Figure 28. Extent to Which Employees' Immediate Supervisors Give Them Support



EMPLOYEE PERFORMANCE

Organizational citizenship behaviors. We asked employees how often they engage in “organizational citizenship behaviors,” behaviors that are not part of a typical job description but that nonetheless help the restaurant function properly. Figure 29 shows employees’ average scores on four different aspects of these behaviors (helping,³⁵ courtesy,³⁶ civic virtue³⁷ and sportsmanship³⁸), plus a summary score across all categories. The results appear in Figure 29.

Most employees report engaging in organizational citizenship behavior quite regularly, although incidences of civic virtue appear somewhat less frequently than those of other behaviors. [23]

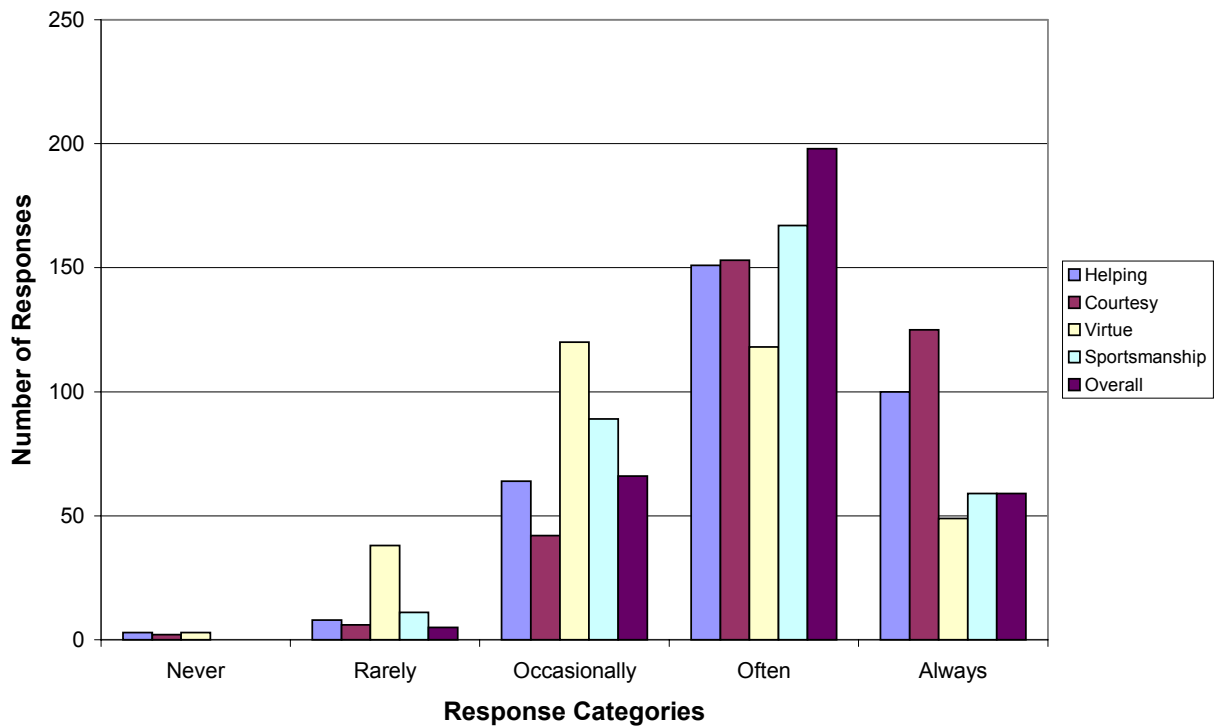
³⁵ For example, helping others with workloads.

³⁶ For example, avoiding creating problems with other workers.

³⁷ For example, attending voluntary functions.

³⁸ For example, keeping things in perspective.

Figure 29. Responses to, "How Often Do You Engage in Citizenship Behaviors?"



Negative employee behaviors. Figure 30 summarizes employee responses to three sets of questions relating to the frequency negative behaviors: withdrawal (for example, being late or absent), behaviors against the organization (stealing, for example), and behaviors against other people (for example, cursing at someone at work). For behavior against the organization, the highest number of responses was in the “never” category. Negative behavior directed at others is relatively uncommon, too—most employees report a frequency of “once every few months” or “never.” Most employees engage in some sort of withdrawal behavior between “about once a month” and “once every few months.” [24]

Employees’ evaluation of their own performance. We asked employees to rate their own performance with respect to performing the tasks related to their jobs and tasks related to customers. The distribution of responses appears in Figure 31. Most employees give themselves high marks, although ratings for task performance are higher than those for customer interaction. Surprisingly, a small but noteworthy number of employees had somewhat negative evaluations of their interactions with customers. [25]

Figure 30. Employees' Responses to, "How Often Have You Engaged in the Following [Harmful] Behaviors?"

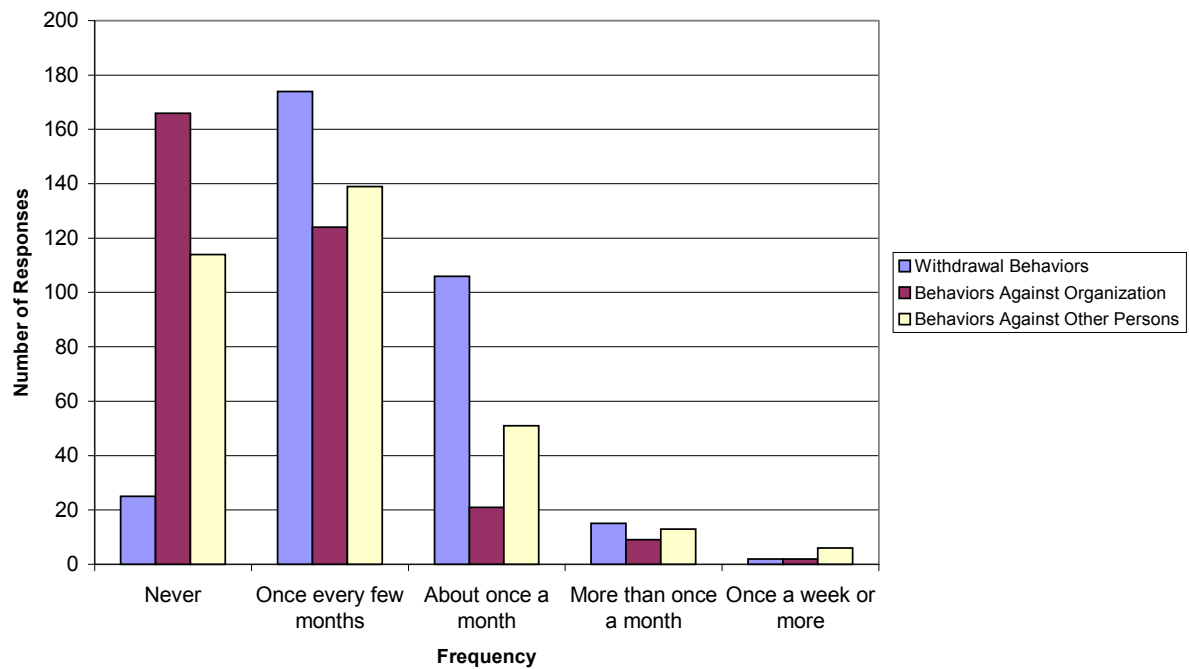
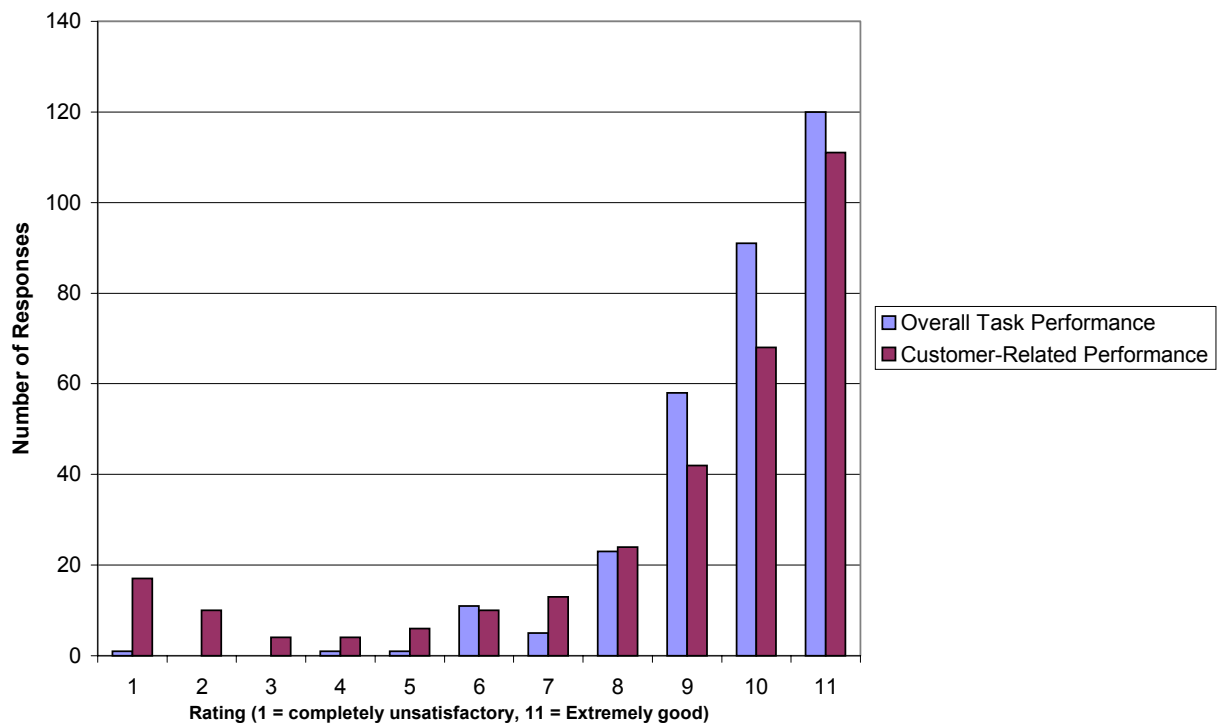


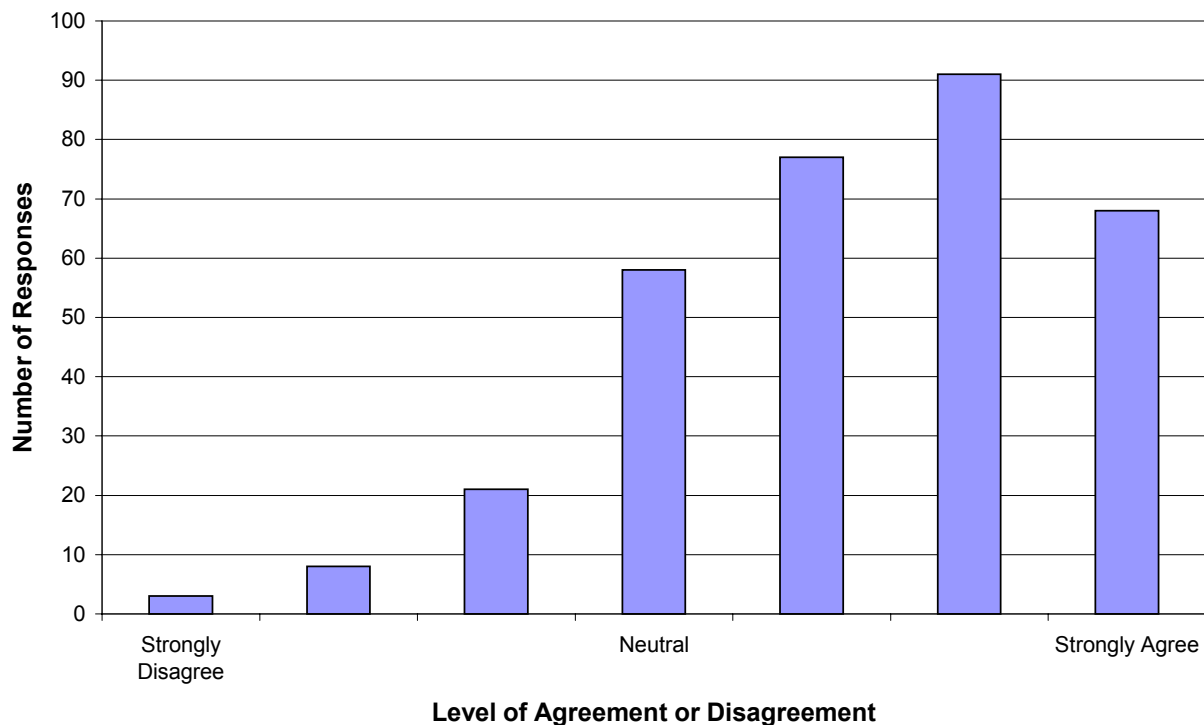
Figure 31. Employees' Self-Evaluation of Individual Performance



JOB SATISFACTION, ATTITUDES AND INTENTIONS

Commitment to the organization. We used a set of eleven statements to gauge how committed employees were to the restaurant where they worked.³⁹ Figure 32 shows the extent to which employees agreed or disagreed with the statements, where a higher level of agreement indicates a higher degree of commitment to the organization. Overall, employees are relatively committed to the place where they work; the responses of over two-thirds of the employees fell into the top three categories. [26]

Figure 32. Responses to Questions Relating to Commitment to the Organization

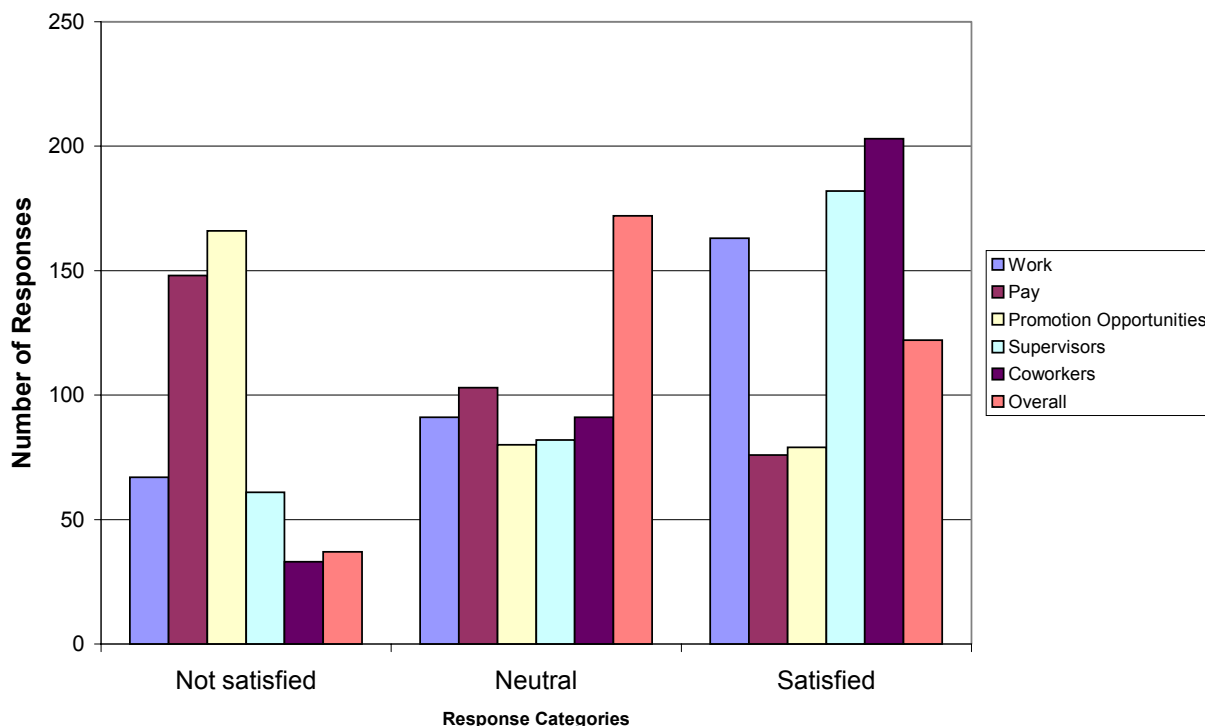


Job satisfaction. Employees were asked to rate their satisfaction with their jobs along five dimensions: the work they do, their pay and benefits, their promotion opportunities, their supervisors, and their coworkers. Figure 33 presents summaries of these ratings, along with an overall rating based on aggregating the individual components.

On the whole, employees are not satisfied with pay and promotion opportunities, but satisfied with the work they do and the people they work with (supervisors and coworkers), leading to an overall satisfaction level of “neutral.” [27]

³⁹ For example, “I am proud to tell others that I am part of this restaurant.”

Figure 33. Satisfaction with Aspects of the Job



These results are echoed by those obtained by asking employees simply, “How satisfied are you with your job overall?” Sixteen percent of employees said they were very satisfied; 46% said they were satisfied; 27% were neither satisfied nor dissatisfied; nine percent were dissatisfied; and only two percent were very dissatisfied. When averaged by restaurant, nine restaurants had employees who were neutral about their jobs, and twenty-one had employees who were satisfied with their jobs. [28]

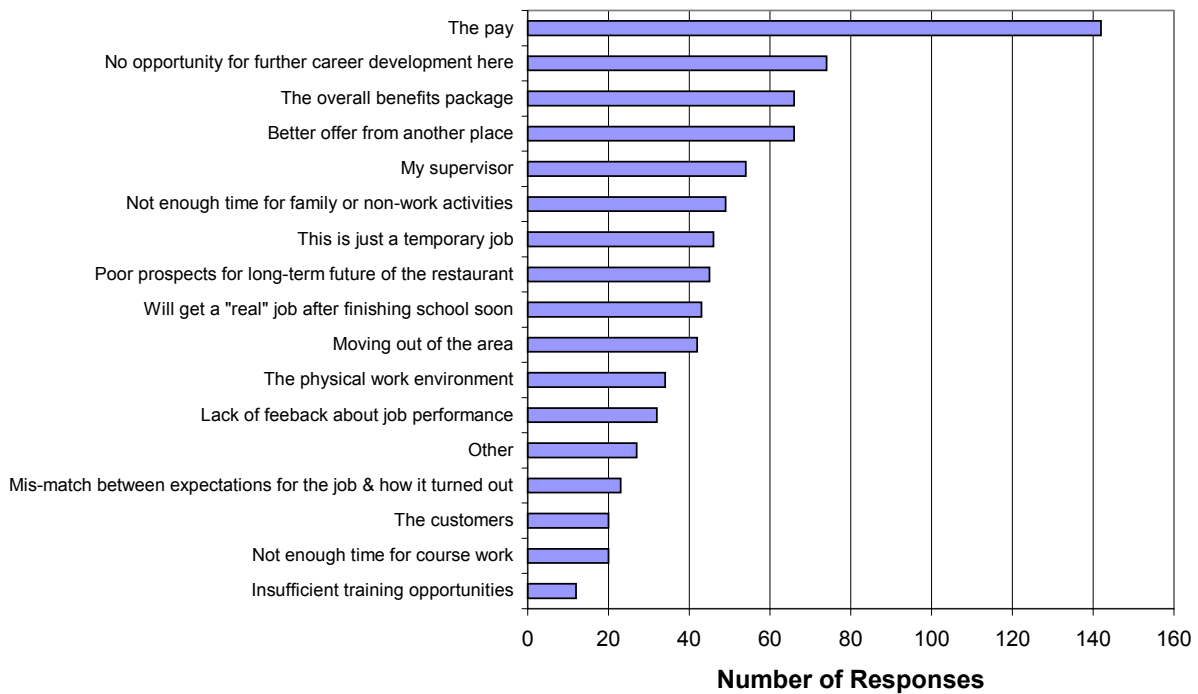
Prospects for the future. Sixty-five percent of the employee respondents indicated that they viewed their employment relationship with one of the chain’s restaurants to be “long-term.” When asked how likely it was that they would leave in the next several months, 29% replied that it was “very unlikely;” 22% indicated it was “unlikely;” 28% replied that they didn’t know; nine percent thought it was “likely;” and twelve percent responded that it was “likely.” [29]

Why do employees continue to work at the Restaurant Chain? What are the reasons some of them plan to leave? Figure 34 summarizes employees’ responses to the question, “What are the important factors in your continuing to work here?” Figure 35 summarizes responses to the question, “If you intend to leave your job in the next few months, what are the important factors in your decision to leave?” We instructed employees to mark all that applied, so the total number of reasons shown is larger than the number of questionnaires completed.

Figure 34. Employee Responses to, "Why Do You Continue to Work Here?"



Figure 35. Employee Responses to, "What Are Important Factors in Your Decision to Leave?"



EMPLOYEE PERSONALITY

Using the same measures we used for managers (see Table 10 on page 15), we score employees across five dimensions of personality. The scores for the two traits most associated with positive customer outcomes, extroversion and conscientiousness, do not differ markedly from those for the other three dimensions. [30]

Table 18. Summary Statistics for Five Dimensions of Personality for Employees.

	<i>Lowest Value</i>	<i>Average Value</i>	<i>Highest Value</i>
Extroversion	1.5	3.5	5
Agreeableness	1.8	3.9	5
Conscientiousness	1	3.7	5
Neuroticism	1	2.7	5
Openness to new experiences	1.9	3.6	5
