

Kronos Survey Reveals Dining Industry's Urgent Workforce Management Priorities

LAS VEGAS, March 13, 2013 — A new survey titled "Strategies for Workforce Management in Dining", commissioned by Kronos Incorporated and conducted by Gatepoint Research, a subsidiary of SimplyDIRECT, reveals that the majority of dining executives are concerned about their ability to improve guest satisfaction, minimize employee turnover, and prepare for the Affordable Care Act with the use of their current technology, with many only relying on Point-of-Sale (POS) systems. The survey also found that the majority of respondents expect that a new workforce management system will help improve hiring and scheduling, and reduce turnover.

News Facts

- "Strategies for Workforce Management in Dining" surveyed senior operation executives within mid- to-large companies in the dining industry. The study showed that the top-three priorities when considering workforce management are:
 - Improving guest satisfaction (69 percent);
 - o Reducing staff turnover (55 percent); and
 - Ensuring compliance as well as absorbing anticipated costs associated with the Affordable Care Act (50 percent).
- The survey also revealed that the majority of respondents 44 percent currently use a POS application to manage their workforces and only 13 percent of all respondents are highly satisfied with their existing workforce management system or processes. Respondents from large organizations are further dissatisfied with their existing system or processes, with 34 percent of respondents from organizations with more than 5,000 employees stating that they are completely dissatisfied.
- According to the survey findings, the biggest deficiencies experienced by all respondents with
 existing workforce management systems are schedule enforcement (46 percent); difficulty
 managing break periods or time off (26 percent); and insufficient analytics (20 percent). The
 survey also showed that dining organizations are vastly unprepared for the Affordable Care Act,
 especially in their ability to manage penalty thresholds.
- More than half of survey respondents expect a new workforce management system to significantly
 enhance business processes and outcomes including improved scheduling (52 percent), better
 hiring (53 percent), and reduced turnover (51 percent).
- By automating workforce management processes with Kronos, dining organizations can leverage an end-to-end suite built specifically for their industry that can help recruit and retain a service-oriented staff as well as accurately match staffing to guest demand. Also, unlike POS applications, Kronos helps minimize compliance risks associated with government regulations and labor laws.
- Kronos can also help specifically with Affordable Care Act compliance by:
 - Providing accurate information about average hours worked by full- and part-time employees;
 - Delivering timely analysis of employee benefit eligibility to improve compliance and reduce financial penalties;
 - Monitoring the workforce effectively by analyzing schedules, time records, and benefits enrollment in real time; and
 - Notifying appropriate agencies of Affordable Care Act compliance through audits and reports built into the Kronos solution.

Supporting Quotes

• Liz Moughan, director, retail and hospitality practice group, Kronos "The results of this survey have solidified our concerns for the dining industry. Dining organizations are simply trying to fit a square peg into a round hole in their attempt to use POS for their workforce management needs. While many have escaped somewhat unscathed with this approach, the margin for error is narrowing as the industry faces new challenges such as compliance with the Affordable Care Act. In fact, restaurateurs are expected to be impacted the most from this legislation. The good news is that this survey proves that dining executives are keenly aware of the direct correlation between an effective workforce management strategy and increased cost control and sales."

Supporting Resources

- Kronos made this announcement from MURTEC 2013, the annual multi-unit restaurant technology conference being in held in Las Vegas from March 13-15. Kronos is exhibiting in booth #59.
- January 2013 Kronos <u>press release</u> on the Affordable Care Act.
- About Gatepoint Research.
- Note to editors: Cite survey as the "Strategies for Workforce Management in Dining conducted by Gatepoint Research and commissioned by Kronos Incorporated".
- Connect with Kronos via Facebook, Twitter, Google+, LinkedIn, and YouTube.
- <u>Subscribe</u> to our workforce management blogs.
- Take a look at the lighter side of workforce management in our Time Well Spent cartoons.

Survey Methodology

Gatepoint Research used an email-based research methodology where senior operation executives within mid-to-large companies in the dining industry were invited to participate in a brief web survey. Between December 2012 and March 2013, 104 executives responded.

About Kronos Incorporated

Kronos is the global leader in delivering workforce management solutions in the cloud. Tens of thousands of organizations in more than 100 countries — including more than half of the Fortune 1000® — use Kronos to control labor costs, minimize compliance risk, and improve workforce productivity. Learn more about Kronos industry-specific time and attendance, scheduling, absence management, HR and payroll, hiring, and labor analytics applications at www.kronos.com. Kronos: Workforce Innovation That Works™.

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