SUMMARY REPORT

Addressing Inequitable Practices in the Hospitality Industry

October 2021
SUCCESS IN LIFE & WORK

Since 1996, Reconcile New Orleans has supported more than 2,000 young adults through workforce training programs designed to prepare them for careers in hospitality. Reconcile New Orleans provides program participants with invaluable skills for life and work, including an intentional curriculum designed to address both personal and professional needs. With the support of committed staff and employment partners, Reconcile New Orleans has realized a model with significant impact.

Reconcile New Orleans envisions a New Orleans where all young people are embraced and empowered to pursue their potential.

Assumptions
- Young people are looking to succeed in work and life, to increase their skills, and to achieve financial security
- Employers are seeking ready and motivated talent
- Real-world experience is essential for building soft & technical skills

Three-Pronged Approach
- Customized program experience
- Café learning laboratory
- Meaningful post-program support

Aspiration
- Improved life skills, confidence, and self-worth
- Access to quality, living-wage employment
- Long-term career advancement and financial stability
ADDRESSING INEQUITABLE EMPLOYMENT PRACTICES IN HOSPITALITY

Primarily serving Black youth and collaborating with New Orleans restaurant leaders, Reconcile New Orleans operates at a nexus uniquely positioned to effect changes in the hospitality industry. Beginning in 2018, Reconcile New Orleans and New Orleans-based consulting firm trepwise launched a three-phase project aimed at investigating inequitable employment practices in the hospitality industry and creating tools for employers to develop positive changes in the workplace.

Spanning a three-year period during which time our nation experienced changing cultural attitudes and greater awareness regarding racial equity, this project highlighted both opportunities for changing practices in the hospitality industry and barriers inherent in a fast-paced, profit-driven, and hierarchical industry. As summarized in the following report, this project was made possible with generous support from the Annie E. Casey Foundation, whose equity and inclusion portfolio equips the philanthropic sector and policy leaders with tools and resources to advance equitable opportunities for all children, families, and communities, regardless of their skin color or community of residence.

**PHASE 1: 2018-19**
*Dissecting the Issues*

**THE GOAL**
Investigate inequitable employment practices in the hospitality industry through a series of focus groups.

**KEY TAKEAWAYS**
- Communication between employers and employees can be strained. Empathy-building exercises are critical to bridging gaps in communication.
- Issues of race and racism remain persistent challenges. Organizations that bridge the employer-employee divide, such as Reconcile New Orleans, are primed to be change agents.

**PHASE 2: 2019-20**
*Opening the Dialogue*

**THE GOAL**
Pilot training approaches aimed at addressing identified challenges and informed by proven methodologies.

**KEY TAKEAWAYS**
- Post-training surveys indicated significant, positive changes in employer understanding.
- A standardized training program focused on building employer competencies can be deployed through multiple means, including at the job site and through walk-in convenings.

**PHASE 3: 2021**
*Sharing Recommendations*

**THE GOAL**
Define pilot outcomes and package learnings to be shared with key stakeholders.

**KEY TAKEAWAYS**
- The intention for this phase was to facilitate an event with employment partners to share outcomes and envision future initiatives.
- Given the unforeseen circumstances of the pandemic and Hurricane Ida, this report has been prepared as an alternative for sharing insights from the overall project.
Phase 1 brought together hospitality industry managers and Reconcile program alumni currently working in the hospitality industry. Over two days, Reconcile New Orleans conducted four focus groups comprised of program alumni and hospitality industry managers. Facilitated in 2018-2019, these workshops took place prior to the organization’s concerted effort to intentionally integrate racial equity best practices into its culture and strategic direction. Throughout these sessions, recommendations surfaced around how to cultivate the ideal environment, address issues of racism in the workplace, and embody critical elements of a healthy culture. While Phase 1 revealed many areas where both employers and employees are aligned, these discussions also shed light on the additional support required to build more equitable environments for employees. Overall, employers expressed an awareness of the challenges that employees face and a commitment to creating positive workplace cultures.

**Identified Employer Challenges**

- Limited time and ability for management to plan and invest intentionally due to rapid growth
- Challenges around talent, including a lack of trained leadership; insufficient employee readiness; constant employee turnover
- Insufficient existing training program(s) and the lack of a formal training plan for staff
- Poor existing staff and management accountability mechanisms
- Lack of willingness among employers to recognize challenges and enact changes

**Recommendations for Change**

- Engage employees with intention and honesty
- Define and live a “culture of care” (e.g., valuing guests, prioritizing love of food and service, respecting colleagues)
- Screen for and hire talent that is interested in professional development
- Train hiring managers and communicate career paths to staff
- Create a culture with an “open forum”
- Address the low-hanging fruit (e.g., providing a clean uniform, fixing broken equipment promptly)

Both employers and employees shared uncertainty around roles and responsibilities, performance evaluation, and evolving work culture. Expectations from both sides also revealed challenges with accountability. While employers prefer driven yet undemanding employees, employees desire feedback to improve and realistic expectations for work and life.

“A culture of empathy yields a virtuous cycle. The hospitality business is the “people business,” so empathy and success are interrelated.” - Employer

“I work a double hour shift from 10AM-11PM. Factoring in my 2-hour commute, my day is from 8AM-3AM.”

- Reconcile New Orleans Alumni
OVERCOMING PERSISTENT CHALLENGES

Beyond general challenges and trends related to workplaces as a whole, feedback from employees also revealed the persistent challenges they face in their roles. Some instances showcased disrespect for staff through statements in the workplace or insensitivity to their needs. Unfortunately, some employees also discussed declining opportunities for promotion due to a lack of support in higher-paying roles or increased responsibility without an adequate pay increase. The power dynamic that strained workplace relationships also extended to issues of race and racism in the workplace. The presence of persistent challenges emphasized the importance of consistent strategies to support employees effectively.

Addressing Racism and Issues of Race in the Workplace

Employers acknowledged that they have to implement intentional efforts to overcome issues of race and racism in the workplace. They emphasized that change will result from a culture shift from both the top down and across the organization. Employers also indicated the importance of addressing issues of race and racism immediately to highlight barriers in the workplace in real-time as they become evident.

Employers desire an authentic approach to addressing bias, as opposed to changes that could be perceived as “checking the box.” Incidents of implicit and explicit bias continue to arise from colleagues and management. Employees also shared instances of non-racial discrimination, including mistreatment or lack of opportunities due to gender, body size, or criminal background. Employers highlighted their commitment to engaging in anti-racist activities until barriers are eliminated and challenging cultural norms.

“I have no personal life...they work me so much I only get to see my 2 kids on my day off.”
- Reconcile New Orleans Alumni

“My manager gets free meals, but when I try and eat the food, I get written up.”
- Reconcile New Orleans Alumni

“You have to work like hell just to live.”
- Reconcile New Orleans Alumni

SUPPORTING POSITIVE WORKPLACE CULTURE

Focus group attendees indicated opportunities for Reconcile New Orleans to serve as a resource for employers as they address barriers to improve their workplace cultures, such as:

- Providing feedback on specific initiatives or situations.
- Sharing resources for employee professional development and growth.
- Engaging with employees directly to address their concerns and challenges.
- Facilitating productive dialogue between employees and employers.
LOOKING DEEPER

BARRIERS TO PROGRESS IN THE RESTAURANT / HOSPITALITY INDUSTRY

The following insights, courtesy of Sandra Grace Counseling and Consulting Services, provide important context around barriers to progress in the restaurant and hospitality industry.

**Occupational Segregation**
The restaurant/hospitality industry, like many other industries, is segregated by race and ethnicity, with a disproportionate number of workers of color segregated into lower-wage positions.
- Occupational segregation severely impacts the economic mobility opportunities of workers of color and results in generational poverty.

**Institutional Racism**
Institutional policies may never mention any racial group, but their effect is to create advantages for white people and oppression and disadvantage for people from groups classified as people of color.
- The persistent and often unacknowledged presence of institutional racism maintains inequity and drives racial disparities in the industry.

**White Supremacy Culture Norms**
Racial equity trainer Tema Okun suggests that characteristics of the white dominant culture can be harmful when used as norms and standards without being proactively named or chosen by a group.

**Biased Professionalism Standards**
The standards of professionalism are heavily defined by white supremacy culture – or the systemic and institutionalized centering of whiteness.
- Creating a fair and equitable workplace begins by accepting and appreciating the diversity of employees’ cultures and backgrounds.

**Unacknowledged & Unaddressed Racial Microaggressions**
Racial microaggressions are brief and commonplace daily verbal, behavioral, or environmental indignities, whether intentional or unintentional, that communicate hostile, derogatory, or negative slights and insults toward people of color.

**Harmful Narratives about Skills & Ability**
False and harmful narratives have become part of our everyday language and ultimately inform our beliefs about people, and in particular, about people of color.
- Examining the narratives and stories we tell (and believe) about workers of color is of critical importance in advancing the work of racial equity.
UNDERSTANDING INEQUITIES IN THE RESTAURANT/HOSPITALITY INDUSTRY

A survey of market insights from across the restaurant/hospitality industry highlight significant disparities across racial, gender, and socioeconomic lines. These inequities have been exacerbated by the pandemic.

Racial Disparities in the Restaurant Industry: Non-White restaurant workers are not appropriately represented in management-level roles
- 47% of hourly restaurant employees are non-White, but they represent just 31% of general manager positions and 8% of executive-level positions

Gender Disparities in the Restaurant Industry: Approximately 35% of women working in the restaurant industry are mothers
- Over half of the mothers working in the restaurant industry are single mothers
- In states with a subminimum wage, female employees are in poverty at higher levels than female employees in states with a full minimum wage and make up a higher proportion of the restaurant industry in these states

Economic Status of Restaurant Workers: Restaurant workers live in poverty at higher rates than the overall workforce
- Restaurant workers live in poverty at 3x the rate of the overall workforce
- Restaurant workers access food stamps & Medicaid at 2x the rate of the overall workforce

Bias Towards Restaurant Industry Workers: Workers of color are more likely to face structural barriers to success, including lack of training, lack of social networks, transportation, and child care
- White restaurant workers self-report racial biases, including perceptions that workers of color lack the skills and/or appearance to succeed as fine-dining waiters and bartenders

THE PANDEMIC’S IMPACT ON THE RESTAURANT INDUSTRY

In the year 2020, more than 110,000 eating and drinking establishments were closed as a result of the pandemic
- Restaurant and food-service sales were $240 billion below 2020 pre-pandemic forecasts

LOCAL CHALLENGES IN THE HOSPITALITY INDUSTRY

In New Orleans, 25.6% of back-of-the-house employees live in poverty, and 18.3% of tipped restaurant workers live in poverty
- Both of these figures are higher than both Louisiana and national averages

SOURCES
Restaurant Opportunities Center United: https://drive.google.com/file/d/19zGyWlVUH0cP0JEcniwwzBoAnUuJVWPn/view

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LOOKING DEEPER

DEFINING SHARED SUCCESS THROUGH EMPATHY-BUILDING

Framed around the shared learnings from the initial focus group, including alumni insights and opportunities to support employers, Reconcile New Orleans hosted employees and employers for an additional session centered around building empathy around shared needs, then using that common ground to define critical components of positive workplace culture.

TRUST

Trust must be built through open lines of communication, non-judgement and clear definitions, being able to admit when you’re wrong, and setting/delivering on realistic goals.

RESPECT

Respect applies to employees, employers, and the customers. It is necessary to lead by example, listen and respect each other’s opinions, and hold yourself to a higher standard.

EMPATHY

Empathy applies to employees, employers, and customers. It is necessary to feel how others feel and exercise compassion, even when defined lines between management and employees pose challenges.

PROF. DEV.

Professional development can mean both formal and informal training, including providing opportunities for structured training as well as peer-to-peer and on-the-job learning.

SUCCESS

Success begins with goal setting and structure, which enable employees and employers to align around a defined path and create incentives for employees who are looking to grow.

LONGEVITY

Longevity results from a combination of driven employees and growth opportunities. Employers should mentor and provide opportunities for employees who are looking to grow and invest in the future of the business.
Reconcile New Orleans leveraged curriculum from the workforce training program to develop workshops for employers aligned with the key deficiencies identified in Phase 1. Conversations with employers and employees highlighted many realities in hospitality workplaces. Alumni reported a lack of standardized policies and procedures and insufficient professional development that contributed to unclear protocol and performance evaluation. Alumni and employers also indicated opportunities to incentivize employers to develop a positive workplace culture and reinforce value-aligned behavior. Reconcile New Orleans staff sought to strengthen internal management and collaboration between employers and employees through the workshops piloted in Phase 2.

Informed by Youth Program Quality Intervention (YPQI) “Assess, Plan, and Improve” methodology, a best practice for youth professionals to ensure continuous improvement of programming, Reconcile New Orleans adapted three training workshops: “Reframing Conflict,” “Ask, Listen, and Encourage,” and “Structures and Clear Limits” to address the key deficiencies determined in Phase I. Reconcile New Orleans facilitators delivered training content via two distinct training formats: 1) a destination workshop with training delivered on-site and 2) a drop-in model, open to participants from various businesses with similar interests.

WHY YPQI?

Proven Model Used Nationwide:
The YPQI model is an evidenced based technique used by community-based organizations nationwide. Based on Maslow’s hierarchy of needs, it focuses on building a safe space as a foundation for a supportive environment, effective interaction, and ultimately facilitates engagement.

Setting the Foundation for Effectiveness:
Before colleagues can have productive discussion with each other they need to feel like they will be heard. By teaching this model to both employees and employers, training ensures that employees can deliver feedback that will be heard by employers who are equipped to receive it.

Positive Results at Reconcile New Orleans:
Since 2015, Reconcile has used YPQI workshops within their own work, including it in the soft skills portion of the curriculum. Since that time, leadership has observed improvements in how the staff and program participants interact with each other.

The Pyramid of Program Quality depicts the targets along the journey of continuous improvement. Practitioners work from the pyramid base to the top to help others develop skills and reach higher-order goals. Image Credit: The Weikart Center for Youth Program Quality
PHASE 2: Opening the Dialogue

BARRIERS AND OPPORTUNITIES

**Bringing Employers to the Table Remains a Challenge.** Reconcile New Orleans developed an outreach and sales model to engage with and track prospective workshop attendees, including employment partner staff and managers. Feedback revealed a lack of initial buy-in from employers to the concepts taught, challenges with sending staff to workshops due to workplace capacity, and insufficient professional development support from employers. There is an opportunity to further advocate for the benefits that the workshops provide for workplaces.

**Preliminary Results Demonstrate YPQi Effectiveness.** Pre and post-surveys (see below) revealed that the workshops were worthwhile for training attendees, and in some cases, employers were surprised once they observed how training built on YPQi concepts could also benefit adults.

### EMPLOYER TRAINING SESSION FEEDBACK

During the “Structures and Clear Limits” destination workshop employers learned how to address workplace challenges by better setting expectations for their team members. The charts below showcase learning outcomes.

**Prior to the training,** some employers struggled with knowing how to set clear expectations.

**Following the training,** all employers expressed confidence in knowing how to set clear expectations.

### Opportunities Remain to Shift Workplace Norms and Best Practices. Reconcile New Orleans envisions a future where similar training is normalized in the workplace, and they continue to prepare young people trained to communicate and collaborate in service of positive workplace culture.

**Long-Term, Employers Should be Armed with a Common Language to Have Difficult Conversations, Resolve Conflicts Effectively, and Provide Equitable Support for Employees.**

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**“I was surprised to find that YPQi was so transferable for adult professional development.” - Employer**
LESSONS LEARNED

As originally envisioned, this report was to be shared with employment partners at a facilitated event to share learnings and align on best practices for positive workplace cultures. Due to the realities of the pandemic and the implications of Hurricane Ida, this report will be disseminated virtually and will serve as a foundation for future employer engagement efforts. Several key learnings from the process will inform efforts going forward.

Establishing Empathy to Achieve Change

- Employers and employees benefit from opportunities to share their perspectives. Building mutual empathy between both groups can help break down entrenched barriers.

- In addition to operational improvements centered on improving workplace culture, racial equity training or curriculum integrated with an anti-oppressive lens into professional development workshops will help employers more effectively address racism and issues of race in the workplace.

- There is tremendous overlap between employers’ and employees’ expectations for actions that support a positive workplace. They agree that effective communication, mutual respect, and direct peer-to-peer support and mentorship provide a foundation to realize change.

Meeting the Moment with Intentional Support

- Employers are interested in training and resources to cultivate positive workplace environments, as evidenced by their interest in attending facilitated events on the topic. However, employers need adequate support to follow through on these initial efforts.

- When employers participated in the validated workshops, they had a firm understanding of how to apply the YPQI approaches to their day-to-day operations.

- In many cases, when employees were allowed to attend workshops, they were not compensated for their time. For similar training in the future, emphasizing the importance of adequately paying staff for time spent on professional development will ensure that employers are managing equitably and valuing contributions to positive workplace culture.

- The pandemic has exacerbated inequities in the hospitality industry and contributed to staff dissatisfaction and labor shortages. Culture-focused training may be more prioritized by employers as we emerge from this period.
LOOKING FORWARD
Beginning in January of 2021, Reconcile New Orleans embarked on an ambitious three-year strategic plan to advance strategic priorities across their young adult workforce training programs, Café, and business operations. The strategic planning process, carried out in partnership with trepwise and Sandra Grace Counseling and Consulting services, was informed by voices from across the New Orleans community and designed with a racial equity lens in mind. The work reflected in this report is aligned with Reconcile New Orleans’ strategic plan and broader vision of a New Orleans where all young people are embraced and empowered to pursue their potential. In the months and years ahead, Reconcile New Orleans will continue to bridge the boundaries between employers and employees and will work to scale training approaches defined through this project. By implementing an anti-racist approach internally, with facilitation and training led by Sandra Grace Counseling and Consulting Services, Reconcile New Orleans hopes to encourage the employers that hire program graduates to do the same.

### 2023 STRATEGIC PRIORITIES

**Programs:** Ensure a high-quality, customized experience for program participants across all learning phases, and an outstanding reputation with employers.

**Café:** Rebrand and reimagine how the Café functions to deliver high quality food, service, and learning experiences.

**Post-Program:** Increase post-program support and engagement with graduates to help ensure high-quality employment and life outcomes.

**Thriving Organization:** Implement changes to how our organization operates, leverages data, and engages with the community to ensure an equity-aligned and outcomes-focused approach while also maintaining a solid long-term financial outlook.

The Road Ahead

Over the coming years, we are excited to continue strengthening our organization and program model which, since 1996 has been building hope and changing lives for New Orleans youth. During these unprecedented times, this work is more important than ever, and Reconcile New Orleans looks forward to working in partnership with the hospitality industry in New Orleans to bring this vision to life.
Connecting with Local Partners

Reconcile New Orleans is part of a local ecosystem of organizations committed to building more equitable workplace and education environments, providing workforce development opportunities in broad career pathways, and strengthening youth engagement in the region. The organizations below are part of a thriving support system that addresses inequitable practices and serve as partners and resource hubs to advance Reconcile New Orleans’ mission.

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<th>YOUTH ENGAGEMENT</th>
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<td>Sandra Grace Counseling and Consulting Services</td>
<td>New Orleans Business Alliance</td>
<td>New Orleans Youth Alliance</td>
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<td>The People’s Institute for Survival and Beyond</td>
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<td>Beloved Community</td>
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Photos in this report courtesy of Dwight Marshall

For questions or inquiries please reach out to Monique Robinson (mrobinson@cafereconcile.org)