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Speaking in Tongues

Fazoli's goes bilingual, improving recruitment and retention of Hispanic employees.

By Donna Hood Crecca

Eubaldino Cordoba spoke no English when he immigrated to the United States from Panama two years ago and began working in a Fazoli's kitchen in Lexington, Ky. Because all the training and prep materials were available in Spanish, Cordoba got up to speed quickly and steadily gained new responsibilities. Last year, his manager told him about an English as a Second Language course at a local community center, and Cordoba enrolled, taking the class on company time. Four months ago, he was promoted to assistant manager and hopes to progress to unit manager.

In 2000, Fazoli's Area Manager Laurie Ruggles was among the first group to undergo a Spanish Immersion program the company initiated. The eight-day program involved intensive study of Hispanic culture and customs, and six days of Spanish-only communication. She emerged understanding the majority of the Spanish spoken to her and able to speak the language with fair competence.

Later that year, Ruggles was called to a new unit in Atlanta that was having difficulties staffing up in time for its opening date. Using her understanding of the Hispanic culture and language, she was able to work with local Hispanic groups and assist in recruiting and training enough associates to open the unit on time.

Fazoli's approach to addressing the language barrier from both sides has proved beneficial for English- and Spanish-speaking employees, not to mention the company itself. "Once you demonstrate that you're a friendly employer—you understand the culture, you address the language issue and offer career development tools—you become a preferred employer," says Fazoli's COO Wayne Albritton. "We've found it most productive to get the language and culture instruction going both ways."

Doing so has helped Fazoli's reduce its hourly employee turnover rate from 156 percent to 132 percent for the fiscal year ending April 2002. Employee surveys now reveal high satisfaction among both hourly and management employees. With 388 units, the company achieved sales estimated at \$420 million for fiscal year 2002, up from \$381.5 million the previous year, while opening only seven new units.

SNAPSHOT

CONCEPT

Fazoli's

COMPANY

Seed Restaurant Group

HEADQUARTERS

Lexington, Ky.

2002

SYSTEMWIDE SALES

\$420 million
(fiscal year ending April 2002)*

UNITS

388 (158 company;
230 franchised)

AVERAGE UNIT VOLUME

\$1.08 million

AVERAGE CHECK

\$4.50

EXPANSION PLANS

30 franchised units
in 2002

*Chain Leader estimate

Because of its pending joint venture on 30 new locations and possible acquisition by McDonald's Corp., Albritton will not provide specifics on current performance. "Our comp sales are trending positively," he offers, adding, "If it were not for our diversified work force, we would not be as successful as we are."

Italian Melting Pot

A fast-casual Italian concept based in Lexington, Fazoli's has been a study in diversity since its early days. Founded in 1988 by Jerrico, the concept was bought in 1990 by Seed Restaurant Group, a company formed by former Jerrico exec Kuni Toyoda, who came to the States from his native Japan to study restaurant management in the 1970s. Today, four of the 14 executives are women, and Albritton is bilingual, having been raised in Panama.

While an inclusive working environment is ingrained in the culture, Fazoli's management embarked on a 12-month drive to raise awareness and actively promote diversity in 2001. It was the theme of the annual manager's meeting, and a calendar featuring photos and stories of 12 employees from vastly different backgrounds was distributed companywide.

Fazoli's takes a grassroots approach to building a diverse work force that reflects the population of each market. "We've been successful at tapping not only Hispanics, but also Bosnian-Croatian groups, Vietnamese communities and Middle Eastern populations because we approach each with respect and a sense of inclusiveness," says Fazoli's Chief People Officer Rebecca Fine.

"There are two types of companies when it comes to diversity issues—visionary and reactionary," notes Gerry Fernandez, president of the MultiCultural Foodservice & Hospitality Alliance, Providence, R.I. "Fazoli's is definitely a visionary company because it has embraced diversity as part of its own foundation since the beginning."

Bridging the Communication Gap

Hispanics are the fastest growing ethnic group in the United States, especially in Florida, Colorado and California—markets where the company is expanding. In recent years, Fazoli's has dedicated considerable resources towards formal programs to court Spanish-speaking employees and consumers.

The company started translating its training materials into Spanish four years ago. By 2000, all corporate communications were bilingual. Also, unit managers began encouraging hourly employees to attend ESL classes, arranging schedules and transportation, even tuition in many cases.

But a roundtable discussion with Spanish-speaking employees really brought the communication gap into focus. "We realized we were on the right track but that we had to take it one step further," says Kathy Watkins, vice president of training and development. "We had to improve the overall communications between manager and employee, and it couldn't just be a one-way effort."



So Fazoli's made a push to turn the tables, instituting a Spanish Immersion program. Four sessions have been held since its debut in 2000 and another is scheduled for this fall. Forty Fazoli's managers have completed it thus far.

The 10 to 12 students are literally quarantined at a hotel in Lexington with instructors from Atlanta-based consulting group Macias & Associates. The curriculum revolves around understanding Hispanic culture, from the customs that are consistent across all Hispanic groups to those specific to the various sub segments. As such, participants learn better ways to handle issues such as scheduling. For example, Saturdays are culturally an important time for Hispanic families, says Albritton. "So scheduling an early morning manager's meeting on a Saturday may not be a good idea."

The core of the program, however, is learning the language. At the end of the second day, participants sign a pledge to communicate only in Spanish for the remainder of the course. This includes everything from conversation and instruction to radio and TV. "The course is geared toward the restaurant business, so the managers learn to do things like interview, talk about food safety and work on guest service issues in Spanish," says Watkins. "They come out of Spanish Immersion understanding about 80 percent of what's spoken to them in Spanish and able to communicate at about 40 percent."

The program comes with a price tag—approximately \$1,500 per participant plus hotel accommodations and meals. In total, Fazoli's invests up to \$25,000 per session.

Immediate Gratification

However, the impact is almost immediate. "They're able to convey the company's values, vision and expectations in Spanish and to discuss scheduling issues, benefits questions and other topics with their employees in a productive way," says Watkins.

"These managers also have a profound appreciation for what their Hispanic employees are going through in their attempts to learn English, which is a far more complex language," Fine says. "There's a new level of support of that effort and patience with the individual who is working to overcome the language barrier in order to be a productive employee."

In return, managers enjoy greater loyalty and productivity from their Hispanic employees. Retention among Hispanic hourly employees typically improves 32 percent in units where the manager has completed Spanish Immersion. Anecdotally, the ability to recruit is also improved due to word-of-mouth.

The greater level of understanding of Hispanic culture has influenced everything from corporate policies to day-to-day operations. One policy that changed was that employees who took more than two weeks consecutive leave not related to maternity or disability were automatically terminated. "But many Hispanics need to visit their homes for extended periods of time because they can't get there often," says Albritton. "We extended it to a 120-day job hold, so the Hispanic employee could take a two- or three-month trip to their country and return to their job with their benefits and status in place."



Also, when the opening team at a new unit is in training and many of the members are Hispanic, breaks are taken communally. “Hispanic people are very family oriented, and culturally they take their meals and rest time together,” explains Fine. “We’ve found that rather than stagger the breaks, if they rejuvenate together and socialize, everyone comes back energized and ready to go.”

Bottom Line Benefits

Bridging the communication gap has also helped Fazoli’s meet business goals. Training on issues such as workplace safety is more effective when everyone understands the materials, says Fine, citing that the chain averages less than half an accident per restaurant per year. Loyalty is also improved, reflected in a cash loss of 0.01 percent. And the quality of the work force is on the rise, she says.

“We’ve been able to introduce more complicated products into our system because we can convey the training, operations and promotion information efficiently to everyone,” she explains. “We added a line of fresh tossed salads this summer which are very labor intensive because they’re prepared as you watch, and they’ve been very successful. We’re now developing a line of hand-tossed signature pastas that will be prepared to order.”

Those new fresh-made menu items are driving up tickets. Fazoli’s checks have gone from \$4.25 to \$4.50 in the past year, which is a goal the company had hoped to achieve by 2003.

Another benefit is attracting customers. “We’re seeing more and more Hispanic consumers come through the doors because they’re comfortable here,” says Fine. “There’s a very good chance that a Spanish-speaking employee will be taking their order. So, we’re broadening our customer base within an important demographic.”

“From the standpoint of fulfilling our stated mission to ‘enhance the lives of those we touch’ and the business success of our company, the dividends are huge,” says Albritton.