

GORKI RESTAURANT, MALAGA, SPAIN

“Working for Gorki is like playing for Real Madrid”

Introduction

Gorki Restaurant in Malaga is the first of what has developed into a chain of eight restaurants located mainly in Andalucia (with two in Malaga, one in Marbella, one in San Pedro de Alcantara, one in Seville, one in Cordoba and two in Madrid.) The restaurants offer delicatessen-type products (cold cuts, patés, foie gras etc.) and serve a varied selection of innovative and elaborate ‘tapas’ and traditional dishes. The wide range of national wines on offer is worthy of note, with a choice of 74 red wines, 12 white wines and 5 varieties of rosé wine. The restaurant employs a total of 60 staff members, comprising of 25 men and 35 women. 85% of staff are aged between 25 and 45 years.

The Gorki restaurant opened in Malaga in December 1992 when Luís Higuera and Gonzalo Ramírez opened the doors of a small “Food and Wine-tasting Boutique.” At that time the wine list carried 30 red wines, 6 white wines and 2 rosé wines and the company engaged 1 full-time employee and 1 part-time employee. The first decisive change in Gorki’s trajectory came with the introduction of an oven in the establishment to bake bread in order to serve small sandwiches and canapés to satisfy the demands of customers. This initial change was to become the cornerstone for their expansion.

Human Resource Management at Gorki Restaurant

One of the key ingredients of the approach to human resource management at Gorki restaurant has been the creation of a positive, cheerful working atmosphere labelled by management as the “Gorki Spirit”. This organisational culture has subsequently been exported to the other restaurants in the Gorki family. One of the main objectives of Gorki management has been the avoidance of stress in the working environment, which management recognised as one of the main sources of discord in the hotel and restaurant sector. A ‘tapas’ service in a restaurant implies a greater volume of work for both waiters and kitchen staff since orders are taken somewhat differently than in a traditional restaurant in that they tend to be more frequent and of smaller quantities. Thus, the potential for conflict when delivering a tapas service is greater – however, adherence to the “Gorki Spirit,” means that the organisation has experienced low levels of disharmony and the selection of employees who are good-humoured and calm and who are likely to adopt the “Gorki spirit” has been central to the development of the business.

In order to preserve the “Gorki spirit”, four key HR policies have been implemented. These include: (i) staff involvement in business issues; (ii) delegation of responsibilities to staff, (iii) financial incentives and (iv) succession planning. These four initiatives will be discussed below.

Promotion and Succession Planning

Prior to the inauguration of the new restaurant in 1995, the restaurant management were worried about a loss of identity due to the proportion of staff being younger and holding limited qualifications. However, Gorki management saw the chance to offer these young people the opportunity to develop a career within the company in a sector where future prospects are generally few and far between. Workers in the restaurants typically fall into the following categories: (i) Manager, (ii) Senior Waiter, (iii) Junior Waiter, (iv) Kitchen Manager and (v) Chef.

It was at this point that the decision was made to promote one of the employees in the Senior Waiter category to the post of Restaurant Manager in a newly launched restaurant and subsequently, to promote a Junior Waiter to the post of Senior Waiter. This marked the creation of an internal promotions system within the company which is still in use today. Thus, the Gorki management ensured the transmission of the same working spirit from one establishment to the other, as well as creating an awareness of excellent future prospects for the staff.

Management followed a similar policy with respect to training: observing employee performance allowed them to identify areas where training was needed in order to fill any gaps and therefore create optimum professional profiles for the development of specific jobs. For example, the Administrative and Accounting Director started working with the group as a chef, but already held an administrative undergraduate degree. A vacancy in the company's administration came up and she applied for the post. Noting the young woman's determination and her capacity for hard work, the management decided to subsidize her studies to obtain a Masters Degree in Business Management, and on completion of this, she took up her current role as Administrative and Accounting Director.

Employee Autonomy

From the very beginning of the Gorki project, management understood the need to create a positive working atmosphere in order to relieve stress and prevent it impacting on the public arena of the business. They realised the importance of creating a team with good interpersonal relations. Their solution was to delegate all responsibility for HR and recruitment to the restaurant manager, thus giving the manager the opportunity to create a working group in accord with his own methods and criteria. Not losing sight of the strategy of always maintaining close ties with the company management, once staff are selected, the company directors themselves interview each new employee and explain the internal promotion system and the employee incentivisation plan.

In the same fashion, the restaurants' managers are required to take full responsibility for resolving any problems that may arise from any conflict of interests and due to personal or family difficulties experienced by employees.

Gorki restaurant operations are governed by two systems:

- Employees benefit from a specific reward and recognition programme which sees their contribution reflected in their rate of remuneration. Consequently, employees are empowered to make decisions and take greater control of the successful daily operation of the establishment.
- A quarterly quality control programme operates at Gorki restaurants and comprises of 'covert' visits to the restaurants to evaluate all aspects of customer service and the

products served. The reports drawn up from these visits are delivered to management. Upon joining Gorki restaurant, employees are made aware of this programme. At the beginning, management were concerned that this type of system might provoke a general feeling of discontent amongst employees, but after the pilot programme they found that, on the contrary, it encouraged positive competition amongst employees and motivated employees towards achieving a higher performance ranking. This system also allowed management to evaluate the areas in which further training was needed and identify any other areas where employees may need to develop skills in areas such as language, social interaction, and communication skills.

Any anomalies in restaurant operations are relayed to the employees in the first instance by the restaurant's manager and, secondly, through internal communiqués. Any innovations with respect to new products, house recommendations, changes in menus and chefs' recipes are relayed to the staff in the same fashion.

Employee incentives

Since Gorki's launch in Malaga, the success of the business led to management establishing a turnover incentive programme as a way of motivating and rewarding employees for excellent business results. The programme operates by allocating between 1.5% and 1.8% of the restaurant's total turnover to employees so that any member of staff with over six months' service, will, depending on their post, receive a share of the company's turnover. This percentage of the turnover was decided upon due to the difficulties in calculating the company's profits and is considered by management to be a good employee retention strategy, thus avoiding the loss of young talent.

Despite the turnover incentive programme, a conflict arose among the restaurant staff in 1996 as a result of a demand for a salary review and subsequent increase. This conflict was dealt with by creating a profit-sharing programme aligned with achieving objectives and taking into account the previous year's turnover and general restaurant trends. Financial targets were set which, once achieved, would result in bonus payments being made to staff.

This measure resulted in the following:

- The staff's decision to extend opening hours. Prior to this, the staff worked set hours, with Sundays and holidays off. With the introduction of the profit-sharing programme, the staff decided to open every day and rotate their hours in order to avoid the necessity of hiring more staff and achieve greater productivity increases.
- With greater staff involvement in business decisions, there is less likelihood of generating financial losses.

Other noteworthy incentives developed by the company are:

- The possibility of obtaining a loan with a no-interest return to meet determined personal needs. Each loan case is examined on an individual basis, but it is seen as yet another benefit made available to staff by management. There are also rewards for long service with members of staff who have worked for the company for over 10 years receiving a commemorative gift.

Conclusion

The HR approach adopted by management at Gorki has been key to its development and expansion. The benefits obtained from this HR approach are a highly motivated staff who are directly involved in increasing the company's financial success; greater staff loyalty and higher levels of employee retention; more effective and productive work teams; an increase in organisational productivity; the continuous expansion of the company and greater levels of pride and job satisfaction amongst employees (the staff of the Malaga Gorki presented management with the slogan "Working for Gorki is like playing for Real Madrid.")

Gorki Restaurants have ambitious expansion plans: they wish to open a chain of 50 franchise establishments. The company's Human Resources strategy is currently under review to establish whether it can be effectively implemented outside Spain. The management is aware of the difficulty for new establishments in applying its' practices and is currently creating and developing a way in which these practices can be adopted across different cultures.