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Human Resources/Financial Management Project

FNES 275

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## Human Resources

1. As the Food Service Director of a medium sized hospital, you work closely with the Human Resources department to effectively staff the Food Service department. You currently need to hire a cook for the evening shift. The Human Resource Director will place an ad on Indeed.com for a cook. Describe what you want to be in the ad. Describe the qualifications, job skills, job requirements, and any other pertinent information you feel potential candidates need to fill your position.

**An ad placed on Indeed.com looking for a cook would say the following:**

“Medium sized hospital is looking for a cook. Must be able to work the evening shift. The ideal candidate should have a minimum of 2 years’ experience working as a cook in a professional kitchen. Should be able to prepare large quantities of food within a set time frame. Please email your cover letter and resume to [LookingForACook@hospital.com](mailto:LookingForACook@hospital.com), along with two references. Only candidates with experience will be considered. We will be in touch regarding an interview.”

2. You have selected a candidate to interview from the resumes you received. Understanding “The Do’s of Interviewing”, what are three questions you would ask to better get to know if your candidate would be a good fit for the position in your organization?

**Three questions I would ask to see if the candidate would be a good fit:**

1. What did you like the most about your previous job? What did you dislike?
2. If you could prepare any food of your choosing for a large group of people, what would it be and why?
3. How would you handle a situation where you felt the other cooks were not pulling their weight in the kitchen?

My reasoning behind asking these questions is: by asking what they liked/dislike about their previous job, I could assess if their preferences fit with the cook job that they’re applying for. Question #2 is to see how they think creatively and what their thought process is. Question #3 is to see how they would react in a frustrating situation.

3. Once you have hired a cook, briefly explain how you would orient and train him/her for the new position.

To orient the new cook to the position, I would first introduce them to the company. I would then review important policies and practices, as well as benefits and services. I would then have them complete their employment documents and their benefit plan enrollment. Afterwards, I would discuss my expectations as the employer, and my expectations of the new cook as an employee. I would then introduce the cook to fellow workers, the facilities, and finally to the job itself.

Since a cook is a hands-on job, I would use on-the-job training to train the cook for the new position. Before beginning training, I would prepare by breaking down the job, making a timetable of how much skill I expect the candidate to have and by when. I would have all equipment, tools, and materials prepared and ready and have the workplace properly arranged. When I was done preparing, I would then begin giving the cook instructions. First, I would prepare the cook and put them at ease. I would then present the operation clearly and patiently. Next, I would try out the cook's performance by having them perform the job under observation, explaining what they were doing as they go. Once I know that the cook knows what to do, I would let them perform alone and follow up on their performance. Finally, I would make sure that they know who to go to for help when it's needed.

## **Financial Management**

1. Briefly describe:
  - a. **Balance Sheet:** A balance sheet is a financial summary of the health of a business on a give date.
  - b. **Income Statement:** An income statement is a financial report that includes the revenue, expenses, and net income over a period of time. The income statement shows whether a business made or lost money during this period.
  - c. **How do they differ and who is likely to use each?**

The main difference between an income statement and balance sheet is that the income statement is dynamic- it represents a period of time, and the balance sheet is static- it represents a set point in time. The income statement is likely to be used

by stakeholders within the business to see if their staff and investments are affective. The balance sheet is most likely to be used by creditors and interested stock investors to determine the company's financial standing.

2. Briefly discuss 2 ratios used in Food Service. One should indicate productivity, the other should show profitability. Give an example of each in numbers.

- a. **An example of a productivity ratio used in Food Service is:**

$$\text{Meals per labor hour} = \frac{\text{number of meals served}}{\text{number of labor hours needed to produce the meals}}$$

This ratio is used to show productivity because it shows how effectively the Food Service operation workers are doing their job. It also is used to make sure that there is enough staff to make the number of meals needed.

An example of this would be:  $\frac{97 \text{ meals served}}{10 \text{ labor hours}} = 9.7 \text{ meals per labor hour}$

- b. **An example of a profitability ratio used in Food Service is:**

$$\text{Profit Margin} = \frac{\text{Net Profit}}{\text{Sales}}$$

The profit margin equation is used to show how much money made from sales has turned into profits.

An example of this would be:  $\frac{\$130,000 \text{ net profit}}{\$590,000 \text{ sales}} = .22 \text{ profit margin} = 22\%$

3. Identify and explain 5 phases in the budget planning process.

A budget is a financial plan developed to help achieve future goals. Each phase of the budget planning process derives information from the step before it. Five phases in the budget planning process are as follows:

- a. **Evaluation Phase:** This phase dissects the operation's past performance, and identifies factors that will likely influence future activity.
- b. **Preparation/Planning Phase:** This phase uses information from the evaluation phase to prepare the first draft of the budget.
- c. **Justification Phase:** This phase is to review, revise, and get final approval. This phase includes people in administration, such as the CFO, who have the authority to distribute funds.

- d. **Implementation/Execution Phase:** This phase translates the budget expenditures into the operation functions.
  - e. **Control Phase:** This phase is an ongoing monitoring process to make sure that operations stay in line with the budgeted predictions.
4. Managers look for causes for deviations in the budget. Identify and describe 4 key factors to consider when analyzing the budget for deviations.
- a. **Purchasing-** since the market is always changing, it's important to make sure that the buyer is keeping tabs on new developments in order to learn what would best suit the foodservice operation at the best price. Specifics will be changed from time to time, but certain costs are controlled through wise purchasing by a capable buyer. An informed, capable buyer will be aware of changing market conditions and will know about new products before they even come on the market.
  - b. **Receiving-** if management is not careful about checking deliveries against the purchase order as soon as they come in, losses can easily occur. The task of verifying that qualities and quantities ordered were received should be done by someone with managerial authority.
  - c. **Food production-** foodservice workers should be supervised in order to ensure that they are following standardized recipes properly and using the equipment efficiently to minimize production losses. It's also important to reduce the amount of leftover food. A manager should try to accurately predict (not guess!) the number of portions that will be needed by using past records, which will show amounts prepared, amounts sold/used, and amounts left.
  - d. **Hours of service-** this determines the number of shifts needed and the number of labor hours needed to do the work. Every foodservice operation will need a different number of hours to get the job done. Keeping a record of census and sales by time segments (usually 15 minutes long) is helpful for managers to evaluate and schedule workers. It's important to make sure that there is enough customer volume to justify the hours of service. Other ways to try and avoid losses is by implementing merchandising techniques to bring up sales during

slack times and to see if there are tasks done during peak times that can be done during slack times instead.

5. Problem Solving:

- a. Total food cost = \$7542.00; Total sales = \$26,407. What is the food cost percentage?

$$\text{Food cost percent} = \frac{\text{cost of food sold}}{\text{food sales}} \times 100 = \frac{\$7,542.00}{\$26,407.00} \times 100 = 28.6\%$$

- b. The food cost for the month was \$46,480.00. The average inventory cost was \$18,230.00. What is the inventory turnover rate? Is this a desirable rate, why or why not?

$$\text{Food inventory turnover} = \frac{\text{cost of food sold}}{\text{average food inventory}} = \frac{\$46,480.00}{\$18,230.00} = 2.55$$

I think that this is a solid food turnover rate. To determine if it was desirable, I would need more information such as the previous food inventory rate or a comparable company's food inventory turnover rate, as well as the size of the foodservice operation. In general, a turnover rate of 3-5 times a month is average for many foodservices, and since 2.55 is fairly close to that I would say it is a desirable rate.

- c. Your weekly payroll including benefits was \$5,735.00. Your sales for this week were \$31,152.00. What is your labor cost percentage?

$$\text{Labor cost percent} = \frac{\text{cost of labor (salary,wages,benefits)}}{\text{total sales}} \times 100 = \frac{\$5,735.00}{\$31,152.00} \times 100 = 18.4\%$$