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Coquitlam, BC V3E 3N2

August 2, 2022

820 Village Drive
Port Coquitlam, B.C., V3B 0G9
C Market Coffee HQ

Dear Jun Park,

In light of the ongoing employee shortages affecting small to medium size firms in British Columbia, businesses are experiencing a decline in employee satisfaction within the workplace as duties increase, pay remains stagnant, and appreciation for hard work and loyalty remain overlooked. Unfortunately, problems as such are readily perceived at C Market Coffee. To help improve the well-being of employees at the café, and employ an effective employee burnout prevention plan, please accept this formal report on implementing potential strategies to manage staffing problems.

The new C Market Coffee establishment has led to an increase in demand for staff to keep pace with service and production. Throughout my three-year employment at C Market Coffee, I have experienced the consequences of working at a company undergoing a staffing shortage and am highly familiar with the daily operations of the café; this has allowed me to conduct two workplace-wide surveys and analyze the information on employees' experiences. Thus, this report offers you a comprehensive outline and analysis of how to improve the working conditions while maintaining both the company and its staff in its best interest. The report highlights the additional challenges faced by an increase in workload as current employees are expected to fill in the roles of staff shortages and provides recommendations to alleviate burnout and increase employee morale. Moreover, the staffing shortage is costing the company opportunities to grow and it is constantly having to re-train new employees. Ultimately, the current system is neither convenient for C Market Coffee nor its employees. I hope you can consider one or more of the recommendations to improve employee conditions at the café as included in the report.

Writing this report was a fulfilling investigation and I gained a thorough understanding of the importance of maintaining employee morale in the workplace. Thank you for your time and consideration of this report. If there are any questions or concerns, feel free to contact me 778 861 2599 or email danaee620@gmail.com.

Sincerely,

Danae Echeverria

Danae Echeverria

**Employee Burnout At C Market Coffee: Addressing Current
Challenges and Potential Strategies To Manage Staffing Problems**

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August 2, 2022

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ABSTRACT

C Market Coffee is a local café that recently opened a second establishment in Port Coquitlam, British Columbia (BC). However, the COVID-19 pandemic had a significant impact on the Canadian labour market that became central to how small and medium-sized enterprises (SMEs) were affected by the crisis; and now that the large baby-boomer generation is heading to retirement, BC's workforce is experiencing an even greater decline. Consequently, the café is facing the negative repercussions of the labour shortage as the lack of workers is leading to overworked staff and employee burnout. C Market Coffee needs time to train new hires, but there is difficulty in retaining them—new employees are quitting before training is complete because they are dissatisfied or have found a better opportunity. This makes the design of efficient prevention and intervention programs crucial not only for reducing burnout as a result of overworking staff, but to also optimize employee morale. The present report focuses on the succinct presentation of employee burnout throughout C Market Coffee senior staff; and it follows with a realistic and effective plan for streamlining retention strategies to improve the well-being of the existing workers and increase staff numbers.

I. INTRODUCTION

Recent Decline in the Canadian Labour Market

While the COVID-19 pandemic had a significant impact on the Canadian labour market, the country's current labour scarcity stems from the decrease in labour force participation as a result of the aging population heading to retirement (Bouchard 4). The recent pandemic has only further magnified the staff shortages that small and medium-sized enterprises (SMEs) are facing by destabilizing an already uncertain situation that many provinces, including British Columbia (BC), have been experiencing in that last 20 years. According to a 2021 BDC study on the labour shortage in Canada, 55% of entrepreneurs are struggling to hire the workers they need and 26% are having difficulties retaining their employees (Bouchard 3). Another study indicates that 65% of firms struggling to hire workers are also more likely to be a low-growth company (Wormstall 1). Notably, the inability of companies to match available jobs with available workers impacts their ability to innovate and improve competitiveness. Although the shortage revolves around highly skilled workers, it is accompanied by shortages for low-skilled workers as well—specifically in the retail and restaurant sectors.

Staff Shortage at C Market Coffee (Second Location)

As a local café that has recently opened a second establishment in Port Coquitlam, BC, C Market Coffee is one of many local businesses experiencing the negative repercussions of BC's labour shortage. The new venue is designed to seat 75 people, offering coffee, alcoholic beverages, bakery products, and food. Additionally, it plans to function as a training center for new baristas, coffee brewers, and roasters looking to advance in their coffee knowledge. But while the new establishment is receiving positive customer reviews, it has also led to an increase in demand for staff to keep pace with service and production at the second location. The impact

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of missed or delayed orders, lower competitiveness, and quality problems on a business are self-evident in staffing shortages: many entrepreneurs claim that their companies are (1) unable to fill or have delayed orders, (2) becoming less competitive, and (3) experiencing a decrease in the quality of their goods and services (Wormstall 6). However, the indirect costs of labour shortages are nothing short of subtle to existing staff, with 56% of entrepreneurs claiming that their existing staff must work more (Wormstall 6)—a fact that is readily perceived at C Market Coffee.

The staffing shortage at the café is causing senior staff to face additional workloads and spend extra hours on the shop floor. Consequently, employees are experiencing difficult workplace challenges such as intense levels of burnout and this is ultimately affecting employee morale and leading to an increased intention to quit. C Market Coffee is also paying an opportunity cost when senior staff spends more time supporting production than conducting high-value activities and projects that can encourage growth. The café needs time to train new hires, but there is difficulty in retaining them—new employees are quitting before training is complete because they are dissatisfied or have found a better opportunity.

Methods of Inquiry and Research

Two workplace-wide surveys were conducted to (1) collect data on the employee experience at C Market Coffee and (2) identify the additional challenges senior staff is facing as a result of the café's current operating system. All seventeen staff members responded to a survey designed to evaluate employee satisfaction levels. Additionally, 5 senior staff responded to a short survey intended to address employee burnout. By using secondary sources such as recent publications on recent labour shortage studies in BC, an analysis of potential compensation practices and HR policies was performed to determine the feasibility of

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developing a plan to combat staffing issues and ensure it aligns with the company's strategic objectives.

Scope of the Study

This report aims to address the issues that derive from the staffing shortage at C Market Coffee and offers a list of recommendations for retention strategies. To assess the feasibility of developing a plan that to improves the employee morale of existing workers, minimizes attrition rates, and increases staff numbers, this report pursues five areas of inquiry:

1. Staff perception of the company
2. Senior staff workloads and burnout symptoms
3. Key and valued aspects of C Market Coffee
4. Potential compensation practices
5. Strong HR policies

I have been employed at C Market Coffee for over three years since the opening day of the first location, and plan to remain a loyal staff member at the recently established second location.

Thus, being a senior employee that is highly familiar with the café's daily operations and having a close relationship with the baristas and kitchen staff validates how this report executes an in-depth feasibility study by maintaining both the company and its staff in its best interest.

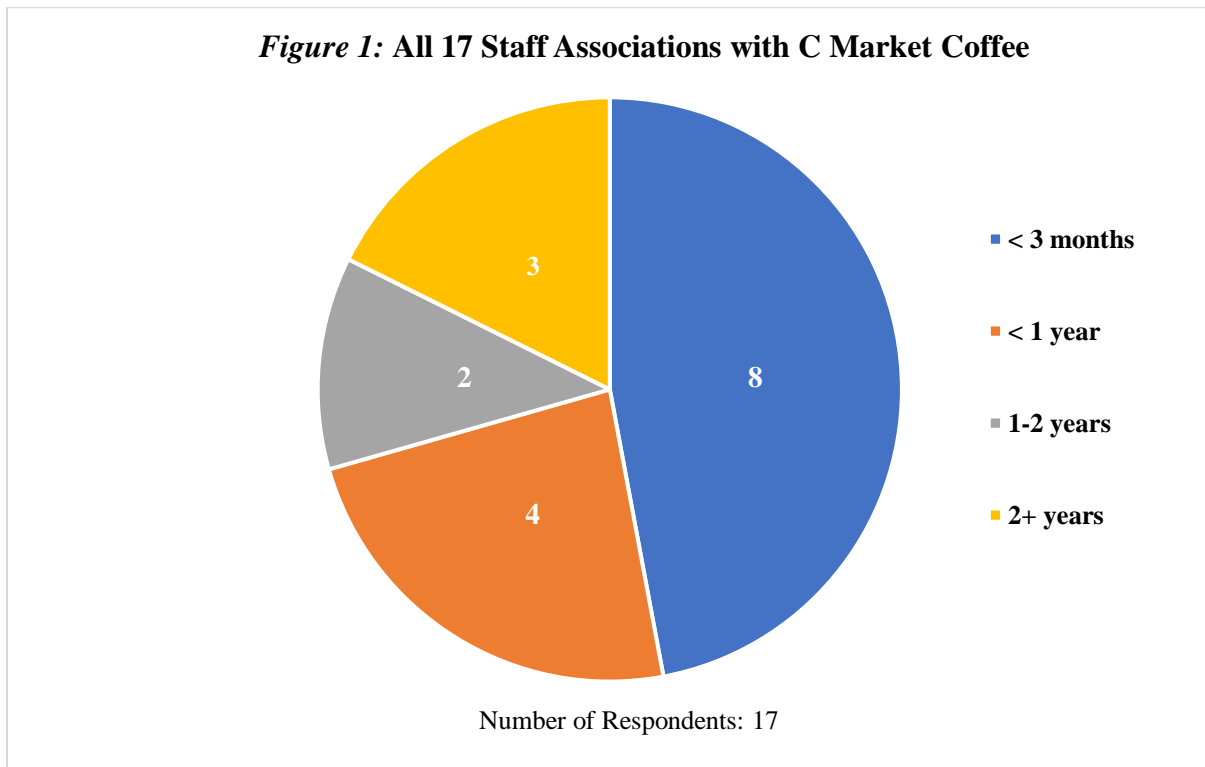
II. DATA SECTION

Overview of Staff Members at C Market Coffee

The Data Section of this report was established from a series of surveys intended to be representative of all C Market Coffee employees and to measure the impact of the data accordingly. *Figure 1* represents all seventeen staff members currently employed at C Market Coffee—including all baristas and kitchen employees. Members who have been associated with

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the company for more than one year are considered to be senior staff, while those who have been employed for less than one year are junior staff and new hires:



This data is clearly indicative of the second location’s recent opening in April 2022 as it has been less than six months since its operations began; the majority of staff at C Market Coffee have been employed for less than a year, including 8 new hires and 4 junior staff—with the remaining 5 employees being senior staff.

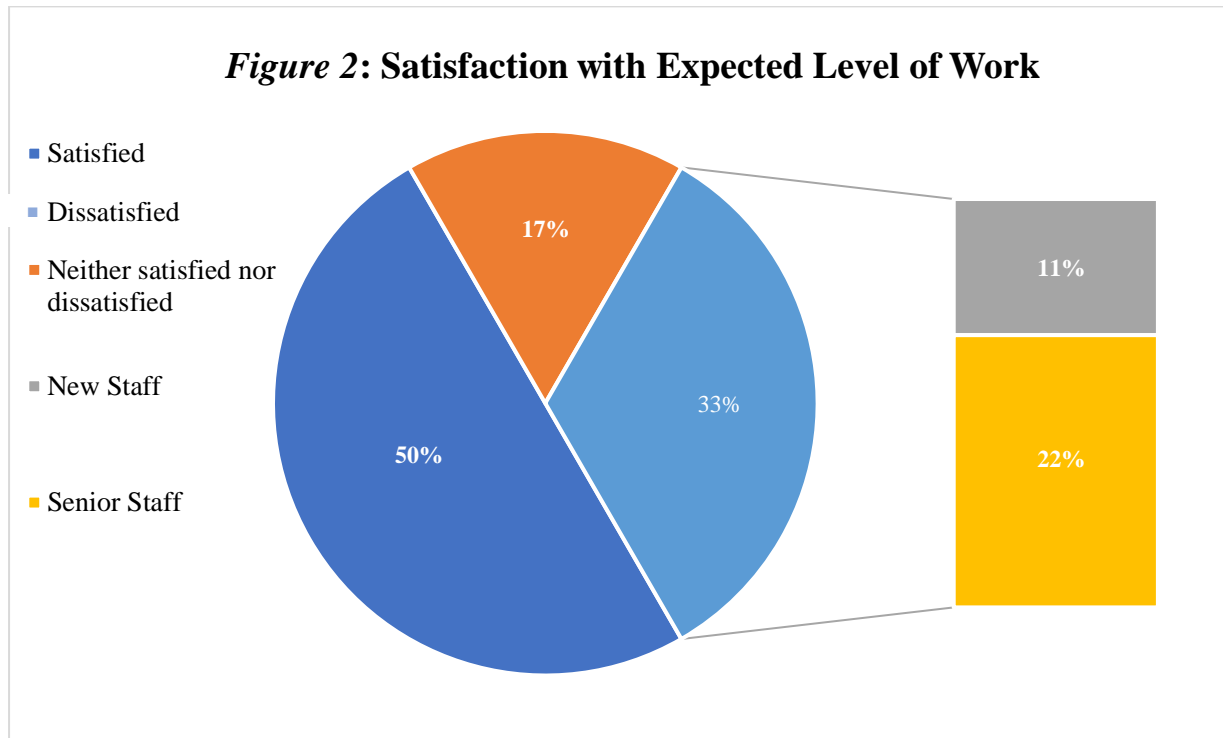
Employee Satisfaction

Satisfaction Levels and Employee Engagement

Employee satisfaction is defined as the extent to which employees enjoy their work. Based on their perceptions, an employee develops a positive or negative attitude towards their role in the workplace; and while satisfaction does not always result in higher productivity, employees are said to be more engaged and likely to commit to working when a positive attitude

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is expressed towards their organization. Accordingly, low levels of satisfaction with the organization will likely to lead to an intention to leave their workplace. *Figure 2* below indicates the employee satisfaction of all seventeen C Market Coffee staff members in terms of the expected level of work:



The Employee Satisfaction Survey shows that a majority of respondents are highly satisfied with their expected level of work. However, 33% percent of staff indicated dissatisfaction with the workload that is expected of them. Two-thirds of those respondents were senior staff members, indicating that there is a disproportionate level of employee satisfaction at C Market Coffee

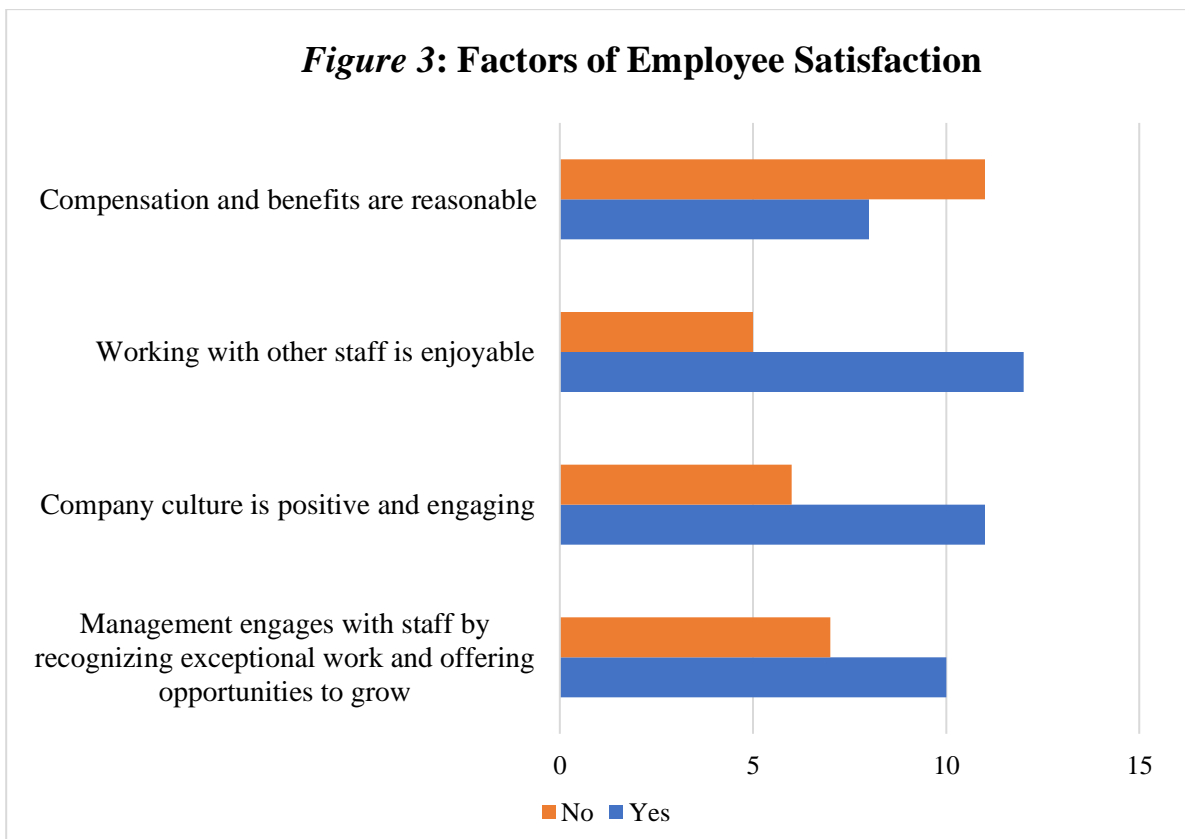
Factors of Employee Satisfaction

To further understand this, the Employee Satisfaction Survey was designed with a series of questions relating to studies about job satisfaction and focused on the most influencing factors of employee satisfaction:

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1. Recognition and appreciation for an employee's work
2. Good relationships with colleagues and supervisors
3. Work-life balance and schedule flexibility
4. Positive and engaging company culture
5. Attractive compensation and benefits

With this in mind, the survey also served to assess the factors that can determine satisfaction in the workplace as seen in *Figure 3* below:



Most of the respondents are highly satisfied with factors relating to company culture and workplace relationships, and 10 out of the 17 respondents indicated that they are satisfied with how management engages with staff. The factor that majority of employees are dissatisfied with are the compensations and benefits; while 8 respondents were satisfied with the benefits offered by the organization, 9 expressed that either the monetary compensation or reward

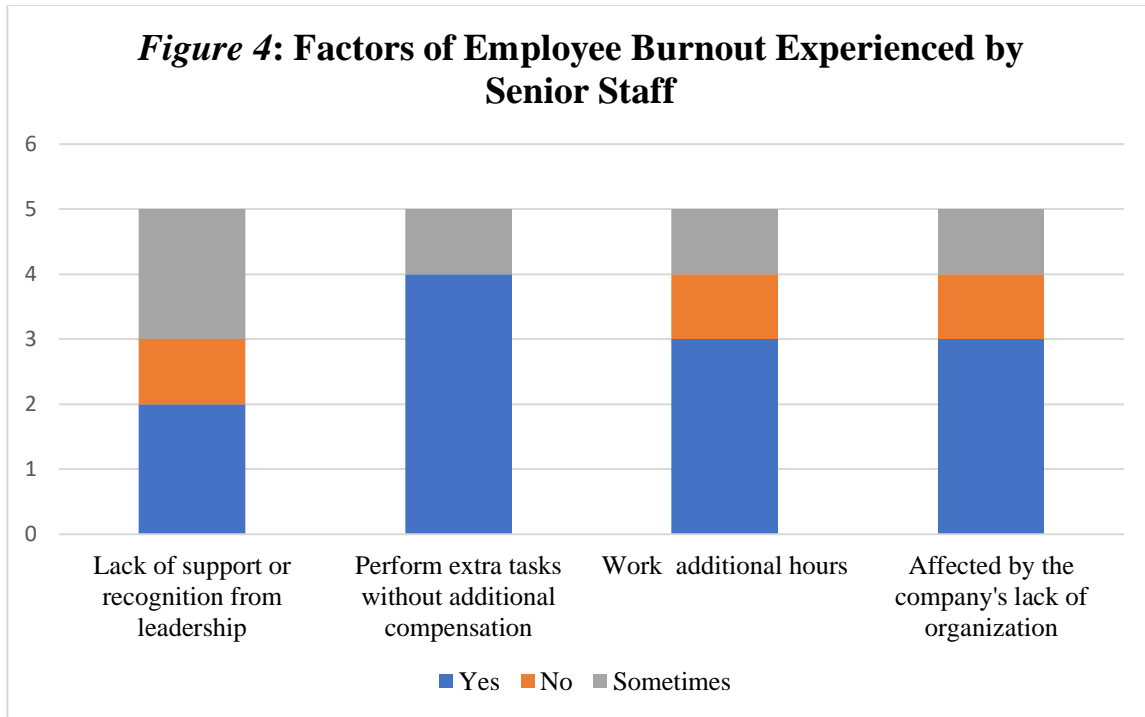
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schemes are not satisfying their current position at the café. While the employee satisfaction level at C Market Coffee is overall satisfactory for most employees, the previous data indicating that senior staff members are the least satisfied with the workplace suggests that most of those who responded with “No” in *Figure 3* are senior staff members.

Senior Staff

Employee Burnout and Stress in the Workplace

For this report, senior employees at C Market Coffee were consulted to understand the main reason why they are dissatisfied in their current role. Results showed that only 40% of senior staff can strongly agree they know what is expected of them at work; the remaining 60% feel that their job description is unclear. Due to the staffing shortage, senior staff are facing prolonged exposure to physical and mental stressors in the workplace as they are taking on more tasks than before to recompense the lack of workers—without additional compensation. More than 50% of respondents to the Senior Staff Survey feel that work occasionally interferes with their personal life and is thereby causing some dissatisfaction in the respondents. In the Senior Staff Survey, senior employees were presented with questions regarding factors that cause employee burnout as shown in *Figure 4* below:



With increased responsibilities and working longer hours, a majority of senior staff reported the working conditions at the cafe are less satisfactory because they feel that there is a poor work-life balance. For example, three respondents expressed that there have been several occasions in the past four months in which they had to unexpectedly work extra hours on days that the store was understaffed. This suggests that senior staff who are facing heavy workloads and long hours are being impacted the most by the staffing shortage at the café. In addition, factors such as a lack of breaks and the expectation to be available to work whenever needed were reported to cause staff to feel the effects of employee burnout.

Statistics on Retention Strategies

Compensation Practices

Results from the Employee Satisfaction Survey demonstrated that those who expressed the likelihood of seeking a different job in the next year were senior staff members; and as previously stated, 9 out of the 17 respondents expressed dissatisfaction with their compensation

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and benefits in comparison to other coffee shops that offer programs for eligible part- and full-time employees. According to Isabelle Bouchard's BDC 2021 study, companies that offer competitive salaries and benefits are 1.4 times more likely to find retaining workers easy and 1.7 times more likely to have sales growth above the industry average, compared to companies that do not offer such salaries and benefits (18). Thus, making sure that the company's compensation practices stay in line with employee expectations is key to attracting and retaining workers. For example, Starbucks designed an employee "Total Rewards Package" that explores compensation by linking it to performance through base pay, profit-sharing, stock options, and bonuses; some of the benefits include varying levels of health coverage and paid time off. In a study that analyzes Starbucks Retention Score, Starbucks is noted to be in the top 25% of similar-sized companies in its ability to retain quality employees, with 40% of employees stating that they would not leave the company if they were offered a job for more money (Starbucks). This indicates that by keeping long-term employee retention in mind, Starbucks has built a strong employee foundation through a series of compensation practices.

Implementing Human Resource (HR) Policies

This report acknowledges that C Market Coffee is a much smaller business than Starbucks and thus it would not be as sustainable to employ the same compensation practices as a multinational corporation. While compensation practices are less likely to be in place in firms with fewer than 20 employees (Wormstall 22), this does not mean SMEs should restrain from establishing strong HR practices that can facilitate hiring and improve retention. Firms with strong HR policies are 66% more likely to generate annual sales growth than those who do not. There are many practices existing beyond salary and expensive benefits that can have multiple long-term benefits to the company, and these strategies can involve a company:

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1. having an employee manual describing a firm's approach and policies to such things as vacation entitlements, leaves of absence, sick days, and employee performance
2. following formal and standardized selection process for hiring new employees
3. having training and career development programs
4. promoting self-managed teams and decentralized decision-making
5. sharing information freely with employees

(Wormstall 21)

Bouchard's BDC study also concluded that companies offering flexible work arrangements are 44% more likely to find retaining workers easy, compared to companies that do not offer such arrangements (18). Once firms grow beyond 20 employees, their HR policies become more "sophisticated" (Wormstall 23) and they can begin to offer more complex and attractive compensation practices such as health coverage, stock and savings, tuition reimbursement, and paid time off.

III. CONCLUSION

Summary and Analysis Of Data And Research

While short-term solutions can account for the simultaneous high unemployment and job vacancy numbers, long-lasting factors—such as the aging population and decreasing labour force growth—will continue to exacerbate the labour shortage problem and compromise the competitiveness of Canadian businesses. The data collected from the Employee Satisfaction Survey sheds light on the varying levels of satisfaction regarding the employee experience at C Market Coffee; it also highlights the common factor that majority of employees are dissatisfied with—the compensations and benefits. In addition, the Senior Staff Survey functions to identify the additional challenges senior staff is facing and showcases that certain employees are being

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exposed to physical and mental stressors as a result of the café's operating system. By focusing on the succinct presentation of employee burnout throughout C Market Coffee senior staff, this report follows with a realistic and effective plan for streamlining retention strategies to improve the well-being of the existing workers and combat the staffing shortage.

Recommendations

Recommended HR Practices

In order to mitigate the effects of labour shortages, implementing an employee retention plan would increase the overall satisfaction and engagement of employees at C Market Coffee. Although the recommendations in this report will not single-handedly serve as a solution to BC's staffing shortage, they can function as a starting ground for C Market Coffee to develop HR practices and balance out the disproportionate satisfaction levels of employees at the café; such recommendations to alleviate the employee burnout felt by senior staff and increase staff numbers include:

1. designing an effective training program for junior staff and new hires that promotes self-managed teams and encourages a balanced workload distribution among employees
2. organizing work schedules one month in advance to avoid unexpected occurrences and establishing flexible work arrangements to improve employee work-life balance
3. ensuring staff members have an opportunity for a break when working more than 5 consecutive hours at a time
4. following a formal and standardized hiring process that minimizes the time needed to recruit and hire employees by (1) identifying organizational needs, (2) advertising the company to the job market, and (3) thoroughly evaluating candidates before offering the position

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5. having management and supervisors show acknowledgement and appreciation for exceptional work from employees

Recommended Compensation Practices

C Market Coffee currently has a total of 17 employees at the second location and according to Wormstall, it is only 3 employees away from growing beyond the small firm threshold of about 20 employees (22). With growth, C Market Coffee will be more likely to retain employees and avoid costly turnovers and in doing so, it will place the café on solid footing to begin incorporating potential compensation practices that will further attract new employees and retain existing ones by:

1. Increasing base and performance pay
2. Sharing company stock with key employees
3. Offering customizable elements in a “total compensation package” such as competitive salaries, benefits, and paid time off to full-time employees.

Considering the recommended HR practices can establish a strong foundation for improvements in employee retention and even lead to the possibility of competing with compensation practices offered by larger corporations. If one or more of these recommendations are followed, employee satisfaction is expected to increase at C Market Coffee and will lead to an increase in the well-being and engagement of employees at the café. In turn, worker creativity and problem-solving abilities can increase and benefit the growth of the company. By focusing on ensuring that workers are satisfied in their current jobs and with the company, C Market Coffee will be able to retain existing employees, attract quality applicants, and develop as a small business despite the staffing shortages affecting the province.

Appendices

Appendix 1 – Employee Satisfaction Survey Questions

1. How long have you been associated with C Market Coffee?
 - a. Less than 6 months
 - b. Less than 1 year
 - c. 1-2 years
 - d. 2 or more years
2. The company culture at C Market Coffee is positive and engaging:
 - a. Strongly agree
 - b. Somewhat agree
 - c. Neither agree nor disagree
 - d. Somewhat disagree
 - e. Strongly disagree
3. The level of work that is expected each shift is:
 - a. Satisfying
 - b. Neither satisfying nor dissatisfying
 - c. Dissatisfying
4. Working with other C Market Coffee employees is:
 - a. Always enjoyable
 - b. Most of the time enjoyable
 - c. Occasionally enjoyable
 - d. Never enjoyable
5. Management often engages with staff and offers opportunities to learn and grow:
 - a. Strongly agree
 - b. Somewhat agree
 - c. Neither agree nor disagree
 - d. Somewhat disagree
 - e. Strongly disagree
6. The pay and benefits offered by this company are:
 - a. Reasonable
 - b. Unreasonable
7. Rate the following aspects of your employee experience at C Market Coffee on a scale of 1 to 10:
 - a. Satisfaction level
 - b. Work-life balance
 - c. Connection between pay and performance

Appendix 2 – Senior Staff Survey Questions

1. Being a senior staff member at C Market Coffee is:
 - a. Satisfying
 - b. Sometimes satisfying
 - c. Neither satisfying nor dissatisfying
 - d. Sometimes dissatisfying
 - e. Dissatisfying
2. The role that is expected from a senior staff member is always clear:
 - a. Strongly agree
 - b. Somewhat agree
 - c. Neither agree nor disagree
 - d. Somewhat disagree
 - e. Strongly disagree
3. The level of work that is expected during each shift is:
 - a. Satisfying
 - b. Sometimes satisfying
 - c. Neither satisfying nor dissatisfying
 - d. Sometimes dissatisfying
 - e. Dissatisfying
4. Being a senior staff member involves having a healthy work-life balance:
 - a. Strongly agree
 - b. Somewhat agree
 - c. Neither agree nor disagree
 - d. Somewhat disagree
 - e. Strongly disagree
5. Extra tasks are added to senior employees' responsibilities as a result of the staffing shortage:
 - a. Strongly agree
 - b. Somewhat agree
 - c. Neither agree nor disagree
 - d. Somewhat disagree
 - e. Strongly disagree
6. Management offers guidance for senior staff to follow and grow as an employee:
 - a. Strongly agree
 - b. Somewhat agree
 - c. Neither agree nor disagree
 - d. Somewhat disagree
 - e. Strongly disagree

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7. The organization and operating system makes performing a senior staff role:
 - a. Always easy
 - b. Somewhat easy
 - c. Never easy
8. What potential compensation practices would you like to receive?

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