Cracker Barrel Old Country Store, Inc.

The Impact of Preventative Business and HR Strategies, and Diversity & Inclusion Initiatives for Decreasing Litigation Costs and Increasing Employee Job Satisfaction.

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Presenter Backgrounds
The Brand

Cracker Barrel operates full-service, “country store” restaurants and gift shops. Its restaurants serve breakfast, lunch, and dinner and feature home-style country cooking. Its restaurants do not serve alcoholic beverages. The stores are constructed in a rustic, country store design and feature a separate retail area offering a wide variety of decorative and functional items, specializing in hand-blown glassware, cast iron cookware, toys, apparel and wood crafts, as well as old-fashioned candies, jellies, and other foods.
In the beginning...

1969  Dan Evins opens the first Cracker Barrel restaurant and gas station in Lebanon, Tennessee, a town that now has about 20,000 residents and which is still the company’s home.

1974  As a result of the Arab oil embargo, Cracker Barrel exits the gasoline market to focus just on restaurants.

1981  Cracker Barrel is sold to the public.

1986  Cracker Barrel had 47 stores and net sales above $80 million.

1996  Sales reach $1 billion from 260 stores.

Today

The Company operates over 600 Stores in 42 STATES, and has over 60,000 employees. It has been voted as America's #1 Family Dining Concept 19 years in a row in Restaurants & Institutions Magazine’s “Choice in Chains” annual customer survey.

ALWAYS

Cracker Barrel’s Mission Is Pleasing People
Historical Obstacles:

- Negative PR regarding EEO/Diversity:
  - 2004 DOJ Consent Decree.
  - EEOC Consent Decrees.
  - Perceived lack of gender/ethnic diversity in management.
Early-1990’s to Mid-2000’s
Previous HR/ER Initiatives

- EEO Training (Management, Hourly; New Hire, Annual, Periodic).
- Reporting Policies.
- Expanded modes of communication (PAR Testing; Newsletters; Store Postings; Paystubs).
- Open Doors.
- Employee Relations Hotline.
- GRS System (guest and employee components).
- Florida EEOC Universal Mediation Agreement; Regional/HQ EEOC Meetings.
Company Goals (Mid-2000’s to Present)

- **HR**: Improve working environments in the Stores. Reduce employee complaints. Improve the level of investigation into Store issues.
- **Legal**: Significantly reduce attorneys fees expended by the Company on EEO-related lawsuits and agency charges.
- **PR**: Increase public opinion of the brand. Combat negative historical press surrounding customer and employee discrimination allegations.

**OVERALL GOAL: BE PROACTIVE, NOT REACTIVE!**
Updated Policy & Training Initiatives:

- **Issues:** Complaints not making their way to the home office; repeat issues in certain regions/stores.

- **Solutions:**
  - Mandatory reporting of all EEO Complaints directly to Home Office.
  - Move from “one-size-fits-all”/centralized training initiatives to targeted training based on trend analysis.
  - Increased remedial training.
Organizational Restructuring

- **Issues**: Various departments performing human resources/employee relations functions. Departments de-centralized and often not communicating effectively.
- **Solutions**: Departments restructured and functions re-defined. Structured for better and more efficient communication between departments.
OLD DEPARTMENTAL STRUCTURE

- **Human Resources**
  - HRIS
    - Home Office HR information center. Personnel files, vacation requests.
- **Employee Relations**
  - All employee complaints. Limited ticket audits.
- **Guest Resources**
  - Guest complaints. Mandatory audits of EEO tickets.
- **Field HR**
  - Primarily recruiting and Open Door.
- **ETC**
  - Store level HR assistance and training.
- **Legal**
NEW DEPARTMENTAL STRUCTURE (2012)

Director of Talent Acquisition
  - Dedicated Field and Home Office Recruiters

Director of Field HR
  - Field HR
    - HR on the ground; investigates non-EEO Complaints.
  - ETC
    - Store level orientation, training, and admin.

Director of HR
  - Guest Resources
    - Only EEO complaints. Mandatory audits of EEO tickets.
  - Employee Relations
  - Mediations, Lawsuits

HRIS
  - Home Office HR
    - Information center. Personnel files, vacation requests.

Legal
Use of Data Analysis as a Business Tool

**Issues**: Historically gathered data, but not utilizing to fullest ability.

**Solutions**:
- Created new position: Manager of Business Processes.
- Creating a Data Warehouse.
- In-depth analysis of data for various business purposes to gather business intelligence.
Increased Diversity & Inclusion Efforts

Business benefits associated with diversity & inclusion efforts:

- Positive PR.
- Increased sales amongst wider customer demographic.
- Employee retention.
- Improved guest satisfaction.
- Potential litigation avoidance.
Cracker Barrel Diversity & Inclusion Initiatives

- Recruiting (From Store Level to C-Suite).
- Supplier Diversity Initiative.
- Hospitality Scholarships.
- Corporate Sponsorships of Diverse Organizations.
- Social Responsibility Efforts.
Litigation Avoidance Strategies

- Departmental Restructuring (increased communication/coordination between departments; unified litigation strategy).
- Mandatory reporting policy addition.
- Trend analysis.
- Targeted training.
- Employee Relations ticket audits.
- EEOC Universal Mediation Agreement.
- Diversity/Inclusion Initiatives.
RESULTS

• Increased employee morale.
• More EEO issues resolved on the front end.
• Fewer EEOC Charges; better prepared for when charges are filed.
• Higher rate of resolution through EEOC mediation.
• Lower litigation costs.
• Increased gender and ethnic diversity at the store level, home office, and upper management.
• Increased industry-wide recognition, awards and positive press.
Q&A