

## **ZUM ERBGERICHT, NATIONAL PARK SAXON SWITZERLAND, GERMANY**

**“My colleagues here are my second family.”**

### **Background**

Zum Erbgericht is a family-run traditional restaurant with accommodation which is situated approximately 30 km away from Dresden in the Saxon Switzerland, a National Park and famous tourist attraction in Saxony. Due to its location most of the customers are hikers - either locals or tourists, who take a break in Zum Erbgericht or use it as starting point for their tours. Sometimes these hikers also spend 1 or 2 nights in the boarding house, as part of a longer holiday in the Saxon Switzerland Mountains.

Everything in the restaurant and boarding house is geared to the needs of hikers. The restaurant does not offer haute cuisine. The meals in the restaurant are very reasonably priced and range from small snacks to home-style main dishes. The rooms in the boarding house can be described as simple but cosy. Most of the turnover comes from its restaurant which is busiest at weekends between spring and autumn, when the weather conditions for hiking are good. In the winter time Zum Erbgericht often closes for 2 weeks so that the owners can go on holidays with their family. In the autumn of 2008 there were 12 permanent employees and around 7 additional employees were hired for the high season in the restaurant and boarding house. Of the 12 permanent employees, six are family members of the owners.

### **Organisational Strategy**

At Zum Erbgericht, the managing director is responsible for all HR issues, but when new staff are hired, this decision is taken by the whole family. Since the restaurant is family-run, there are no strict formal HR rules, but staff members subscribe to a common strategy and vision. The owners view the establishment as a local and typical Saxon organisation and one of their key aims is to provide job opportunities for young people in their region. Furthermore the family wants to create a comfortable organisational atmosphere where customers can feel at home, so that the next time customers plan a visit to the Saxon Switzerland region, they remember: “Oh lets visit the Zum Erbgericht, where we had such a tasty meal last time: lets look for a nice walking trail in the area, so that we can eat there again.” This attitude emphasises the importance of customer service at Zum Erbgericht.

### **Finding of suitable staff in a rural area**

As Zum Erbgericht is located in a rural area with a weak infrastructure many young and qualified workers leave the area to search for work in the bigger cities. It is therefore very hard to find qualified staff with whom it is possible to live the vision of the organisation. The director adopts three approaches to sourcing suitable staff. Together with an employment agency, he shortlists candidates for selection according to criteria which the

director sets before. With the help of this agency the family looks especially for older unemployed persons, who already have experience in the hospitality industry but who want to stay in their region due to their personal situation. Personal recommendations and advertisements in the local newspaper are also common recruitment methods used to source job applicants.

However, as previously mentioned, Zum Erbgericht also believes that young people should be given a chance. The restaurant and hotel therefore also engages the services of two young apprentices from the region, who receive training and supervision. Students from the region are also employed during the holidays, which represents the high season for the restaurant. The students mainly engage in temporary work such as cleaning, but they do not serve customers, since they are not trained to do this, maintaining high standards of customer service.

When new staff either temporary or permanent is selected the most important thing is that the new employee enjoys working with customers because in the high season the restaurant is very full and the work there is like mass processing but of course the customers must always feel appreciated.

### **Work in a Family Business**

The fact that Zum Erbgericht is a family business strongly affects HR practices in the restaurant. The leadership style adopted is very co-operative because an authoritarian leadership would never work. As the wife of the managing director remarks:

*"...if my husband were to behave like the big boss and lead our company and me in a very authoritarian manner that would spoil our relationship."*

So the director adopts a style which gives employees a lot of autonomy in how they achieve the organisation's goals and involves them fully in the decision making processes of the organisation. Nevertheless, for employees it is very important, that there is one person responsible for implementing discipline in the organisation. When an argument erupts between family members, the family tries to resolve it in such a way that other employees do not notice it.

It is very important to treat all employees equally. Regular appraisal interviews with employees and family members are conducted and when problems occur employees and family members are given feedback. But it is crucial that non-family members never get the feeling that family members receive preferential treatment. They also set a high priority on good work team relations and reduce barriers between family members and other colleagues. To this end, social events such as hiking for team building purposes are organised. All employees address each other informally using their first names, so that colleagues feel that there is no difference in the way they communicate.

### **Limitations**

According to the managing director of the Zum Erbgericht it is naive to think that there are no differences between family members and non-family members, but as long as all

employees are treated fairly and with respect, then this does not present a major problem.

*"Of course the discourse between us family members is slightly different. We communicate often in a more direct and sometimes even short-spoken way, since we know each other very well and often understand each other without words. If I were to talk to my other colleagues in the same way, they would think I was impolite. But it is important that everybody feels respected and that goes in both directions. The non-family members should not feel less respected than the members of my family, but I also try to give my family the feeling that I respect them and their wishes."*

### **Impact and Future Developments**

The success of the restaurant strategies is reflected in both the number of satisfied customers and the high rate of return (regular) customers. More informal measures of success include: a card of appreciation from the mother of a student who worked in the restaurant during the holidays, or the sentiments expressed by a non-family employee, who said:

*"My colleagues here are my second family."*

Zum Erbgericht does not have groundbreaking future plans. It does not need to. In the near future the two apprentices shall be employed on a full-time basis and it is planned to train more apprentices in the restaurant and boarding house. Furthermore Zum Erbgericht wants to try to gain a foothold in the corporate hospitality market through hosting company events and celebrations as well.

### **Conclusion**

It may get too hot in the kitchen when business and family are put in the same pot. Many people would not regard these as complementary ingredients. Family feuding, power and hierarchy can filter into the business side of things and create instability, low morale and high levels of staff turnover. However, the most important element for a family business is that attention should be paid on equal and fair treatment to all employees. In the case of Zum Erbgericht, there is sufficient evidence that everyone can live as one big happy family through training, recognition of difference but equal treatment of all staff.

