

If You Can Manage a Waffle House, You Can Manage Anything

Running a 24-hour budget diner isn't glamorous, but it forces leaders to serve others with speed, stamina and zero entitlement



Waffle House restaurants, which stay open 24 hours, offer a crash course in leadership. 'You will not be able to fake it.' Above is a Waffle House in Jasper, Ala. Photo: Steve Allen/Alamy

Sam Walker

Since she graduated from Harvard last year, Yehong Zhu has worked for [Amazon.com](https://www.amazon.com) and [Twitter](https://twitter.com) in Seattle, San Francisco and London. She's living in Lisbon now, gathering ideas for her own startup.

In 2014, however, the jet-setting Ms. Zhu was just another teenager from Newnan, Ga. looking for a summer job. And the only place willing to hire her was Waffle House. "Chick Fil-A was too competitive," she says.

On her first day, smiling nervously behind a bright-yellow name tag, Ms. Zhu had no idea that her new manager, a woman named Diana, was about to become a lasting leadership role model. "I was very impressed with her," she says. "She was the first to arrive and one of the last to leave and seemed to have a handle on everything. She thrived under pressure, and pressure at Waffle House is constant."

In case you're not familiar, Waffle House is a closely held suburban Atlanta-based chain of 24-hour budget diners in 25 states that invariably reek of bacon. The company does not advertise, rarely changes its menu and refused to take credit cards until 2006.

As the son of a Southerner, I've eaten there many times. But I've never slid out from one of its booths thinking I'd just witnessed management greatness. I got that idea from Bill Hestir, a reader in South Carolina, who sent me an email containing one irresistibly provocative sentence: "I have come to believe that a successful Waffle House manager could succeed in almost any retail job in America."

Time to investigate, I thought.

To be clear, nobody (including my friend Bill) is arguing that all 1,950 Waffle Houses are shipshape operations. The company's unscientific 3.3 employee rating on Glassdoor beats rivals like Denny's and IHOP but trails [McDonald's](#). Worker reviews often contain gripes about long hours, chronic absenteeism, grueling holiday shifts, endless \$8 checks and drunk and belligerent customers. "You will find grits in everything you wear," says one. "Sometimes bacon grease makes the floors slippery," says another.

There are also darker allegations involving employee theft, drug abuse, racism and [sexual harassment](#). "Don't be surprised if you find out your cook didn't show up because he was in jail," one reviewer said.

A Waffle House spokesman says the company has robust systems to support employees and enforce policies. But with more than 40,000 associates and millions of customers, "no system is perfect."



If a Waffle House is busy or short-staffed, managers are expected to cook, clean and wait tables if necessary. Here employees prepare food at a Waffle House in Conway, S.C. Photo: ALEX EDELMAN/AFP/Getty Images

It's difficult to imagine how Waffle House attracts good managers—let alone operates a viable business. But the fascinating thing is that somehow, it does. The company declined to disclose its financials, but most estimates of its annual revenue exceed \$1 billion. Waffle House says the share price of its employee-owned stock, which is based on its audited book value, has increased every year for the last 57. The company says it typically opens about 50 new restaurants a year.

In reality, these statistics attract plenty of managers. And because Waffle House promotes exclusively from within, the good ones are rarely inclined to leave. "It's probably one of the last

places where you seriously have the ability to build wealth,” says Randy Coleman, a former [Walmart](#) store manager who defected to Waffle House in 2005.

What does it take to be a successful Waffle House manager?

Speed, for one thing. To meet the goal of serving every customer in eight minutes or less, the waitstaff doesn’t bother punching orders into a computer. They write them down in a shorthand code and read them aloud to cooks, who remember them by arranging condiments on empty platters. A face-up mustard packet signifies pork chops, for instance.

If the restaurant is busy or short-staffed, managers are expected to dive in. The company’s training program teaches them how to analyze P&L statements, but it also prepares them to cook, clean and wait tables. “Not a job for the lazy,” one reviewer said.

This might sound like stopwatch overkill. But the company’s president and chief executive, Walt Ehmer, [speaking on a recent podcast](#), said doing the grunt work is good for business. It helps managers earn the trust and respect of their teams while staying connected to the entire operation. “You learn a lot about what’s working and what’s not,” he said.

Once they tackle the pace the next challenge is endurance. Put simply, Waffle House never closes. If there’s a crisis in the dead of night, the manager inevitably gets a call.

If there’s one supreme testament to their stamina, it’s something called the [“Waffle House Index.”](#) After a hurricane, FEMA uses these stores as an informal way to measure the damage. (If the local Waffle House had to shut down, it must be bad).

One surprise, given its relatively low bar for hourly workers, is the company’s emphasis on teambuilding. To encourage retention, it offers managers bonuses for keeping turnover low. To discourage them from overworking people, it expects stores with high sales figures to have higher staffing costs, too. This policy surprised Mr. Coleman. At Walmart, he says, generating big sales with minimal employee hours was “a good thing.”



Yehong Zhu, wearing her Waffle House employee uniform during the summer of 2014. Photo: Ya Zhu

Compared to other workplaces she's known, Ms. Zhu says managers at Waffle House generally don't dump work on other people, take more credit than they deserve, or pretend to be nicer than they are just to get something. "That kind of thing doesn't fly," she said.

Above all, a successful Waffle House manager needs to cultivate regulars. And doing that means relating to people from all walks of life. Mr. Coleman says he won't hire anyone who doesn't smile readily and make easy conversation. "You will not be able to fake it," he says. "It won't be hard to figure out how you really feel about people."

Some of Ms. Zhu's Waffle House customers expected her to be a therapist, she says. Others were overly flirtatious or had screaming children and complicated orders. But they all expected her to be cheerful.

"It's about being prepared for anything and not having one answer key to deal with life," she says. "I think that's helpful. It builds resilience and resourcefulness."

These boxy diners don't win design awards, but there may be no place more conducive to discouraging self-importance. The hanging lights give off a warm, inviting glow and the jukeboxes are stocked with hokey tunes. On his first-ever visit, food writer Anthony Bourdain picked up on the unpretentiousness. [After tucking into an order of pecan waffles, he declared Waffle House "better than the French Laundry."](#)

Beneath the folksiness, however, there's a strong current of calculated capitalism. Tipped servers know that being a team player helps them land lucrative shifts. And entry-level managers earning as little as \$45,000 know that if they persevere for five years, they're liable to receive stock options and earn as much as \$117,000.

Here's the obvious question: Could any manager benefit from serving a few orders of smothered and covered hash browns?

"It wouldn't hurt," Ms. Zhu says. "At Waffle House, nobody coddled me. I couldn't do anything to make myself sound impressive. You have to develop a reputation for doing what you say you're going to do." Maybe, she adds, "it could help with the entitlement you see in office environments."

At Waffle House headquarters, entitlement isn't an issue. Every executive, including the CEO, visits the restaurants. They wear the same uniform as hourly employees. And if it's busy, they bus tables and take orders.

As Mr. Ehmer once said: "It's hard to get an inflated opinion of yourself when you're washing dishes every day."

—*Mr. Walker, a former reporter and editor at The Wall Street Journal, is the author of "The Captain Class: A New Theory of Leadership" (Random House).*

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