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McDonald's Kiosks Mean More Staff at Chicago Flagship, Not Fewer

By Uliana Pavlova

(Bloomberg) -- The future of McDonald's Corp. has arrived in Chicago -- and it runs on more human labor than traditional storefronts, kiosks and all.

The burger giant, which will reopen the doors of its redesigned flagship on Thursday, sports all the high-tech additions diners expect in tomorrow's fast-food restaurants: self-order kiosks, mobile orders and payments, and delivery. But the increased automation doesn't actually cut down on headcount or take away any of the entry-level jobs that many U.S. workers rely on.



Redesigned flagship

"From the operation standpoint, the kiosk is all about convenience -- the concept had nothing to do with labor reduction," Nick Karavites, franchise owner of the location, said in an interview. "We actually now employ more people with the introduction of kiosks."

Some employees who'd previously worked taking orders will now carry the meals ordered on touchscreens straight to customers' tables, giving workers a chance to greet guests and interact with them. The flagship store left four cashier stations for diners looking for a more traditional experience.

"For us it is about repurposing labor," Chief Executive Officer Steve Easterbrook said in an interview. "We know our customers want to just order and sit down and relax and then we will bring your meal to you."

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Karavites declined to say how many more workers are needed to run the 19,000-square-foot restaurant at Clark and Ontario streets, which also sports live birch trees, solar panels and other sustainable design elements. Kiosks and other modern elements are now in about 5,000 new McDonald's restaurants across the U.S., with plans to add them to almost all freestanding restaurants by 2020.



Exterior of the redesigned location

"The fundamental reality is the more customers we serve, the more people we need to provide the service," Easterbrook said.

In general, fast-food chains have relied on order kiosks as the way to reduce costs as minimum wages continue to rise in a tight labor market. The fast-food chain has been locked in a legal fight with a coalition of unions claiming that the company and its franchisees retaliated against workers who participated in the Fight for $15 movement.

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