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In Las Vegas, foodservice workers push back on spread of tech

The Culinary Union is asking for more protections against technology that could threaten jobs. It comes as more restaurants are turning to tech to help ease their labor woes.

By Joe Guskowski (/profile/joe-guskowski) on Oct. 06, 2023



The Bellagio has installed cocktail-making machines at some of its bars. | Photo: Shutterstock

Matthew Seevers has been a bartender at the Bellagio for about two years. He considers mixing drinks and serving them to customers to be an art form.

That's why he was dismayed when MGM Resorts, the owner of the Bellagio and other Las Vegas casinos, began installing cocktail-making machines called Smartenders at many of its service bars.

Now, instead of bartenders mixing drinks or dispensing them from a gun, cocktail servers press a button on the machine to fill casino patrons' beverage orders. That, Seevers said, "pretty much eliminated a lot of our bartender positions there."

MGM did not respond to a request for comment.

The replacement of jobs with machines is one of the issues being taken up this week by Culinary Union Local 226, a group that represents Seevers and about 60,000 other food, beverage and hotel workers at some of Las Vegas' biggest resorts and casinos.

In contract talks with MGM, Wynn Resorts and Caesars Entertainment, the union is hoping to maintain existing tech protections for workers and add several new ones. The focus on tech is unusual for a foodservice union and comes as restaurants across the country are increasingly turning to tech to help combat rising labor costs.

Tech is not a new sticking point for the Culinary Union. In 2018, shortly before MGM **reportedly began its Smartender rollout (<https://www.casino.org/vitalvegas/mgm-resorts-to-replace-bartenders-with-machines-no-really/>)**, the union negotiated a contract that contained strict tech regulations, including requiring employers to notify staff six months before adding new technology, give them a say in how it's implemented, and provide healthcare benefits and severance for workers who are laid off because of tech. Union members even have the right to consult with tech companies themselves on how new products are developed.

"That's something that's really revolutionary is that workers be involved in the creation and processing of technology," said Bethany Khan, director of communications for the union.

Now, the union wants to get a jump on new forms of technology that could soon be coming to Sin City kitchens and bars. In its next contract, it wants privacy rights for workers whose activities are tracked by technology; the right to bargain over tech that monitors employees' locations or messages with co-workers; control over what employee data is shared with third parties; and a guarantee that humans are involved in HR decisions and processes.

Much of this technology is not yet being widely used, Khan said, "but it is coming." As tech evolves, "we want to make sure our language is comprehensive" she said.

Griffin Herlihy, a non-union busser at a Vegas restaurant called Alexxa's, said he doesn't currently interact with much tech at his job. But he sees it happening elsewhere, and believes it's only a matter of time before it reaches him.

"I've heard of a couple other places on the Strip that are replacing bussers with little robots," he said. "That could be the future of my job too."

Herlihy and other Alexxa's employees are now pushing to join the Culinary Union, in part so they can get ahead of whatever tech might be coming down the pike.

The union is also asking for higher wages, better safety measures and the reinstatement of daily hotel room cleaning, among other issues. Last week, it voted to authorize a strike if its negotiations with the three big casinos fail.

The group's tech demands are rare among restaurant unions. The platform of Starbucks Workers United, the union representing the staffs of more than 360 Starbucks stores, does not explicitly mention technology. Nor does the agreement struck between Burgerville, the 25-unit Pacific Northwest chain, and the Burgerville Workers Union in 2021.

But tech has become a growing issue in other labor battles. Last month, Hollywood writers won strict rules around how studios can use AI, and their counterparts in the screen actors union are pushing for similar guardrails. And anxiety about a shift to electric vehicle production is looming over the ongoing United Auto Workers strike.

In the restaurant industry, wage inflation and staffing shortages are driving demand for tech that can improve productivity. Labor costs at the average restaurant rose more than 18% in 2022, according to a survey by the National Restaurant Association, and more than 21% of operators said they added more technology to help manage those and other expenses. Going forward, more than 4 in 10 said they plan to invest more in tech that boosts efficiency in the front- and back-of-house.

"I've been in this business 35 years," Michaela Mendelsohn, an El Pollo Loco franchisee in California, told Restaurant Business last month. "These are the smallest margins we've ever worked with."

Mendelsohn's margins will likely shrink further on April 1, 2024, when the minimum wage for fast-food workers in California **is set to rise to \$20 an hour**

(<https://www.restaurantbusinessonline.com/workforce/calif-gov-newsom-signs-landmark-fast-food-wage-bill-law>). The six-unit operator estimated the hike will cost her an additional \$600,000 in annual payroll expenses, and she is now planning to invest some of that in tech instead.

"I'd rather spend that money on technology and finding ways to make my employees more productive," she said.

And yet many operators have said their goal with new technology is to make workers' jobs easier and more enjoyable, not replace them altogether.

"I'd rather not have a team member sit in the back-of-house slicing pepperoni on a pizza," said Sherif Mityas, CEO of Brix Holdings, during the FSTEC conference last month. "I'd rather have that team member talking to the guest, making sure they're having a great experience ... and then letting the robot actually make it."

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Joe Guszkowski is a senior editor with Restaurant Business covering technology and casual-dining chains.

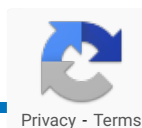
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