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HR GUIDE FOR RESTAURANTS

Everything You Need to Know
for Employee Training,
Compliance, and Satisfaction



Running a successful restaurant requires wearing many hats. You must manage marketing, work through accounting, have excellent customer service, and adhere to all local health codes. Yet you also need a team that helps your restaurant succeed. Managing the people on that team requires knowledge of human resource management.

Yes, restaurant operations require the same understanding of human resource management as any other business operation. You will struggle to run a smooth restaurant business if you don't give attention to restaurant HR tasks like boosting employee satisfaction or overseeing performance management. HR helps you keep your employees happy and your business running smoothly.

Our guide outlines everything you need to know about restaurant HR and how to implement a solid human resource management strategy in your business, so your team members can help you find success.

What Is Restaurant HR?

Restaurant HR involves ensuring the employees have what they need to do their jobs well, feel satisfied in their work, and have an overall sense of well-being. The HR department in a restaurant chain works with the restaurant management team to handle their people well. HR responsibilities include:

- Regulatory compliance
- Payroll
- Recruiting
- Onboarding
- Benefits
- Conflict resolution

In a small restaurant, the HR role and responsibilities may be part of the management team's role. In a chain, one HR person or department may handle all of the HR tasks for individual restaurants.





THE BENEFITS OF A GREAT RESTAURANT HR DEPARTMENT

There are several restaurant HR benefits worth embracing as you work to build a positive company culture with satisfied employees. These include:

Improved Restaurant Safety

Compliance is a critical component of any successful restaurant. It not only keeps your patrons safe through safe food handling practices but also reduces the risk of employee injuries and an increased liability risk for your restaurant. When knowledge is properly presented to your employees through a streamlined HR process, you will see an increase in safety and compliance for your restaurant.

Better Training

A great restaurant HR department means uniform training. When the kitchen and wait staff all get the same training, you are more likely to meet your performance and compliance standards. Training can include manuals and literature, in-person training, video training modules, and any other form of training that works for your business model, as long as it's consistent.

Increased Employee Morale

A solid restaurant HR model will improve employee morale. Employees are typically happier when they know what is expected of them and how to achieve success.

Positive Company Culture

The corporate culture you develop will have a huge role in growing your business or stunting its growth. A healthy corporate culture depends on the right instruction and leadership for your team members. It also requires good benefits, on-time pay, and clear communication between leadership and employees. All of this relies on a healthy HR department.



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THE CONSEQUENCES OF POOR RESTAURANT HR

While improving your restaurant's HR carries benefits, there are also consequences of poor HR you must consider as you decide how to handle your human resources concerns. Not only will you lose out on the benefits already mentioned, but you may suffer from the following:

Larger Employee Turnover

Turnover in the restaurant industry is historically quite high. The average turnaround is around 75%, and the number has increased since the pandemic. To avoid falling victim to this high turnover, you need to give your employees a positive experience. That starts with positive HR.

Poor Hiring and Training Practices

If you don't have a plan for your human resource management, your restaurant training standards and hiring practices will be less than desirable. You need a plan for finding the right people and bringing them on board your company, or you'll fail to attract the right people, and you'll fail to give the people you do get the tools they need for success.

Low Customer Satisfaction

When your employees aren't happy, it shows. When you don't have a human resources department to help your employees, they won't be satisfied. In addition, regulatory compliance and overall policy adherence suffer. Both lead to poor customer satisfaction, which could be a death sentence for your business.

Increased Legal Risk

Your restaurant's HR department is an essential component of your regulatory compliance. If you aren't succeeding in compliance, your company takes on significant legal risk.



RESTAURANT HR TRAINING, ROLES, AND RESPONSIBILITIES

The risks and benefits of HR in a restaurant setting clearly show the importance of having a strong human resources department. HR roles and responsibilities include many different components, including payroll processing, HR training, regulation compliance, and handling HR policies.

Payroll Processing

Your employees expect to be paid for their work. One of the primary functions of your HR team is to process payroll. A strategic plan for payroll processing that prevents delays is vital.

Payroll processing is more than just tracking hours and processing paychecks. You will also need to calculate and pay out tips properly for waitstaff. As part of this responsibility, your HR department must also handle insurance and retirement benefits.

HR Training

One of the key components of an HR department is training for employees. Training happens when you first bring on team members, and it continues after they're fully onboarded as you work to keep them properly trained and up-to-date on your restaurant's policies.

Food preparation training is one of the most important things to tackle in the restaurant industry. Everyone needs to know basic food safety, even if they're not directly cooking the food. This ensures every customer gets safe food to eat. Compliance training is another important part of your HR training protocols. You must ensure that everyone knows the rules and regulations for your business and keeps up with any changes from the local authorities.

Finally, don't neglect customer service training. You want to wow every customer who walks in your door, and your employees need proper training.

Regulatory Compliance

Employees must adhere to all regulations regarding restaurants, workplaces, and food preparation and storage. This includes local, state, and federal regulations, including health department permits and OSHA rules. It's the human resources department's job to manage employees' training and knowledge of regulation compliance.

HR Policy Implementation and Communication

Finally, the HR department's role is to create and communicate human resources policies. These policies may include:

- Attendance and Scheduling
- Employee conduct
- Use of social media by Employees
- Dress code and grooming standards
- Benefits
- Safety and health-related policies

The HR department should create a guide for employees and clearly communicate the expectations and consequences for not following them.





BUILDING A STRONG RESTAURANT CULTURE

As you strive to build a strong restaurant culture, don't overlook the role of the HR department in doing so. First, the HR department's communication keeps employees in the know and helps create a positive culture. Employee training also contributes to this, and that falls under the role of the HR department. Leadership training builds strong and effective managers, further increasing the company culture's positive nature.

In addition, the HR department will help employees work through potential conflicts. Employee conflicts are inevitable in any workplace, but handling them well keeps the culture positive. A trustworthy HR department can help with conflict resolution so all parties feel heard and the culture remains positive.

The Components of an Effective Restaurant HR Team

An effective HR team involves several players. First, the restaurant's owner is at the head of the team. The owner sets the foundation for positive company culture and good communication. However, most restaurant owners can't handle all the administrative HR tasks required by a solid restaurant.

An HR manager is the next player. The HR manager focuses all their efforts on the daily human resources tasks. They oversee human resource employees and day-to-day human resources tasks.

The restaurateur manager rounds out the team. Restaurant managers are the employee-facing component of an effective HR team. They handle the day-to-day needs of the non-HR employees so the restaurant runs smoothly and serves its customers well.

All three of these professionals are vital to an effective HR team for your restaurant. They must work together to streamline your workflow and make your restaurant as positive and efficient as possible.



RESTAURANT HR BEST PRACTICES AND TIPS

As you start planning for your restaurant's HR department to work better, or if you plan to implement an HR strategy for the first time, there are some best practices to keep in mind. To make HR as effective as possible, keep these strategies in mind:

- **Offer fair pay** – Your employees will be happier and more willing to stay with you if they are paid a fair wage
- **Focus on timely hiring** – Don't wait too long when you need someone to fill a position. Hire the people you need for your team to do their job well. This protects the customer service of your restaurant. HR management should be able to help with timely hiring.
- **Practice onboarding and training** – Have a plan for bringing new people onto your team. Make sure they get properly trained to do their jobs effectively.
- **Maintain a positive work environment** – Use your HR team to create and maintain a positive work environment. This benefits everyone, from management to the customer.
- **Address conflicts** – When conflicts arise, address them quickly so problems don't fester. Have protocols in place that employees can use to get help if they have interpersonal conflicts.
- **Implement HR software** – The right HR software can maximize the efforts of your human resources team. Implement a software program to help with the department's efficiency.



IMPROVING HR BY UTILIZING RESTAURANT HR SOFTWARE

Hiring Staff and Lifecycle Management

With HR software, you can quickly see data like staff hiring dates, milestones, and training completed. This makes it easier to bring on your staff and track how they have served your restaurant.

Improving Onboarding and Training

HR software gives you a tool to create uniform onboarding and training programs. This improves your employees' chances of success within your company.

Establishing Employee Record Documentation

Use your software to track all of your employees' records. Your software keeps training certificates, photo IDs, Social Security card numbers, and other vital documentation in one central, secure location.

Managing Payroll and Benefits

The right HR software can hold your benefits and payroll management, so you can easily track them for your employees. If your employees have questions, need a distribution, or want to change their benefits, it's all easily done on the program.

Handling Team Communication

Communicate with all team members, even across multiple locations, using a communication software program. Your team members can easily access the communication and add their own to the portal, even if they're not in the same physical location.

Improving Employee Scheduling

Use your software to manage employee schedules better. The software eliminates miscommunications and allows you to plan based on past schedules. You can also use scheduling software to track logged hours.

Increasing Regulatory Compliance

Finally, the software can help you with your regulatory compliance. Log certificates and training modules in the software. When agencies request this documentation, the software makes it easy to retrieve and print.

STOP NEGLECTING HR AND START HELPING YOUR PEOPLE SUCCEED

A successful restaurant setup requires a plan for restaurant HR. In addition to the team members you need, you will want HR software to help you create and run an efficient HR department. If you need expert HR and payroll services in your restaurant, Exact Payroll can help.

We specialize in HR and payroll services for restaurant owners, and we have unique software specifically tailored to your industry's needs. If you're ready to get help for your restaurant's human resources, contact Exact Payroll today.



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