

Community




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Friendly reminder your W-2s are now live.
 Check out how our Schaumburg location is celebrating
 the beginning of Q1 and trying our new menu items.



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How to Overcome 5 Restaurant Industry Challenges

In the service industry, high turnover and low profit margins create fierce competition and significant challenges as an employer.

On top of the administrative tasks that keep your organization running smoothly behind the scenes, you're competing against a growing number of businesses and the gig economy for workers, not to mention juggling schedules and managing the challenges of seasonality. While you're striving to build a collaborative culture and develop employees with limited budgets and time constraints, you're also navigating compliance and labor laws.

There never seems to be enough time in the day to manage it all, especially if the team uses an outdated HR and payroll platform or still manages processes manually. Historically, you had to adapt to what was available in existing HR and payroll platforms, but with today's modern technology, you have far more options. Now, you can find complete solutions that fit you and your team's unique needs and objectives — not the other way around.

To truly meet and exceed your goals, you need access to the right tools and employee data that bring value now and will continue to do so well into the future. But you also need to be prepared for the challenges ahead and understand how the right HR and payroll technology and service partner will help you overcome them.





Challenge #1

Time-Consuming Manual Tasks

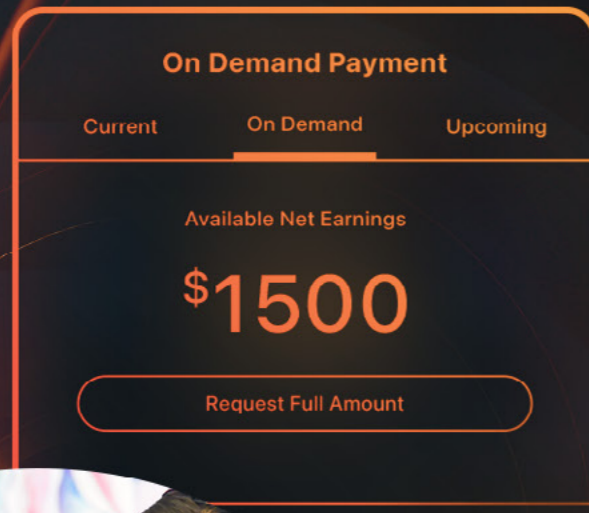
Effortlessly manage payroll, taxes, compliance, and more.

It's no secret the hospitality business is unpredictable. Trends, seasonality, and even the day of the week impact how many customers your team serves. Schedule changes, shift swapping, and short-notice workforce fluctuations can throw a wrench into your payroll processes, even for the most experienced professionals.

Add in the manual and error-prone data reentry that can impact your tax compliance, and you've lost the opportunity to focus on big picture things — like building up your teams and preparing your business for tomorrow.

Instead, level up your payroll processes with employee self-service, custom reporting, and other features that help your business improve payroll accuracy, make compliance a breeze, and gain insights to power decision making.





Small HR team? No problem. Modern HR and payroll software is user-friendly and automatically completes tasks, so anyone can use it successfully. Your software provider should also be a partner and resource, supporting your efforts with HR expertise.

Research shows **90% of restaurants** agree increased automation would allow their staff to focus on more important undertakings like connecting with customers. Automated payroll functions mean you can easily keep up with last-minute schedule changes and find urgent coverage while supporting overtime, time off, and prorated and retroactive pay without disrupting your processes, even when these changes fall in the middle of a pay period. The agility of payroll automation also means you can rest easy knowing you're maintaining tax compliance for tipped employees.



90%

of restaurants agree that increased automation would allow their staff to focus on more important tasks. (Square)



Challenge #2

Disconnected Business Systems

Easily track schedules, shift changes, and time.

Manually tracking schedules and employee time, just like payroll, is time-consuming and can be costly if there are mistakes. The IRS estimates **33% of companies** make errors that result in billions of dollars in fines annually across the industry. And in the service industry where you have ever-changing staffing needs, maintaining accuracy is even more challenging.

Tracking schedules and time is crucial for several reasons, including:

- **Ensuring compliance with labor laws:** Hospitality businesses are required to comply with labor laws related to minimum wage, overtime pay, and employee benefits.
- **Managing labor costs:** It's easier to control labor costs and make more informed decisions about staffing levels.
- **Improving efficiency:** Tracking employee schedules, time worked, and labor costs helps organizations identify inefficiencies and make changes to improve productivity.



\$1.8

trillion annually

The cost of lost productivity in the U.S.

(Hubspot)



Welcome, Rudy!
 9:27:24 AM, EST
 Clocked Out
 Clock In

Time Off
 Balance Request Status
 Available Request Total
 238.46 8.00
 Request Type Vacation
 Start Date Aug 24

Swap Shift
 9:00AM-6:00PM Wed, Aug 09
 --/Kitchen/--
 Sun Aug 06 - Sat Aug 12
 Luke Martin
 9:00AM-6:00PM
 --/Kitchen/--
 Swap

Restaurants, resorts, and other organizations in the hospitality industry can leverage automation to streamline their processes. Automating scheduling, attendance, shift change requests, and workforce analytics using a single system helps maximize efficiency and even forecast labor demand. Time collection software should also integrate with business-critical systems like your point-of-sale system, so your technology (and data) stays connected and in sync.

Today, access on the go is critical, and for employees, mobile access is an expectation. Many organizations enable their employees to clock in/out, request time off, and access documents using the same technology they're already familiar with – right on their smartphones.

Modern time and labor solutions empower you to boost organizational productivity and employee engagement while reducing labor costs, ensuring you're maximizing your profit margins.



Challenge #3

Competitive Labor Market

Win and keep top talent.

The hospitality industry has historically had one of the highest turnover rates, and at 5.4%, it is still **twice the average rate nationally**. There are several reasons organizations struggle to attract and retain top talent, including:

- **Competition:** Hospitality is a competitive industry. Top candidates may have multiple job offers to choose from. And if onboarding is slow, employees can leave for another offer – before they even start with your organization.
- **Wages:** The service industry is known for having relatively low pay compared to other industries, which makes retention especially difficult in areas where the cost of living is high. Tight margins also mean organizations can't pay more, and workers might leave for a better wage elsewhere.
- **Limited opportunities for growth and development:** Many jobs are entry level positions that offer little to no room for advancement, so workers may seek other employers that will help them grow and develop.
- **Outdated recruiting practices:** In some cases, restaurants are disconnected from the talent pool altogether because job openings aren't promoted externally, leaving potential candidates wondering what the company has to offer.



7 in 10

restaurants say they are experiencing a labor shortage.
(Business Insider)



Engagement Overview



Engagement Score Over Time



Catalog

My Training Catalog

- Emergency and Fire Preparedness**
Safety Training Bundle
- Back Safety**
Safety Training Bundle
- Driver Safety**
Safety Training Bundle
- Bloodborne Pathogens**
Safety Training Bundle

Although most restaurant and hospitality workers leave their jobs in pursuit of higher wages, research shows investing in employees in other ways will help keep top talent. From recruitment to retention, technology can enhance your processes and make your organization more attractive to employees, both current and future.

- An on-demand learning management system (LMS) empowers you to design, assign, and track learning opportunities like state-mandated courses and safety trainings.
- Intuitive tools fast-track your ability to hire and train quality candidates.
- Streamlined onboarding eliminates the endless paperwork, consolidates data, and opens the line of communication with the new hire before their start date.
- Predictive analytics help you spot trends, make better-informed workforce decisions, and stay ahead of the competition.
- Access to on-demand wages empowers employees to choose their paydays and gives your organization an edge in recruiting.



Challenge #4

High Employee Turnover

Create a culture that keeps employees engaged.

For today's employees, work is no longer just a punch-in and-out commitment. They see their jobs as extensions of themselves and seek employment with organizations with a strong company culture.

This benefits your organization, too. Research shows employees who are more aligned to their company's mission feel passionate about what they do and have positive emotions about the company culture. They are also more productive and engaged — meaning higher profitability for your organization.



45%

of restaurant workers said "an improved working environment" would make them stay at their job.

(UC Berkeley)





Luna Abadi
Housekeeper I

Recognize



Jennifer Garcia

It was a busy night. Well deserved! 🍷

Recognition Details



Jack gave a recognition
on March 15



Helping Hand

Thanks for staying late to help clean up the event
space after the wedding!



\$150

Redeem Wallet

Cash Out

It doesn't take much to start. Improving communication increases connection, which the modern workforce demands. By keeping employees in the loop with you and with their peers (even when it's not about work), they'll feel more like a team.

Modern HR and payroll solutions with integrated, mobile-friendly collaboration tools centralize accurate and timely company info while giving employees the connection they want, making them more engaged, aware, and productive.

Coworkers can connect around projects, initiatives, and interests, and give each other recognition for contributions from anywhere. Plus, keep your finger on the pulse of your workforce through advanced surveys and analytics that allow you to efficiently (and confidentially) **gather feedback and gauge employee sentiment**. This allows you to respond quickly to workforce issues, take steps to make improvements, and co-create the organization that you — and your employees — want.



Challenge #5

Lack of Company-Wide Communication

Communicate with the whole team.

In the fast-paced service industry, keeping everyone on the same page is complicated — employees work different shifts and often at different locations. Many of them don't have access to computers or company email addresses, and they're on the floor during every shift. Multilingual staff can also add to the complexity of providing consistent communications.

While communication is a key factor in an organization's growth and success, it comes with challenges:

- **Productivity:** When employees don't communicate with each other and management, productivity suffers.
- **Training and development:** Providing career development opportunities is difficult when employees work inconsistent schedules or speak another language.
- **Compliance with language discrimination laws:** It's illegal to discriminate against employees based on their national origin (including their primary language) but not every HR solution supports multiple languages.
- **Employee engagement:** Communication barriers are a hurdle for employees to feel fully engaged in the workplace and to build strong relationships with their coworkers.



59%

of restaurant employees say their employer does "very well at communicating with them."

(Raydiant)



Restaurants, resorts, and other businesses in the hospitality space can leverage multilingual, mobile-enabled HR software to fully engage their employees, no matter when and where they work.

Employee-centric HR and payroll software ensures employees have access to the information they need and gives them the freedom to view paychecks, request time off, and stay in touch with fellow coworkers anywhere, anytime, and in a familiar language.

Employees manage their contact information and get 24/7 access to current and past checks, tax forms, schedules, timesheets, and on-demand earned wages. And they can access directories, policies, announcements, and training assignments to stay connected to the organization and each other, without extra HR administrative support.

Tackle today's challenges and build a stronger tomorrow with Paylocity.

Paylocity is the leading HR and payroll platform for the service industry because we deliver modern features for simplified behind-the-scenes processes and top-tier employee experiences.

From payroll to document management and attendance tracking to scheduling, automation saves you time and plenty of headaches. And Paylocity partners with you every step of the way, with HR consulting and tax preparation services available.

Here are just some of the tools we offer:

- **Employee Voice:** Employee engagement surveys with shareable insights.
- **Community:** Online collaboration hub for all employees.
- **On Demand Payment:** Early access to a portion of earned wages.
- **Scheduling Plus:** Streamlined shift scheduling with custom rules.

Focus on delivering great service to your patrons while Paylocity delivers to your employees. Request a demo to see how.



Supporting Restaurants and Hospitality Organizations Like Yours



“Having an all-in-one HCM platform brings incredible value to HR, payroll, and most important, our employees. It saves everyone time and makes all our locations more efficient and effective.”

– Controller, HMC Hospitality Group

See how HMC Hospitality Group saved \$100k per year with HR automation



“Thanks to Community, our employees log into and interact with Paylocity every day. That means they're very familiar with the platform, which really encourages self-service, because Paylocity gives them everything they need in one place.”

– Operational Controller, New England Authentic Eats

See how restaurant group New England Authentic Eats strengthens culture and propels growth with HR software



“Culture is the expression of your people. What do you want that expression to look like? Is it attractive to new candidates, prospective vendors, and guests of the restaurants? Your HCM has to reflect and support your culture.”

– VP of People & Culture, Upward Projects

See how restaurant group Upward Projects achieved a 30% growth rate by prioritizing people

