



*Get Back on Track*

MANAGING YOUR RESTAURANT  
IN THE AFTERMATH OF A PANDEMIC



center of  
excellence  
by Paycor



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## EXECUTIVE SUMMARY

In 2019, restaurants and bars had a considerable workforce challenge: Unemployment rates were at a five-year low and minimum wage was on the rise across the U.S. Then 2020 came along and the year-long pandemic made the situation far more disastrous. **Few industries were harder hit than the restaurant business.** But you know that.

The pandemic made typical HR challenges such as hiring, onboarding, training, and managing absenteeism, safety and compliance exponentially worse. Millions of restaurant workers were furloughed, and thousands of them won't return to the industry at all. You're also competing with unemployment pay. The situation is so bad that one McDonald's franchisee in Florida is paying \$50 if a candidate will just show up for the interview (Business Insider).

**While the restaurant industry is still reeling, now is the perfect time for a digital makeover so you can build back better.**



In this guide, we'll discuss how you can adjust operations to meet ever-changing demands; improve employee engagement; support tax, compliance and safety; and ultimately transform your business.





## Operation: Adjustment

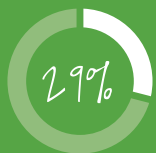
**To thrive in the aftermath of such a disastrous year, you need to take a hard look at your existing internal systems and workforce technology.**

Are your systems woefully outdated? Do you have disparate programs that don't "talk" to each other? Are you entering payroll data in one system, HR information in another and working with a separate POS? Or worst of all, are you managing everything through manual spreadsheets?

If you answered "yes" to any of these questions, you're wasting time on inefficient processes and it's time for a change.

**Having the ability to effectively manage payroll and time in a unified system can help reduce errors and perfect your labor spend.** And if the system integrates with your POS data, even better. It can help ensure that your HR data is in lockstep with operations and financial data. You should have a single source of truth that can tie financial performance to key people data.





of hospitality workers  
said they plan to  
*permanently leave*  
the industry.

## HR Operations & Employee Engagement

**Almost one third (29%) of hospitality workers said they plan to permanently leave the industry** (Joblist). That's got to be a frightening number for restaurant and bar owners. Scheduling and absenteeism—challenging to begin with—have become significantly worse with COVID-related leaves, making scheduling somewhat of a nightmare.

If you haven't already, now is the perfect time to update your processes and technology to meet changing demands and connect back of house (BOH) with front of house (FOH) employees. Think about:

- Implementing an immediate pay solution so staff can be instantly paid after a shift if necessary
- [Automated, mobile scheduling](#)
- Tip pooling (*Pro Tip: Remember, you can't take the Tip Credit if you pool tips for FOH and BOH*)
- And completely rethink punching in; your training process (up next); kitchen functionality; and ordering, delivery and takeout options

As you well know, FOH and BOH have traditionally been at odds. Implementing a tip pooling process and the fact there are fewer people in the restaurant can help break this barrier and create a more collaborative and supportive environment.

# Employee Training & Development

In New Orleans or New York, you can easily find servers and bartenders who have been with a restaurant for 30-plus years. But generally, most of the restaurant industry doesn't employ lifers. **Rather, you probably feel like you have a revolving door of employees that don't stick around long enough to even learn the necessary skills to adequately perform their jobs.**

Restaurant leaders have a unique talent pool to select from. Corporations typically don't hire kids under the age of 18, but you do... and often. These younger employees often require specialized training, not only on your menus and POS system, but also basic adulting-in-the-workplace skills or even how to sweep and mop a floor.







of frontline employees  
report being trained  
*only once a year* or less.

(Yoobic Frontline Employee  
Workplace Survey 2021)

**Finding leadership talent and improving the efficiencies of hourly workers are commonly two main goals of any restaurant,** whether fast food or fine dining. The best way to meet those goals is with in-house talent development. While most restaurants outside of the corporate goliaths aren't known for their employee growth programs, why not buck the trend?

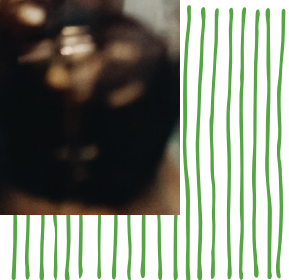
**Creating a training and development program that nurtures and helps your employees advance in their careers offers several benefits. It can:**

- Help your restaurant stand out as an employer of choice, which gives you a leg up in this super-tight job market.
- Make your brand stand out to customers as one that genuinely cares about its employees.
- Enable you to build a robust succession plan for team advancement.
- Help you keep valuable long-term staff who can, in turn, train younger staff members, giving you a dedicated, engaged staff.



## Safety, Compliance & Taxes... Oh, My

After the past year, policymakers across the political spectrum now have a renewed appreciation of the restaurant industry's critical role in not only the national economy but also local economies. Safety, compliance and taxes (and their credits) are important to help keep the industry healthy and active.





## STAFF AND CUSTOMER SAFETY

Many retailers have a strong online presence, which made it extremely easy for them to flex to a remote work environment. Obviously, that's simply not an option for restaurant leaders. So, in the wake of a pandemic, **it's important for you to not only keep your staff safe, but also your customers.**

Of course, you must adhere to any federal, state and local laws around food safety and OSHA. But new safety measures like mandates for masks and social distancing go far beyond what you and your staff are used to. **Several national restaurant associations teamed up to create a [guide](#) with steps to help ensure the safety of your customers and employees that include:**

- Appointing a COVID coordinator to lead all safety operations
- Offering (branded) hand sanitizer and masks at the entrance
- Monitoring employee health at the start of each shift
- Making sure ventilation systems are functioning properly





## COMPLIANCE — IT'S NOT JUST PAYROLL REPORTING ANYMORE

**From accurately tracking hours worked and managing tips, to I-9 audits and ACA reporting, restaurant leaders have always had a ton of compliance tasks on their plates.** The pandemic has only added to the complexity of managing your staff. Ideas for staff management include:

- Implementing a more flexible, non-punitive compensation and sick leave policy
- Offering cash incentives and time off for employees to get vaccinated
- Using A and B teams to work alternate days or shifts (that way, if someone on Team A is exposed, your whole operation doesn't shut down)
- Cutting cash payments and tips by using no-touch payment systems

**Some ideas will, of course, require changes to your payroll reporting and implementing new processes that better integrate with your existing staff management and POS systems.** It's important to evaluate whether it's more efficient and cost effective to switch to an entirely new service provider or tack on separate components to what you've already got.

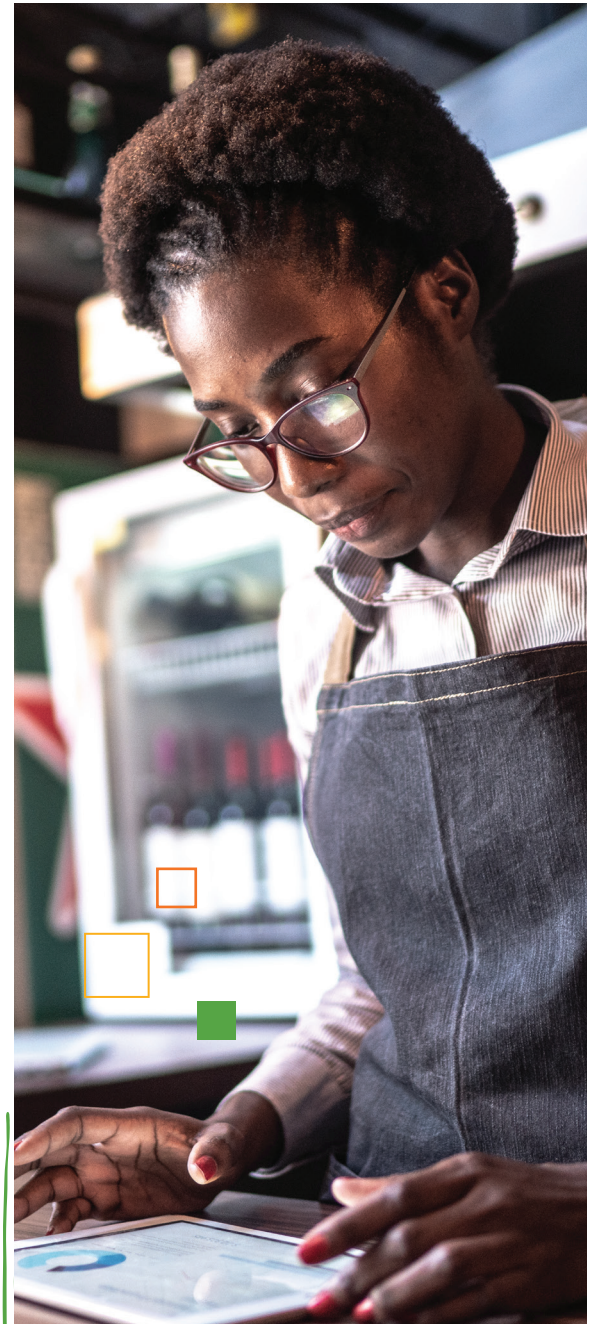




## A TAXING PROPOSITION

When it comes to taxes, you likely feel deeply sorry for your CPA or bookkeeping team this year. In a normal year, tax time is rough enough but with all the changes because of the Paycheck Protection Program (PPP), Emergency Income Disaster Loans (EIDL) and grants, it's even worse. Here are a couple tax credits you also need to be aware of:

- **Expanded Family First Coronavirus Response Act (FFCRA)** — You can use a maximum credit of \$511 per day per employee (\$5,110 cap) to cover leave related to receiving or recovering from COVID.
- **Expanded Employee Retention Credit (ERC)** — The ERC has been extended through December 31, 2021, so you get two extra quarters to claim it. This credit allows you to claim a payroll tax credit of 70% of qualified employee wages (up to \$10,000 per employee per quarter) IF you experienced a decline in gross receipts of 20% (previously 50%) year over year.



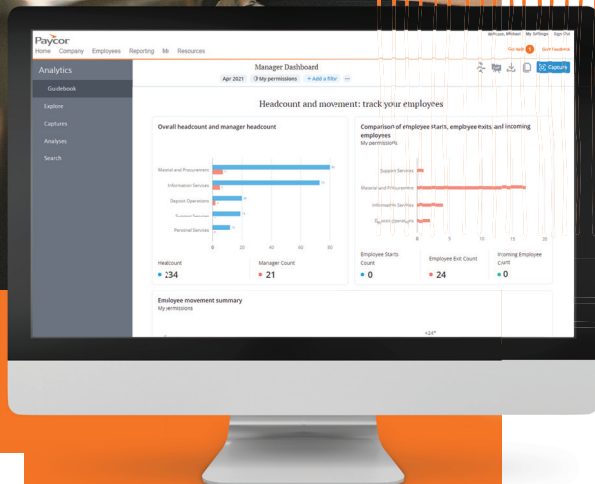
# Serving Customers Should Be Your Top Priority, not HR.

## Paycor Helps You:

- Easily connect your workforce data with your POS system
- Transform complicated data into unambiguous, straightforward trends and predictions to answer the workforce questions you have
- Detect patterns, find trouble area and deliver a direct and positive impact to your restaurant
- Improve turnover, retention and engagement among all your staff
- Simplify and modernize the staff scheduling process



Understanding and reporting on your workforce has never been *so easy.*







## About Us

Paycor builds HR software for leaders. Our Human Capital Management (HCM) platform modernizes every aspect of people management, from the way you recruit, onboard and develop people, to the way you pay and retain them. But what really sets us apart is our focus on leaders. For 30 years, we've been listening to and partnering with leaders, so we know what they need: HR technology that saves time, powerful analytics that provide actionable insights and personalized support from HR experts. That's why more than 40,000 businesses trust Paycor to help them solve problems and achieve their goals.

**LEARN MORE AT [PAYCOR.COM](https://www.paycor.com)**

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