

The Top 5 HR Mistakes Restaurants Make (and How to Avoid Them)

Running a restaurant is already a balancing act- juggling staff, guests, food costs, and compliance all at once. But too often, HR gets overlooked until it becomes a real problem. The truth is, one HR slip can cost thousands in fines, lawsuits, or lost staff. The good news? With the right systems in place, these issues are completely avoidable. Here are the five most common HR mistakes restaurants make- and how to stay clear of them.

1. Skipping Proper Onboarding & Training

In fast-paced restaurants, it's tempting to throw new hires straight onto the floor. But when training is rushed or skipped, it leads to mistakes, compliance risks, and unhappy employees. A structured onboarding process builds confidence, ensures compliance, and sets staff up for success.

2. Misclassifying Employees

It may seem harmless, but mixing up exempt vs. non-exempt employees- or contractors vs. employees- can bring on major wage and hour penalties. California, in particular, is strict about classification. Getting it right from the start saves you from costly back pay or legal trouble.

3. Ignoring State-Specific Compliance

California restaurants are required to provide sexual harassment prevention training for all staff. Skipping it (or forgetting to renew annually) can result in fines of up to thousands of dollars per employee. Compliance training may feel like a chore, but it's far cheaper than a lawsuit.

4. Poor Documentation

When issues come up, like a performance concern or termination, "he said, she said" doesn't hold up. Without written documentation, restaurants leave themselves wide open to disputes. Maintaining digital employee records and clear policies keeps everything organized and defensible.

5. Lack of Ongoing Training & Culture Building

A strong team doesn't just happen, it's built through consistent training and development. High turnover is one of the costliest challenges in hospitality, but investing in your people reduces churn and creates a stronger workplace culture.

Bottom line: HR mistakes are expensive, but they're preventable. At DineHR, we partner with restaurants to streamline compliance, simplify onboarding, and protect against risks so you can focus on what you do best: creating amazing dining experiences.