

Restaurants & QSRs: Top Challenges for Employers in 2022

The restaurant and quick service restaurant (QSR) industry is dealing with labor and supply shortages coupled with rising inflation and potential recession concerns.

Learn about five major challenges in the industry and how on-demand pay may help businesses.



Lack of Labor

Restaurants and QSRs have seen millions of employees quit throughout the Great Resignation.¹ According to the National Restaurant Association, the majority of industry operators do not have enough labor to meet customer demand.²



Digitalization of Foodservice

Restaurants and QSRs are seeing more demand to implement new technologies and third-party providers to deliver on consumer demand for seamless digital experiences and conveniences.³ For example, 57% of customers used a digital app to order takeout food at least half the time in 2021.⁴



Potential Recession Looms Over Recovery Efforts

A possible recession could have various effects including credit impairment, plummeting stock prices, and bankruptcy.⁵ The industry can improve wages, workplace conditions, professional standards, and benefits packages to help keep employees happy.⁶



Supply Delays and Shortages

The global supply chain issues have impacted nearly the entire industry.⁷ Supply delays and shortages of key food or beverage items were common in 2021, and these challenges will likely continue through 2022.⁸



Increasing Inflation

Inflation—from labor costs to materials and ingredients—is hitting all parts of the foodservice industry.⁹ According to the National Restaurant Association, the majority of restaurant operators believed it would take a year or more before business conditions returned to normal.¹⁰

Address Challenges With On-Demand Pay

Improving benefits offerings is a great way to show employees how much they're valued and reward their hard work. An on-demand pay benefit may help in recruiting and reducing employee turnover.¹¹

Learn how DailyPay can help.

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¹<https://www.restaurantbusinessonline.com/workforce/great-resignation-accelerates-restaurants-hotels#:~:text=The%20numbers%20were%20adjusted%20to,with%204.4%20million%20workers%20resigning.>

²<https://restaurant.org/research-and-media/media/press-releases/association-releases-2022-state-of-the-restaurant-industry-report/>

³<https://www2.deloitte.com/content/dam/Deloitte/us/Documents/consumer-business/us-cb-restaurant-of-the-future.pdf>

⁴<https://www2.deloitte.com/content/dam/Deloitte/us/Documents/consumer-business/us-cb-restaurant-of-the-future.pdf>

⁵<https://www.investopedia.com/articles/economics/08/recession-affecting-business.asp>

⁶<https://equitablegrowth.org/more-resilient-small-u-s-restaurants-and-their-workers-can-exit-the-coronavirus-recession-and-sustain-an-equitable-economic-recovery/>

⁷<https://restaurant.org/research-and-media/research/research-reports/state-of-the-industry/>

⁸<https://www.restaurantbusinessonline.com/financing/restaurant-menu-price-inflation-highest-40-years>

⁹<https://restaurant.org/research-and-media/research/research-reports/state-of-the-industry/>

¹⁰<https://www.kronos.com/blogs/power-technology-platform/demand-pay-strategic-lever-employee-recruitment-and-retention>