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Research Article

Organizational Resiliency Framework for Restaurant Establishments

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ABSTRACT

Organizational resiliency is the capability of an organization to survive an accustomed crisis and grow vigorously in a world that is full of uncertainties. It is a system that identifies the threats coming and moving forward to combat the battle of the crisis. To help the restaurant organization in pandemic times, this study entitled “Organizational Resiliency Framework for Restaurant Establishments” was conducted. This study proposed a resiliency framework for restaurants focusing on the relationship between operational practices and innovation. The firmographic profile of themed restaurants and the profile of the respondents were presented. Also, operational practices of themed restaurants and a series of innovations were determined under the new normal. This descriptive study tested the significant relationship between operation and innovation practices leading to the proposed resiliency framework for restaurants. The findings revealed that participant’s themed restaurant was operating and existed for years, with a limited number of employees and focused on take-out and delivery services offering. The customer respondents are Millennials, mostly female, with enough income per month, spending based on their budget per visit monthly on the themed restaurants. Respondents agreed on operational practices of restaurants, however, disagreed on specific services like having customer self-ordering machines and advising customers to self-swipe cards on payment. Likewise, an agreement was foreseen on innovation practices of restaurants in terms of product, process, management, and marketing innovation by the respondents. Operational practices and innovation have a significant relationship that greatly influences and contribute to the formation of organizations’ resilience in times of pandemics.

KEYWORDS

Innovation Practices, Operational Practices, Organizational Resiliency, and Themed Restaurants

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INTRODUCTION

The world is greatly affected by the COVID-19 virus which is also known as 2019-nCoV, an acute respiratory illness with an unidentified cause, emerged in China in the late month of 2019 and, since then, has vastly spread all over the world. The impact is observed ubiquitously in every type and unit from different sectors. According to [Dube et. al., \(2020\)](#), the restaurant industry is considered vulnerable to natural hazards like a pandemic. COVID-19 puts the restaurant in a difficult situation and drives them to transform and convert the traditional practices and beliefs, to new practices and adapt, create solutions and resiliency depending on how hard the impact is to the organization. The study of [Gossling et. al. \(2020\)](#) emphasized restaurants as one of the sectors that have been affected by the virus with the aftermath of social distancing and other precautionary measures imposed by government agencies around the world. Further, the vulnerability of the restaurant is not only made by those restrictions, but because of one's risk of infection, the need to assure and guarantee the safety of people and those skeptical clients made the restaurant more focused on precautionary measures ([Motoc, 2020](#)). Nonetheless, it asserts the creativity, innovativeness, and resiliency of the restaurant industry to any form of change ([The Chef's Garden, 2020](#)), and early start-up of strategy implementation to recover and be resilient while the virus is still actively spreading in the world ([WHO, 2020](#)).

Operational practices on the restaurant organization experienced big change due to COVID-19. Changes from provided services, physical attributes, measures, and policy became imminent. They are closed for sit-down service or accepting fifty percent absorptive capacity depending on the size of the venue with a special set-up design based on the prescribed standard set by the government agencies. The study of [Hashim et al., \(2012\)](#) presented a well-planned and executed design and the layout needs to be conscientiously made to foresee that ambiance is more comforting, appealing, attractive, and creates a feeling of serenity. In this time of crisis, with the existence of the virus, a cold and humid environment inside any facility is another factor that contributes to the spread of COVID-19. It is suggested that a cold and dark environment with no ultraviolet light can make the virus alive and add to the rate of transmission ([Artiga & Rae, 2020](#)). With this implication, restaurants are advised to adjust the temperature in their dining rooms and service area to deal with this issue.

Additionally, extreme safety measures are implemented. A different working condition, adopting new and improved workplace policies and actions that will limit human contact ([Carnevale & Hatak, 2020](#)). Therefore, organizations must respond and adapt to the challenges by incorporating some measures in the operation such as: monitoring of the temperature, having face protection equipment and gloves before allowing to enter the facility; reducing working hours and employee rotation, and redesigning of working facilities to implement social distancing ([Shahbaz et. al., 2020](#)).

All these protocols coincide with their serious commitment to safety and the changing preferences of the customers under the new normal. [Shahidi \(2020\)](#), states that the preference of the customers to home delivery and take-out options is seen as the result of social distancing and closure of restaurants. Applicable measures are delivery service, selling vouchers and closure for maintenance works, and the use of unity campaigns ([Wilkesmann & Wilkesmann, 2020](#)). Offering low-priced menus in order to survive was suggested ([Elejabeitia and Roca, 2020](#)).

More so, as counterpart and resiliency action to the changes happening, restaurants are still innovating. Innovation is an idea that transpires into reality. With the current crisis happening like the spread of COVID-19, restaurants do innovate as part of crisis management and resiliency of the organization. It is manifested in different types and areas of the restaurant operation. Restaurant try new products, methodologies, systems, technology-based service, management, set-up, and even promotions. The study of [Lee and Trimi \(2020\)](#) presented the sustainable innovation as an imperative organizational survival leading to success in the digital age and more on this pandemic crisis. They introduced convergence innovation as a new sustainable core

competence of an organization with autonomous ecosystem that is authorized by advanced technologies, special life cycle features, its relationship with other approaches in innovation with the purpose of creating value for the stakeholders and beyond.

The focal point of this study is to propose organizational resiliency framework for restaurant establishments focusing on operational practices and innovation. With the recent studies, it has been confirmed that most organizations are preparing for any form of risk and respond to disruptions as well as positively adapt in the face of challenging conditions, developing opportunities, and delivering sustainable performance enhancement. However, there is a need to identify the leading factors that need improvement on the existing operational practices and innovation utilized by the themed restaurant for resiliency preparation of the organization. In line with this, this paper is of great importance because it can serve as an assessment mechanism to measure the level of readiness of themed restaurants in reassuring the customers and the community in this unaccustomed time and for guaranteeing the continuity of the business' operation.

METHODOLOGY

The researcher used the descriptive type of research to analyze the data that were gathered. A total of four hundred eighty-one (481) survey questionnaires were properly distributed via google forms to respective customers of each participating themed restaurant in the provinces under Region IV-A, however, the uncontrolled number of responses per province was observed. With the impact and fear of COVID-19, the criteria of choosing the respondents became limited to those customers who availed and observed the services of the themed restaurant under the new normal.

Twenty-five (25) themed restaurants took part in the study that was identified and classified as themed restaurants in the previously conducted studies. Further, upon checking for confirmation and validation were operating in a time of pandemic in the provinces under Region IV-A.

A modified survey questionnaire was used to gather data. The researcher sought first the approval of those authors of questionnaires that were modified and adopted. The data analysis was limited to the use of the following statistical tools: Frequency Distribution and Percentage, Weighted Mean, and Analysis of Variance (ANOVA).

RESULTS AND DISCUSSIONS

Table 1. Firmographic Profile of the Restaurants in the Region

Profile	Category	Frequency	Percent
Location	Cavite	5	20
	Laguna	4	16
	Batangas	6	24
	Rizal	6	24
	Quezon	4	16
Number of years in operation	Less than a year	1	4
	2-5 years	7	28
	6-9 years	3	12
	10-15 years	7	28
	16 years above	7	28
Number of employees	Less than 10	17	68

	11-15	5	20
	16-20	1	4
	21-25	1	4
	26 above	1	4
Operation Time	24 hours	0	0
	Day hour	25	100
Services offered	Take Out	23	92
	Delivery	23	92
	Dine-in	14	56
	Drive Thru	0	0

Table 1 presents the firmographic profile of restaurants' in the region. The result means that most participants were from Batangas and Rizal province, some of the restaurants were established years ago and some are recently established caused by the rapid change and development of the restaurant industry even before the pandemic. However, due to limited services offered, businesses decided to limit the workforce to survive and continue the operation even with fear brought by the pandemic. All of the participants themed restaurants are 100 percent serving in day hour with limited take-out and delivery services offerings.

The Organizational Resiliency Framework for Restaurant reveals the significant relationship between operational and innovative practices as contributing factors in the formation of an organization's resilience in times of pandemic.

Operational practices refer to methods of how the business operates. It is the ingrained method of carrying out the whole business. Organizational resiliency is the ability of an organization to anticipate, make ready, respond, and adapt to gradual change and unanticipated disruptions to survive and prosper that is most appropriate at this pandemic (Denyer, 2017).

Based on the model summaries of linear regression for organizational resiliency. Operational practices and innovative practices were foreseen to be factors that influence building resiliency in the restaurant based on the test of a relationship conducted in the study. The downward arrow from operational practices and innovative practices represents the attachment to the end side which is organizational resiliency. This governs, guide, and influence the preparation of the restaurant's resiliency.

Operational practices are one of the important key principles that make a restaurant successful. When the management overlooked one factor in the operation will lead to inefficiencies and worst to failure. The pandemic introduced changed how the restaurant operates. The implementation of protocols that must be applied on all facets of the operation must be taken into consideration like changing the layout of tables and chairs to promote social distancing, installing acrylic dividers on high contact areas that serve as a shield to prevent close contact with customers, accessible sanitizers and alcohols in most areas, mandatory used of face masks and face shields are a few to the changes brought by the pandemic. These changes in operation are linked to the innovation practices put in by restaurant management. The use of new management methods to improve service and the use of technology such as the utilization of sensor thermal scanners is a part of operational practices but also a form of innovation practices performed by restaurants suited in this pandemic time. Every step, process, policy, output product in the operation influence innovation that is harnessed and employed by the restaurant.

Organizational resiliency is an essential strategy to corporate survival and highlights the role of operational practices in times of pandemics for the organization. It is important to understand that in this time of crisis, the organization must not think of rebounding from a setback but rather shift on how the organization must operate. Change is imminent and the organization must go with the flow.

The model used yellow for operational practices and innovation for this color is easily seen and grabs the attention of customers. Blue is used for organizational resiliency which means calmness. As pandemics changed the operation of the organization, calmness is what the organization needs. In order to respond, mitigate, prepare, restore, and recover to the vast impact of COVID-19, and a lot of uncertainty, staying calm is the most appropriate emotion to portray. The restaurant utilized yellow color to attract the customer's attention, surge appetite, and serve as motivation to eat. Likewise, restaurants use blue colors to loosen, relax and calm customers. It is utilized by restaurants as a strategy to improve sales (Khattak et. al., 2018).

CONCLUSIONS

Operational practices and innovation are the contributing factors that need to be checked and considered by the restaurant organization in building resiliency in times of pandemics. It is important to note that a limited number of employees to cater to the needs of the customers in this accustomed time of the pandemic, and delivery services offering creates a difference in the operation of the organization. Respondents based their visits and spending on their monthly income. They agreed on operational practices of restaurants in terms of provided service, physical attributes, processes/measures, and rules/policy. However, disagreed on having customer self-ordering machine for provided service and advise customers to the self-swipe card on payment for rules/policy. Likewise, the agreed response was foreseen on innovative practices of restaurants in terms of product, process, management, and marketing innovation by the respondents. A significant relationship between operational practices and innovation practices was foreseen.

The framework of organizational resiliency for the themed restaurants was proposed to help restaurant establishment. Recommendations for the themed restaurants include building a resilience plan focusing on safety on the operational practices especially on how they handle the orders of customers until the process of receiving card payments. Safety in all aspects of the operation must be manifested for restaurant credibility to gain the trust and confidence of customers. Likewise, they may strengthen their innovative practices particularly on product innovation focusing on their menu and recipe appropriate to this pandemic. Alteration on the existing menu to make it fit and proper, healthier than ever is what the customer needs. Restaurant organizations may provide comprehensive training programs on protocols for health and safety. Proof of participation in training by including them on the restaurants' display wall must take into consideration not to brag but to ensure customers of the objectives and goals of the business. More so, restaurant management may continually improve the service to customers through the inclusion of an effective system of customer feedback mechanism by researching their customers. Knowing what the customers preferred and their perception and expectations on product and services at this time of the pandemic. Future research is highly recommended by focusing on other variables that are related to organizational resiliency.

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