Service Enhancement and the Moderating Effect of In-House Training towards Restaurants Business Resiliency

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Abstract: Business resilient or survival is long becoming one of the central issues and attention among the researchers. This study is empirically examining the causal effect of the roles of service enhancement toward restaurant business resilient. This study empirically investigates the role of service enhancement attributes (continues service knowledge, technology adaptation and product innovation and the moderating effect of in-house training toward restaurant business resiliency. 162 questionnaires were successfully collected through a self-administered survey among the midscale Malay restaurant operators in Malaysia. With the application of parametric statistical analyses, some useful insights pertaining to the issues investigated were significantly obtained. The findings revealed that in addition to providing good foods, delivering good service and other elements including the SERVQUAL, service enhancement through continuous service knowledge improvement, product innovation and technology adaptation together with in-house training are giving a positive impact towards restaurant operational survival. These scenarios not only contribute to academic perspectives but create varying consequences and implications for the restaurant operators and customers.

Key words: Service enhancement · In-house training · Restaurant · Resilience

INTRODUCTION

Researchers unanimously agree the positive development of the restaurant industry is due to the changes in customers' demand, lifestyles and disposable income. These elements are in fact indirectly improvedrestaurateurbehaviours in delivering quality service and service delivery [1-8]. Consequently, the success and the survival of any restaurant operation may well depend on the type of service offer, food menu, quickly responds to the drawbacks and the ability to respond to service enhancement [8, 9]. However, failures of rendering service delivery in term of food, the overall service encounter or servicescape, human factors and other related elements can put restaurants out of business [10].

It is obvious that service delivery failures arise when service delivery performance does not meet the customers' expectations and it can be classified as either pertaining to the result or the process [11]. Smith *et al*. [11] also accentuate that a process of failure happens when the core service is performed in an imperfect or incomplete manner causing a loss of social capital (e.g., status, esteem) to the customers.Within restaurant operation, the consumer experience service failure whenever the wait staff is inattentive or their preferred menu items are unavailable [12].

Restaurateurs who afford to maintain the existing customers and attracting new one will sustain their business [13]. In addition, researchers accentuate providing high-quality service delivery [14, 15], providing ahigh quality of food products, services and physical environments [16] will sustain their restaurant business resiliency. With that notion, restaurant business resilient undoubtedly had become one of the central issues among foodservice researchers [17]. Resilience in the restaurant business context is related to a multidimensional phenomenon, which encloses food, services and physical environment factors that cooperate in a synergistic fashion to produce competence despite the adversity and the hardship [18].

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Literature Review: This resilience term is used in accordance with its usage, which means the ability to maintain the system or ability to deal with unpredictable destruction [19]. In addition, [20] posits resilience is a measure of how well people and societies can adapt to a changed reality and capitalize on the new possibilities offered including ideas of both adaptive capacities.

According to [9] and [20] with the globalization, the foodservice and restaurant business resiliency not only solely based on maintaining the utmost service delivery dealing with the quality of food products, services and physical environment, but as well depending on the role of service enhancements that are continuing service knowledge improvement, technology adaptation and product innovation. In addition, in-house training is also believed to support the service enhancements for the restaurant business resiliency [21]. In this sense, continues service knowledge improvement refers to the ability of the restaurateurs to continuously improve the processes, rules and routines associated with the overall services while technology adaptations are interconnected with sophisticated or advance restaurant operational equipment's which enable the restaurateurs to reduce their operational procedures [20]. Product innovations, on the other hand, denote the continuous improvement made on the products such as menu, services, concept and layout and overall operation of the restaurants [9].

Looking at the available literature, abundance researches have been conducted focusing on the relationship between service quality (SERVQUAL), service recovery, service encounter, servicescape, operational, physical environments and business survival in different types of foodservice setting [22-26]. Despite these, there is still a lack of research looking at the role of service enhancement attributes contribute to the restaurant business resiliency [23].

Service Enhancement: Although no definite definition, service enhancement, in general, is referring to an improvement on any product or upgrading the capabilities of services for better performance. On the information technology, an enhancement is a noteworthy improvement to the product as part of a new version of its [27]. The term is also sometimes used to distinguish an improvement of some existing products capability. [16] state that from MICE perspective, service enhancement correlates with the improvement of service quality. However, from the hotel and restaurant sector or the service industry, [27] argue that service enhancement not only dealing with the improvement of service quality (SERQUAL) but closely associated with continues service

knowledge improvement, product innovations and technology adaptation and these attributes are subsequently reviewed.

In-House Training: Technically, in-house training is defined as any training that is held in company premises to educate, develop or improve employees' skills. This involves all technical and soft skills that serve this purpose [28]. He further accentuates that in-house training similar to general training that is a systematic modification of behavior through learning, which occurs as a result of education, instruction, development and planned experience. Thus, it can be argued in-house training is a planned process to modify attitudes, knowledge, or skill behavior through learning experience to achieve effective performance in an activity or range of activities in a given setting [29]. Its purpose in the work situation is to develop the abilities of an individual and to satisfy the current and future manpower needs of the organization [30].

Restaurant Business Resiliency: The term resilience is used in a wide variety of fields. Although the context of the term may be different, the concept of resilience is closely related to the capability and ability to remain in a stable state. When the notion of resilience is applied to the organizations, the definition does not drastically change. Resilience is related to both the individual and organizational responses to turbulence and discontinuities. According to [31], resilience is the capacity of a system to absorb and recognize any disturbance at the same time retaining the same function, structure, identity, and feedback of the organization. It can be described as an active process of self-righting, learned resourcefulness and growth. The concept of resilience is associated with the individual's psychological capabilities and previous experience [32].

In the context of restaurant businesses, resiliency is closely associated with the capability and ability of restaurateurs to absorb and recognize the fundamental quality of all restaurant facets to respond quickly and productively to remain survival [9]. To remain resilient, restaurateurs should have a distinctive concept and always ensuring that all decisions made pertaining to restaurant operation are gearing toward maintaining the financial performance and long-term economic sense [33]. [34] also posited that in the present restaurant environment, the resiliency of its operation also well depends on the adaptation of the technologies ranging from the record keeping to the tracking of the customers' needs.
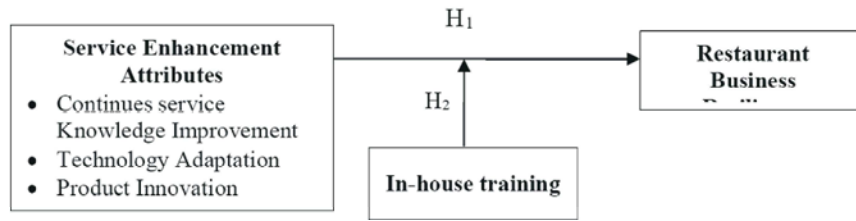
Fig. 1: Study framework

To conclude, the extent to which continues service knowledge improvement, technology adaptation and product innovation contribute to restaurant business resiliency has yet not widely research. In addition, the moderating effect of in-house training toward it is also not being tested. In filling the gap and in line with the above-mentioned issue, this study empirically investigates the role of service enhancement attributes (continues service knowledge, technology adaptation and product innovation and the moderating effect of in-house training toward restaurant business resiliency. Figure 1 depicts the study framework.

MATERIALS AND METHODS

This study is to examine the role of the three service enhancement attributes (service knowledge improvement, technology adaptation and product innovation and the moderating effect of in-house training toward restaurant business resiliency. A quantitative approach to a causal type of investigation, cross-sectional study with a self-reported and self-administered survey questionnaire is applied. The unit analysis and the sample are an individual of the midscale Malay ethnic restaurateurs who had more than 10 years in the operation and the Klang Valley through its major cities, namely Kuala Lumpur, Putrajaya, Kajang, Petaling Jaya, Shah Alam and Klang and its vicinities as the contextual setting for data collection. In this sense, the mid-scale restaurant is referring to those restaurants that have simplified production systems, requiring lesser skilled employees, specialized menus and offering moderated food price and often accoutered with the issue of survival.

The survey instrument consist of four sections with Section A solicited the information about respondent demographic information. Section (B) measured the mid-scale Malay restaurant operators' perception of the service enhancement attributes while Section C examined the in-house training and lastly Section D examined the restaurant business resiliency. Respondents are required to translate their view on a five-type Likert scale ranging

from 1 with "strongly disagree" to 5 "strongly agree. A pilot study was initially conducted to verify and confirm the reliability and validity of the items used.

Based on the suitable times of the restaurateurs the questionnaire survey was administered by the researchers with the help of four research assistants. Despite some difficulties, a total of 173 questionnaires were collected with 162 were found usable. The non-useable responses (eleven (11) were excluded due to the incompletion of a few questions in the questionnaires which are important for the study.

Reliability and Validity: The reliability test was undertaken for Sections B, C and D separately. The results showed that the instrument and items coefficient alpha value for continuous service knowledge improvement construct (0.845), Section C that measured in-house training produced a coefficient alpha value of 0.910 while Section D assessing restaurant business resiliency produced 0.901 of coefficient alpha value. The underlying relationships between items in each stipulated constructs were statistically tested with Exploratory Factor Analysis (EFA) as some of the items used were newly developed. Using Principal Component Analysis with varimax rotation and Kaiser Normalisation on the 60 items with a factor loading of 0.50, five factors were extracted with three items deleted.

RESULTS

Respondents Profile: The result of frequency test revealed that 75.3 percent (n=122) of the respondents is among the male Malay restaurateurs compared to 24.7 percent (n= 40) of the female. The young age group (25- 39 years) represented around 30.9 percent (n=50), followed by the middle age group (40-59 years) with 55.6 percent (n=90) and 13.6 percent (n=22) are above 60 years old. 76.5 percent (n=124) were married against 30.9 percent (n=50) were single and 1.2 percent (n= 2) are among others. Out of 162 Malay restaurateurs, 22.2 percent (n=36) possessed the undergraduate degree followed by

the postgraduate degree with 5.6 percent (n=9) and 72 percent (n=117) passed the secondary school level of education. Based on years of operation, 14.2 percent (n=23) of them were in the restaurant business between 10 years while 65.4 percent (n= 66) between 11-15 years and 19.8 percent (n=32) were more than 16 years. On the location, around 52.5 percent (n=85) were located in the urban area as opposed to 32.7 percent (n=53) in the large city and 14.8 percent (n=24) in the suburban area.

Meanwhile, 14.5 percent (n=24) of the restaurants are having around 5- 10 number of staffs, 48.1 percent (n=78) with 11-15 staffs, 30.2 percent (n=49) with 16 -20 number of staffs while 6.8 percent (n=11) are having more than 20 staffs working in their restaurants. 35.8 percent (n=58) of the Malay restaurant in this study are having between 30 to 40 of seating capacity, 59.3 percent (n=96) of 41-50 seating capacity and 4.9 percent (n=8) of more than 50 customer seating capacity. The last variable is dealing with technology devices used in the restaurant with 24.7 percent (n=40) had used the tablet menu ordering followed by 73.5 percent (n=119) choose to use POS system and 45.7 percent (n=74) on the online payment. Despite these, most the restaurant accounted around 86.4 percent (n=140) used the modern kitchen appliances such as combination oven, microwave, tilting skillet, trunnion kettle and many other small kitchen gadgets to smoothly preparing the food products.

Hypothesis Testing: A single-step multiple regression was conducted to test the strength of the relationship between service enhancement attributes and restaurant business resiliency as the first hypothesis (H_1) of the study. Table 1 displays the summary of the results.

Looking at Model 1, the service enhancement attributes accounted 37.0 percent (R^2 = .370, F-change = 94.158, p <.000***) of the variance in restaurant business resiliency. The value of B = .609, p < .000*** indicated that the service enhancement attributes significantly and positively contribute to restaurant business resiliency. In other words, the service enhancement attributes which include continuous service knowledge improvement, technology adaptation and product innovation influence the restaurant business resiliency. With this, the hypothesis 1 (H_1) is strongly supported.

The second main hypotheses (H_2) is to investigate how well and to what extent in-house training moderates the relationship between service enhancements toward restaurants business resiliency. The result is exhibited in Model 2.In the first step of hierarchical multiple regression, the service enhancement attributes able to

Table 1: Results of Multiple Linear Regressions

Predictors	Model 1 Std. β	Model 1 Std. β
Step 1:		
Service Enhancement Attributes	.609***	
Step 2:		
Service Enhancement Attributes		
In House Training		.553***
		.324***
R^2	.370	.452
Adj. R^2	.367	.445
R^2 Change	.370	.081
F-Change	94.158***	23.565***
F-Change	94.158***	23.565***

Note: *p < 0.05, **p < 0.01, ***p < 0.001

explain the 37.0 percent (R2 = .370, F-change = 94.158, p<.001) of the variation on the restaurant business resiliency. The value of B = .609, p <.000 demonstrated that service enhancement significantly and positively contributes towardsrestaurant business resiliency. In the second step of hierarchical multiple regression, in-house training, as moderator was entered as another independent. Based on the result, the in-house training is able to explain the additional 8 percent (R^2=45.2, R^2change= 0.81) as a moderator for service enhancement that influences the restaurants business resiliency. The beta value (B = .553, p < .001) of in-house training moderate relationship between service enhancement and restaurants business resiliency (B = .609, p < .001). Thus, it can be claimed that the in-house training moderates the relationship between service enhancement and restaurant business resiliency. Thus, the hypothesis two (H_2) is supported.

CONCLUSION

No doubt that restaurant is set up to obtain a profit by winning the customer's heart to dine and make a repeat patronization. This will obviously obtain by providing good foods, delivering good service and other elements including the SERVQUAL [9]. It is proven that the resiliency and survival of the restaurant operation depend on the ability of the operators to maintain or improve those elements [20]. Failure to maintain them may make customers feel their expectations of the restaurant are unmet, as well as being disappointed with their patronization. This may further affect their mood of dining and subsequently, diminish their repeat patronization. In addition, a poor overall service delivery system provided to customers also may result in the inability of restaurant operators to attract new and most importantly, keep the regular customers and maintaining their restaurant operation.

From this study findings, there is evidence and in addition to the aforementioned elements, service enhancement through the continue service knowledge improvement, product innovation and technology adaptation are giving a positive impact towards restaurant operational resiliency [18, 19, 20]. On the part of the operations and management and the context of this study the mid- scale of Malay restaurant operators, they should therefore be looking seriously at how to continuously improve their staff service knowledge, having the product innovation through the menu development and adapting some of the technology devices either in the kitchen or in front of the house. In other words, they should every now and then reevaluate their service elements, products that they have and technology used in their restaurant operations.

In this sense, having greater knowledge, product innovation and technology adaptation not only allows the service staffs to be more capable of handling their restaurant customers but provide more versatile food or products and rendering more efficient services through the application of technological devices [5][9][34]. All these elements will manifestly facilitate the overall service delivery system improvement and directly attracting new and encourage the existing customers to repeat patronizations and in turn, create the restaurant survival or resiliency.

In addition to the above argument, the result of this study also clearly revealed that the restaurant resiliency will be more heightened with the frequent practices of the in-house training. In line with this statement, the mid-scale of Malay restaurant operators, therefore, should not ignore this sign but take a proactive approach to giving training once a while to their staffs. Properly training the staffs and educating them will create a sensitivity to the overall restaurant service delivery system. Even though this kind of approach may add cost in both resources and money, it would help the staff to better understand the importance of the service delivery system in a restaurant business operation.

As a conclusion, it is hoped that the recommendations and information flow from this study will facilitate not only the mid-scale Malay restaurant operators but other restaurant operators to understand better the ever-changing customer needs and others elements besides food, service, amenities, SERVQUAL including service enhancements as it clearly contributes to their restaurant business resiliency. Understanding those elements can position them well and be more competitive in the fast-growing restaurant business. In fact, a better understanding of the restaurant customers' expectations would also provide restaurant operators with valuable information so that they can be more sensitive and effective in operation management techniques and continually improve their service delivery system. Finally, managing the restaurant's operation through continuous improvement and in line with the customers' needs not only critical in this progressive world economy and service orientation but vitally important for restaurant business resilient and survival.

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