

RESTAURANT MANAGEMENT ADAPTATION DURING COVID-19: CASE OF RESTAURANTS IN SURABAYA

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Abstract

Business is the purchase and sale of goods to make a profit. Restaurant businesses are two-way interactions involving service satisfaction and customer satisfaction, making it the most significant factor in restaurant sustainability. During this Covid-19 pandemic, Social distancing, curfew, and many kinds of government regulations push restaurant management and their teams to develop creative marketing. A conscious attempt to attune is the main point to survive and elevate for continuity of existence. This study will use textual analysis and qualitative data collection by analyzing location observation, personal interviews, and documentation based on current events focused on management's influence before and after the Covid-19 pandemic. Retrieval of data will be re-filtered and reviewed to display accurate data that has been regulated and valid. This research may have a recent incomplete implementation, but it can improve the current situation and conditions based on the restaurant business.

Keywords: *Restaurant, Business Management, Covid-19, and Adaptation.*

1. Introduction

The food and beverage business is one of the leading businesses globally; because the food itself is the primary commodity to meet daily human needs. Besides fulfilling basic human needs, going to food and beverages business premises can be a tool to socialize and share culture. People may interact and enjoy socializing time with friends, colleagues, and families through the food and beverage business. Over the years, the development of the food and service business changes according to demand and society. It depends on the highest continuous interest that changes with the trends and events in the current condition. In this case, change is not only happening in the restaurant business, but other businesses also have to deal with changes. Different management strategies to adapt to the circumstances and interests of buyers needs to be applied accordingly.

In mid-2020, a pandemic hit South East Asia and spread around each country in a fast-paced movement. In Indonesia itself, pandemic strikes restaurant businesses that cause most locals to close down due to safety regulation and preventing the cause of the pandemic. For the first quarter of the pandemic, most restaurants are surviving without a source of income. However, some indoor restaurants or vendors could not make it for the next quarter, while on the other hand, restaurants located in private property are making a pivot movement to keep their business run and at least steady.

SOURCE : BADAN PUSAT STATISTIK, 2 AGUSTUS 2021

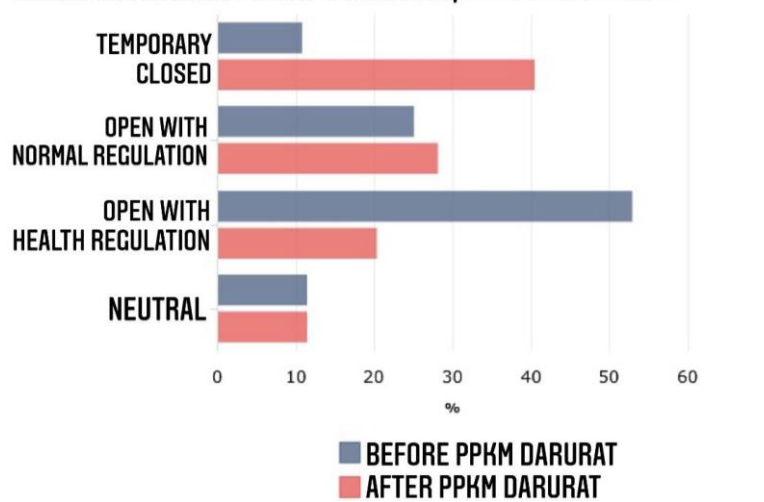


Figure 1.1 Majority of restaurant operation before and after PPKM

Many of restaurant owner and management team affected by the Covid-19 pandemic, it forces them to think different and creative, and the challenges at that time increased with the presence of PPKM regulation by the government. According to *Badan Pusat Statistik* (BPS), 10,7% of restaurants were closed due to various reasons. However, after PPKM, it increased by 40.3%. On the other hand, 52.9% of restaurants were still open with strict health regulations. After PPKM, the number of restaurants open with strict health regulations decreases to 20.2%.

Thus, this study will coherently discuss the restaurant business condition during the covid-19 pandemic and its strategy of the restaurant management according to the data collected, filtered, and presented to produce the expected explanation under the study objectives. The main objective is to reveal the adaptation strategy in restaurant management during the pandemic Covid19. In addition, the way management run before the pandemic that was wholly changed or modified to suit restaurant management needs will also be discussed. This study focuses on discussing the condition happening in restaurants in Surabaya, Indonesia. As the second biggest city in the country, the restaurant condition in Surabaya can be a barometer of restaurants in other parts of the country, especially the eastern part of Indonesia.

2. Literature Review

In this case, food and beverage businesses must adapt to approach a potential customer with a slim or zero chance of dining experience. According to Ployhart and Bliese (2006), adaptation is a consequence of behavior that arises to cope with changes and conditions that occur. If the management team failed to adapt, natural selection will happen itself and cause restaurants to close forever. Therefore, the first move of adaptation has to come from the human resource. According to Gaol (2014), Human resources as a central strategic factor are formed to carry out various interests of the organization's vision. Which from those theories lead to marketing and management.

Another effective way that Handoko (2012) mention is human resource management is the recruitment, selection, development, maintenance, and use of human resources to achieve both individual and organizational goals. Marketing is one of the primary keys to delivering a successful sustain business during this pandemic. According to Kotler and Armstrong (2014),

marketing strategy is the grand design to achieve an objective. Management is also as important and crucial as marketing. Without proper management, a business will ruin and stranded slowly. According to Afandi (2018), management is how to works with people to achieve organizational goals by implementing planning, organizing, staffing, controlling, and leading. Every effort is made to fulfill market demands; management knowledge is one of the fundamental pieces to deliver anything that can be implemented. The outline of the restaurant business is combining goods and services sales, which are summarized into a single central unit to operate a restaurant.

Based on the theory above, it can be concluded, the use of human resource to support the existence of the business are essentials to survive the Covid-19 pandemic, restaurant business needs an effective and precise execution to deliver the best result in order to hang on or even lift up from the current situation.

3. Research Methodology

This study is conducted using qualitative method. According to Tohirin (2013), qualitative study is research that seeks to develop a point of view from the person that is studied in detail and formed with words, holistic (comprehensive and in-depth) and complicated. Based on Sugiyono (2011), qualitative research methods are research methods based on the philosophy of positivism. This philosophy has been used for research in natural object conditions (as an opposite side from an experiment) where the researcher is the key instrument for this study. Therefore, data were collected from observation and direct interviews with the customer and business owner. This research will obtain current data directly from the reallocation with local time use. As stated by Arikunto (2010), the data source referred is the subject where the data can be obtained by observation, interview, and documentation. This study uses observation about the condition of the restaurant (before and after the pandemic), interviews with the owner and customer, and documentation to collect data to be analyzed and discussed.

Observation is a process to pay close attention to the objects. According to Widoyoko (2014), observation is systematic observation and recording of the elements that appear in a symptom on the object of the research. The purpose of the observation method as research is to know firsthand the circumstances that occur and get the research objectives from the result of the observation made. This study observes the activities of business owners, employees, and buyer's points of view in a real-time situation. As this is study is focused on Surabaya location to obtain legitimate current situation data, this data is taken from 10 restaurants with the same type of business that conduct in similar areas.

This observation is conducted right inside and outside within the restaurant business. The study itself resulted in getting materials or objects of study based on what is happening at the current time by observing the management restaurant itself. At this step, the observation is focusing on how the employees working condition, on the other hand, observation will be held to the business owner as well on how the business owner handle the situation on management side on how to implement the skills and knowledge for the restaurant before and after the Covid-19 pandemic. Thus, the study also does an observation from the outside of the restaurant. This observation will be done by observing buyers, or potential buyers who come to the restaurant, as many as the buyer, researcher also put an eye on third parties like Go-Jek, Grab, or any third party that delivers the goods to the buyer, the observation will be held, and it will become the learning materials and the impact on the restaurant management system before and after the Covid-19 pandemic.

An interview is a process to obtain data based on the information that interviewees have and have been chosen by reason of experiencing a current event. According to Riyanto (2010), it stated that interview is a method to collect data using direct communication between the researcher with the subject or respondent. According to Joko Subagyo (2004), an activity is carried out to obtain information directly by expressing questions to the respondents. Direct interview face to face between interviews with respondents and activities carried out verbally. This study interviewed employees, business owners, buyers, potential buyers, and third-party delivery services as interviewees. This data collecting is expecting to obtain a piece of current information with the recent activity that is still ongoing. It is an experience before the pandemic as well as the experience after the Covid-19 pandemic. From observing ten potential restaurants, the author obtains a piece of information from one owner, two managers that were in charge seven days with two work shifts, five employees with lunch and dinner working shifts, and ten random customers (*gojek* driver and direct customer) from each restaurant.

Documentation is the third step that being done in this study to obtain data. Information is gathered by taking a note; so it will become one great result that can be studied based on the current event. As added by Herdiansyah (2011), documentation is a method that is used by qualitative researcher to obtain a picture from subject's point of view through written media and other documents written directly by the subject concerned.

After all data has been collected from observation, interview, and documentation; the next stage is classification based on the subject that will be discussed. The classification process is needed to analyze all data. According to Supriyati (2011), one of many ways to collect a research data with has a naturalistic nature that goes deep into natural context, the perpetrator participates naturally in interaction. This process will open up an opportunity for other information that made the result closer to the actual situation. After being categorized, the data is shorted and deducted. Based on Daymon and Holloway (2008), data reduction is the process of sorting irregular data into more regular chunks by coding, arranging them into categories, and summarizing them into simple patterns and arrangements. This study makes a reduction based on the classification and analyzed and concluded in correlation with the primary purpose of the study.

Data presentation is the last step for gathering data processes. Based on the early step of gathering the data, it will be recognized that data will be grouped only from the user data, the effectivity of the presentation process has to go thru data reduction so it will minimize data repetition, or as well as the presence of inaccurate information that prevents the author from showing valid data so that the data presentation process is carried out to produce clear conclusions Sugiono, (2013).

4. Result and Discussion

The ongoing pandemic has caused many restaurants to experience a decrease in the number of sales and profit which affects the operational system and employees, and restaurant business owner has to reorganize of adaptation in order of existing conditions, effective restaurant management will do a business run with a planned strategy according to the surrounding conditions. The purpose of this study is to reveal the development of restaurants in adapting to the current pandemic situation for business continuity.

A covid-19 pandemic that is happening affected the government decided to make some program that called PPKM (*Penerapan Pembatasan Kegiatan Masyarakat*) and PSBB (*Pembatasan Sosial Berskala Besar*) the purpose of this program that held from the government is to applied social distancing in some areas to prevent and to slow down the spread of this

Covid-19 viruses. On the other hand, this condition affects many businesses and other areas too. When the government applied the social distancing and restriction to have a dine-in, the restaurant business is going down like a downhill roller coaster. Therefore, the restaurant management business should be able to change and adapt to the "New Normal" by changing the operation management and the way the system operational procedure is. This study focuses on those detail of changing and separate them into seven essential points that will be explained clearly based on the collective data from the observation, interview, and documentation processes.

4.1. Training for the Employee Skills and Education.

The employee of the restaurant will have some changes in the habit and the way of working that are affected by the pandemic. The change itself is driven by the restaurant management that will hold a training, question and answer session, and employee feedback, by observing customer behavior is the primary key to improve the training. The purpose of this training is to make a "New Normal" habit of operating the restaurant business in order to comply with government regulation about the new normal protocol in facing the Covid-19 pandemic. One of many training that held is to train on how to wear government standard mask and face mask cover for covid-19 prevention inside restaurant area which is causing the employee has limitation for moving around, especially they have the limitation for vision and breathing at the first month. According to Widodo (2015), training is a series of individual activities in systematically increasing skills and knowledge so that they are able to have a professional performance in their field. Training is a learning process that allows employees to carry out their current work according to standards.

Dividing a job task is also applied as a result of the pandemic. The one who serves the food is not going to be the one who cleans the table or does the dishes, whereas both employees only focused on the job that has been assigned on. A new protocol that has been agreed upon and approved by the management is being done to increase the cleanliness, hygiene, and safety of the premises. The focus of the training is how to give the best and safe service on how to handle the food while increasing sales inside the restaurant. It also focuses on how to appropriately pack the food to be delivered to the customers. The training also drives the employee to be more creative and innovative in marketing the restaurant, especially on social media, to attract the customer to the next level of hygiene before the pandemic takes place.

4.2. Employee Schedule and Payroll

Scheduling is also being modified to suit the current condition. First of all, pandemics cause to change everything, and it changed the employee schedule. Also, the restaurant management will cut short the schedule on each employee based on the employee performance. According to Baker and Trietsch (2009), scheduling is purely allocation (e.g., choosing the product mix with limited resources), and in such cases, mathematical programming models are usually appropriate for determining optimal decisions. This involves a decision-making process whose role is very important in the manufacturing and service industry, namely allocating existing resources so that the goals and objectives of the company can be optimal.

Those factors are applied since PSBB and PPKM are held regularly during the Covid-19 pandemic. The operation and employee schedule of the restaurant itself will get shorten while the government rules are applied. Some restaurants are applying WFH (Working From Home) for the upper management such as accountant, supervisor, management, etc., that connected to

administration purposes. This happens to save some of the monthly restaurant operational costs. Eventually, the owner of the restaurant or the management team will learn how to optimize the human resource that is already there to stay on the monthly budget. On the other hand, there is another restaurant that terminates the employee for good based on the performance and the loyalty itself, as we call it PHK (*Pemutusan Hubungan Kerja*). It is happening because that is the best way to save the restaurant, and in the end, only the excellent management is the one who survives during this pandemic.

By deducting the employee schedule caused by PSBB and PPKM that is held by the government, it also affected the employee payrolls. Some of the business owners are changing the payrolls of the employee based on monthly income to hourly or even by the schedule that they are working for per month. On average, employees work around 40 hours per week before the Covid-19 pandemic. The 40 hours itself will be separated into five days per week which is the employee work for 8 hours minimum per day, excludes overtime. The presence of Covid-19 caused everything to be changed. The payroll given by the restaurant owner will be counted by how many days or even down to how many hours that they work in a restaurant and accumulated into monthly payroll.

There are also restaurants that still gave the employee the same shift as before the Covid-19 happening, but the payroll itself will be cut down starting from 10%-50% from the agreement. This condition in a way may decrease a job satisfaction within the restaurant. Based on Sutrisno (2014), job satisfaction is a problem that is quite interesting and important, because it has proven to be of great benefit to the interests of individuals, industry and society. As this thing going on, some employees are taking this positively, and employee sees this as an opportunity to seek another income which is looking for another part-time or full-time second jobs for their own safety net, Covid-19 cause employees are driven to work more and way harder or even smarter to fulfilled monthly bills and personal desire.

4.3. Restaurant Employee Roles

Based on the observation and the interview from the employee, the job desk of the employee has been explicitly changed. The job description will be allocated and focusing on the kitchen and service. Restaurant is more focused on how to treat the customer and accepting online orders from the third party. From the management itself, it is required the employee on the floor to learn a new skill that was going to be helpful for the restaurant operational. By doing all of these changes, the restaurant owner is hoping to increase the quality of service and food that will be increase the profit as well. The changing of the job itself will be focusing on packing the food and arranging the delivery management, approving the online order, phone call order by online or offline to approach as many customers as possible.

The food and beverage industry must be creative in packaging. During the Covid-19 pandemic, the quality of to-go orders increasing in quality as well, followed by the customer's interest to have take-out orders instead of a dine-in experience. This situation drives the business owner and management team to think and do everything in more creative and innovative ways. They need to adjust the price, presentation, and how to serve the food to accommodate the situation. It is because the take-out and to-go orders are increasing during the pandemic. The management team of the restaurant must train the employee to deal with a bunch of overflowing to-go orders that lined up with the dine-in order as well. Packing is one of the significant challenges that an employee has to master in a short time, and an employee has to be neat and thoughtful to pack since most of the order is going to be carried by third-party delivery services.

Government new regulation and rules, especially during PSBB and PPKM affect the dining area that restaurant has, it makes the dining area it restricted for a customers usage.

Therefore, some restaurant owners and management teams are putting some effort into converting the unuse dine-in area into a packing area or even a spacious place to train the employee. Some of the open space is being used as temporary storage for to-go utensils and boxes as well. The open space is being used for pickup areas for third-party delivery. Starting at sixth months after the first-day pandemic starts, some of the dine-in areas are reopening as many as 25-50% capacities (based on local government regulation); this brings such relief to everyone who is involved in this industry, and the customer may enjoy the dine-in experience again, like before the Covid-19 pandemic occurs. However, they still cannot use all the space that they have since it needs to be adjusted the function based on the regulation.

4.4. Restaurant Marketing

From the marketing perspective, the pandemic causes decreasing the profit of the restaurant, especially compared to the profit that the restaurant achieve before the Covid-19 era. The marketing technique itself was switching and focused on online sales and take-out orders. According to Kotler, Bowen, and Makens (2014), marketing concept is a philosophy that holds that achieving organizational goals depends on determining the needs and wants of target markets and delivering the desired satisfaction more effectively and efficiently than competitors. This means that the strategy needs to be adjusted based on the customer's needs. The image that should be presented in marketing campaign should be focusing on health, and clean issues besides promoting the menu.

The healthy ingredients that are used, the clean process that they perform in producing the food are essential information preferred by the customer. As mentioned by Peter dan Donnelly (2011), marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. It also involves managing customer relationships in ways that benefit the organization and its stakeholders. To increase sales, one of the most helpful is by approaching third-party services. This includes online delivery services and online shopping payments that give the buyer another discount that is covered by the third party. By maintaining a good relationship with the third party, the restaurant can increase sales through online application support.

5. Conclusion

Food and beverage are the everyday need of many people. This makes the industry is considered the biggest growing industry in the world. However, the presence of the Covid-19 pandemic had a significant effect on the operational restaurant system industry. The current pandemic situation forces restaurants and other food and beverages businesses to adapt to the "New Normal" condition. As soon as the restaurant is getting used to the newer situation, the business owner and the management team will change the working attitude on how to approach the customer.

One of the significant impacts of the Covid19 pandemic is the decrease in customer and sales. This strongly affected the revenue of the restaurant. Therefore, many restaurants must make an adjustment to survive, including decreasing their employees. The schedule adjustment brings an impact on employee payroll. If they work more, they will receive at least the same amount as they work in regular time before the Covid-19. However, if they do not have the same schedule as before, the employee will get less paid. Other positions, such as accounting and

finance positions, will also get relocated from working schedule to working from home or even change their roles. With this pandemic, many employees are also driven to work more outside of the first job to fulfill their daily needs.

The movement controlled by the government that called PSBB and PPKM makes a customer go and take out orders instead of dining in. The demand for delivery services and takeaway food is significantly increasing compared to before the Covid-19 pandemic happening. On the other hand, it is supported by decreasing and converting the function of the dine-in area into a packing area and handing it out to third-party deliveries. Some of the spacious restaurant owners are making a particular waiting room for the pickup driver while they are waiting for the food to be made.

In this case, strategic marketing for restaurant management and upgrading a human resource by doing training to adjust with the situation is needed. The restaurant needs to actively be updated in order to serve the best potential customer and providing safe, clean, and good food in more effective ways of packaging and deliverance. Increasing the cooperation with the third party to increase the marketing and sales of the restaurant is something that is essential to do during the pandemic. The creativity of the restaurant owner or management team will determine the sustainability of the restaurant during the covid 19 pandemics.

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