

Hospitality management: a literature review



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Hospitality industry with regard to restaurant businesses in any country has become one of the biggest employers in every country. It has attained a higher status in all over the world and demands high standards of works from its employees. Employment opportunities are many in this industry, but require potential for personal qualities in each field. One of the many important things that an employer looks for among the many would be the keen attitude, friendly disposition, neat appearance, willingness to work, confidence, cleanliness, personal hygiene, efficiency, and honesty.

Like in the Philippines, tourists act one major role in our hospitality industry as tourists serves as the main market for restaurant services. They make sure in a restaurant that a guest is attended and dealt with their needs or wants. Filipinos are very polite and courteous in making sure those tourists/guests who dine and stay are well entertained. As we speak, competition is huge in this industry that is why raising quality standards and improving service have always been their job to provide a better service.

****Reference: An In-depth study on hotel and restaurant industry in the Philippines by Dr. Divina Edralin****

(1. 2)

Restaurants have primary function on food and beverage. They are to provide food and drinks to the customers. Whether it is a small- or large-sized restaurant, there is a great diversity in the types of activities performed by a food and beverage department, requiring significant variety of skills on the part of its workers. Most full-service restaurants do a considerable convention and catering business. The typical convention uses

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small function rooms for meetings and larger rooms for general sessions, trade shows, exhibits or banquets. It is only through continuous cooperation and coordination that a restaurant's food service function can be carried out effectively.

Marketing and sales department on the other hand play a very important role in a restaurant business, in which their primary responsibility is to sell and attract customers on how good their products are. The division of work among the sales managers is based on the type of customers a restaurant is attempting to attract.

The human resources department serves no customers, yet it plays a vital role in a restaurant's efficient operation. They are the brains on employee's recruitment, benefits, administration and training. They are expected to recruit, interview and screen prospective employees.

In many restaurants, accounting department combines staff functions and line functions or those functions responsible for servicing guests. Their role is to record financial transactions, prepare and interpret financial statements, and provide the managers of other departments with timely reports of operating results.

The most assets of an organizational design are efficiency, teamwork and coordination of activities within individual units. Success of every business not only by a restaurant is measured on its overall performance and not by the performance of one department alone, which I believe it demands strong leadership, initiative, cooperation, and coordination to achieve every goal and become successful.

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Reference: Pre-Feasibility Study for Restaurant Making by Wrexgler Mongaya/Pre-Feasibility Study on a Fast-Food Restaurant (SMEDA).

(1. 1)

When asked about the business climate in the Philippines, entrepreneurs agreed that it is relatively easier to start a business here compared to other countries. They say it was less restrictive here in Manila. The lack of self-esteem is one, among others that hinders a lot of Pinoys to even start a business. For very small capital, anyone could easily try to make it on his own. Historically, restaurant referred only to places that provided tables where one sat down to eat the meal wherein the restaurant prepares and serves food, drink, and dessert to customers that were typically served by a waiter. They vary greatly in appearance and offerings, including a wide variety of cuisines and service models. There are various types of restaurant, be it a fast-food chain where one orders food at a counter while fine dine-in or sit-down restaurants are often further categorized as “ family-style”.

Restaurant industry has different approach with diversity on their products/services, food, drinks, accommodation any many others. When putting up a restaurant, the owner has on his/her mind what to present to the customers, that is why the diversity of each products and services depends on what restaurant business you have put up.

Food is one of our basic needs. One of the most exotic food there is available is the Asian cuisine. Asian food, in all its hues and tastes, is becoming largely popular and well-liked by many Westerners. When compared to food in American and European continent, foods in Asia tend tends to stand out

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because of its diversity. Vast number of countries in Asia offer endless varieties of food, far from each other. Indian food, for example, has a wide array of cuisines to try out and it would take several lifetimes for even a food lover to taste and savor it all. Another one is the Far East. It is where the best example of Asian food is located – like the Japanese and Korean cuisine and Asian cuisine is supposed to be predominantly rice-oriented but if we observe Chinese dishes use noodles in their dishes, instead of rice.

In reality, each country in the region of Asia like the Philippines has its own unique cuisine, vastly different even from the cuisine of surrounding regions. Competition is part of this business.

Reference: Pre-Feasibility Study for Restaurant Making by Wrexgler Mongaya /Pre-Feasibility Study on a Fast-Food Restaurant (SMEDA) 2

As of last year, there are more than 50, 000 restaurant establishments in the domestic economy and about 80% of them belong to the fast food sub-sector.

Food franchising is extremely popular. There are over 1, 500+ franchised quick serve restaurants, 24 casual dining and theme restaurants, and 600 coffee shops, bakeries, and confectioneries. And the numbers are still growing!

U. S. based firms also have a very strong presence in the Philippine food franchising industry. To name a few, we have McDonald's, Shakey's, A&W; Burger King; Domino's; Kenny Roger's Roasters; KFC; Pizza Hut; Sbarro;

Subways; Wendy's; California Pizza Kitchen; Hard Rock Cafe; Outback; TGIF; Italianni's; Dairy Queen; Dunkin' Donuts ;

Haagen-Daz; Mrs. Fields; Orange Julius; Starbucks.

Low barriers to entry characterize the industry. Capital investments particularly for franchises can range from PHP5, 000, 000 to PHP10, 000. Training, marketing and distribution channels are arranged by the franchisor. Likewise, as the franchisor provides the new entrant fully developed management and production systems, prior knowledge and experience are not required of franchisees. These characteristics of franchising, particularly of food establishments, make the business very attractive for new entrepreneurs.

The proliferation of one-stop shopping malls that offer various recreational facilities and amenities, likewise, eases the entry of potential restaurant and fast food players. These malls spare the restaurant industry from spending extensive business development studies for their outlets; mall magnates Henry Sy and John Gokongwei Jr. have established formidable track records in building malls.

The industry in which the restaurant and fast food firms operate has increasing consumer demand for every improving product. The growth is proven by the rapid expansion of food outlets in key areas in Metro Manila and the provinces. The popularity of fast food establishments came in the 1980's, and over the last years, the industry has consistently posted double-digit growth rates.

Competition is fierce in the restaurant industry, particularly the fast food sub-sector. The market is large but consumers are price conscious and exhibit brand loyalty. With a wide range of restaurants and fast food establishments to choose from, pricing schemes and marketing strategies determine market shares. Market strategies of industry players, therefore, aim to achieve two primary objectives: 1) hammer in “value-for-money” concepts; and 2) create brand consciousness and loyalty.

Market shares in the restaurants are won or lost in pricing. Industry players regularly offer price cuts and discounts to lure in new customers.

Moreover, major players invest heavily in advertising to create brand consciousness and loyalty. Marketing strategies include raffle draws, free gift items and specially prized meal combinations, discounted toys and school items for every certain minimum food purchase. Celebrity endorsements are used in the hopes that the market will identify with the endorser. 3

Likewise, intense competition urges players to come up with new products to capture bigger market shares. Restaurateurs have to be keen at finding the latest food and wine concoctions here and abroad and adapting them to local taste. Targeting the Filipino’s tastebuds, several fastfood chains that usually serve only western food have introduced items that appeal to the local market’s palate.

Raising quality standards and improving service have also been focal points of competition, particularly in the fast food sub-sector. Players give incentives and compensations to motivate employees to be efficient on

their jobs and thus help maintain the fast food outlet's high standards of quality service and cleanliness. Also, a major importance in a fast food and restaurant is courteous and friendly personnel. Not surprisingly, speedy service is among the more salient attributes people would highly expect from a fast food restaurant.

Finally, to keep their share of the market, food chains find it necessary to extend their service coverage by setting up other branches. Industry players who have outlets that are visible in Metro Manila and in other key urban cities are ones who are most likely to take in more profits. Malls, university areas, and other places where there is heavy pedestrian traffic are the usual places where fast food and restaurants are highly patronized.

Restaurant and fast food industry players balance their marketing concerns with the rising operation costs particularly that of imported food ingredients. Profit margin erosion is usually remedied by either increasing prices of final product/service or cut corners in production or the delivery of service.

Either solution may result in a shrinking customer base.

Reference: Feasibility Study for Restaurant Making by Wrexgler Mongaya

(1. 3)

People First

Size and Scope of the Sector

The sector covers 14 industries from hotels and restaurants through to events, gambling and travel services.

There are approximately 146, 000 individual hospitality, leisure, travel and tourism business enterprises in Great Britain, of which 43 percent are pubs, bars and nightclubs and an additional 34 percent are restaurants.

The sector is dominated by small and medium sized enterprises (71 percent).

However, they account for only 53 percent of the workforce.

Businesses with over 250 staff account for less than one percent of businesses but employ 43 percent of the workforce.

Productivity

The sector has the lowest labour productivity of any sector in the UK economy, with a similar service sector (retail) having double the labour productivity of the sector.

It lags behind its international competitors. Labour productivity is nearly a third higher in the United States and nearly double in France compared to the rates found in the UK sector.

Workforce

The sector employs close to two million people.

The restaurant is the largest industry in terms of employment, employing over half a million people (32 percent of the workforce), followed by pubs, bars and nightclubs (18 percent) and hotels (14 percent).

The sector has an important presence across the UK. However, England has the greatest share of the sector's workforce (83 percent).

The sector employs a young workforce with 15 percent of staff aged 16-19 and a further 31 percent aged 20-29.

14 percent of the workforce are from ethnic minorities, higher than average across the whole economy.

55 percent of the workforce are full-time staff.

One in five (20 percent) of the sector's workforce are from overseas. This rises to 62 percent in London.

Core Occupation

The sector employs both a large number of core occupations (specific to the sector) and additional occupations (found in most sectors). The following provides employment numbers for the sector's core occupations:

- Kitchen and catering assistants (394, 600)
- Chefs and cooks (255, 100)
- Bar staff (197, 800)
- Restaurant and catering managers (148, 200)
- Hotel and accommodation managers (57, 700)
- Publicans and managers of licensed premises (46, 900)
- Travel consultants (47, 500)
- Leisure and theme park attendants (17, 900)
- Travel and tour guides (15, 900)
- Conference and exhibition managers (23, 700)
- Hotel porters (11, 300)
- Travel agency managers (9, 000)

Hard to fill vacancies and skill shortages

17 percent of sector establishments report having vacancies, 32 percent of which are hard-to-fill

66 percent of these vacancies are hard-to-fill because applicants lack the required skills.

In terms of skills that employers find difficult to obtain from applicants, 50 percent of employers report that applicants lack customer handling skills, 47 percent say team working skills are lacking, 43 percent oral communication skills and 39 percent believe applicants lack problem solving skills.

Labour turnover

Labour turnover for the whole sector stands at around 31 percent (although large employers sometimes report double or even treble this figure).

Based on an average recruitment and initial training cost of £673, this costs the sector £414m per year.

However, only 17 percent of employers feel that their labour turnover is too high.

Skills gaps

11 percent of the workforce do not hold any qualifications.

12 percent of hotel and accommodation managers, seven percent of restaurants and six percent of publicans and managers of licensed premises have no qualifications at all.

At the skilled trade level, ten percent of chefs have no qualifications.

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26 percent of businesses in the sector report they have staff who are not fully proficient to meet the needs of their business compared to 19 percent across all businesses.

Training and development

The proportion of employers offering training rose from 61 percent in 2005 to 66 percent in 2007 and stood at 68 percent in 2009.

As regards training methods, employers most commonly offer informal training to their staff with introductory/induction training also frequently available.

Large operators are much more likely to provide training.

Employers are most likely to provide training to supervisors followed by bar and waiting staff. Housekeepers, room attendants and cleaning staff are least likely to receive training.

Industries covered

Events, Food and service management, Gambling, Holiday parks, Hospitality services, Hostels, Hotels.

Membership clubs

Pubs, bars and nightclubs, Restaurants, Self catering accommodation, Tourist services, Travel services, Visitor attractions. (1. 3)

Reference: [www. people1st. co. uk/research/](http://www.people1st.co.uk/research/) Last Updated: September 2010

British Hospitality Association

The BHA is the leading representative organisation in the hospitality industry, representing hotels, restaurants and food service providers. Aim to deliver real returns for the members, positively championing the industry's priorities through partnerships with government and with other associations and organizations. This organization identified five key areas on which they will impart the role to lead the industry action and drive change namely: First the Economy- to champion a supportive fiscal environment for the industry to prosper in the context of global competition. Second, Employment- to bridge the gap between education and industry and to build a skilled workforce for hospitality. Third, Intelligent regulation- advising government to reduce the burden of costly regulation at national and local levels. Fourth, is the Sustainability- facilitating an industry-led effort to develop economic, social and environmental success in the short and longer term. Lastly, Health- proactively shaping industry and public sector policy to enhance the wellness of our consumers. In brief, BHA aim is that, through combined efforts, the association can bring tangible, long-lasting, positive benefits to every member's business.

Reference: [www.bha.or.uk/hospitality industry](http://www.bha.or.uk/hospitality-industry)

(2.1)

Restaurant Staffing and Structures

The restaurant business is hierarchical. Like the army, everyone has a title and a role to play. Busboys and dishwashers are at the bottom, while managers and Executive Chefs are at the top. The staffing structure will

depend on the concept of the restaurant. A coffee shop will not have an Executive Chef nor a Sommelier (wine manager)

To run a successful restaurant they should be a staff for both the kitchen and the dining area. If it's a large establishment it will require more staff in both areas. The kitchen requires a head chef to organize and oversee food production. A sous chef to take care of the kitchen when the head chef is off shift. Line cooks to do the cooking and plating. Prep cooks to make sure the kitchen is fully prepared for whatever situations may come up. A dishwasher to do the dishes and work on peeling vegetables. The dining area requires bus people to clear and set tables. Waitresses to take orders from the customers to the kitchen and deliver the prepared food. A front end manager to help deal with any problems and do the immediate supervising of the waitresses and bus staff.

(2.2)

All staff are responsible for the health and safety of the customers.

Host/Hostess: responsible for greeting customers at the door, monitoring how many people are seated where and balancing the workload of the wait staff, tracking reservations and people waiting in line, and seeing customers to their seats 7 making sure they have menus. Oversees wait staff.

Wait staff: responsible for ensuring the table is clean and set with clean utensils in the proper configuration, greeting the customer at their table in a timely fashion, ensuring the customers have drinks and time to decide on their order, taking that order accurately and conveying it to the kitchen.

Responsible for monitoring their tables and ensuring their customers always

have drinks and are generally happy; responsible for getting food from kitchen when it's prepared and getting it to the customers, and presenting it without spilling it or touching customers unless necessary. Responsible for ensuring all meals are satisfactory to the customer, then getting out of their way while they eat. Responsible for coming back to clear the table when customers are done eating and asking if the customers want anything else; wash, rinse repeat until customer asks for bill. At that time wait staff are responsible for ensuring that the bill is accurate before presenting it to the customer.

Cook: Inspects the kitchen prior to beginning cooking to ensure it's up to standard regarding food safety guidelines, inspects all food items before use for any sign of cross contamination or spoilage, prepares food in accordance with food safety preparation guidelines to include cooking temperatures and times and presents food on the plate in a generally pleasing fashion.

Oversees dishwashers.

Dishwashers: responsible for making sure every piece of cutlery and flatware and cooking equipment is cleaned with the right amount of cleanser at the right temperature for the right length of time to maintain hygiene and prevent transmission of disease.

Janitorial staff: responsible for overall hygiene of restaurant – much more important than most people give them credit for, a good set of janitorial staff can keep a restaurant up to health code and prevent serious lawsuits by maintaining the restaurant's standards of cleanliness. Most restaurants do

not have this as a separate position, and include these duties in those of the wait staff without providing extra training.

Manager: ensures all personnel are doing their job, counsels personnel on areas in which they are excelling and areas in which they need to improve, hires and fires as necessary, monitors customer satisfaction and handles all paperwork to include ensuring building is up to all safety codes and standards. Responsible for staff morale and overall restaurant productivity; may be responsible for advertising placement.

Reference: restaurant. about. com

(3. 1)

The biggest operational issue in foodservice over the next few years is how to lead and develop a multicultural and multigenerational workforce.

According to J. Sullivan, as he tackled the industry issues, 40 percent of all restaurant employees are less than 25 years of age, and 28 percent of them do not speak English at home. And all of these will depend in terms of hiring, recruiting, performance and training.

Today's food service and restaurant industry is a highly specialized world with unique legal needs. To survive in today's economic climate, savvy restaurant and business operators seek counsel from experienced lawyers before issue arise. Like, restaurant entity management training and related legal issues specific to the restaurant industry, manage food and beverage licensing and distribution agreements, franchise agreements and supplier contracts also assist those owners with the purchase and sale of existing restaurants, lease negotiations, and risk management, then assist with a

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variety of employment issues ranging from management training to employment disputes.

The Restaurant Standard Operation Procedures (SOP) is commonly used to help most restaurant owners and managers to manage and guide the overall restaurant team and staff to increase the service performance and the overall objectives and goals of the business. If a restaurant does not have a proper training manual or SOP for the staffs, it is quite hard to deliver the highest service standards of what the customer needs and what they do expect to the restaurant. A good and well-managed restaurant should provide a routine training session to all of the staffs covering each restaurant operations technique, it can be weekly or bi-weekly training programs. By conducting several training programs, I am definitely sure it can be much easier for a restaurant business to maintain the effectiveness and efficiency of restaurant service operation. Once again, to make it simple and easy to understand

As a new legislation in restaurant franchising, many people stating that seeing nutritional information in print next to the menu items will help them opt for healthier choices. However, others admit that it will make no difference to their menu choices . But for the consumers, they mostly appear to be in favor of the new legislation.

In the UK, the government has announced that it will trial calorie counts for food sold in takeaways, restaurant franchises and canteens. It is seeking volunteer companies to display calorie content listings and believes that the

rest of the industry will quickly follow suit once a standardized guide is agreed.

(3.2)

To sum up, there are few numbers of women managers in UK's hospitality industry especially in the restaurant business due to some factors involve in the process - historical, traditional, societal, and even personal in nature. Regardless of other factors, the theoretical frameworks underlying the subject are dependent on the responsibility of every woman employee. Their efforts to reach the position that they deserve must be acknowledge by employers. They indeed possess a significant position in the corporate ladder. With this, men and women workers will definitely be equal. 9

It's not uncommon to change the image of an existing restaurant completely. This may be because of new owners, or perhaps the current owner simply wishes to change things up. If the restaurant hasn't been doing well, it might be time for a makeover. Start with a plan. Take time to work out all the details and everything will go smoothly like from paint colors to seating designs. Once you have a plan, you can simply work from the list.

Do a market research, before making a decision for change, make sure to do a survey or other means of investigation to figure out just what people like and whether or not they will want the change. It can cost a lot of money to do research, but it will still cost less than changing everything to find there is no market for it. Research is very essential to any business and restaurants are particularly in need of it. Also, let your clients know.

Changing image can cause people to feel insecure and uncomfortable if they don't know it's happening. So, make sure it should be included in the marketing strategy. Advertise the restaurant is going to be new and improved and let people know why it will be better and what they can expect. This is particularly true if drastic changes will happen not only to the image, but also to the menu. Furthermore, changing the entire image of the restaurant can really affect the business, so take the time to think it through first. Market research to make sure that what is actually been doing is to be a better idea.

Reference: restaurant-hospitality. com

TASK 4

Food is very much a part of popular culture, and the beliefs, practices, and trends in a culture affect its eating practices. Popular culture includes the ideas and objects generated by a society, including commercial, political, media, and other systems, as well as the impact of these ideas and objects on society.

Current Eating Trends

Consumerism , a trend that is reflected in more people eating away from home; the use of dietary and herbal supplements; foods for specific groups (e. g., dieters, women, athletes, older adults); the use of convenience and functional foods; and ethnic diversity in diets. Mainstream populations in developed countries want low-calorie, low-fat foods, as well as simple, natural, and fresh ingredients.

Internationally, there has been an “ Americanization” of diets through the growth and use of fast-food restaurants and convenience foods . In developing countries there is still a need for some basic foods, and governments and the food industry are working to develop products that can reduce international food shortages and nutrient deficiency problems.

Eating Away from Home

Internationally, the proportion of money spent on food eaten away from home, as well as the number of restaurants, has been steadily increasing since the second half of the twentieth century. People may dine at formal, sit-down restaurants, at fast-food eateries, at cafes, or they may purchase food from street vendors.

Fast-food restaurants have become very common, and are visited by all types of people. The growth and popularity of fast food has come to be known as the “ McDonaldization” of America. Eating in these restaurants has decreased slightly among heavy users in the 18-34 age group, but has increased among other groups. Their popularity has also increased internationally.

This simple meal demonstrates the complicated relationship between a culture and its food. In the twentieth century, there has been a preference for quick, portable meals popularized the fast-food burger. Over time the popularity of fast foods contributed to an epidemic of obesity.

Many eateries now offer the option of larger serving (portion) sizes for a nominal additional fee (a “ super size”). Eating away from home, and the

shift to a more sedentary lifestyle , has been linked to the increasing rates of obesity.

Dieting

In an effort to lose weight people purchase weight loss pills; special herbal supplements; and formulated weight loss drinks, foods, and diet bars. People also join health clubs or spas, or buy special weight loss and exercise equipment, in an effort to lose weight and improve their health.

Among the common types of diets people follow are food-focused, celebrity, exchange, and supplement-based diets. Food-focused plans, such as the grapefruit diet, the banana diet, or a wine drinker's diet, emphasize consumption of only one, or a few, foods. Celebrity plans generally have the backing of a celebrity, and exchange plans lump together into food groups items with similar calories, carbohydrates , proteins, and fats. Some diets incorporate a commercial meal, snack bar, food, or beverage that must be purchased.

Supplements

Pills, liquids, or powders that contain nutrients and other ingredients are now readily available in stores. Supplements that contain herbs (or some herbal components) are growing in popularity. However, supplement production and use is not always well regulated, so consumers must be careful about what they purchase and consume.

Convenience Foods

To satisfy individuals who want to eat well at home but are short on time or do not want to prepare elaborate meals, many eateries also offer take-out

meals or items. Fully or partially prepared “ TOTE” (take-out-to-eat) foods, including home-delivered meals, are generally referred to as convenience foods. As more women (the traditional preparers of family meals) enter the labor force, people’s desire to save time increases along with the use of convenience foods.

Ethnic Foods

People now eat foods with origins in cultures other than their own. Since the late twentieth century, however, there has been an increased incorporation of ethnic cuisines into diet, including foods from Asia, the Middle East, and Latin America. This trend is part of a larger movement toward diversity in all aspects of life.

Functional Foods

The term functional food is often used in reference to foods that have nutrients (or non-nutrients) that might protect against disease. The term is used when referring to foods that have been fortified , have specific phytochemicals or active microorganisms added, or have been developed using genetic engineering techniques. However, all foods can support health in some way, and there is no legal definition of functional food. In addition, the actual benefit of these foods, if any, can vary and is open to interpretation. For example, both a candy bar and orange juice may have additional calcium added, and can therefore be called functional foods. The consumer must determine the benefit of such items. 12

Reference: [www. fags. org/nutrition/ome-pop/popular](http://www.fags.org/nutrition/ome-pop/popular)

E-recruitment means using information technology (IT) to speed up or enhance parts of the recruitment process. It can enhance the applicant experience, communicate the employer's image and culture better, make the recruitment process faster, more accountable and standardised, increase the diversity of applicants, provide better management information on applicants and find the right E candidate for the job. E-recruitment is efficient and can produce cashable savings, such as reduced advertising spend or postage costs and non-cashable productivity gains as HR staff are freed up to carry out higher value tasks.