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The Impact of Food Operational Control Cycle Towards Food Cost Management: a Comparison Study of 3 Branches of Korbeq Restaurant by Stevan Meatshop

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Abstract

This research aims to investigate the impact of food operational control cycle towards restaurant food cost management in Korbeq restaurant by Stevan Meat Shop. In this research it will mainly focus on quantitative methods however to strengthen the study it will also be supported with qualitative methods and direct observation before the pandemic occurs. Furthermore, this study has come up with the conclusion that the food operational control cycle has an impact on food cost management. Based on results it shows that food operational control cycle contributes 41.9% on impacting food cost management on restaurant operations, and another 58.1% was caused by other factors that are not mentioned in this study. The dimensions of food operational control cycle also analyzed using descriptive study supported with qualitative data to determine which factors of food operational control cycle has the most impact. As a result, issuing and production are determined as the most impactful dimension. The other dimension of the food operational control cycle are menu planning, purchasing, receiving, storing, service. This research was analyzed through IBM SPSS ver 25.

Keywords: Food and Beverage, Food Service Industry, Management, Operational Control Cycle, Food Cost Management.

I. INTRODUCTION

ASIAN countries are a promising investment target because they have a positive economic development prospect on an ongoing basis in the next few years. Among these countries, Indonesia is one of the ASIAN countries which is predicted to become one of the biggest economic powers recognized by the global world around 2050. Therefore, foreign investors are competing to build their business in Indonesia as early as possible in order to win the competition in the future. The prediction of business potential in Indonesia refers to the positive trend of economic growth reaching more than 5% annually (LTI, 2019).

The main advantage of Indonesia compared to other ASEAN countries is on its very large population, which reaches around 267 million people. With these demographic advantages, Indonesia become a potential target market for the food service industry, and therefore, the food service industry is classified as a business sector that has a great development prospects in Indonesia, which even in the span of 2018 and 2023 are expected to achieve a compounded annual growth rate (CAGR) of 7.06% (Przybylski, 2018). Supporting this explanation, data from the Central Statistics Agency (BPS) stated that the food industry sector will continue to grow. In accordance with the explanation put forward by the Minister of Industry, that in 2017, the food and beverage industry became the largest contributor compared to other sub-sectors of the non-oil and gas industry sector with a contribution reaching around 34% of GDP. The contribution of the food and beverage industry sub sector has a positive trend considering that its achievement in 2017 increased by 4% compared to the same period in the previous year. Furthermore, seen from the development of investment realization, the food and beverage industry sector for domestic investment (PMDN) in the third quarter of 2017 reached Rp27.92 trillion or an increase of 16.3 percent compared to the same period in 2016. (Hartarto, 2017).

According to (Friedman, 2012), at each level, the main objective of carrying out business activities is to achieve the greatest possible profit for the owner. At a larger business level, the business owner does not only consist of individuals, but includes many parties with different contributions, such as companies that have gone public. In a broader perspective, parties called business owners are not limited to investors, but also other parties who have an interest, or are called stakeholders, such as corporate customers, all company employees, to the wider community that became the company's target market. Based on the number of

interested parties, a legal protection is needed that explicitly regulates interactions and transactions that occur in the business processes run by the company. The existence of these regulations is expected to remind the businessmen to implement business practices oriented to creating benefits for all parties. This is consistent with the statement of Anu Aga, ex-chairperson of Thermax Limited, said, “We live to tell the tale through respiration but we can’t say we live to breathe”. Likewise, making money is vital for a commercial enterprise to survive, however cash alone can't be the cause for business to exist.”

A business activity is said to produce a profit if all the costs incurred to produce a product or service are less than the revenue received. In this case, the revenue must be able to be used to finance production activities in a sustainable manner and be able to provide benefits to business owners financially. The allocation of financial benefits can be intended for asset development or just to increase savings owned by business owners (Kenton, 2019).

In the food service industry the primary responsibility for a manager is to deliver service to guests and a good product quality at an agreeable price for both parties (Harrington, 2014). In addition, the quality should be compatible towards the money they spend. When they apply that theory, a business should be having a prosperous future. If, however, management concerns more about reducing the food cost compared to providing a valuable service to the guest, problems will inevitably occur (Dopson & Hayes, 2016).

Restaurant food cost is simply the total cost of your food net of existing inventory. (Cooper, 2002) Usually beverage costs are counted separately but occasionally these are combined. When expressed in a percentage, the food cost is simply net food purchases divided by the restaurant’s net sales. Food and beverage costs can vary depending on the type of restaurant, it is uncommon to see this represent 25-40% of the restaurant’s total cost. Outside of labor, which can be in a similar range of 25-35%, there is no other cost so high when it comes to a restaurant’s cost structure. This is why food and labor costs are called “prime costs” within the industry. They are the biggest costs for any given restaurant and the ones over which the restaurants have the most control. Generally restaurants aim to have prime costs in the 60-65% range. (Chan & Au, 2012).

II. LITERATURE REVIEW

A. Food Operational Control Cycle

According to (Dittmer & III, 2009) (Barrows & Vieira, 2013), control is a managing process in terms of giving direction, making a suitable regulation and restraining the actions of people so that the vision of an enterprise may be achieved. Probably the usual goal for all private

start-up company Is financial success or return on investment. However other goals may include operating the best restaurant compared to the community competitors. The control process itself consists of four steps:

- Establish standards and create a regulated SOP (Standard Operational Procedure).
- Encourage the employees to obey the SOP and give the newcomers orientation training about how important the SOP.
- Monitor performance and compare the established standards with the actual performance.
- Discipline in conducting evaluations and improvements to maintain the suitability of the process with established standards.

B. Food Cost Management

Food cost and sales are two of the most important elements in building a company in the food service industry. Besides food, there are still many more aspects that might also be critical for instance labor cost and etc. Nevertheless controlling food and labor costs are two of the foremost critical points for a restaurant business. With legitimate menu arranging, deals estimating and representative preparation, an eatery can avoid overspending on staff and supplies and still give fabulous quality dishes. Employing a variety of arranging, checking and assessment strategies, you'll be able persistently oversee these costs to guarantee you stay beneficial without relinquishing quality. (Seidel, 2019)

It is pretty obvious that the amount of sales of a company must be more than the total costs if a food service company are to be profitable. If the cost of the food in a company exceeds the sales for a period of time, the company might face bankruptcy (Basu, 2020). At the very least, the shareholders or even the owner should inject some more funds into the business to keep it going. It is the job of the manager and the cost controller to always constantly be aware of the cost of operating the enterprise to keep and maintain the cost under the amount of sales. It is important that the data of the company's cost and sales should be compared within a period of time. The comparisons are made for specific amount of days in a week-for instance Saturday of last week should be compared to Saturday this week. (Camillo, 2008)

Establishments that gather cost and sales information only monthly, quarterly or even annually should not be as effective as the one who did it on specific amount of frequent time (Grunert, 2008). The company itself may not be able to take effective remedial action due to the information not being sufficiently timely to shed light on current problems. (Dittmer & III, 2009)

However, none of these previous researches connect these two variables. Therefore, this study proposes the following hypothesis:

H1a: There is a positive relationship between work-life balance and employee retention.

H10: There is no positive relationship between work-life balance and employee retention.

C. Company Benefits of Food Cost Management

According to (Woodruff & Thompson, 2019), these are the benefits of conducting a good food cost control that could affect the company:

•Pay-Down Debt : the debt to equity ratio can be further reduced in accordance with a decrease in the level of debt.

•Improve Creditworthiness: Firms credit increased along with a decrease in debt to equity ratio and an increase in the company's finances.

•Better Equipment : Asset development is an appropriate alternative for the utilization of profits applied in order to develop service quality.

•Less Maintenance Cost: Since the restaurant obtains or purchases more updated equipment so that it needs less maintenance. Indirectly, the restaurant spends less money on repairing the old equipment.

•More Marketing Budget: Increasing the efficiency of production and operating activities can provide the funds needed to penetrate the sales of products to the market. More sales will also create more profit.

•Improve Competitive Adv.: For a restaurant to survive in a business industry, a restaurant should maintain an efficient operation which could give itself more competitive advantages. This indirectly means more investment on better capital equipment and increased productivity for employees.

D. Employee Benefits of Food Cost Management

According to (Woodruff & Thompson, 2019), these are the benefits of conducting a good food cost control that could affect the human resource:

•Improve Productivity : Cost Control gives the employee of your restaurant a performance target that must be achieved.

•Create culture to cost control: When the employees are used to maintaining good cost control, it becomes a mantra for the entire company. Food cost control creates a mindset for them to eliminate the avoidable waste.

•Increase pay for employee: With more profits, the owner has more chances of increasing the employee's salary and wage.

•Better employee morale: The positive impact of cost control on increasing employee incentives can encourage higher work motivation and reduce the desire of employees to leave the company.

•Hire better employees : Restaurant or any other firms that are able to pay higher salaries and wages are able to attract or hire more skillful employees.

III. RESEARCH METHOD

A. Type of Study

The research methodology applied in this study will be the descriptive study. According to (Cooper & Schindler, 2014), descriptive study is formalized studies that are structured with a clear hypothesis or investigate questions. This type of study also describes a phenomenon and the sample will be taken from the directed population and samples, so that the result will be related and correlated within each variable and indicator. In addition, (Nassaji, 2015) and (Sekaran, 2003) also added that the objective of descriptive studies is to explain a certain event and help to make managerial decisions. Therefore, this study will analyze the impact of the Food Operational Control Cycle towards Food Cost Management. Furthermore, the results of this research will help the owner and related industry to develop strategies to enhance the sop in her restaurant in order to improve the performance and cost efficiency. Population and Sample

Because the population will only consist of millennial employees, the sampling method is non-purposive judgmental method, which means not all people may participate in the survey. Using slovin's formula, it is determined that the minimum sample for this research is 110. Although after spreading the questionnaires to all 160 millennial employees, this research is able to require 153 samples. For the pre-test, the sample comprises 30 respondents, also millennial employees from the same hotel.

B. Type of Data and Collection Method

The primary data will be collected from questionnaires as its quantitative collection method, then interviews and observations as its qualitative collection method. While secondary data will be collected from previous studies and journals.

C. Data Analysis Technique

The focused area of this research is described in the unit analysis. Unit analysis can be individuals, groups, artefacts including books, photos, newspaper, and geographical units such as town, census tract, and state. Based on the studies differences and gaps that found in

the review of the discussed context, this research is dedicated to analyze and observe the problems within the hospitality industry (company perspective) as the unit of analysis. Furthermore, the unit analysis is then specified into the unit of observation, which this research specifically designs to observe the impact proper applicants of food operational control cycle towards food waste management which applies towards the subjected company's employees who have direct engagement towards the product and hold a crucial role to reach the effective cost of the company. In accordance, following the level of intensity of the Food and Beverage department such as Owner, Food and Beverage Manager, Kitchen Team, Service Team and Butcher are chosen to be the roles that will be observed in this study.

D. Population and Sample

According to (Sekaran, 2003), defined a population as a total collection of people that are being studied by the research. It is mentioned that the population in the research area should be interpreted as individuals in the selected group that generally share mutual characteristics or features that become the attention of study, which is known by a specific number called population size (Singh & Nath, 2007). In this research, the discussion will be focused on the food and beverage department employee and owner of Korbeq Restaurant by Stevan Meat Shop in 3 Branches as the population of the study.

The research sample is part of the population determined to be tested for its characteristics. Sample is selected in numbers and in accordance with certain conditions to ensure that the sample can represent the characteristics of the entire population.

As mentioned on the population part the sampling will be focused on the food and beverage department on subject respondent. Narrowing it down, the targeted sample will be specifically the one who works in the kitchen department, steward department and also butcher department.

E. Data Processing Procedure

Data Screening

After having the data from the questionnaire, the process after it will be screening the data. This method is used to make sure every data is clean and ready for quantitative analysis. The purpose of it is to identify missing values. Missing value occurs when the respondents did not fill the questions or skipped the question.

Validity Test

The validity test for this research will be using Pearson's Correlation Coefficient. The range of Pearson's is from -1 to 1. The closer it is to 1 indicates the positive relation between the question and result. While the closer it is to -1 indicates the negative relation between question and answer, while 0 indicates no direct relation at all between the variables (Cooper

& Schindler, 2014). Thus, Pearson's r value is used in the study because it was specified the strength of the relationship between the two variables through the correlation coefficient (r) that addressed as product-moment correlation coefficient, that can be computed using the mean of each variable (x and y),

Reliability Test

Reliability tests in research cannot be neglected because they describe consistency and determine whether the same instruments remain stable in producing outcomes and can be used overtime by other researchers or under different circumstances. This test is also reflected as a bias-free approach towards the consistency measurement of a study. Reliability test is conducted to indicate the stability and consistency of an instrument, thus suggesting that there are two related methods. First of all, the stability of measures can be approached through the test-retest reliability which uses the instrument multiple times with the gap of time to the same respondents. The higher the coefficient is, the more reliable the instrument. Meanwhile, the stability test can also be found through parallel-form reliability, in which two similar sets of instruments are tested to the same respondents with the difference of wording, arrangement and other variance factors. Secondly, the prevalent index to measure the internal consistency is the Cronbach's alpha that is mostly considered adequate to apply in various cases and appropriate for correlational studies. The values of Cronbach's alpha ranging from zero (0) to one (1), which if the correlation of the variables is high, and then the Cronbach's value will also follow. The results will directly show the value of Cronbach's alpha.

Descriptive Comparison Analysis

Descriptive statistics serve as a summary of the numerical collection data that allow the researcher to understand the data easily by categorizing. There are many calculations that can be approached to generate descriptive statistics. However, this study will analyze the data through basic and simplified interpretation of data such as mean, minimum, and maximum value, standard deviation and variance. By using the calculation it is expected to describe the general response or behavior from the sample and comparison between items can also be seen.

Classical Assumption Test

Before conducting simple linear regressions, there are five tests from classical assumption tests that need to be conducted, including normality test, linearity test, heteroscedasticity test. Classical assumption test is "a test that statistically measures and determines the relationship between variables". The main reason for doing this test is to minimize an error in regression analysis. However, in doing research, it is not a must to

conduct all the tests. Hence this study will only focus on the normality test and heteroscedasticity test.

F. Simple Linear Regression

Regression analysis is a statistical procedure used to estimate the relationships among variables. It includes a lot of techniques and it helps people understand how the typical value of the dependent variable changes when anyone of the independent variables is varied and the other ones fixed. This method also clearly measures how strong the influences are between independent variables with dependent variables.

This study involves the usage of one of the regression techniques which is the multiple regression method since it involves one single dependent variable and single independent variable.

IV. RESULT AND DISCUSSION

A. Profile of Respondent

Out of 37 respondents, 46% of them are between 21 to 25 years old, and 81% of them are male.

B. Validity and Reliability Tests (Pre-Test)

After collecting the questionnaires and input the eligible ones into SPSS, the results are all questions pass the validity test; all pearson correlations from all variables surpass both 0.3808 minimum for pre-test, and 0.325 for post-test, and the questionnaire pass the reliability test; the cronbach's alpha of all variables surpass the minimum 0.70.

C. Descriptive Statistic

The following statements are the ones most agreed by the respondents from each variable:

Product Forecast in Pantai Indah Kapuk Branch has the lowest mean ($\bar{x}$ = 4.00 - Applied), however in their product requirement indicator it shows that Gading Serpong Branch has the lowest mean at ($\bar{x}$ = 4.25 - Applied). Combined with the direct interview with their manager they really do menu planning well by creating a forecast for 3 days in order to have sufficient and adequate inventory which is why the average of this indicator is still above 4 or categorized as applied. Even though the lowest mean located at Pantai Indah Kapuk branch however, if we see on average the lowest mean located at Gading Serpong whereas two of

the other branches (Harmonie Exchange and Pantai Indah Kapuk) strongly applied this dimension.

The first Requisition Issue in Gading Serpong Branch has the lowest mean ($\bar{x}$ = 4.33 - Applied), however in their second requisition indicator it shows that Harmony Exchange Branch has the lowest mean at ($\bar{x}$ = 3.87 - Applied). If we observe averagely, all of the branches of this restaurant apply a good standard purchasing procedure on ordering their product.

PIK has the lowest receiving mean at ($\bar{x}$ = 4.00 - Applied) for product receiving 2 and Product Allocation at ($\bar{x}$ = 4.07 - Applied). Which means that even though some of the staff still applied the correct receiving procedures; some of employees are still not being educated in this section. In addition, combined from the direct in-depth interview with the branch supervisor of Gading Serpong (Irvan, 2020), he said that there are still some of their employees that did not select and sort the fresh ingredients from the main kitchen which create a huge food waste in this branch. Which is pretty make sense that Gading serpong branch has the second lowest mean in this receiving process. On the other hand, the Harmonie Exchange branch perfectly applied all the receiving procedures.

Gading Serpong has the lowest Storing mean average for Temperature 1, Cleanliness 1, and Cleanliness 2. Well for the product turnover, third temperature and cleanliness indicator Pantai Indah Kapuk has the lowest mean. Even though all of them have a stable mean, based on direct observation and in-depth interviews. I observed that two of their branches (Pantai Indah Kapuk and Gading Serpong) don't have a proper buffet station in e.g proper bain-marie counter – salad bar refrigerator to keep their free salad bar cold and fresh. Combined with my direct observation and in-depth interview, (Irvan, 2020) as the branch manager of Pantai Indah Kapuk stated that this branch does not have enough ingredients and food storage to store their product. They might sometimes store their product in one of their branch managers located in Tangerang area. This is why some of their employees could not apply the proper storing standard

All the branches present a stable mean. Overall all the branches applied the correct issuing standard procedure. Indirectly, means that they always recorded all of the items that were being
,9\ issued towards the production process. According to (Vatur, Syahputra, & Ahadianto, Korbeq Restaurant Data Interview, 2020), they stated that they should always do the product recording everyday

All branches have a constant applied and strongly applied in 4 indicators of the production process which are amount, quality 1 , and standard. In contrast the data shows that

all of the branches have a very low mean (HXC $\bar{x}$ = 2.80, GS $\bar{x}$ = 2.08 and PIK $\bar{x}$ = 2.13) in their function indicator. This means that all of the branches did not reuse or recycle their leftovers and wasted food became another product however there might still be very few of the employees using their leftovers and waste food to produce another product.

The data shows a low mean on the time indicator of serving dimension for all branches. However the Gading Serpong and Pantai Indah Kapuk branch has the lowest mean (GS $\bar{x}$ = 1.83 & PIK $\bar{x}$ = 1.87), which means that they did not apply this indicator. Well, according to my in-depth interview with the branch manager of Gading Serpong (Irvan, 2020), he said that their branch refills and renews their salad bar if it is empty. In conclusion, they don't really care and pay attention towards the food hygiene and safety in this situation. According to (Manopolou, Lambrinos, Chatzis, & Xanthopoulos, 2010), Raw material such as fresh vegetables (romaine lettuce, carrot etc.) could be kept for a short period at 18˚C. However based on my direct observation to the outlet and the analyzed data above, it explained that they are not using a proper salad bar refrigerator so that the fresh vegetables that are being displayed have a lower life time. According to (Rindskopf, 2020), A fresh romaine lettuce that is kept at room temperature could only last for 2 hours. Which means that this branch either they throw a lot of waste or they might be serving bad conditioned food. Compared to the other 2 branches the other branches also do the same procedure however they might be changing the fresh vegetables buffet in a certain part of time.

In overall Harmonie Exchange branch has the highest mean on food cost management variables (Menu Forecast 1 $\bar{x}$ = 4.70 – Strongly Applied, Purchasing $\bar{x}$ = 4.10 – Applied, Storage $\bar{x}$ = 4.50 – Strongly Applied, Issuing $\bar{x}$ = 4.70 – Strongly Applied and Production $\bar{x}$ = 4.1 - Applied) which means that Harmonie Exchange outlet shows a very good understanding on food cost management education on their industry. If we compare to the other 2 branches Pantai Indah Kapuk and Gading Serpong have lower mean compared to Harmonie exchange. If we see individually the data shows the GS branch has the lowest mean ($\bar{x}$ = 2.67 – Neutral) on Purchasing Dimension which means they don't have a minimum standard on to purchase their item. In addition Gading Serpong branch also has the lowest mean ($\bar{x}$ = 3.40 – Applied) on production dimension. Combined with the in-depth interview result, all of the branches (Vatur, Syahputra, & Ahadianto, Korbeq Restaurant Data Interview, 2020) stated that they did not have the food waste log monthly or periodically but Gading Serpong and Harmonie Exchange has their own food waste log internally to count the pre-consumption waste product (in e.g: beef trimming, rotten vegetables and etc.). According to (Vatur, Korbeq Restaurant Data Collecting, 2020) as the branch manager of Pantai Indah

Kapuk, he said that their outlet did not count the leftover or wasted food. So after the trimming process they directly throw out the leftover food.

D. Classical Assumption Test

Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		37
Normal Parameters[a,b]	Mean	0.0000000
	Std. Deviation	3.32965461
Most Extreme Differences	Absolute	0.087
	Positive	0.087
	Negative	-0.086
Test Statistic		0.087
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Table 1. One Sample Kolmogorov Smirnov Test

Source: IBM Spss Ver. 25

Before the data being processed for hypothesis testing, it should be tested whether or not the data is distributed normally, which indicates the ability of the data to represent population (Santoso, 2020). To test the normality, value in Kolmogorov-Smirnov table should be observed (table 4.16). If the Asymp sig. is equal or more than 0.05, then the data is normally distributed. According to the table the data shows that the Asym Sig. (2-tailed) is 0.200, which is greater than the benchmark (0.05). Therefore, the data is proven to be normally distributed.

Heteroscedasticity Test

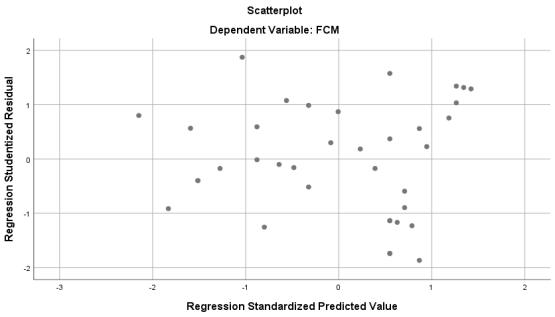

Figure 1. Scatterplot Heteroscedasticity Test

Source: IBM Spss Ver. 25

As presented in the data, it shows that the questionnaire has no heteroscedasticity where the figure has met all of the requirements of the scatter plot test.

E. Inferential Analysis

Simple Linear Regression

The correlation including the relationship and the significance of food operational control cycle towards food cost management is conducted through simple linear regression and the result is discussed further below.

Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.647[a]	.419	.402	1.93299

a. Predictors: (Constant), Food Operational Control Cycle

b. Dependent Variable: Food Cost Management

Table 1. Model Summary Table

Source: IBM Spss Ver. 25

For simple linear regression, the correlation could be seen through the R value which ranges from zero (0) to one (1). Based on the table 4.17, the value of R is 647 which correlations is analysed as moderate association between two variables. On the other hand looking at the value of R square, it can be interpreted that roughly 42% of the variance found in the dependent variable (Food Cost Management) can be explained by the predictors/independent variable (Food Operational Control Cycle) F-Test Result

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	94.306	1	94.306	25.240	.000[b]
	Residual	130.775	35	3.736		
	Total	225.081	36			

a. Dependent Variable: Food Cost Management

b. Predictors: (Constant), Food Operational Control Cycle

Table 2. Anova Table (F-test Result)

Source: IBM Spss Ver. 25

F-Test is executed further through ANOVA table to discover how independent variables can or cannot predict the dependent variable, which as a result hypothesis can be determined. There will be two values, which are F values and the significant value. If the F value is more than the F table and the sig.Value is less than 0.05, then this implies that the independent variable simultaneously predicts the dependent variable.

The value of F value (25.240) is far greater than the F table (4.110) and for the sig. value it is less than 0.05 which is (0.000). With this result, it can be concluded that the null hypothesis is rejected and supported the alternative hypothesis, which is:

H1: Food Operational Control Cycle has an impact on Food Cost Management in Korbeq Restaurant by Stevan Meat Shop.

T-Test Result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	7.463	2.430		3.071	.004
	Food Operational Control Cycle	.133	.026	.647	5.024	.000

a. Dependent Variable: Food Cost Management

Table 3. Coefficients Table (T-test Result)

Source: IBM Spss Ver. 25

To provide stronger evidence of the association, t-test is conducted to determine how the independent variable partially affects the dependent variable. Particularly, based on table 4.19, t value and significant value will be compared to each of its benchmark. Hypothesis is accepted if t value is more than t table and significant value is less than 0.05. The t-table in this study to be compared is 2.030. From the comparison, the proposed hypothesis is strongly accepted.

Thereupon, the data shown also interpret that food operational control cycle contributes to the value of food cost management. Given this formula, 1% of food operational control cycle value can increase the value of food cost management by 13.3%

With this result, it can be concluded that the null hypothesis is rejected and supported the alternative hypothesis, which is:

H1: Food Operational Control Cycle has an impact on Food Cost Management in Korbeq Restaurant by Stevan Meat Shop.

Hypothesis Test Discussion

The result above has proven to accept the hypothesis of:

H1: Food Operational Control Cycle has an impact on Food Cost Management in Korbeq Restaurant by Stevan Meat Shop.

It shows and proves that the food operational control cycle as the independent variable has an impact towards food cost management as the dependent variable. This result could be seen from the F-test that has been conducted (table 4.19) where the F value (25.240) is far greater than the F table. In addition the strength of the correlation between two variables is described in the t-test which 13.3% of food operational control cycle influences the 1% of food cost management value. However, the result has supported the theoretical finding that the association exists. It cannot be argued that by referring to the existing literature and arguments in previous chapters, the association of the two variables are still understudied. Nevertheless, this study has confirmed the realization of the discussed model by (Dittmer & III, 2009) and (Hayes & Ninemeier, 2006). Correlating this comparison case study it is proven that some factors and process of food operational control cycle does really affect food cost management. In addition, this can be a statement that food operational control cycles could affect their financial statement (sales, food cost etc.). In conclusion, the hypothesis shows that each food operational control cycle has a big role in order to improve the food cost management of the restaurant.

V. RECOMMENDATIONS

Based on the discussion and the conclusion given, the owner and managerial implications is then suggested. Through this research, the importance of applying proper food operational control cycle is emphasized in order to achieve maximum cost efficiency. Specifically, it is important to realize that conducting proper food operational control cycles could maximize the restaurant's profit. Unquestionably, many studies and literature about the food operational control cycle have proven that conducting the proper procedure could maintain business continuity. This study will separate the recommendation for each branch in order to ease the owner and manager.

A. Operation Team of All Branch

Food Operational Control Cycle

According to the data and in-depth interview taken from all of the branch managers, this recommendation suggested Gading Serpong and Pantai Indah Kapuk branch with higher food cost percentage and lower mean average. However it is still possible for the other Harmonie Exchange to apply the following recommendation. First of all, about the receiving procedure it is highly suggested that there should be at least 2 employees of the food and beverage department or outside food and beverage department to control the receiving process. The advantage of applying this recommendation helps the restaurant to prevent and reduce the food waste that might occur during the production process. So everything should be selected based on the standards and requirements. Secondly about the issuing process, based on direct observation and visit there was no product issue note or sticker that usually attached on every product that was being issued. It is highly recommended to always attach product issue notes or stickers to maintain the product lifetime cycle that could automatically keep the freshness of the product and reduce less waste. Next about the production process, if we analyzed the data it seems that the function indicator in production has the lowest mean which means that the recommendation and suggestion will be focused on this indicator. This recommendation is suggested to the owner, rather than creating more waste it is best that the edible food waste should be reproduced to be the employee meal. By conducting this the owner could save more cost and reduce more waste. Besides that, according to direct observation it is highly suggested to strictly pay attention to employee's uniform standard, as can be seen on the appendix 6 it is clearly seen that two of the employees do not use proper uniform standards such as hairnet and hand gloves. Whereas handling food with bare hands could create cross contamination (CookSafe, 2012). Last but not least, the crucial factor of a restaurant is about serving. According to the data, this branch has a lower mean compared to the other branches. Combined with direct interview and observation it is suggested to repair or purchase a new cold buffet station to always keep the cold product fresh. So that the customers are also satisfied with the restaurant service.

Food Cost Management

According to the analysis and statistics result, Gading Serpong branch has the highest food cost percentage compared to the other branch. Almost all of the indicators of this branch has the lowest mean. There will be overall recommendation that could be done in this branch and also recommendation for the central kitchen:

1. According to a direct in-depth interview with the manager of each branch, it is concluded that all of the branches order different products from the central kitchen (purchasing group). Even though some products could have a lower price compared to the margin, it is highly suggested that all of the restaurant should always order all of the ingredients from the main kitchen so that they have a constant food cost margin.

2. It is recommended to do inventory checking constantly every week to prevent over issuing, lost or even stolen. Well by conducting this recommendation it will be helpful for the ordering process and keeps the restaurant from ordering too much or too little.

3.Track the food prices constantly, so the finance department could always forecast the product value development of each product. By tracking food prices, you can revamp your menu so your recipes include more affordable alternatives.

4.Food waste can eat up the bottom line quickly, so it is recommended to always control the food portion appropriately. These studies will suggest some options on how to portion the food consistently. Since this is an all you can eat restaurant, it could be better if the sliced meat is prepared or cut directly from the central kitchen. By conducting this, it will keep the portioning consistency to all the branches and also ease the food cost control. Always do check and observe post consumption leftover food, by applying this the restaurant could control and cut back some of the portion size.

5.Last but not least, the crucial one is about food waste management. It is an obligation to a food service company to have a food waste log. Use a waste chart and take notes on every food returned because it was made incorrectly, spilled in the kitchen, burned in the kitchen and extra portion size that got thrown away. By keeping track of this, it can keep better track of the restaurant inventory and manage food cost percentage. Additionally, the restaurants could reduce the instances of waste.

B. Owner

As the final thoughts of all the recommendation here are the recommendation intended for the owner:

1. The first is to always shop around and check the market. Use negotiating power to secure better deals on product purchasing. Every vendor has multiple prices for items, and everything is negotiable. So it is one of the best and effective ways to always monitor the market.

2. Second, give a training and workshop for the employees to be more precise and considerate so they can help manage food costs. Consider offering incentives for reducing

waste and bad orders. When they see the numbers reflected in their own paychecks, they might be more cognizant of waste and portion sizes.

3. Lastly, always stay on top of numbers so it can help manage food costs. Be more organized and look at these numbers on a routine basis. This helps the restaurant to lower food costs and increase restaurant's profitability

C. Future Research

The process of writing this research including its limitation has allowed for giving further recommendation to researchers who are going to conduct similar study. Firstly, future researchers within the hospitality industry are suggested to corroborate this present of study, but can be done in another unit of observation such as the kitchen department only so that the focus and result could be seen clearly. Comparatively, the model can also be tested in different type of restaurants. Since, this study only focused on the food cost management other researchers might focus on other variables such as food waste management, restaurant financial management etc. Last but not least, since this research is conducted during pandemic situations which create a lot of limitations it is highly suggested to conduct direct observation parallel with the research process. This might take more effort and time, however the effort would be more genuine and avoid biases including external factors.

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