



## Management Practices and Productivity Level of Cebu City and Ozamiz City Eateries during COVID-19 Pandemic

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### Abstract

The COVID-19 pandemic has made drastic changes in every country's economy, affecting several businesses particularly in the restaurant industry and resulting in different obstacles that threaten the overall business productivity. Thus, the study is a quantitative non-experimental that aimed to determine if there is a significant relationship between the management practices and productivity among the 50 respondents from the randomly selected 10 eateries in Cebu City, Philippines through linear correlation analysis. Data were gathered online using an adapted and reliable questionnaire. Findings revealed that the management practices of the eateries have a very high average weighted mean and SD ( $\bar{x}=3.34$   $SD=0.72$ ). Meanwhile, the level of impact of the eateries' overall productivity garnered a very high average weighted mean ( $\bar{x}=3.50$   $SD=0.57$ ). Therefore, the levels of management practices and the productivity of the eateries during the COVID-19 pandemic have significant relationship with a moderate positive correlation of 0.58 ( $r = 0.5846$ ,  $p = 0.00001$ ,  $p < 0.05$ ). This implies the great need for businesses to establish appropriate management practices and for employees to systematically apply these practices for the betterment of both the productivity of the employees and the business as a whole. Additionally, with the problems of operations, regulations imposed by the government, and adjustments to competitors being faced, respondents suggested fostering open communication and utilizing online platforms, and promotions for the improvement of management practices and productivity.

## Introduction

The outbreak of coronavirus disease 2019 (COVID-19) has caused prevalent discomfort and economic deprivation in most places of the world for consumers, businesses, and communities (Wang & Huang, 2021). CBS News (2020) reported that the restaurant and food service sectors are amongst the worst affected, with severe sales and job losses. Byrd et al. (2020) found that revealing changes were created by COVID-19 to the consumer food landscape. The state and local stay-at-home orders resulted in clearing the shelves of the supermarket had started in the middle of March 2020 and enabled the residence to stay for several weeks. Concurrently, independent restaurants were mandated by state or local administration to halt dine in to meet social distancing guidelines, even those voluntarily closed. The revenues of casual-dining and fine-dining restaurants have declined by as much as 85 percent during the pandemic strike (Haas et al., 2020).

According to a statistical report of USDA (2020), the Philippine foodservice sector's sales, driven by the urban consumers' increasingly hectic lifestyle, rose to an estimated \$14.9 billion in 2019. Dining out was an essential aspect of Filipino family bonding and celebrations. Consumers have shifted away from eating out and preferred cooking at home. As a result, FAS Manila (2020) forecasts the foodservice sector in 2020 will drop to \$6.9 billion as consumers change their preferences brought by the pandemic. With the government gradually imposing different restrictions, restaurants have been administering various guidelines and strategies to lessen risks and reassure clients (Severson, 2020).

Looking through the lens of the local market in the Philippines like Cebu and Ozamiz, the industry's situation is no different from that of the national perspective. A severe alteration in pre-crisis foot traffic is expected as customers will remain apprehensive and careful of returning to swarming places.

The establishment of new or modifying management practices is an essential concern for firms as they search for improvement of their production, develop purchaser offerings, and maintain competitiveness. Though confronted with a pandemic, a rapid development of the business world is still occurring. The increasingly fierce competition becomes a challenge for the business to maintain the owned market and seize the existing market. Hence, the company must meet the ever-changing customer demand (Ekoputra, Hartoyo, & Nurrochmat, 2015). It shows how crucial adapting to specific management practices is in a business, whether faced with a pandemic or not. Moreover, it reveals how effective certain management practices are on the growth of employees' business and motivation, especially during the pandemic.

As certain businesses are faced with different imposition of regulations and the ever-changing consumer demand, it is essential to make sure that each industry's management strategies are utilized to adjust to these obstacles. It is also necessary that businesses recognize the challenges they are experiencing as a business to create appropriate designs that would benefit the company in the long run. Recognizing every business's level of existing management practices and productivity is essential as this leads to calculated decisions which could positively affect the company - its owners and employees. With the on-going pandemic in mind, the researchers opted to do research that entails knowing its management strategies and productivity and its effect on the performance of the business particularly in eatery.

Moreover, the researchers also recognize the challenges that the eatery businesses faced during the pandemic and their recommendations for improving management practices and productivity. The results gathered is an essential tool for decision-making, on what management practices the business should uphold and in creating a healthy environment to communicate business expectations. This delivers information beneficial for sales growth to ensure the business' success and help the industry improve or have profound strategies amid the pandemic from the viewpoint of both business owners or managers and employees.

The main aim of the study is to determine the association between the level of impact of management practices of the eatery and its productivity in day-to-day operations during the pandemic. The researchers assumed that the eateries' management practices have a significant impact on its day-to-day operations during the pandemic. They hypothesized that there is an important relationship between management practices and the productivity of eateries. The study addressed the impact of the eateries' management practices during the COVID-19 pandemic. It specifically determined the profile of the different eateries on the number of employees, business structure, years of operation, income, and geographic location; the

management practices of the eatery in terms of employee handling and promotional strategies; and business productivity based on employees and owner perspectives.

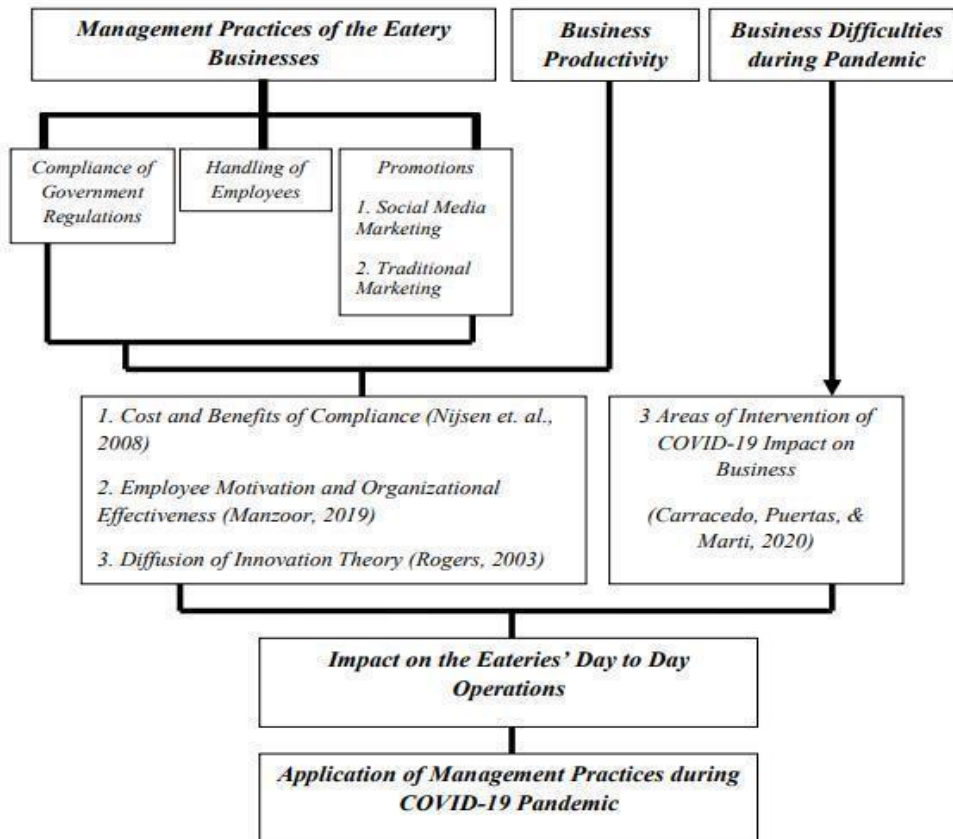


Figure 1. A Theoretical-Conceptual Framework of the Study

As shown in Figure 1, the concept of the costs and benefits of compliance supports the study. The second model used is the Employee Motivation and Organizational Effectiveness Model of Manzoor's (2019) that explains the employee motivation's impact on organizational effectiveness. In the model, two variables are included - empowerment and recognition, that analyze to determine their effect on employee motivation and productivity. The understanding of eateries' management practices elaborate its relationship with their overall business productivity. As COVID-19 continues to affect businesses worldwide, it is essential to know how these businesses handle difficulties during the pandemic.

According to Rogers (2003), diffusion of innovation theory takes place when constituents of the social system adopt a new idea or practice over time. Bennett's (2017) study used this theory to determine the strategies of small business proprietor who have used social media marketing for a year or more. A social media as a medium for promotions and included communication channels like Face book and Twitter in the study was the innovation element in which help identify the impact of the different eateries' use of social media marketing and how often they utilize it in promoting the company compared to traditional media.

In agreement with Carracedo et al. (2020), who identified the "Three Levels of COVID-19's Impact on Businesses," the eateries need to introduce new forms of action to improve citizen's quality of life, adapt remote working in business, and then coming up with a detailed market analysis and introduction of innovation at all levels. The eateries may have undergone several

changes in their operations, like accepting orders online or implementing changes based on the government's public health regulations. With the current situation, the study also determined the ability of the business to survive.

## Methods

The study employed a quantitative non-experimental descriptive correlational research design to determine the level of the management practices and productivity of the eateries in their day-to-day operations during the pandemic. The research is centralized in two different locations, the highly urbanized province in the region of Central Visayas, Cebu Province, and the 3rd class component city in the area of Misamis Occidental, Ozamiz City. There are 50 respondents comprising the 10 business owners and the 40 employees of the 10 eatery businesses. The eateries involved are Boopy's, Cafe Armenia, Paboritos Food House, Cargans Priting Manok, Cyrias Kandingan, Lily's Catering, Banyan Resto, Angelica's Restaurant, Mylex Stire and El Kapitan with 1 owner and 4 employees per eatery. Thus, a non-probability purposive sampling was utilized for this research.

Table 1 presents the eatery's profile in which mostly are sole proprietorship eateries with 1-10 employees per eatery and mostly have operated 4 to 6 years with an annual income of Php 300,000 – below with a frequency of 7. The researchers selected restaurants that are easily accessible for safety reasons especially during the pandemic.

Table 1. Respondents of the Study

<b>Eatery Profile</b>	<b>f</b>	<b>rf %</b>
Type of Business		
Sole Proprietorship	9	90%
Partnership	1	10
Number of Employees		
Have 1-5 employees	5	50 %
Have 6-10 employees	5	50%
Years of Operations		
1-3 years	1	10%
4-6 years	7	70%
7-10 years	0	0%
10 years and above	2	20%
n = 10		

An adapted questionnaire from the following studies are used and modified from Development of a Brief Instrument for Assessing Healthcare Employee Satisfaction in a Low-Income Setting (Alpern, 2013) and Employee satisfaction survey (QuestionPro, n.d.) in determining the eateries' level of management practices and productivity. This survey aims to gather information about the existing management and promotional practices of the eateries. The medium by which the structured survey questionnaire is conducted using Google forms due to the health protocols in observance of the COVID-19.

Questionnaires passed through the online phase and content validity from experts such as the research adviser and panel members. Cronbach's alpha was utilized for verifications of the reliability of coefficients for the compliance of the government regulations, handling employees, marketing strategies, and productivity with 0.93, 0.79, 0.90, and 0.79 reliability test results respectively. The minimum acceptable value for Cronbach's alpha is 0.70 and below this value, the internal consistency of the common range is low (Taber, 2018).

The primary data was obtained from the survey questionnaire given to the respondents. The secondary data, on the other hand, were adhered to and generated from published related references, literature, and studies. The results were tallied, computed, and tabulated based on its specific statistical treatment. Furthermore, the study used the sample mean, standard deviation, and Pearson r correlation formula.

The researchers also considered the following ethical considerations such as submitting a transmittal letter, technology application, conflict of interest, vulnerability of respondents, recruitment of respondents, and possible risks. Before proceeding to the respondents, the researchers asked for approval from the assigned research adviser. Then informed the respondents of the study's purpose and information to show appropriate and formal actions.

## Results and Discussion

Based on the gathered data, Tables 2-4 explains the level of impact of the management practices of the different eateries.

Table 2. Compliance of Government Regulations

Items	Mean	SD	Description
The management informs and declares actual income received from all sources to the BIR.	3.63	0.70	Very High
The management complies with the income tax policies mandated by the government.	3.7	0.48	Very High
The management submits a tax return or declares your source of income after making a declaration in the Tax Return before the deadline.	3.6	0.70	Very High
The management provides adequate Pag-ibig, SSS, and Philhealth contributions to the employees.	3.2	1.23	High
The management remits the employee's Pag-ibig, SSS, and PhilHealth contributions.	3.1	1.20	High
The management complies with the government agencies requirements.	3.7	0.67	Very High
The business follows its guidelines in terms of ensuring the sanitation of its place and employees.	3.76	0.43	Very High
The business has available sanitation materials, such as alcohols, disinfectants, and other materials for sanitation.	3.8	0.45	Very High
The business does the disinfection process of the whole place.	3.74	0.44	Very High
<i>Total</i>	<i>3.58</i>	<i>0.7</i>	<i>Very High</i>

Interval: 1.00-1.75 (Very Low); 1.76-2.50 (Low); 2.51- 3.25 (High); 3.26- 4.00 (Very High)

The results showed that the level of impact of the management practices in terms of their compliance with tax laws and regulations, government-mandated benefits, and sanitation regulations were rated very high ( $\bar{x}$ =3.58, SD=0.7). Taxation does not solely pay for public goods and services; it's conjointly a key ingredient within the accord between citizens and, therefore, the economy, which encourages the effective administration of tax revenues and, additionally, sensible public financial management (DBO, 2018).

The employees acknowledge that their employers are participating and contributing towards the grouping of benefits set forth by the government like SSS, Pag-IBIG, and PhilHealth (Zoleta, 2012). These help protect the rights of employees against unfair labor practices. The results also presented a very high level of observance of sanitation regulations, which is very significant especially with the presence of the COVID-19 virus. The government has set sanitary rules and regulations for all food establishments to avoid contamination and other hygienic issues, especially businesses concerning food. Moreover, a very high rating level of compliance with sanitation regulations guarantees that eateries provide employees with food sanitation training to avoid cross-contamination. To assist eateries to become more proactive and ensure food safety, the Food and Drug Administration created practices to safeguard consumers and the business' image (Jaco, 2020). In addition, with growing awareness of food safety, consumers developed expectations from eateries in terms of quality, with these eateries providing adequate measures such as having a robust food safety management system.

Table 3. Handling of Employees

Items	Mean	SD	Description
The management distributes the salary efficiently.	3.64	0.48	Very High
The management distributes a sufficient amount of salary.	3.6	0.49	Very High
The management gives allowances and incentives.	3.36	0.78	Very High
The management fairly compensates for the work an employee does.	3.5	0.61	Very High
The management informs us about the company's pay policy.	3.66	0.56	Very High
The management organizes a meeting with the employees	3.16	0.87	High
The management finds ways to improve the team's work process.	3.54	0.61	Very High
The management conducts briefings to inform employees of the regulations during the pandemic.	3.52	0.54	Very High
The management does a good job communicating about changes or decisions that affect employees.	3.62	0.57	Very High
The management satisfactorily communicates a clear sense of direction for the eatery.	3.58	0.54	Very High
<i>Total</i>	3.52	0.61	Very High

Interval: 1.00-1.75 (Very Low); 1.76-2.50 (Low); 2.51- 3.25 (High); 3.26- 4.00 (Very High)

Table 3 showed that the impact of the eateries' handling of employees in terms of the salary compensation and fostering open communication among employees is very high ( $\bar{x}$ =3.52,  $SD$ =0.61). The results explained that the ten eateries were able to distribute the wage to their employees efficiently and that the employees were paid well, as answered by the employees, despite the responses from the open-ended question illustrating how the pandemic has resulted in employers laying off workers or lowering the compensation. A high rating level of how eateries handle employees through salary ensures that eateries value their workers.

Productivity with regards to compensation begins when employees feel valued, which increases motivation and loyalty. Not solely are employees more driven to try and do a decent job, but the longer the employees are in the company, the more they grasp and the more efficient they become, which then ends up in inflated productivity (Leonard, 2019).

Furthermore, the results described a very high level of impact of the eateries' handling of employees in terms of fostering open communication. This means that the employees of the businesses acknowledge that there is a clear line of communication between the employees and employers. This practice made employees feel safe and comfortable about voicing to the employers on any concerns they may have. In addition, a very high rating level of how eateries handle employees through fostering open communication suggests that eateries communicate their goals. A common complaint in most workplaces is the deep division between the employees and the management, and open communication allows employees to be more engaged and understand that what they do matters for the business' success (Hoopla, 2020).

Table 4. Promotional Strategies

Items	Mean	SD	Description
The business uses social media platforms such as Facebook, Instagram, Twitter, others.	2.72	0.81	High
The business updates its social media to promote the business.	2.68	0.74	High
The business responds to the queries or orders of the customers through social media.	2.98	0.89	High
The business distributes flyers, posters, or other printed materials to customers.	2.52	0.97	High
The business gets customers who know about the company through word of mouth.	3.36	0.88	Very High
The business thinks of investing more in traditional marketing.	3.26	0.80	Very High
<i>Total</i>	2.92	0.85	High

Interval: 1.00-1.75 (Very Low); 1.76-2.50 (Low); 2.51- 3.25 (High); 3.26- 4.00 (Very High)

Table 4 reflected the impact of the eateries' promotional strategies in utilizing social media; and using traditional media were both rated high ( $\bar{x}$ =2.79,  $SD$ =0.81) and ( $\bar{x}$ =3.05,  $SD$ =0.88) respectively. According to Kotler & Armstrong (2010), promotional strategy objectives vary among businesses. Most sources recognize precise promotional purposes in providing information, differentiating the product, raising and stabilizing sales, and emphasizing the product's value (Kotler & Armstrong, 2010).

Social media provides excellent potential for businesses because of the significant number of users, and especially today, with the pandemic, many people are going online as well. Moreover, a high rating level of how eateries utilize social media for promotional strategies suggests that eateries build customer relationships through web-based platforms. With the assistance of these platforms, it is possible to create a voice for your company to develop the brand's image (Nelson et al., 2018).

According to Lee (2020), traditional media is a broader way of reaching your audience effectively since potential customers will experience real-world communication, wherein both the consumer and the business witness every gesture of one another. Actually, traditional



marketing and digital marketing can both drive together in leading the eateries' digital means to gain sales and success.

According to Carracedo et al. (2020), businesses need to introduce new forms of action to improve citizen's quality of life, adapt remote working in business, and then come up with a detailed market analysis and introduction of innovation at all levels. These suggestions are most suitable for the work setting in this research and through unifying the theories one can assess the efficiency of its overall performance. In addition, this approach can help address the shortcomings businesses have been facing over the pandemic. Table 5 explained the level of productivity in day-to-day operations during the pandemic.

Table 5. Owner and Employee's Perspectives

Items	Mean	SD	Description
<b>Employee's Perspective</b>			
The employees believe that the overall productivity of the business exceeds competing eateries in the market.	3.45	0.55	Very High
The employees think the management meets the daily quota in terms of the number of customers per day.	3.58	0.55	Very High
The employees feel that the eatery's workplace is as effective and productive.	3.65	0.48	Very High
<b>Owner's Perspective</b>			
The management believes that the overall productivity of the business exceeds competing businesses in the market.	3.5	0.53	Very High
The management meets the daily quota in terms of the number of sales per day.	3.2	0.79	High
The management believes that the services and products meet the needs and wants of the customers.	3.6	0.52	Very High
<i>Total</i>	<i>3.50</i>	<i>0.57</i>	Very High

Interval: 1.00-1.75 (Very Low); 1.76-2.50 (Low); 2.51- 3.25 (High); 3.26- 4.00 (Very High)

Table 5 showed the impact of the eateries' overall productivity in the employees' perspective with a rate of very high ( $\bar{x}$ =3.56,  $SD$ =0.53). According to Langbein & Jorstad (2004), to increase productivity in the workplace, it's not just learning about the benefits of productivity in the workplace, but most importantly, employees must know how to achieve it.

The table also presents the impact of the eateries' overall productivity in the owners' perspective with a rate of very high ( $\bar{x}$ =3.43,  $SD$ =0.61). According to (Lumen 2021), several businesses have proper programs for advancing productivity through existing control systems. In times like today, with the presence of COVID-19, many businesses are undergoing significant operational changes. In contrast, it appears as if the foremost straightforward definition would be a productive workplace, although the truth is a bit more than that. To ensure the business' productivity, the management should communicate the business' goals to employees and frequently provide them with constructive feedback to let them know what aspects they're improving and lacking.



Table 6. The Correlation between the Level of Management Practices and Productivity of Eateries during the Pandemic

		Management Practices	Business Productivity
Management Practices	Pearson's r N	1 50	0.584674586 50
Business Productivity	Pearson's r N	0.584674586 50	1 50

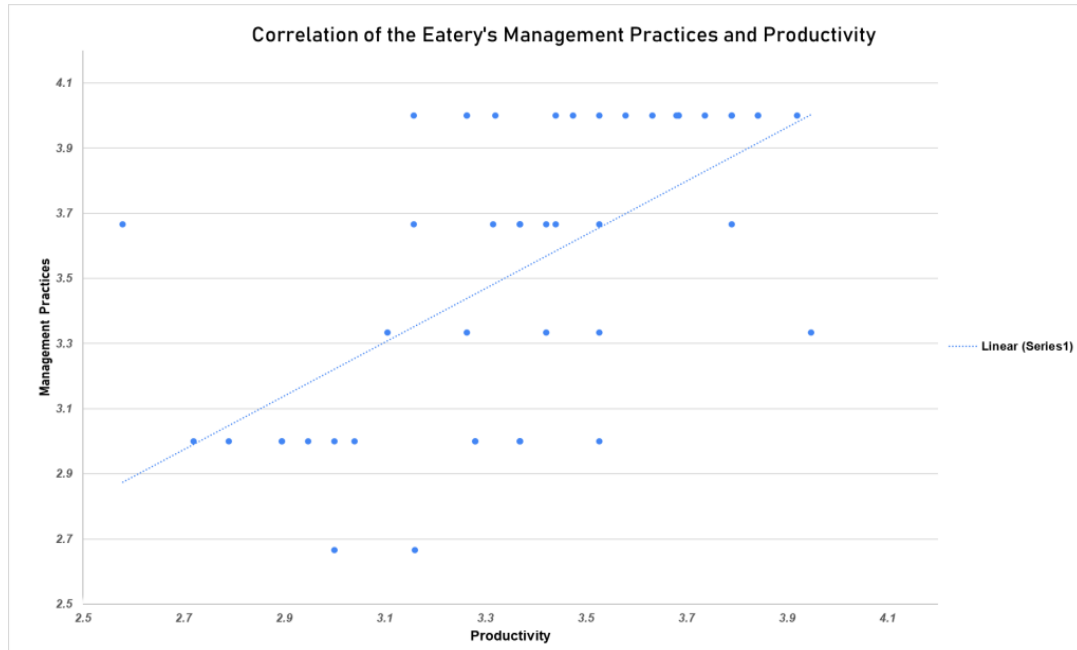


Figure 2. Scatter plot of the level of perception of eateries towards their management practices and productivity

Table 6 shows the Pearson's Correlation ( $r = 0.584674586$ ) of the management practices and the productivity of the 10 eateries included in this research study. The results suggested that a change in the management practices of the 10 eateries is accompanied by a consistent change in the overall business productivity. As shown in Figure 2, the scatterplot is an upward sloping line which indicates the positive relationship of the variables. With a correlation coefficient of 0.584674586, the dots fall moderately close to the line shown in the scatterplot.

Businesses with a structured management performed more efficiently than alternative sites among a similar firm, and businesses that used more of these practices improved their performance over time. The Employee Motivation and Organizational Effectiveness Model of Manzoor (2020), Diffusion of Innovation Theory of Rogers (1965), and Three Levels of COVID-19's Impact on Businesses of Carracedo et al. (2020) were utilized in the study to determine the significant relationship between the levels of management practices and productivity in its day-to-day operations. Furthermore, linking these three theories together could result in coming up with a better business model which guides the eateries to establish efficient management practices that could result in increased productivity.

Most of the challenges gathered from the research include fewer customers due to government restrictions such as customer capacity, curfew, and social distancing. Some claimed that there were fewer employees in the eatery, which could be due to the lower salary given and the mental challenges during the pandemic. Although Covid-19 is a public health concern, the government has also implemented necessary measures to contain the pandemic, which could leave some companies grappling with the big changes in operations as movement restrictions have been implemented. These problems connect to the theories the research falls under, as businesses suffer under the impact of covid-19 businesses are called to action and combat these posing threats with the guidance of the theories involved.

## Conclusion

Based on the findings of the management practices data, compliance of the government regulations, handling employees, and promotional strategies have impact towards the management operations. The management practices and the productivity of the eatery showed a positive moderate relationship. There is a very high overall productivity of the eateries which means that the workplace of the eateries is effective and productive enough, which increases the employee's overall performance. The theory which supports these ideas is the Employee Motivation and Organizational Effectiveness Model of Manzoor (2019), which aids in determining the relationship between the level of impact of the management practices and overall productivity of the eateries.

The study regarding the level of management practices and productivity of the eateries during COVID-19 pandemic outcomes recommended a proposal to further improve the business operations of the company. As for the management practices of the eateries, frequent meetings should be organized. Incentives for the employees are also suggested as it improves employee motivation to work effectively despite the pandemic. Companies should continue to implement strict health and safety protocols such as conducting weekly sanitations all over the establishment. It is also highly recommended to have alternatives such as accepting online orders. Businesses can also partner with delivery applications such as Grab & Food Panda to reach more customers.

This study helped the business owners to create decisions for the company to succeed. Employees will be able to obtain ideas on working efficiently and be cooperative enough to the management. To the aspiring entrepreneurs, this research serves as an aid in understanding industry trends and several aspects of business growth. The results and ideas presented in this study can be utilized as a source of information when conducting new research. Lastly, businesses will be able to give contributions to the economy's development.

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