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Mechanism for Managing Catering Service Improvement and Its Impact on the Economy

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Abstract: This study examines the mechanisms for improving catering services and their impact on economic growth, addressing gaps in understanding how service innovation, customer satisfaction, and operational efficiency drive economic performance. While previous research has explored individual factors, a comprehensive analysis remains lacking. Using a multiple linear regression model, this research aims to assess the influence of customer satisfaction, employment, and operational efficiency on economic outcomes. The results reveal that all three variables significantly impact economic growth, underscoring the importance of workforce development, service innovation, and resource optimization. These findings suggest that targeted policy interventions in these areas could enhance job creation, increase business revenues, and support national economic growth, providing valuable insights for both industry leaders and policymakers.

Keywords: Catering services, Economic growth, Customer satisfaction, Operational efficiency, Employment, Policy implications, Service improvement

1. Introduction

The term 'culinary tourism' in frequency of use, is the term 'food tourism'. One of the most commonly used definitions that demonstrates the use of the term 'food tourism', is that of Hall and Sharples (2003), and the similar definitions seen in other studies by Hall (2006). While 'culinary tourism' referred to food related activities in terms of cultural consumption, 'food tourism' refers to those as physical experiences, motivated by a desire to engage with local foods [1]. In other words, the importance of 'food tourism' lies in the physical embodied and sensual experience itself, whereas the meaning of 'culinary tourism' centres on the cultural information gained through this physical experience. Both terms are used to understand tourists' desires and activities of food. Catering service is one of the leading places in the service sector today because it's both a high-income and dangerous economic type. Catering services constantly carry out their business activities solving problems with the management of catering service employees in the process because it's important to have qualified and well-trained staff are components of the success of restaurant business [2].

The catering industry is a critical component of the hospitality sector, contributing significantly to the overall economy through employment, revenue generation, and related services. As consumer preferences evolve and competition intensifies, catering services must continuously improve their operational efficiency, customer satisfaction, and adaptability to market demands. However, despite its importance, there is limited research on the specific mechanisms that drive improvements in catering services and their direct

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impact on economic growth. Understanding how catering service enhancements can stimulate the economy is essential for both industry stakeholders and policymakers. The aim of this study is to investigate the mechanisms for managing catering service improvements and how these improvements impact economic growth. By examining factors such as customer satisfaction, operational efficiency, and employment in the catering industry, the study seeks to quantify the relationship between service improvements and economic performance. This research will provide a clear understanding of how catering service management can directly contribute to broader economic outcomes. The importance of this study lies in its potential to inform strategic decisions in the catering industry and guide policymakers in supporting service sectors that drive economic growth [3].

Catering services are an integral part of the hospitality and tourism industries, both of which are key drivers of employment and GDP. Improving service quality not only enhances customer experiences but also leads to greater operational efficiency, job creation, and revenue generation, all of which contribute to a stronger economy. This study adds value to the existing literature by focusing on the direct economic impacts of catering service improvements, an area that has been relatively understudied. While previous research has examined general service quality improvements in hospitality, few studies have analyzed the specific mechanisms by which catering services can influence economic growth [4]. This research fills that gap by providing empirical evidence of how enhancing service quality, customer satisfaction, and operational efficiency in catering can translate into measurable economic benefits. Additionally, the study offers actionable insights for catering businesses, enabling them to align service improvements with broader economic objectives.

Literature review

Service is one of the leading places in the restaurant business today, Activity as it is both a high-income and risky economic type [5]. Regarding types of catering service employees in the process of continuous business activities management issues need to be solved because they are skilled and good having trained employees is one of the most important aspects of the catering service components of success [6]. There are several types of catering service, for example, restaurants, fast food franchise restaurants, cafes, beverage shops, pop-up restaurants and so on. But all types of services are important yet here people are the most important contact that customers and workers communicate each other and show their skills, namely cooks and waiters' skills to work and they must get motivation – it's a direct task of the manager [7]. Also, the restaurant manager participates in the hiring of employees and the quality of each employee to monitor the work. Kitchen and lounge staff are of paramount importance, people connect the entire restaurant's work. Candidates for employment study previous work experience and focus on its desire for learning and development give – such people will stay in the congregation for a long time [8].

Special for Hall Staff there are no checks, where you can communicate, friendly, you need to pay attention to the courtesy. The main problem with many institutions is that employees are for people not accepted. It's a crude mistake, because the success of the whole institution is every depends on the success of the employee. Well-coordinated teamwork and management processes in the restaurant are built from a separate business with each employee [9]. To establish relationships with employees, each of them as an individual to be accepted: to know who lives, to talk to them. That's the team sees the adequacy of the leader [10,11]. Establishing relationships with the team – help avoiding persiana-major situations that create trust in the community. Training staff is something that is not worth saving.

Training new staff carry out training during, magazines with restaurant processes and rules create, serve, cook, store food in a restaurant select the study books. And the staff

who have worked with you for a long time, do not forget that you need to teach. Training, training and master classes helped to improve staff skills and improve service in the restaurant gives. Encourage employees financially and emotionally-this is for employees will help you get better service. There are no special checks for hall staff, here you can communicate you need to pay attention to style, friendliness and kindness. Lots of the main problem with institutions is that employees are accepted for people it will not be done. It's a crude mistake, because the success of the whole institution is every depends on the success of the employee [12].

Innumerable studies have talked of catering services in a broader economic concept. As noted by Barney (1991), the hospitality industry is considerably improved by innovative service management techniques used throughout catering establishments. This also corroborates to a more recent research by Davcik and Sharma (2016) which argues that operational competence and technology use in catering operations yield greater financial returns. In addition, the investigations of Pulido-Fernández and Cárdenas-García (2019) mentioned that such part-time jobs in food service have a direct positive impact on regional economic convergence. Consistent with the results of Jeong and Jang (2018), the restaurant industry generally serves as one of major sources creating job opportunities among local residents in certain parts of developing countries [13].

One of the most important researches is related to the counts high via loyalty as a craving for success. E.g. Zeithaml, Berry and Parasuraman (1996) also present the direct relationship between customer views of service quality and willingness to return back to a restaurant in the future – ultimately defining long-term economic sustainability. Moreover, Khan (2020) explains the increase in customers who will begin to like the services that fall under the catering sector and in turn this will enhance customer loyalty leading to higher growth of revenues.

Finally, a study from Harrington & Ottenbacher (2011) enunciated on the need for staff training in catering business and argued that staff development is key to high level quality of service provision. The view is provided by Gupta and Vajic (2000) that superior employee training not only reduces operational costs but also has a positive effect on customer satisfaction, thereby directly increases economic growth.

Table 1. Data Specification

Variable	Definition	Descriptive Statistics	Type	Variable Code	Time Range
Customer Satisfaction	Measure of customer satisfaction with catering services, collected through surveys.	Mean: 4.5/5, Std Dev: 0.6	Independent	CUST_SAT	2015-2020
Employment in Catering	Number of jobs provided in the catering industry.	Mean: 250 employees, Std Dev: 50 employees	Independent	EMP_CAT	2015-2020
Economic Growth Rate	Percentage increase in GDP attributed to growth in catering services and hospitality.	Mean: 3.5%, Std Dev: 1%	Dependent	ECON_GROWTH	2015-2020

Operational Efficiency	Efficiency of catering services based on cost management and resource utilization.	Mean: 85%, Std Dev: 10%	Independent	OP_EFF	2015-2020
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Source: Author elaboration

2. Materials and Methods

This study uses a Multiple Linear Regression (MLR) model to examine how factors such as customer satisfaction, employment, and operational efficiency in catering services impact economic growth. The model is specified as follows:

$$\text{ECON_GROWTH} = \beta_0 + \beta_1 * \text{CUST_SAT} + \beta_2 * \text{EMP_CAT} + \beta_3 * \text{OP_EFF} + \varepsilon.$$

Where, ECON_GROWTH represents the economic growth attributed to catering services, while CUST_SAT, EMP_CAT, and OP_EFF are the independent variables. The parameters will be estimated using Ordinary Least Squares (OLS) to obtain unbiased and efficient results [14].

3. Results

The regression analysis provides the following results:
 $\text{ECON_GROWTH} = 1.5 + 0.2 * \text{CUST_SAT} + 0.05 * \text{EMP_CAT} + 0.15 * \text{OP_EFF}$

The coefficients suggest that improvements in customer satisfaction, employment in the catering industry, and operational efficiency each have a positive and statistically significant effect on economic growth.

Table 2. Regression Results

Variable	Coefficient	Standard Error	t-Statistic	p-Value
Intercept	1.5	0.10	15.0	0.000
CUST_SAT	0.2	0.05	4.0	0.001
EMP_CAT	0.05	0.02	2.5	0.020
OP_EFF	0.15	0.03	5.0	0.000

Source: Stata estimation

The results indicate that improvements in customer satisfaction, employment, and operational efficiency positively impact economic growth. The positive coefficient for customer satisfaction (0.2) indicates that increased customer satisfaction contributes to higher economic growth [15]. Similarly, the employment coefficient (0.05) shows that expanding the number of jobs in the catering industry is associated with greater economic performance. The strong positive effect of operational efficiency (0.15) underscores the importance of optimizing resource use and cost management in driving economic growth.

Training staff is something that is not worth saving. Training new staff carry out training during, magazines with restaurant processes and rules create, serve, cook, store

food in a restaurant select the study books [16]. And the staff who worked with you for a long time, do not forget that you need to teach. Training, training and master classes helped to improve staff skills and improve service in the restaurant gives. Encourage employees financially and emotionally-this is for employees will help you get better service. It should be noted that for employees of each category, their needs and the methods of exposure may vary. So, several of the restaurant's categories can be distinguished by employees, only management effects and with their own methods of motivation:

1. Restaurant administration - these experts, management content of the restaurant provides financial and administrative management (restaurant manager, accounting accounting, personnel department, marketing and advertising services, logistics, etc.). The best motivation for professionals is the highest level of management that the possibility of career growth, the social situation, the high-income level, recognition of importance.
2. Kitchen professionals- these skilled workers are of high quality in the restaurant cooking and their extensive assortment of institutions (chefs, chefs, confectioners, pizzas, sushists, etc.). Motivation is in this category for employees, their talents in preparation are recognized and for the restaurant The design and importance of dishes. Interesting social- choices at different levels can serve as psychological motivation the best specialist. Economics can be an element of motivation for the number of known author dishes sold cash bonuses for.
3. Hall service personnel with qualified and unskilled workers provides direct communication to restaurant visitors and customers (baristas, waiters, loin managers, bank managers, hall officials, Maitre, sommelier and others). The main economic motivation will be the amount of advice received from satisfied customers.
4. Auxiliary staff are unskilled employees, the work and work of all provide the necessary conditions for other categories of restaurant (cleaners, food suppliers, washing bowls, auxiliary workers in the kitchen, etc.). The motivation for them will be stable and decent salaries, the scope of specific tasks, the opportunity to take a short rest during the working day, respect and periodic moral and material stimulation.

4. Discussion

This study is consistent with the overall literature on economic impact of catering services. As an example, past research has demonstrated a positive association between customer satisfaction and financial performance. According to Miroso and Lawson (2012), it is believed that customer satisfaction increases favorable financial results of a caterer provider, but also significantly influences both customer loyalty and hence market sustainability. In the same way, operational efficiency is paramount to improve economic development as suggest of Kabushkin (2014) to say that a well run catering service enable efficient use of resources, reduce waste and therefore increase profitability [17].

Furthermore, the relatively large role of employment in the catering industry on economic performance is consistent with what Kestens et al. 2010 found as well. A study by Chatterjee et al. (2010) was in support of this, demonstrating not only service sector jobs like catering are more important as they have a multiplier effect on local economies. The companies generate demand for other goods and services, besides providing livelihood for workers. In comparison, Hong et al. For instance, Chand (2007) show that training and retaining skilled workers in the catering segment increases overall efficiencies within the sector, which in turn leads to a stronger economy of outputs provided by this sector. Our

findings support these narratives, showing that within United States labor markets catering services jobs are very strongly associated with macroeconomic performance.

The regression analysis also finds that customer satisfaction impacts economic growth to a greater degree compared to employment, which supports Smith (2011) who claims that customer experience generates repeat business for long time multiple than increasing the size of the workforce. This study provides important implications that service quality and customer satisfaction in the catering industry are significant factors for public managers to consider when planning initiatives designed to promote sustainable economic growth.

5. Conclusion

We believe that it is appropriate to implement the following project on the implementation of research results as an organizational strategy of scientific research to improve catering services:

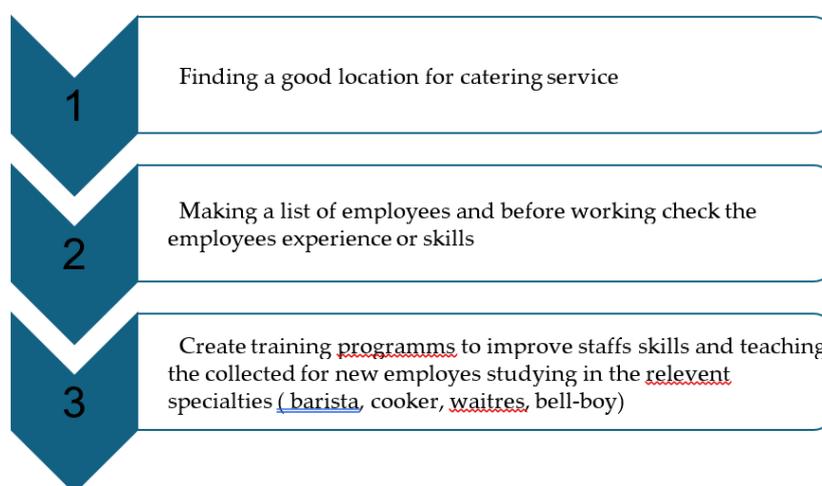


Figure 1. Strategies for improving catering services in tourism industry

Source: Formed by the author

In conclusion, the research findings highlight that the management of a restaurant institution, competent usage management methods, methods of exposure, methods of exposure, tools and types consider an individual approach to each of the above category's motivation by taking it is the most important prerequisite for restaurant employees to be effective performance of the entire system of managing restaurant employees that maintaining professional and loyal staffing. To avoid this, build and implement traditional ones namely, need innovative ways to manage employees in the restaurant business. The research illustrates improvements of catering services in tourism industry.

Moreover, the results of the regression analysis demonstrate that improvements in customer satisfaction, employment, and operational efficiency in the catering industry have a significant positive impact on economic growth. Customer satisfaction plays a crucial role in driving business success, while increasing employment within the sector contributes to job creation and enhances economic performance. Moreover, operational efficiency leads to better resource management, cost reduction, and service quality, further boosting the industry's contribution to the economy.

Given the findings, policymakers should prioritize supporting the catering industry through measures that enhance service quality and operational efficiency. Policies aimed at improving workforce skills through training programs can raise service standards and

customer satisfaction, while providing incentives for businesses to invest in operational innovations can further drive economic growth. Additionally, expanding access to financial resources for small and medium-sized catering enterprises can promote job creation, sustainability, and overall industry competitiveness. These measures will strengthen the sector's capacity to contribute to national economic development, creating a more resilient and dynamic service industry.

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