Human Resources Management and the Impact of the Restaurant Opening Hours: An Exploratory Study

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Abstract: The hospitality sector is struggling with a generalized shortage of manpower to cope with the post-pandemic economic recovery. Furthermore, the work-life balance has become a very important issue when it comes to choose a place to work. This has been creating huge constraints in the hospitality industry in running and/or developing new businesses due to lack of qualified human resources.

Considering the importance of this sector in the Portuguese economy, it is of paramount importance to better understand the origin of such constraints and how businesses can adapt to a new labour market reality.

An exploratory study was conducted to understand how restaurant opening hours, as a top-level management decision, affects the work-life balance in the industry thus contributing to enrich the attractiveness of the jobs offered.

To develop the study two groups of restaurants were studied. The first group is comprised of limited opening-hours restaurants, and the second group (as a control group), a non-limited opening hours restaurant. Semi-structured interviews were conducted with proprietors and/or top-level managers to ascertain how the decision on opening hours was weighed in the work-life balance concerns and what are the most important managerial implications, business profitability impacts, and staff retention indicators.

Preliminary results seem to indicate that restaurant opening hours are one important top-level management decisions and the work-life balance has played a crucial role in the definition of the business model of the studied restaurants.

By choosing limited opening hours, managers are able to schedule staff much easier and respect, as much as possible their work-life balance which then contributes to a more stable and motivated workforce. The results also show that this is only possible because restaurants manage to be profitable within the limited opening hours period.

Further studies should be conducted to better understand how these new business model approaches could be used in larger-scale restaurants with non-limited opening hours.

Keywords: Human Resources, Opening Hours, Work-Life Balance, Restaurant

1. Literature Review

The restaurant sector is characterised by low pay, low skills, anti-social working hours, fewer training opportunities, and limited opportunities for career progression. Moreover, it is a stressful working environment with high staff turnover (Sohaih, 2015). Although, human resources are crucial for the operation development and without them the operation does not exist. Human resources managers should pay special attention to this dimension and introduce specific training and career opportunities to promote the commitment of the employees to the job and the organisation.

Nowadays, in U.K. restaurants more than 90% of the employees are part-time workers showing the predominance of casual, temporary, and unstable work with limited career opportunities and a high turnover rate (Sohaih, 2015).

These difficulties related to career development have been exacerbated by COVID-19 (Huo, 2021). In a study with 242 frontline restaurant employees, the researchers concluded that career opportunities improved career commitment and reduced career regret via its boosting effect on employees thriving at work (Huo, 2021). Career growth opportunities are most needed and most beneficial for shaping employees’ career outcomes when they experience high levels of COVID-19 anxiety (Huo, 2021).

After COVID-19, it has been increasingly difficult to attract employees to work in the restaurant sector. The organisations have to adapt them to this scenario and introduce changes in human resources practices in order to be more attractive to new employees and also to retain the current employees. These changes can only be achieved with changes in the organisations practices namely introducing and reinforcing career perspectives inside the restaurants.
Restaurant opening hours has not been a major topic of research. A study by Auty (1992), was one of the first to include opening hours as a variable of choice in restaurant purchase behaviour just to realize that, at the time, it was a lesser factor in restaurant selection from the customer’s point of view, despite its slightly bigger importance in a convenience driven occasion.

Since then, very few studies have been conducted around this topic and the ones that did, focused only on the demand side of the problem and primarily on perceived quality issues (Friedmann, 2022; Gregory & Kim, 2004; Mondo et al., 2022).

Restaurant opening hours is one of the most important managerial decisions in a restaurant. Restaurants need to adapt to the characteristics of their demand and try to satisfy costumers needs as much as possible. The performance of service industries is affected by opening hours. Shorter opening periods reduce operation costs but harms consumers that might need to advance or postpone their transactions moving away from their ideal time (Shy & Stenbacka, 2006).

Consumption patterns in the restaurant industry are different from other food retail business and services as there isn’t much margin for advancing or postponing consumption relative to the ideal time of consumption. Restaurants are characterized for having a fixed selling capacity and a limited time frame for operating which can generate considerable opportunity costs (Kymes, 1998).

So, being able to achieve the best fit between demand and the costs needed to supply that demand is essential for the profitability of restaurants (Kukanja & Planinc, 2020). Restaurants need to have a good understanding of what are the days and periods of the day costumers tend to use the restaurant and manage their resources in accordance (Kyuwan, 2009).

The determination of service hours is generally affected by four major factors: Spill overs between periods by consumers, asymmetric distribution of consumer’s ideal service time, the technology for service provision and the intensity of price competition (Shy & Stenbacka, 2006).

Opening hours might be restricted by other reasons such as social and religious, but economic arguments play a major role in determining those restrictions (Rouwendal & Rietveld, 1998).

In the restaurant sector, the concept and type of food plays an important role when defining opening hours. According to the utilitarian and hedonic continuum model (Parsa et al., 2020) of the moments when the restaurant is open and how many hours a day will be valued differently as the costumer shifts from a high utilitarian role to a high hedonic one since hedonic experience at a restaurant involves emotional gratification, affect, need for joy, pure indulgence, pursuit of fun, conspicuous consumption, and entertainment, whereas utilitarian experience encompasses functionality, convenience, cognitive transaction, physiology (hunger), utility, and quick gratification of an immediate need (Parsa et al., 2020). In a study conducted in airport restaurants (Heung et al., 2000), convenient opening hours was one of the highest rated factors by diners, probably due to the convenience nature of the moment.

The type of food is intrinsically linked to opening hours. All day concepts that offer food that caters costumers’ everyday needs, from break-fast to dinner an even snack options are getting popular (Masa, 2017). Location can also influence restaurant opening hours. Restaurants situated in places like food malls, airports or other commercial structures may have limited opening hours due to the function hours of the location where restaurants are established.

Competition can drive restaurants to change and/or adapt opening hours. Opening hours can be a way for business to differentiate from each other, mainly when there are considerable fluctuations on demand during a certain time interval (Rouwendal & Rietveld, 1998). Opening hours are considered a competition dimension in the supermarket business (de Haas et al., 2020). It is common for Quick Service Restaurants to extend their opening hours (especially during the night) and use that as way to promote themselves and differentiate from their main competitors (Xie, 2018).

Culture and place of origin also impacts restaurant opening hours as lunch and dinner take place in different moments of the day (Wijnen, 2012). Age should also be considered as a factor influencing restaurant opening hours. Newer generations like the millennials and gen Z have a different understanding of eating habits (Halasi et al., 2021; Okumus, 2021; Pawan et al., 2014) and restaurants must adapt to that reality.

The restaurant industry is considered to be a very demanding work environment, with very intense day-to-day operations and highly unpredictable ecosystem (Zhang et al., 2021), which gives it a reputation for having long
work hours and a high turnover rate (Niu, 2010). These staffing challenges have been a reality for a long time with present record-breaking staffing pressures across the restaurant industry (Auberry et al., 2019).

Staff is one of the hardest resources to manage when it comes to guarantee a certain selling capacity and a good service level. In fact, restaurants can incur in two types of opportunity costs either by not being able to cope with an excess in demand or by deploying excess resources to cater for a smaller demand (Choi et al., 2009; Muller, 1999).

Over the years, the biggest concerns about staff scheduling have been from a managerial point of view, where the most important topics are maximizing revenue, delivering good service and preventing overscheduling (Choi et al., 2009).

As stated by Friedmann (2022), the selection of adequate operating hours can be quite demanding. Extended opening hours increase the opportunity to generate revenue but also increase the need for more staff and more training. On the other side, less extended opening hours result in simpler hiring and scheduling practices but will definitely result in a decrease in revenue. Some authors like Choi, Hwang and Park (2009) or Nonaka, Nobutomo and Mizuyama (2018), studied scheduling from an operations point of view, aiming to optimize scheduling and reducing over and under scheduling as a way to deliver good service and maximize profitability.

Nowadays, new concerns are emerging and becoming crucial. In fact, due to staff scarcity (Holmes et al., 2022; Lusa, 2021; Quito, 2022) and cultural and demographical changes (Gaidhani et al., 2019), staff attraction and a good working environment that retains staff is playing a key role in staff scheduling. Businesses need to understand that the work environment has changed and what used to work in the past may not work for the newer generations such as Gen Y and Gen Z (Holmes et al., 2022). A new point of view is in order: The staff point of view as other concerns such as work-life balance (WLB) emerge.

Employee work-life balance is very important and widely studied in several studies and has been defined as a phenomenon that happens when people are satisfied with their lives and the way they divided time and resources between work, personal, and social roles and commitments (Borbon & Naig, 2021). Additionally, two key dimensions can be identified in this definition: (1) individual engagement in multiple tasks in work and life and (2) minimal conflict between work and life roles (Sirgy & Lee, 2018).

Researchers had tried to understand the impact of sociodemographic characteristics, kind of job, organisational culture and climate, job engagement, leadership, among others on employee’s work-life balance (Kumarasamy et al., 2015).

The absence of work-life balance has been related with many negative consequences that can prejudice employee performance (Kumarasamy et al., 2015). Concerns about WLB are becoming one of the most important issues in staff attraction and retention. In fact, psychological well-being is an important issue for hotel industry because it as a huge impact on talent retention (Walbeek & El Hajal, 2022).

Previous research has shown that job demands, such as work overload or insecurity, affect negatively employee well-being, and job resources, such as colleagues’ and supervisors’ support have positive effects and buffer the negative effects of the job demands (Yucel, 2019).

Work overload is one of the major factors that was said to influence work-life balance. Work overload can be defined as the perception that one has too much to do (Kumarasamy et al., 2015; Leiter & Schaufeli, 1996). Employees who perceive their workload to be more than they can handle report exhaustion and fatigue, which may negatively influence their availability to be involved in other life domains (i.e., friends and family) (Aryee et al., 2005). Furthermore, when employees are overloaded with work, they often get frustrated that their work-life balance does not exist (Kumarasamy et al., 2015) (Vogel, 2012;).

Some studies had analysed the impact of gender on the work-life balance suggesting that women had more difficulties achieving their work-life balance considering the familiar tasks socially associated with their gender role. The restaurant sector is a significant employer of women worldwide. Sohail (2015) refers that 72% of U.K. restaurant employees are women increasing their difficulties in achieving work-life balance.

As mentioned before, post pandemic recovery has restaurants under pressure. Activity is growing and staff shortage is leaving most restaurants understaffed. A recent study, conducted by Choco (2021) reveals that 73% of restaurant workers inquired think their shift is too long and 67% state that leisure time is left out because of work.
Yu, Lee, and Na (2022) conducted a study with 290 restaurant employees and concluded that work-life balance is directly related to job satisfaction and turnover intention, whereas employees with higher work-life balance have lower turnover intention. These data highlight the importance of understanding the restaurant employees’ work-life balance and perceptions in order to promote this balance and decrease their possible turnover intentions.

2. Design Method

This exploratory study uses a qualitative approach to understand how restaurant opening hours, as a top-level management decision, affect the work-life balance in the restaurant industry contributing to enriching the attractiveness of the job offered.

To achieve this main objective, a semi-structured interview was constructed, organised into three sections. Section one was related to the characterisation of the restaurant with questions such as type of restaurant, daily schedule, opening hours, number of places, mean of customers per day, and accepting reservations. Section two was related to the characterisation of the employees with questions such as the number of employees, contract type, kind of shifts, mean age, mean salary, seniority, gender distribution, and turnover index. Section three had a set of open questions related to the schedule definition, how it was defined, the changes made over time, the strategies used to promote the employees’ attraction and retention, the strategies that they would like to introduce, and the strategies used to promote work-life balance, among others.

Our participants were organised into two groups of restaurants: the first group is comprised of limited opening-hours restaurants, and the second group (as a control group), non-limited opening-hours restaurant. All the restaurants were located in Oporto City. The main characteristics of the restaurants participating in this study are presented in Table 1. As we can observe both groups have similar types of restaurants (Parsa et al., 2020). Although Group 1 has reduced schedules, smaller number of places and monthly sales, and Group 2 has longer schedules, more places and bigger monthly sales. This is a convenience sample to achieve the objectives of the exploratory study. Regarding the participants, we had 1 female and 4 male, and all of them were managers.

Table 1: Characterisation of the restaurants participating in the study

<table>
<thead>
<tr>
<th>Restaurant characterisation</th>
<th>Group 1</th>
<th>Group 2 (control)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of restaurant (Parsa et al., 2020)</td>
<td>Interview 1</td>
<td>Interview 2</td>
</tr>
<tr>
<td>Opening hours</td>
<td>Fast casual</td>
<td>Upscale casual dining</td>
</tr>
<tr>
<td>Tuesday: 12.30 am – 4 pm</td>
<td>Tuesday to Saturday: 7pm -10.30pm</td>
<td>Monday – Friday: 12 am – 4 pm; 7 pm – 12 pm</td>
</tr>
<tr>
<td>Wednesday – Saturday: 9 am-4pm</td>
<td>Saturday – Sunday: 12 am – 1 am</td>
<td>Friday: 12 am – 4 pm; 7 pm – 1 am</td>
</tr>
<tr>
<td>Number of places</td>
<td>22</td>
<td>28 (+16 terrace)</td>
</tr>
<tr>
<td>Customers per day / per establishment</td>
<td>80</td>
<td>30-45</td>
</tr>
<tr>
<td>Mean monthly sales / per establishment</td>
<td>20.000€</td>
<td>40.000€</td>
</tr>
<tr>
<td>Accepting reservations</td>
<td>No</td>
<td>Yes (only)</td>
</tr>
</tbody>
</table>

Table 2 presents the main characteristics of the human resources of the restaurants. We can observe that in Group 1 they only have direct schedules but in Group 2 one restaurant has direct, split and shift schedules.
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(according to the functions) and the other have only shift work. In both groups the mean age is similar. Although, in Group 1 the employees are all women. Regarding the turnover index, two restaurants (one in each group) do not have turnover in their teams.

Table 2: Characterisation of the restaurant human resources

<table>
<thead>
<tr>
<th>Employees characterisation</th>
<th>Group 1</th>
<th>Group 2 (control)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Interview 1</td>
<td>Interview 2</td>
</tr>
<tr>
<td>Number</td>
<td>7</td>
<td>12 (+1 extra)</td>
</tr>
<tr>
<td>Contractual hours</td>
<td>40hs</td>
<td>40hs</td>
</tr>
<tr>
<td>Type of contract</td>
<td>Full contract and part-time</td>
<td>Full contract</td>
</tr>
<tr>
<td>Type of schedules</td>
<td>Direct</td>
<td>Direct</td>
</tr>
<tr>
<td>Mean salary</td>
<td>1050€</td>
<td>N/A</td>
</tr>
<tr>
<td>Mean age</td>
<td>30-35</td>
<td>30</td>
</tr>
<tr>
<td>Seniority</td>
<td>3 years</td>
<td>N/A</td>
</tr>
<tr>
<td>Gender distribution</td>
<td>100% female</td>
<td>100% female</td>
</tr>
<tr>
<td>Turnover index</td>
<td>0%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

N/A: information not available

The interviews were conducted in-presence, audiotaped, and verbatim transcribed. The interviews occurred between January and February 2023.

All the materials were analyzed according to the thematic analysis procedure (Braun & Clarke, 2006). The interviews were numbered in order to protect the informants’ anonymity. All the ethical procedures were considered during the research process.

3. Results

Our preliminary results are organised into two main themes: attraction and retention strategies, and work-life balance strategies.

Regarding the theme attraction and retention strategies, in our Group 1 (limited opening hours restaurant) the participants referred the use of strategies such as promoting employee’s autonomy and flexibility according to their needs, the presence of fixed and consecutive days off, positive climate and culture, empowerment and employees training, directed schedule, and fair salaries. These participants referred that human resources in the sector are changing, employees have more qualifications and autonomy. The sector has to leave the suffering dimension, “people need to be happy in their work, with their team” (I2). One of the participants referred that the restaurant opening hour was defined, in the beginning, as a way to grow in a controlled way, but nowadays because they “want to maintain quality of life, to me and to the persons that work in my restaurant” (I2). They also recognise that increasing their daily schedule might bring financial benefits in short-time, but in a medium-long-time they would lose quality, persons would be unhappy, and the project would lose his identity.

Days off seem to be a very important dimension for the employee’s attraction and retention. According to our participant 1, “the fixed days off and the fact of being during the weekend it is very important, persons need some predictability in their lives”.

The main consequences of these strategies are related to the easier hiring, the persons identify themselves with the identity of the project, and therefore, in increasing the team stability, as referred by “our employees do not want to leave, they are identified with this project” (I2).

For the future attraction and retention strategies, our participants referred the need to increase the training opportunities, “if we increase the team skills, if our routines are more structured, we will have more time to talk, it would be easier and better to work together” (I1).

In Group 2 (unlimited opening hours), they defined their schedules according to the customers' needs, and adapt all the practices, namely shifts and days off, to these needs. The attraction and retentions practices are related to better salaries, financial benefits as productivity bonus, attendance bonus, seniority bonus, tips policies, shifts
definition, type of days off, and internal career opportunities. Most of our participants referred the adoption of financial bonus as an important strategy to retain the employees, as referred by “to hire better we have to pay more, nowadays we have to anticipate the market, to adapt to the human resources needs” (I5). Most of the participants referred the presence of split shifts, according to the operation needs, but also referred that, for some functions, they have direct shifts. The days off also seems to be an important strategy for all the participants. In some cases, they have three breaks, in other cases they have two breaks including one weekend day. One participant referred that the internal development opportunities are very important, “all the team leaders begin in low functions, all our employees know that here they have the opportunity to grow and develop their careers” (I4).

Regarding future attraction and retention strategies, one participant referred the importance in increasing the annual bonus for performance in order to stabilise their team, “we need to stabilize the team for optimise the processes” (I3). Other participant referred that they would try to introduce the four working days week, “this seems to be an attractive offer to human resources, in these working conditions we have to adapt our organisation to the human resources needs” (I5).

The theme work-life balance practices explain the kind of practices that are adopted by the restaurants to promote the adequacy between professional, personal, and social needs and demands.

In Group 1 (limited opening hours restaurant), the practices implemented to achieve this balance are related to their restaurant schedule, the flexibility managing the employees’ specific needs, and in the proximity management. Proximity management refers to the importance of being close to the team, know their characteristics, their problems, being part of the team, as referred by “innovating in a horizontal management, the final decision is always mine, but they participate, I am here every day, we work all together, we know the needs of everyone” (I2). Moreover, participant 1 referred that their schedule is more flexible, although they can make changes according to specific needs, as referred by “it is a more direct and dynamic process”.

One of the participants referred that the advantage of implement these work-life balance practices is having a team more autonomous, where trust and care for each one exists. On the other hand, the disadvantages are related to particular moments, when the leader have to take difficult decisions or to have difficult talks with the team.

Regarding the future, one participant does not consider making any change in the schedule. The participant 2 referred that in the future, they would like to be closed all weekend, although this change is not related to the work-life balance or to the unsatisfaction with the current opening hours but with the opportunity to develop the business, as referred by “if we were closed during the weekend, we would be able to do another kind of services, to explore other opportunities, but is very important to maintain the quality service and the project identity” (I2).

In Group 2 (unlimited opening hours), the work-life balance practices are related to the vacations, to flexibility in managing shifts, and giving the anniversary day. Participant 4 referred that they split the vacations, a part is taken during the winter and the others during the summer. Moreover, they manage their human resources needs according to the current occupancy, as referred by “if we do not need them, they can go home earlier, the hours are paid, we do not include the in the bank of hours” (I4). Additionally, all the participants referred their flexibility as a work-life balance strategy, as cited by “we are flexible according to specific situations, we understand the specific needs of our employees” (I3). For future strategies, participant 5 referred that they are considering the creation of a kindergarten for the employees’ children.

All the participants consider that these strategies are adequate to the current needs of their employees, and they do not see any disadvantage in adopting these strategies, corroborated by “our employees feel valued” (I4).

4. Discussion and Conclusions

This exploratory study aimed to understand how restaurant opening hours, as a top-level management decision, affects the work-life balance in the industry, contributing to enriching the attractiveness of the jobs offered. To achieve this aim, a qualitative methodology was used with two groups: Group 1 with limited opening hours and Group 2 with non-limited opening hours.

Our main results suggested that attraction and retention strategies and work-life balance are main themes in both groups. The group with limited opening hours referred the use of strategies for attraction and retention
such as empowerment, autonomy, flexibility of their employees and fixed breaks, as already suggested by Gaidhani, Arora and Sharma (2019) and Holmes et al. (2022). Therefore, for these restaurants it will be easier to hire, they will maintain their identity and increase the team stability as already stated by Friedmann (2022). On the other hand, the group with non-limited opening-hours referred the use of attraction and retention strategies such as better salaries, bonuses, internal career opportunities, and the opportunity to define shifts according to the teams’ needs. All the strategies used are defined according to the business needs. We also observed a higher turnover rate in this group suggesting, as already defined by Niu (2010) and Auberry, Faulkenburg and Linares (2019) that long working hours are related to high turnover rate.

Work-life balance seems to be a challenge for both groups, although in Group 1 it seems to be the cause of their limited opening hours. On the opposite, for group 2, the demands of work-life balance it seems to be the consequence of their unlimited opening hours. These results are in line with Wey Smola and Sutton (2002) where companies must accommodate the employee’s desire to better balance work goals and personal goals. Such accommodations might include more cafeteria benefits, flexible work schedules, quality-of-life programmes, on-site day care and even elder care (Wey Smola & Sutton, 2002).

Lederer, Van Niekerk and Okumus (2017), identifies exploring flexible work arrangements such as alternative schedules, compressed work weeks, as one of five ways to combat worker burnout.

Park et al. (2021) suggests that businesses provide social and organizational support to their employees. Other practical recommendations include the creation of support networks, the implementation of wellness programs and incentives, paid vacation time, volunteer days, on-site health and fitness events, and on- or off-site team-building group activities. Managers should also, as far as possible, match employees’ preferences with regard to their work schedules/shifting so that employees can fulfill their family and social obligations (Park et al., 2021). By incorporating the aforementioned suggestions and best practices, restaurant owners should benefit from employees’ increased life satisfaction, which should lead employees to adopt positive loyalty OCBs toward their restaurant companies and lower their desire to seek jobs in other industries (Park et al., 2021).

Kossek, Valcour and Lirio (2014) identifies several activities to enhance work-life balance and wellbeing, such as promoting helping behaviour between workers, safeguarding against work intensification and promoting a culture of healthy practices that prevent overworking.

In conclusion, our results suggest that restaurant working hours are decisive for the work-life balance and job satisfaction of the employees.

Our study has some limitations. Restaurants were organized according to their opening hours (limited vs. extended) despite being considerably different in their characteristics. In group 1, the management team consisted only of women, restaurants had a small team and were depicted clearly as personal projects. On the other hand, group 2 had both men and women in their management teams, had larger numbers of staff and restaurants were presented mainly as business ventures. Future studies should consider these characteristics in the definition of the groups.

Business size and company culture seems to play an important role in how restaurants handle WLB. Additionally, we only consider the manager perspective, being more influenced by social desirability. In future studies, it should be considered also the employees’ perspective.

References


