

## ON THE INTRODUCTION OF LEAN SERVICES INTO THE FOOD & BEVERAGE DEPARTMENT OF INTERNATIONAL HOTELS IN TAIWAN

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### ABSTRACT

The issue of Manpower shortages has been common in both domestic and international hotels. In particular, the food & beverage departments of current international hotels rely on related manpower, of which the revenue for banquet halls accounts for 40%-80% or more of the total food & beverage department revenue. At the same time, banquet halls usually have the functions of being general, spontaneous and diversified. An important topic for discussion in management is how to avoid waste and make full use of recycling and sector management. However, researches on the application of lean services in food & beverage departments are rare in Taiwan. Basically, the introduction of a lean service system can empower banquet halls to offer better services at lower costs and such lean food & beverage services will definitely bring an increase in revenues. This study, with the help of improvements in the service process and the introduction of a technological management style, explores the introduction of lean services into the food & beverage departments of international hotels in Taiwan. From the perspective of the food & beverage departments of international hotels, this study carries out comprehensive planning, guaranteeing the quality during the services process of the design and production, shortened lead times, reductions in waste and, effectively, achieves the goals through technological management activities.

Key words: International Hotel, Banquet Hall, Lean Services, Service Process, Technological Management

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### 1. INTRODUCTION

In general, the organizational structure of international hotels can be divided into two major operating divisions: one is the food & beverage divisions and the other is the rooms division. In addition, there are many other supporting departments, such as human resources, finance and accounting, engineering, information, marketing, purchasing, security, public relationship, art and general affairs. The number of employees in these supporting departments is small, from two to a few dozen. However, for the two biggest operating divisions, food & beverage and rooms, the number of employees can range from a hundred to several hundred. Previous studies found that enterprises cannot completely possess the same manpower forever. If employees leave their jobs, they carry away all the skills learned and their working knowledge. The creation of enterprise values relies heavily on manpower, which leads to dilemmas for the management (Shen Ching-Cheng, Chen Tzu-Ling, Lin Hui-Min, 2010; Lepak & Snell, 1999).

The revenue of international hotels is generally divided into two areas; one is from the revenue of guest rooms and the other comes from food & beverage. Amongst the grand hotels across the world, in most cases, the revenue from guest rooms is greater than that of food & beverage. However, in the Taiwanese hotel industry, many hotels observe that the revenue from food & beverage is greater than that of guest rooms. Grand hotels in Taiwan are equipped with various restaurants and bars, such as Chinese, Japanese and French restaurants that feature exotic dishes, together with coffee shops and so on. In addition, all hotels have food & beverage departments and grand banquet halls whose capacity ranges

from 3-400 covers to over 1000. The revenue from the banquet halls can account for 40-80% or more of the overall food & beverage departments' revenue (Hsu Shun-Wang, 2005). The main reason is that Taiwanese people prefer to hold activities in banquet halls, regardless of whether for public or private occasions, resulting in enormous amounts of revenue for the banquet halls. At the same time, banquet halls usually have the functions of being general, spontaneous and diversified. An important topic for discussion in the field of management is how to avoid waste and make full use of recycling and sector management. In addition, the food & beverage department is the biggest department in a hotel because food & beverage services are labor intensive and banquet halls require a large number of employees. However, banquet halls often encounter problems as there is not enough labor and there is a big gap between employees required and actual employees.

Regarding the application of lean services to the food & beverage industry, related researches in Taiwan are quite rare. Tsou (2014) pointed out that McDonald's has started to adopt lean services for food preparation in its restaurants across the whole of the United States. Basically, the introduction of a lean service system enables the banquet hall department of hotels to offer better services at lower costs but that also bring better benefits for food & beverage lean service. However, services in banquet halls are never perfect and can only be enhanced. This study is expected to integrate the technological management method with the service process so as to explore the introduction of lean services into the food & beverage departments of international hotels in Taiwan.

## **2. SIGNIFICANCE OF THE SERVICE PROCESS AND TECHNOLOGICAL MANAGEMENT OF THE OUTFIELD OF FOOD & BEVERAGE DEPARTMENTS**

### **2.1 Significance of the Service Process**

Service is an event or process that is intangible and that can easily fade away. Alternatively, a service can be created and used at the same time (Fitzsimmons & Fitzsimmons, 2004). Although consumers cannot retain the services afterwards, the influence of such services can be sustained. In addition, the features of food & beverage services are summarized as follows:

- [1] Difficult to manage the quality
- [2] Hard to realize economies of scale
- [3] Hard to be standardized and specific
- [4] Fluctuating Demands
- [5] Not easy to preserve goods
- [6] Diversified service items

Depending on the distinctive methods of catered offerings, Xue, Min-Ming (1995) mentioned that, for food & beverage services, decisions regarding the service method should be based on the needs of the guests, the capacities of the employees and the mediation of various economic realities factors. Service methods and table manners are designed specifically for the pleasurable and harmonious gatherings of guests. Consequently, innovative service methods can be adopted as long as they are not against the table manners expected.

*Le Service du Restaurant*, published in France in 1948, tells us that methods of table services can be classified as follows:

- [1] Plat sur Table: the service method whereby service personnel place the courses on the table and the consumers serve the courses to themselves.
- [2] Présentation du Plat (ou Service à la Française). Presentation of dishes or French Service (Présentation du Plat or ou Service à la Française)
- [3] Service Direct (ou Service à l'Anglaise) Service Direct or American service (ou Service à l'Anglaise)
- [4] (Service à l'Anglaise avec Gueridon) Side Table of English Service (Service à l'Anglaise avec Gueridon)

Ronald, Philip and Jr. Hickey (2005) pointed out that, in 1999, the various service methods in food & beverage can be defined as follows:

- [1] (Plate Service) Plate Service—American Style
- [2] (Cart Service) Cart Service—French Style
- [3] (Platter Service) Platter Service—Russian Style
- [4] (Family-Style Service) Family-Style Service—British Style
- [5] (Buffet Service) Buffet Service

Depending on the different methods of the catered offerings, the spirit of the services is the same and the principle lies in its consistency. The service processes are designed according to the methods of the catered offerings and the service types will decide their service processes. Regarding the features of the banquet halls, the service processes should consist of distinctive styles, such as a tea party, cocktail party, and set menu, etc. Based on the above information, work experience, practical skills, professional knowledge and the opinions of employees have been studied to establish the standard operational procedure and whether they are effective or not at maintaining service quality.

The banqueting services of grand hotels have their own standard operating procedures (SOP) to maintaining service quality and the service techniques of these hotels have reached maturity. Both domestic and foreign scholars have rarely talked about standard operating procedures, but hotels regard them as the benchmark for service quality and the norms during employee training. Ninemeier (2002) talked about SOPs stating that the main purpose of the services is to offer a pleasant experience through satisfaction or exceeding the expectations of guests. In order to achieve this goal, all employees need to execute effective operating standards. Furthermore, SOPs are conducive for maintaining consistent service standards because they accurately describe what to do and how to do it.

Taking the SOP for the wedding banquet in a banquet hall as an example to make a simple statement, the following tables 1, 2 and 3 are summarized.

Table 1 Work Before Wedding Banquet

Items	Content	Notes
1 Briefing Meeting	<ul style="list-style-type: none"> <li>Director of service department convenes the leaders of each restaurant and the service personnel on the jobsite to carry out a briefing meeting.</li> </ul>	** (Including part-time workers)
2 Checking	<ul style="list-style-type: none"> <li>E/O Business order- E/O</li> <li>Checklist for a wedding banquet and check the SOPs of the wedding ritual one by one and confirm.</li> <li>Check for appearance (Including uniforms, hairstyle, nails, shoes and body odor)</li> </ul>	<ol style="list-style-type: none"> <li>1. Males wear short hair and hair length cannot reach the collar; Females wear buns or a ponytail.</li> <li>2. Wear hotel waiter uniforms, black pants and black leather shoes.</li> <li>3. No colored nail polish of nails.</li> <li>4. No earrings, wristbands or other accessories.</li> <li>5. Females wear light makeup and no strong perfume.</li> </ol>
3 Manpower Allocation	<p>Based on the registered service personnel and part time workers, the director of the service department allocates the staff to each events and hands over the employee list and seating chart to the director of each restaurant. Each site of director is responsible for the detailed arrangements and instructions before the wedding banquet.</p> <ul style="list-style-type: none"> <li>responsible for seating/ the number of guests/ dinner types</li> <li>working tables/ recycling area/ spares area/ line planning</li> <li>Service standards/ service/ serving/ wine and water refill/ package</li> <li>Opening show/arrangement of courses show, guidance on wines.</li> <li>Cleanup dinner table and recovery site</li> </ul>	<ol style="list-style-type: none"> <li>1. The work assignment consists of all detailed work divisions both before and after the wedding banquet.</li> <li>2. Separation of responsibility areas, which makes it easier for the handling of services and solving problem.</li> <li>3. Specify whether or not each course should be served; turntable or side table service?</li> </ol>

Table 2 During the Wedding Banquet

1 Welcome the guests	<ul style="list-style-type: none"> <li>● Service personnel are ready to welcome the guests</li> <li>● Guide the guests to specified tables</li> <li>● Assist guests to sit down/ help pull out the chairs/ open napkins</li> </ul>	<ol style="list-style-type: none"> <li>1. Wearing gentle smiles when welcoming guests</li> <li>2. Keep a distance of 3-4 steps from the guests and watch closely whether or not the guests are following.</li> </ol>
2 Beverage Serving	<ul style="list-style-type: none"> <li>● When serving non-alcoholic drinks, politely ask the guest which drink is needed, juice, tea or other options?</li> <li>● Offer alcohol and ice services</li> </ul>	<ol style="list-style-type: none"> <li>1. Ask the guests which drinks they need and serve them immediately.</li> <li>2. Use a tray when serving wines and serve wines/juice from the right side of the guest.</li> </ol>
3 Food Serving	<ul style="list-style-type: none"> <li>● Serve food to the specified tables and introduce the names of the courses.</li> <li>● Serve the guests with vegetarian food</li> <li>● Serve main courses/ deliver chicken soup into small bowls for guests</li> <li>● Wine and water refill</li> <li>● Clean tables/ use smaller plates for remaining courses for the sake of new courses</li> <li>● Replace plates / Doggie bag services</li> </ul>	<ol style="list-style-type: none"> <li>1. Serve courses from the left side of the guests and gently place them on the edge of the turntable, introduce the course names out loud and place the service fork and spoon.</li> <li>2. When serving, service personnel should use their right hands to hold the fork and spoon to serve the food and use their left hands to hold the round plate with the food and deliver the food to the plates of the guests.</li> <li>3. The guests with vegetarian food enjoy the set menu option and require individual service.</li> <li>4. The service personnel need to use a tray to help guests to replace the round plate.</li> </ol>

Table 3 At the end of the Wedding Banquet

1 Farewell	<ul style="list-style-type: none"> <li>When the guests are leaving the tables, ask whether or not the guests need the services of doggie bags.</li> <li>Remind guests to check their belongings/ inspect whether or not guests have lost their personal belongings.</li> <li>Thank guests for coming and say goodbye</li> </ul>	<p>1. When one female stands up with another male, assist the female to leave her seat first; When an older man stands up with a young man, prioritize the older man.</p> <p>2. Clean up the table after all guests leave the table.</p>
2 Cleaning and Resetting	<ul style="list-style-type: none"> <li>Clean the table, recycle the tableware and withdraw the tablecloths</li> <li>Reset the tables based on the requirements of the next event</li> <li>Reset the banquet hall based on the requirements of the next event or reset back to normal if there are no upcoming events.</li> </ul>	**Cleanup and reset

The major business of the banquet halls comes from wedding banquet, followed by other dinners, especially year-end dinners organized by companies, and which can be very flexible. For holidays and auspicious days, the tables are often full with guests but there can be fewer guests on common days. Therefore, the number of formal employees is limited with a large number of part time workers required during peak times. Regarding PT, this refers to part-time temporary workers and most of the PT staffs at some grand hotel banquet halls are students from local high schools and universities. As long as there is one student working as a PT staff member, he or she will invite his or her classmates to work too, especially at peak times when a large amount of manpower is needed. In this case, small groups are formed with many students from different schools working together on the same day.

The service processes for banqueting are similar, and these are based on the needs of the guests. When there are many events and a large number of guests, the timing for each event should be limited and all food & beverage services should be completed within a specified time. Especially during peak times, lunch time and dinner time can be packed with guests. After the lunch time events are finished, the banquet halls must be cleaned and reset for the evening dinner. Consequently, without any appropriate procedures and processes,

the banquet halls would be chaotic. Experienced directors, leaders and well-trained employees are essential. During peak times, PT staff plays an important role. Their qualities can directly affect the service quality. Therefore, how to properly train the groups of PT staff and empower them to have the necessary service skills lies in the intelligence of the directors in the banquet hall. Working out an appropriate banquet service process and enabling all PT staff to receive enough training is the basis for providing good quality services.

## 2.2 Significance of Technological Management

Tarek (2000) defined the technology required whereby all knowledge, products, manufacturing, tools, methods and systems to manufacture products and offer services is available to help us to achieve various goals and practical application of knowledge. Technology in this study refers to the new knowledge, processes, techniques and services produced from the collection of knowledge, experience and practical techniques that can help organizations to achieve their goals. Management of Technology (MOT) is a system that manages the creation, acquisition and technique developments required to create maximum values. In other words, MOT consists of innovative technology, the development of new products and services, and successful marketing. MOT in this study refers to the process of technological discovery, acquisition, application and commercialization. In addition, application of service planning, organizational and process controlling are adopted to achieve corporate objective of service management process. That is to say, technological services and management processes are achieved effectively through technological management activities. The relationship among modern technological management, the development strategy of enterprises, actual practices, and technology is shown in figure 1:

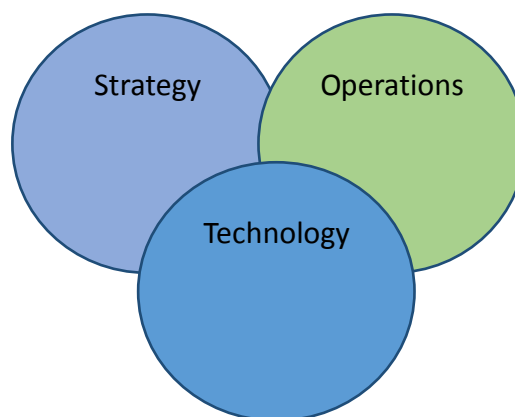


Figure 1 Management of Technology



### **3. SUMMARY OF THE CONCEPTS AND METHODS OF SERVICE PROCESS IMPROVEMENTS FOR THE OUTFIELD OF FOOD & BEVERAGE DEPARTMENTS**

#### **3.1 Concept of Service Process Improvement**

Large-scale banquet halls in hotels are functional food and beverage outlets that offer various kinds of food & beverage, ranging from simple coffee breaks to large-scale buffets or Chinese banquets. The capacity for guests ranges from less than 10 to over 1000. Due to the significant differences between busy and slack seasons and the large differences between weekdays and weekends, manpower needs to be extremely flexible. Normally, there are not many employees in the service department of a banquet hall, probably just 20 people, including the manager, assistant manager, director, foreman and chief waiters who are responsible for the routine planning, maintenance and food & beverage services on weekdays. However, during holidays and weekends, a large number of PT staffs are needed.

Food & beverage service processes define the standards of service quality. Making a set of feasible and practical SOPs allows service personnel to know what they need to do, at what time and how to do it. These SOPs are extremely important for PT staff because they need to be trained well in a short period of time and SOPs enable them to get started quickly and offer excellent and high quality service. Therefore, based on the actual conditions of the current banquet hall, the SOPs for banquet halls can be divided into two types: "PT Needs" and "Non PT Needs", which are described as follows:

- \* Non-PT needs: meetings, small-scale tea parties, small-scale dinner in weekday, and common meetings for associations

- \* PT needs:
  - a. Chinese Banquet
  - b. Western style dinners (set menu)
  - c. Buffets (cocktail parties)

The SOPs for "PT needs" are highly connected with the holidays with almost all the large-scale banquet activities held on holidays. Therefore, the SOPs for PT needs are focused on the above three methods. In this case, PT staff can be effectively trained. After a short period for training and one or two internship, PT staff can offer food & beverage services with high-quality standards.

In addition, manpower recruitment and management has always been difficult for banquet departments. There are an abundance of PT student staff and the students themselves are



not a problem. However, the problem occurs when schools hold activities or examinations as the willingness of students to work PT at these times is significantly affected, resulting in manpower shortages and the service quality affected. In addition, the flexibility and instability of PT staff is extremely high. It is often the case that some PT staff are signed up but they do not show up due to various reasons or for no reasons at all, or they go to work at other places after a couple of sessions. Consequently, as there are always newcomers, service standards cannot be enhanced, a challenge encountered by the managers of banquet halls.

This study has designed a “Call Center” for PT staff, a manpower offering platform. Based on the three SOPs of “PT needs”, the platform trains PT staff and evaluates whether or not the PT staff are equipped with the appropriate service skills and attitudes based on ability inspection standards. The banquet halls ask to fill their manpower needs and the Call Center arranges appropriate manpower for the each unit. In this case, we can not only solve the problem of manpower arrangements, but also guarantee the service quality.

### **3.2 Lean practices of the technological management of service processes**

Organizations can be regarded as the medium of technology into society, and property can be divided into profitable and non-profitable organizations. However, regardless of their property, organizations can convert natural resources, manpower resources and other resources into goods or services through various activities. An enterprise is an organization for profit and the main purpose of the introduction of technology into such a society is to create profit. However, the contribution of technology to enterprises not only lies in the application of resources to the production of commodities and services. Technology can also discover more possibly derived resources of enterprises to introduce various innovative products. Consequently, technology is a tool for converting various possibilities into actual operations (Tarek, 2000).

Based on the literatures of technological management and the needs of enterprise organizations, this study found that the banquet halls of international hotels in Taiwan are the biggest departments that require flexible manpower. In order to guarantee that banquet halls are functional without the lack of manpower, this study proposes the introduction of a technological management tool to establish a non-typical human resource management platform (shown as figure 2) that optimizes human resources management, saves operating processes and reduces operating costs to achieve effective lean services.

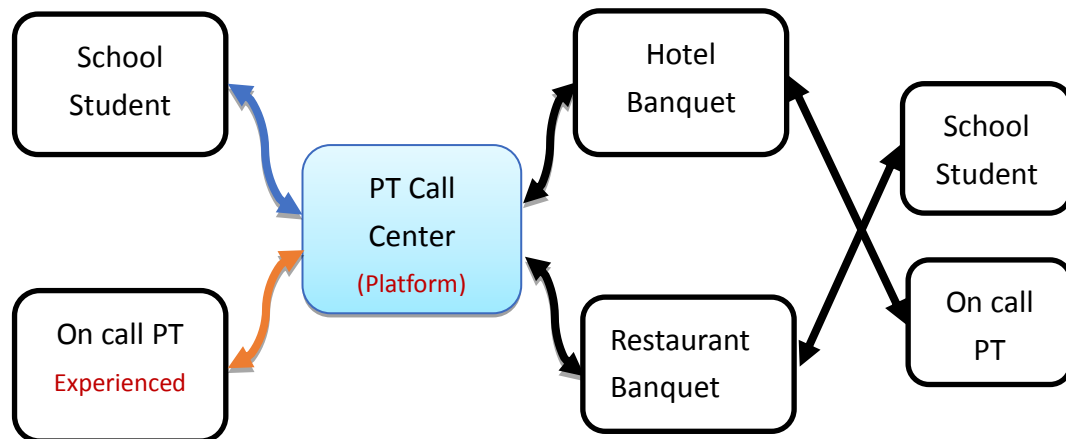


Figure 2 Diagram of “PT Information Platform” for Food & Beverage Services

#### 4. CONCLUSION

A production system, often involved in the discussion, regardless of traditional methods or lean services, should actually cover the management system of the whole enterprise. It includes how a company effectively organizes its manpower, equipment, facilities, materials and funds to create valuable products or services. The so-called traditional mode or lean service mode, to some extent, reflect the thinking methodology and environment of that era of cultural influence. This study has developed a set of technological management methods, based on the concept of lean services for the food & beverage departments of international hotels in Taiwan. If the managers of such food & beverage departments understand and accept the concept and apply it in practice, enterprises will achieve enormous success.

The reason why the concept of lean services invokes such great power is the fact that this concept started from the perspective of the system as a whole and the emphasis should be that the system should be centered on the needs of external customer and internal employees. Therefore, when this study adopted the concept of lean services, it carried out comprehensive planning from the perspective of the food & beverage departments of international hotels. The principle is simple. With every piece of business we carry out, we should do our best to offer products the clients need. We should respect our employees, guarantee quality during the process of design and production, shorten the lead times and reduce waste during the process. We should encourage all employees to raise the question of “what activities can enhance value for the clients” at all times.

The concept of lean services on technology demanding the work on manufacturing or services industry is a production method from the beginning to the end. Each step should be highly efficient and bring various yet small amounts of balance and flow. In the field of lean

services, traditional industrial engineering plays an important role but lean services exceed the standards stipulated by traditional capitalism in terms of product design and quality. From the perspective of technological management, the revolution proposed by lean services is no less important than the technological revolution. The transitional process for lean services is a journey full of challenges. The food & beverage departments of some of the international hotels have made relatively smooth progress, but the difficulties encountered have been much more than expected. Therefore, learning from the experiences of lean services carried out by other enterprises is a shortcut to learning about lean services.

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