



# Organizational Climate, Customer Satisfaction, and E-WOM in the Culinary Industry

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**ABSTRACT:** The culinary industry, as part of the hospitality/tourism industry, is now beginning to consider service quality in order to maintain customer loyalty. Restaurants must have a good organizational climate to optimize their employees' performance, which in turn impacts customer satisfaction. In today's digital era, customer satisfaction can be conveyed through E-WOM (Electronic Word of Mouth). This article will discuss the importance of evaluating and improving the organizational climate in the culinary industry for the enhancement of customer satisfaction, particularly in restaurants.

**KEYWORDS:** Culinary industry, organizational climate, E-WOM, restaurant.

## I. INTRODUCTION

The culinary industry is a continuously growing sector in Indonesia. Restaurant customers not only want to enjoy delicious dishes to savor. Now, restaurant customers also pay attention to things beyond the dishes, such as the quality of service provided by the restaurant staff.

Restaurants, as part of the hospitality/tourism industry, are now beginning to consider service quality in order to maintain customer loyalty. To create customer loyalty, it's not just about presenting dishes as high-quality products, but there should also be service involved. Here, companies must have a good organizational climate in order to optimize their employees' performance, which in turn impacts customer satisfaction.

Customer satisfaction can be translated into the return of consumers to the restaurant, or word-of-mouth stories. However, in today's digital era, customer satisfaction can be conveyed through E-WOM (Electronic Word of Mouth). With E-WOM, customers can share their experiences while dining at a restaurant. Customers can share their stories

through social media or blogs owned by foodies (lovers and appreciators of cuisine) or food critics. Customers can praise the restaurant, but they can also do the opposite, which is criticize.

The presence of E-WOM "forces" restaurants to respond to competition with more precise strategies. A restaurant that wants to focus on improving its service must consider the existing organizational climate. By changing the organizational climate, it is hoped that the performance of restaurant employees, from servers to chefs, can be improved in providing service to customers.

Studies on organizational climate in relation to company performance in the service sector and customer satisfaction recommend that climate is highly relevant to the tourism industry. This is due to the service model that directly interacts with customers (Luria, 2008). With a good climate, it will automatically encourage customers to commit to a company's products and services, thereby impacting the increase in market share of a product. (Aryani dan Rosinta, 2010). One of the indicators of customer satisfaction can also be manifested through recommendations to purchase the product. Choo (2016) reveals that satisfaction is a natural driver when customers recommend repurchasing the product in the context of mobile commerce.

This article will discuss the importance of evaluating and improving the organizational climate in the culinary industry, particularly in restaurants, for the enhancement of customer satisfaction. Customer satisfaction then leads to positive word of mouth. Customers want to share their experiences at a restaurant with others through E-WOM.



## II. ORGANIZATIONAL CLIMATE IN CULINARY INDUSTRY

Research on organizational climate and its relationship with customer satisfaction has been quite extensive. However, only a few research journals focus specifically on the organizational climate in restaurants or the culinary industry. In Indonesia, there have been numerous studies addressing service quality in restaurants and its connection to customer satisfaction from the perspective of Economics and Business. Interestingly, the study of E-WOM is examined not only from an economic standpoint but also from the perspective of communication science.

This article will present several concepts from previous research on organizational climate in restaurants and its relationship with customer satisfaction conveyed through E-WOM.

### Organizational Climate and the Application of Ethics in Restaurants

According to Pace and Faules (2010), the communication climate is a combination of perceptions – a macro evaluation – regarding communication events, human behavior, employee responses to one another, expectations, interpersonal conflicts, and opportunities for growth within the organization.

Reddit says there are five factors that exist in the communication climate.

1. Mutual support. 1. Good communication between subordinates and superiors greatly supports the development of employee confidence.

2. Participating in decision-making. An environment that allows employees to communicate with their superiors and also influence decision-making.

3. Trust, self-confidence, and credibility. This indicates which communication channels can be trusted.

4. Openness and its quality. Whether in a superior-subordinate relationship or vice versa, the openness and the quality of that relationship can be seen in how one "communicates" and "listens."

5. Achieving good performance. Here it is determined how far what is called quality performance is, and then it is communicated to the employees. Organizational climate is a function of activities within an organization that shows members that the organization trusts them and gives them the freedom to take risks. They are also encouraged to complete their tasks and responsibilities. In addition, it also provides open and sufficient information for its members, as well

as listening to members attentively. The organization also obtains reliable and candid information from its members. One important thing is that organizations can also provide guidance to their members so that they can see that they are involved in the organization's decision-making processes. Organizations should also provide challenges and high-quality tasks to their members (Redit in Pace, 2010). Manning (2005, in Luria, 2008) states that the organizational climate in the hospitality sector shows a connection between customer satisfaction and employees' desire to resign. This is because customer satisfaction in the hospitality industry has a significant impact on the financial position of hotels or restaurants. (Davidson, 2002 in Luria, 2008). When there is financial instability, it can lead to concerns about management downsizing. Additionally, financial instability also triggers high turnover in this industry.

Jobs in the tourism industry use a very strict supervision model. It is not surprising that the organizational climate in restaurants will significantly impact service patterns and employee performance (Babin et al., 2000; Weeks et al., 2004; Schwepker and Hartline, 2005). An organizational climate that emphasizes employee ethics focuses on issues of trust, responsibility, and high moral standards, regardless of the context of right or wrong service. This should strengthen the efficiency and effectiveness of service. For example, the organizational climate may impact the behavior of restaurant employees towards customers, depending on the interests that the employees have, and this could result in losses for other guests. Organizational climate emerges when employees understand that ethics are important within the organization. Ethics can also be distinguished from other climate dimensions that embody "perceptions of practices and procedures within organizations that have ethical content" (Victor and Cullen, 1988). Employee performance should act as a mediator between organizational climate and service goals (i.e., customer satisfaction) because service impacts job satisfaction. Mediation with this model is based on the assumption that providing optimal service is related to ethics. This serves as a reference that service should be understood by employees, and this is based on research findings that show a positive relationship between service quality and customer satisfaction (Luria, 2008). "Justice" in an organization refers to employees' perceptions of fairness in the workplace (Greenberg, 1990). Lind and Tayler (1988, in Luria, 2008) further



emphasize that the concept of workplace justice focuses on managers' procedures in making decisions fairly. Brown et al. (2005) observed that perceptions of procedural and interpersonal justice are related to several factors that can affect employees, such as commitment, the desire to resign, and patterns of autonomy in service delivery. The perception of justice held by employees is related to customer satisfaction with the service provided by the employees. It can be concluded that the perception of justice is a significant factor that motivates employees to provide service to customers.

### **The Impact of Service Quality on Customer Satisfaction**

Customer satisfaction is described by Oliver (1997) as the restaurant's response to consumer expectations. Or it can be referred to as an assessment of a product that also serves as a service, or as standalone products and services, which provide a level of consumption that is "enjoyable." Customer satisfaction has a positive effect on attitude changes in the post-purchase phase (Oliver, 1999; Westbrook and Oliver, 1991; Yi, 1990 in Young, 2007), and this also generates the customer's desire to repurchase. Fornell (1992, in Aryani and Rosinta, 2007) explains that satisfaction is the key to creating customer loyalty. Customer satisfaction can be created from three concepts, namely, service quality, satisfaction, and loyalty, which are interconnected with one another. Theoretically, service quality influences loyalty both directly and indirectly through customer satisfaction (Aryani and Rosinta, 2007). Cronin and Taylor (1992) explain that satisfaction leads to quality, and they view consumer satisfaction as the specific meaning of a transaction, where consumers derive satisfaction from specific aspects of the service. Consumer satisfaction is defined as the overall evaluation of the purchase and consumption experience of a product or service. (Cronin dan Taylor, 1992). There are several characteristics that indicate the measurement of consumer satisfaction, such as the ability to build consumer loyalty, enhance word of mouth, encourage consumers to return for repeat purchases, and increase company profits (Cronin and Taylor, 1992; Ryu, Lee, and Kim, 2012). Kim et al. (2009) explains that there are five dimensions of restaurants that encompass consumer satisfaction, namely food quality, service quality, price, atmosphere, and comfort. Liu dan Jang (2009) identified that factors such as food quality (taste, menu, presentation), service, cleanliness, interior design, tidiness, and well-

groomed staff have a significant impact on customer satisfaction. There is a connection between service quality and customer satisfaction. (Wicks dan Roenthein, 2009).

### **WOM Transforming into E-WOM**

Customer satisfaction is closely related to their return to purchase a product or service, as well as the information that spreads through word of mouth. What this customer is doing benefits the company because, indirectly, they have gained advertising or promotion at no cost. (Fornell, dkk, 1996; Oliver, 1999 in Young, 2007).

WOM also has a connection with intention behavior. Customers who leave positive comments about a restaurant can certainly influence the beliefs of others. The factor of confidence also carries weight in a person's decision to try a restaurant. The following section explains how belief in word of mouth can influence a person's behavioral intention when considering visiting a restaurant. (Keller, 2007)

The internet, as part of technological development, undeniably plays a role in the shift from WOM to E-WOM. Subramani and Rajagopalan (2003 in Longart, 2010) define this phenomenon as viral marketing, a process in which people can market each other. Now everything is connected online. Marketing now does not only operate in a small scope but is vast and moves very quickly. Promotion can be done through text messages or emails (Longart, 2010).

## **III. DISCUSSION AND CONCLUSION**

The organizational climate in the culinary world, especially in restaurants, is a significant factor determining customer satisfaction. When employees feel comfortable working at the restaurant, it will have an impact on their performance. Employees are more motivated when serving customers in a positive organizational climate. Customers are certainly satisfied when they visit that restaurant. And it is undeniable that customers can also be part of the marketing strategy by sharing their impressions without enjoying a meal at a restaurant. Marketing without expecting a reward is what is referred to as word of mouth.

The presence of the internet and technology accelerates word of mouth, making its spread faster and its audience reach broader. The positive aspects of word of mouth appear on blogs and social media. Readers are no longer just those within the circle of customers, but can be anyone



who wants to know reviews of a particular restaurant. Working in the culinary world presents various challenges because face-to-face service is essential. Unlike products produced by factories where most employees do not need to interact directly with customers.

An interesting note was written by a research team from Brazil that aimed to examine the relationship between organizational climate and customer satisfaction levels at a simple restaurant in the city of Paracatu, Brazil. According to de Lucena et al. (2015), restaurant managers should pay more attention to employees as part of the business capital. When employees are satisfied with their workplace, it positively impacts their performance. De Lucena also found that employees at the restaurant in Paracatu often feel dissatisfied, citing low wages, lack of recognition, and poor communication with their supervisors.

The manager should conduct a survey on the organizational climate among all restaurant employees, regardless of their level, including the owner. This aims to understand the organizational climate that has been ongoing. Then, management can change the restaurant's policies, which is expected to create a more positive work atmosphere for the employees. De Lucena further added in the final notes that employees are the internal customers of the restaurant.

Employees can derive satisfaction from external customers, namely the consumers/visitors of the restaurant. Customer satisfaction leads to word of mouth, which then evolves into E-WOM, recognized as very important in the tourism industry. E-WOM is a form of advertising that is actually very helpful for customers who have never visited the restaurant. E-WOM reduces the risk for potential customers who wish to come and visit.

They fully trust the reviews found on blogs or social media about the restaurant. And E-WOM has proven to be effective in increasing the number of new customers visiting. In addition, E-WOM helps restaurants in shaping a positive image.

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