

# Impact of Covid 19 on the Performance of Restaurants Based on Learning Orientation

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## Abstract

The COVID-19 pandemic has significantly impacted the restaurant industry, forcing businesses to adapt rapidly. Learning orientation, which involves knowledge acquisition, flexibility, and continuous improvement, has become a crucial factor influencing restaurant performance. Restaurants with a strong learning orientation are better equipped to pivot their business models, adopt new technologies, and respond to evolving consumer needs. Understanding this relationship can provide insights into the role of learning-oriented strategies in enhancing resilience and long-term competitiveness in the restaurant industry. Strong learning orientation, including commitment to learning, shared vision, and open-mindedness, have been more resilient. Commitment to learning involves adopting alternative business models, training staff on new protocols and safety measures, maintaining operational efficiency, and ensuring customer and employee safety. Shared vision fosters unity among management and staff, while open-mindedness allows restaurants to embrace technological advancements, experiment with new offerings, and listen to customer feedback. These learning-oriented practices are likely to benefit restaurants beyond the pandemic, contributing to a culture of continuous improvement and adaptability in an ever-changing market. This study uses a quantitative approach to investigate the relationship between learning orientation and restaurant performance during the pandemic, using a correlational design to determine if higher levels of learning orientation are linked to improved performance metrics. Stratified Random Sampling technique applied for research purpose. The study uses structured questionnaire of sample size 30 to assess restaurant performance, focusing on learning orientation components and performance outcomes, with data analysis techniques including descriptive statistics and correlation tests.

**Keywords:** Commitment to learning, shared vision, open mindness, Knowledge acquisition, continuous improvement, Descriptive statistics

## Introduction

Restrictions on indoor dining, social distancing mandates, and changing consumer behaviours have put immense pressure on restaurants, threatening their survival and profitability. The ability to learn, adapt, and innovate became essential. Learning orientation, which involves knowledge acquisition, flexibility, and continuous improvement, has become a crucial factor influencing restaurant performance. Restaurants with a strong learning orientation are better equipped to pivot their business models, adopt new technologies, and respond to evolving consumer needs. Understanding this relationship can provide insights into the role of learning-oriented strategies in enhancing resilience and long-term competitiveness in the restaurant industry. Restaurants with a strong learning orientation, which includes commitment to learning, shared vision, and open-mindedness, have been more resilient. Commitment to learning involves adopting alternative business models, such as takeout, delivery, and online ordering, while training staff on new protocols and safety measures. This commitment helps maintain operational efficiency and ensures customer and employee safety. Shared vision fosters unity among management and staff, allowing them to act with agility and cohesion. A customer-centric approach, focusing on customer satisfaction and community connection, encourages innovative ways to stay relevant, such as adopting social media campaigns to communicate safety measures and menu updates. Open-mindedness allows restaurants to embrace technological advancements, such as online ordering systems, digital menus, and contactless payment options, to facilitate operations. Experimenting with new offerings, such as meal kits or grocery-style sales, allows restaurants to capture new revenue streams and cater to changing customer needs. Listening to customer feedback is essential for open-minded restaurants, as it helps them build stronger relationships with customers. These learning-oriented practices are likely to benefit restaurants beyond the pandemic, contributing to a culture of continuous improvement and adaptability in an ever-changing market. In conclusion, the components of learning orientation—commitment to learning, shared vision, and open-mindedness—played a pivotal role in determining how restaurants responded to the challenges posed by COVID-19.

## Review literature

During COVID-19, researchers found that restaurants with a strong learning orientation were more likely to engage in rapid innovation, adapting their offerings and business models to align with the shifting consumer preferences and operational constraints. For example, many adopted new product lines (like meal kits) or new service channels (like online delivery) that helped sustain revenue streams in the face of dining restrictions (Narayan & Chandra, 2021).

Studies suggest that learning-oriented restaurants excelled at tracking customer behavior and preferences, which were especially volatile during the pandemic. With frequent lockdowns and heightened safety concerns, customers increasingly sought contactless and remote dining options. Learning-oriented restaurants used feedback mechanisms, surveys, and social media to understand these shifts and adjust their offerings accordingly (Lee et al., 2022).

Research also highlights the role of learning orientation in employee management. Many restaurants with a learning focus trained staff in new skills, such as digital ordering systems or health and safety protocols, which were crucial during the pandemic. This approach led to higher employee engagement and morale, as employees felt more valued and equipped to handle new demands. Such empowerment was linked to enhanced service quality and operational performance (Martins & Clement, 2021).

A critical aspect of learning orientation is the openness to new knowledge and technologies. During COVID-19, restaurants with a high learning orientation were more agile in adopting technology, such as digital payment

systems, online booking platforms, and data analytics tools. These technologies were essential for streamlining operations, improving customer experience, and providing insights that informed decision-making. Studies indicate that this digital transformation was a crucial differentiator for learning-oriented restaurants in maintaining competitiveness (Gupta et al., 2021).

Literature on organizational resilience during COVID-19 often points to learning orientation as a significant factor. A learning orientation allows restaurants to develop strategies based on both current trends and long-term resilience. For instance, learning-oriented restaurants were more likely to implement comprehensive safety protocols, supply chain diversifications, and community engagement practices. This proactive stance enabled them to reduce risks associated with pandemic uncertainties (Kim & Lee, 2021).

Finally, literature indicates that restaurants with a learning orientation are better positioned for post-pandemic recovery and competitive advantage. Studies show that learning-oriented organizations often emerge from crises with stronger reputations and customer loyalty. Their ability to continually learn and adapt helps them retain valuable customers and pivot more effectively, setting them up for long-term growth (Zhou & Yang, 2022).

### **Adaptability and Innovation**

During the COVID-19 pandemic, restaurants' adaptability and innovation have significantly impacted their performance. Learning orientation refers to an organization's commitment to continuously acquire, share, and apply knowledge to improve its practices. Adaptability as a response to disruptions, such as operational shifts and digital transformation, has been crucial for learning-oriented businesses. These businesses are more agile and embrace continuous improvement, seeking opportunities within challenges. Innovation in product and service offerings has also been essential for learning-oriented restaurants. They are more experimental and willing to test new ideas to maintain customer engagement. Health and safety innovations, such as contactless ordering and pickup, outdoor dining setups, and modified interior layouts, were necessary for customer trust and compliance. Learning orientation is also a catalyst for adaptability and innovation. Knowledge sharing and open communication encourage staff to contribute ideas and innovations for navigating the challenges of COVID-19. Continuous feedback and improvement are fostered by learning-oriented restaurants, which can adapt based on real-time customer feedback on new offerings and service methods. Customer retention and loyalty are more likely to be achieved by learning-oriented restaurants that quickly adapt and innovate to meet customer needs. This leads to higher satisfaction and financial resilience. Learning-oriented restaurants that invest in understanding market shifts and experimenting with new business models generally see better financial performance than those that didn't. In conclusion, restaurants that combine adaptability and innovation with a strong learning orientation are better able to navigate COVID-19's disruptions. This synergy fosters a culture of agility and creativity, enabling them to meet immediate challenges while positioning themselves for long-term resilience and success.

### **Enhanced Use of Technology**

The COVID-19 pandemic has accelerated the adoption of technology in various industries, including the restaurant sector. Restaurants that fostered a culture of knowledge acquisition, information sharing, and responsiveness were better positioned to leverage technology for improved performance. Key components of learning orientation include commitment to learning, shared vision, open-mindedness, knowledge sharing, performance feedback, customer satisfaction, and financial performance. Commitment to learning involves rapid acquisition of digital skills among staff, such as training on digital ordering systems, delivery platforms, contactless payment options, and social media marketing. Experimentation with new technologies, such as QR code menus, mobile apps, and online reservation systems, allows restaurants to adapt rapidly to pandemic restrictions and changing customer preferences. Shared vision facilitates a collaborative environment where employees and management work together to optimize technology usage. Open-mindedness allows restaurants to pivot more effectively and adopt

tools that could enhance performance. Open-minded restaurants quickly respond to customer expectations for contactless experiences, implementing options like mobile payments, self-service kiosks, and automated customer communications. Knowledge sharing involves actively sharing knowledge across the organization, leveraging customer data to tailor marketing, streamline operations, and refine menu offerings. Performance feedback is used to measure and improve outcomes, such as real-time analytics and customer feedback on digital platforms. The impact on performance outcomes includes increased customer satisfaction and loyalty, as enhanced technology use improves convenience, safety, and engagement, leading to higher satisfaction and loyalty. Financial performance and resilience are also improved, as learning-oriented restaurants can capture demand despite reduced in-person dining. Overall, the enhanced use of technology and a strong learning orientation have allowed restaurants to adapt swiftly and improve performance during the COVID-19 pandemic.

### **Resilience Through Staff Training and Engagement**

Restaurants that adopted a learning-oriented culture during the COVID-19 pandemic were able to enhance staff resilience, contributing to overall performance and adaptability. The components of learning orientation facilitated resilience in restaurants through staff training and engagement during the pandemic. Fostering Continuous Skill Development Restaurants with a strong commitment to learning were quick to provide training on COVID-19-related health and safety protocols, such as sanitization, social distancing, and mask-wearing. This not only helped protect staff and customers but also reassured employees that their safety was a priority. As dining models shifted toward takeout, delivery, and curbside service, staff required training in new areas, such as digital ordering systems, food packaging for takeout, and customer communication through virtual platforms. A learning-oriented approach supported continual skill development, helping staff feel competent and adaptable in their roles. Aligning Staff toward a Common Goal Cultivating a shared vision centered on customer safety and satisfaction fostered a sense of collective purpose among staff. This alignment made it easier for employees to see the importance of their role in implementing safety measures and adapting to new service methods. Encouraging Flexibility and Willingness to Adapt during the pandemic, many restaurant staff had to take on new roles, such as managing online orders, facilitating curbside pickup, or assisting with health checks. In learning-oriented environments, employees are encouraged to be open-minded and adaptable, making them more willing to take on these new responsibilities. Cultivating a culture of flexibility and creative problem-solving helped staff address unexpected challenges. Improving customer satisfaction: Staff who were well-trained, engaged, and aligned with the restaurant's learning-oriented values were better able to provide high-quality customer service, even under challenging conditions. Staff training and engagement grounded in learning orientation contributed to operational stability, as employees were more adaptable and equipped to handle shifts in service models and fluctuating customer demand. This resilience helped restaurants maintain consistency and quality in their operations, even as external conditions continued to change. In conclusion, restaurants that adopted a learning orientation and invested in staff training and engagement fostered a resilient workforce capable of adapting to the challenges of COVID-19. Through commitment to learning, shared vision, open-mindedness, knowledge sharing, and performance feedback, these restaurants equipped their teams to handle new demands and support ongoing operational success.

### **Customer Relationship Building and Loyalty**

The COVID-19 pandemic has accelerated changes in the restaurant industry, making customer relationship building and loyalty more important than ever. Restaurants must adapt to new service models, such as delivery, takeout, and outdoor dining, and maintain strong communication with customers to foster trust and loyalty. Personalization using customer data can strengthen relationships even in a distanced environment. Loyalty development is essential for restaurants, as customers are more likely to remain loyal to restaurants that prioritize health and safety. Community engagement and feedback mechanisms can help restaurants adapt their offerings and services, showing that their opinions matter. A continuous learning orientation is essential for restaurants,

using feedback and performance metrics to refine operations and improve customer service. Investing in staff training and exploring innovative solutions, such as technology integration, can help restaurants meet evolving customer needs. Performance outcomes include greater resilience, long-term loyalty, and market differentiation. Restaurants with a strong focus on customer relationships and learning orientation showed greater resilience during the pandemic, adapting more effectively to challenges.

### **Financial Resilience and Cost Management**

The COVID-19 pandemic highlighted the importance of financial resilience and effective cost management in the restaurant industry. Restaurants faced significant revenue losses due to lockdowns and restrictions, but quickly adapted by diversifying income streams and accessing funding. They also focused on cash flow management, monitoring finances, reducing unnecessary expenses, and adjusting pricing strategies. Operational efficiency was crucial for restaurants, with a learning orientation playing a key role in real-time analysis. Flexible staffing models, such as part-time work or cross-training employees, allowed restaurants to manage labour costs while maintaining service levels. Technology investments, such as POS systems and online ordering platforms, improved operational efficiency, customer service, and inventory management. A learning orientation encouraged restaurants to seek feedback from customers and staff, facilitating continuous improvement. Benchmarking their performance against industry standards identified areas for cost savings and operational improvements. Innovation in menu offerings, including health-conscious and comfort foods, was also spurred. Performance outcomes included survival and recovery, long-term sustainability, and enhanced brand loyalty. Establishments that focused on learning and adaptability survived and emerged stronger, often incorporating new business models that enhanced long-term sustainability. In conclusion, the COVID-19 pandemic underscored the need for financial resilience and effective cost management in the restaurant industry. Lessons learned during this crisis can help restaurants build more resilient and sustainable business models in a constantly changing environment.

### **Challenges**

The COVID-19 pandemic has significantly impacted the restaurant industry, leading to various challenges that affect performance, particularly in the context of learning orientation. Key challenges include adapting to health guidelines, shifting to delivery and takeout models, changing consumer preferences, financial constraints, employee management and training, digital transformation, and building resilience for future crises. Adapting to health guidelines involves researching best practices, seeking employee feedback, and iterating on processes to ensure safety while maintaining service quality. Shifting to delivery and takeout models allows restaurants to innovate menus, invest in technology, and optimize delivery logistics. Changing consumer preferences emphasize convenience, health, and safety, which can be better understood by learning-oriented restaurants through market research. Financial constraints due to reduced capacity, closures, and increased operational costs can be addressed by seeking innovative financial solutions, such as crowd-funding, community support initiatives, or government assistance programs. Employee management and training are crucial for maintaining service standards and retaining employees. Restaurants with a learning orientation can implement effective training programs, foster team engagement, and create a supportive work environment. Digital transformation involves investing in technology, learning how to use social media effectively, implementing contactless payment systems, and utilizing analytics to track performance and customer preferences. Building resilience for future crises is essential for restaurants to adapt to new challenges and maintain their competitive edge. In conclusion, the impact of COVID-19 on restaurant performance is deeply intertwined with learning orientation, with those that embrace a culture of learning, adaptation, and innovation more likely to navigate these challenges successfully.

## Research Design

The study aims to examine the impact of COVID-19 on restaurant performance, specifically in the context of learning orientation. A mixed-methods approach is proposed, allowing for both quantitative measurement of performance metrics and qualitative insights into learning orientation practices. The sample selection includes restaurants of various sizes, locations, and types, with stratified sampling to ensure diverse representation. Data collection methods include surveys, questionnaires, industry reports, financial records, and customer reviews. Qualitative data includes interviews with restaurant owners, managers, or employees to understand how learning orientation practices were applied during the pandemic. The learning orientation of each restaurant is assessed using an established scale, such as Sinkula et al.'s Learning Orientation Scale. Performance metrics are defined to assess the impact of learning orientation on resilience and recovery. Data analysis includes quantitative testing using correlation and regression analysis, comparative analysis comparing performance metrics for restaurants with high & low learning orientation scores, thematic analysis identifying themes around learning behaviours, innovation, and adaptation from interviews from interviews to understand common learning-oriented practices and strategies.

## Data analysis & Discussion

The current article deals with Restaurants in the West Bengal region. The study has been performed firstly from the secondary data which has defined current trends in Restaurant Industry. Further a primary data analysis was also performed which was based on a questionnaire. Data was collected based on this questionnaire from Employee of the Restaurants in the West Bengal region. The total number of analyzed questionnaire was 30. The Pearson's statistical method of Chi Square test was performed with the help of SPSS software.

H1: There is a statistical correlation Commitment to Learning on the performance of restaurants

H2: There is a Shared Vision employee on the performance of restaurants

H3: There is most important factors on the performance of restaurants are: commitment to Learning, shared vision, open mindness, Risk taking Innovation

**Descriptive Statistics**

**Table1**

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
q1	30	1	5	3.00	1.203	1.448
q2	30	1	5	3.00	1.203	1.448
q3	30	1	5	2.93	1.202	1.444
q4	30	1	5	2.87	1.167	1.361
q5	30	1	5	3.17	1.315	1.730
q6	30	1	5	3.00	1.203	1.448
q7	30	1	5	3.00	1.203	1.448
q8	30	1	5	3.00	1.203	1.448
q9	30	1	5	3.10	1.269	1.610
q10	30	1	5	3.00	1.203	1.448
q11	30	1	5	3.00	1.203	1.448
q12	30	1	5	3.00	1.203	1.448
Valid N (list wise)	30					

**Table2**

Model	Initial Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	92.068			
Final	10.412	92.068	71	.002

**Pseudo R-Square**

Cox and Snell	.954
Nagelkerke	.876
McFadden	.789

**Likelihood Ratio Tests**

Model	Chi Square	Sig.
Commitment to learning	37.045	.000
Shared vision	9.561	.297
Open mindness	66.075	.000
Risk taking & Innovation	75.039	.000

As per the above table it is clear that all factors are significant at .000 except for Shared vision at .297 which is the least significant. Accordingly, the Chi Square value is also least for shared vision

Commitment to learning, Shared vision, Open mindness, Risk taking & Innovation show statistically significant associations ( $p < 0.05$ ).

As per the above table the most important factor is Risk taking & Innovation for effective usage of performance of restaurants. This is proved by the high Chi Square value 75.039 at and significance value at .000. The other important factors in is Open mindness at Chi Square Value at 66.075, Commitment to Learning (Chi Square value at 37.045) and Shared vision (Chi Square Value 9.561). All these factors are significant.

This suggests that, except for Shared vision, the other factors have significant associations with the outcome being analysed in this model.

Hence the Alternative hypothesis is accepted and null hypothesis is rejected.

**Table3** Correlation is significant at the 0.01 level (2-tailed)

				q9
Spearman's rho	q1	Correlation tailed)	Coefficient Sig. (2	.953** .000 30
	q2	Correlation tailed)	Coefficient Sig. (2	.953** .000 30
	q3	Correlation tailed)	Coefficient Sig. (2	.937** .000 30
	q4	Correlation tailed)	Coefficient Sig. (2	.896** .000 30
	q5	Correlation tailed)	Coefficient Sig. (2	.982** .000

	N				30
q6	Correlation	Coefficient	Sig.	(2-tailed)	.953**
	N				.000
					30
q7	Correlation	Coefficient	Sig.	(2-tailed)	.953**
	N				.000
					30
q8	Correlation	Coefficient	Sig.	(2-tailed)	.953**
	N				.000
					30
q9	Correlation	Coefficient	Sig.	(2-tailed)	1.000
	N				.
					30

### Conclusion

This study uses a quantitative approach to investigate the relationship between learning orientation and restaurant performance during the COVID-19 pandemic. A correlational design is employed to determine if higher levels of learning orientation are linked to improved performance metrics. A cross-sectional survey research will be conducted, collecting data from a diverse sample of restaurants. The sample includes fast-food, casual dining, and fine dining restaurants. A structured online questionnaire will be used to collect data on learning orientation components and performance outcomes. The dependent variable will be restaurant performance, which will be assessed based on financial performance, customer satisfaction, operational agility, and employee morale. Control variables will be restaurant type, size, and location. Data analysis techniques include descriptive statistics, reliability analysis, correlation tests, and regression analysis.

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