

UNIVERSITI TEKNOLOGI MARA

**THE INFLUENCE OF THE
GENERAL OPERATING
ENVIRONMENT ON THE
DEVELOPMENT AND CHANGE
TOWARD THE RESILIENCE OF
THE FOREIGN ETHNIC
RESTAURANTS IN MALAYSIA**

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Thesis submitted in fulfillment
of the requirement for the degree of
Doctor of Philosophy
(Hotel and Tourism Management)

Faculty of Hotel and Tourism Management

February 2020

AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating thee conduct of my study and research.

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ABSTRACT

For majority of the developing country, receiving the economics boost in the form of foreign direct investment has been one of the proven and effective measure to directly enhance a country's economic condition. The spillover effect from the economic wellbeing will indirectly affect key performance area in the country such as the political stability, positive business environment and the standard of living. However, despite the positive outlook on the foreign direct investment, there are a lot of challenges faced by the foreign ethnic restaurants that venture into this country. The effect of problems and unexpected crisis faced by the foreign ethnic restaurants are stronger since they are operating in unfamiliar business environment. The differences that existed between the local and foreign food socio-culture has presented the foreign ethnic restaurants with issue in attracting the potential customers. Eventually, those issues and unexpected crisis were detrimental to foreign ethnic restaurants operation in the country especially in term of its resilience. The present study, thus empirically measures the influence of the general operating environment attributes, namely technological factors, economic factors and political-regulatory in tandem with food socio-culture, organization development and change influence toward the foreign ethnic restaurants' resilience. Those attributes (technological factors, economic factors and political-regulatory factors) are anticipated toward certain degree to influence the foreign ethnic restaurant business operation resilience. Additionally, organization development and change as well as food socio-culture are also presumed to respectively display mediating and moderating effect in the study. The research is designed through a mixed methodology involving a self-administered survey and an in-depth interview with foreign ethnic restaurant owners namely Middle Eastern, Japanese, Korean and Western/European. Data collection is undertaken in five states in Peninsular Malaysia. Receiving 230 valid responses, the data was analyzed via a process of multivariate analysis using covariance based structural equation modelling (CB-SEM) utilizing AMOS (Analysis of Moment Structure) software. The result obtained from the analysis indicate that the economic and political-regulatory factors exert the most influence on the foreign ethnic restaurant resilience. This result is supported by the qualitative findings. In addition, the food socio-culture able to moderate the relationship between development and change toward the foreign ethnic restaurant resilience. This indicate that the customers play an important role in the enhancing the foreign ethnic resilience as well as contributing toward its survival. The combination between quantitative and qualitative results are able to produce richer analysis and discussion which carry varying consequences and implication to the academic perspective and practical perspective particularly to the foreign ethnic restaurant business operation. Based on the notion, it is clear that the technological, economics and political-regulatory factors as part of the general operating environment attributes not only prepare the conducive environment for restaurant business operation but also exerting constant pressure in the form of business uncertainty that require ongoing monitoring to ensure the any form of opportunity can be capitalized and any potential of crisis brewing in the background could be sensed earlier and properly mitigated through ample resources and dynamics change in the restaurant business strategy thus enhancing the foreign ethnic restaurant resilience.

ACKNOWLEDGEMENT

All praises belong to the Almighty God for without His Divine Might and Will, this thesis would not be entirely possible to be completed. From the beginning of the step toward the eventual conclusion of this PhD journey has strike an awesome realization upon which all of the event in my life had been and always been meant to be in accordance with His Divine Will. Searching the meaning and wisdom behind each occurrence is the intended path that will elevate one's spirituality. In turn, you heart will be mended and molded into a container that is unconditionally able to surrender and receive His Divine Will. Eventually, it will spark a continuous internal motivation to undertake and completed any challenges or obstacle laid upon by the Almighty God. Due to that, all praises only belong to Him for not only the completion of the PhD thesis but also for the meaningful, insightful and fruitful endeavor bestowed upon His servant.

This thesis has been a long arduous work with a mix of love, struggle and a genuine pleasure to write. It is indeed made better by the suggestions and supervision of my supervisors who offered support and advice along the way. I would like to extend my sincere gratitude and thanks to my supervisor Prof. Dr. Haji. Mohd Salehuddin Mohd Zahari. The topic of food, culture and society has been his strong point and I am thankful for his insightful remark and feedback that enable me to uplift this thesis from just the fragment of idea and concept into a completed piece of work. His clear guidance through each step and each chapter of the research really help to accelerate and propel the completion of this thesis. Another person of interest is my co-supervisor, Dr. Zulhan Othman. I am thankful for his hands-on approach in imparting the crucial knowledge of being a PhD student. His easy to understand methodology has widened my horizon on thesis writing. Both of them are clearly a blessing from the Almighty God and I am very appreciative of their effort to impart the necessary knowledge be it tacit or implicit.

To my postgraduate committee I collectively owe a huge deal of thanks for the cooperation and facilitation. This include Associate Prof. Dr. Norliza Aminudin, Dr. Norhidayah Abdullah and Associate Prof. Dr Zuraini Mat Issa. I also wish to thanks the examiners, especially Dr. Ahmad Esa Abdul Rahman for encouraging me to strive for clarity of thought. He helped me think thorough methodological challenges in new directions with an eye towards what was possible while simultaneously encouraging me to view the bigger picture. His keen eye for details really helped me to refine the thesis into its completion.

To my family especially my mother Normala Samad, brothers and sisters, I give my love and appreciation for always being there. Without their dua's, it would be much more difficult to proceed into this journey. To my fellow friends, I thank you for all the positive criticism and wishes. Finally, my offered my undying love, appreciation and warmth to my lovely wife Sarah Majidah and daughter, Nurul Latifah. They have continuously support emotionally and physically through thick and thin along the way until the PhD journey reach its completion. Their support and presence ease the struggle and help me to persevere until the end. May the Almighty God bless every soul that has directly and indirectly contribute toward the completion of this thesis.

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