

CHAPTER I INTRODUCTION

The evolution of the culinary business in Indonesia stands as a testament to its remarkable growth, even in the face of economic challenges. According to data provided by the Ministry of Industry (Kemenperin), the Food and Beverage Industry demonstrated a notable growth rate of 3.57% in the third quarter of 2022. Despite the adversities posed by the Covid-19 pandemic, this growth rate exceeded the 3.49% recorded during the corresponding period in 2021. This trend can be attributed to the intrinsic nature of food as a fundamental human necessity, a concept underscored by Maslow (1954). Therefore, as long as the consumption of food and beverages remains a paramount human need, the culinary industry is poised for continuous expansion. Moreover, it is essential to recognize that in contemporary society, culinary endeavors have transcended their utilitarian purpose and have become emblematic of a lifestyle choice among individuals (Kotler and Keller, 2009)

The contemporary culinary business landscape is characterized by escalating creativity and innovation, making it increasingly appealing to the masses. This is evident in the proliferation of restaurants, cafes, and food outlets. Furthermore, the diversity of food and beverage offerings continues to expand, presenting consumers with a wide array of choices.

During the seminar titled "Unveiling Healthy Culinary Based on Indonesian Biodiversity," held on September 4-5, 2019, and organized by the Faculty of Agricultural Technology (FTP) UGM in collaboration with the Directorate of Research and Community Service of UGM and Bekraf, Dr. Ir. Wawan Rusiawan, M.M., the Director of Research and Development at Bekraf, emphasized the significant contribution of the culinary industry to the Gross Domestic Product (GDP) of the creative economy. According to Dr. Rusiawan, the culinary sub-sector accounted for a substantial 41 percent of the total revenue in the tourism and creative economy sectors in 2017. This sector generated substantial employment

opportunities, providing jobs for approximately 8.8 million individuals and involving 5.5 million culinary industry professionals. The growth of the culinary industry has created favorable conditions for employment generation. As per the 2020 BPS Survey, the average workforce in food and beverage establishments in Indonesia was 14 employees per establishment (BPS, Statistical Report on Food and Beverage Providers 2020).

Referring to the official Indonesian dictionary, 'culinary' pertains to matters related to cuisine, whereas 'business' signifies a commercial venture within the realms of trade, industry, or commerce (KBBI: kbbi.web.id). This definition illustrates that culinary business constitutes a commercial endeavor centered around the preparation of food for sale, aiming to yield profits.

1.1 Company Profile

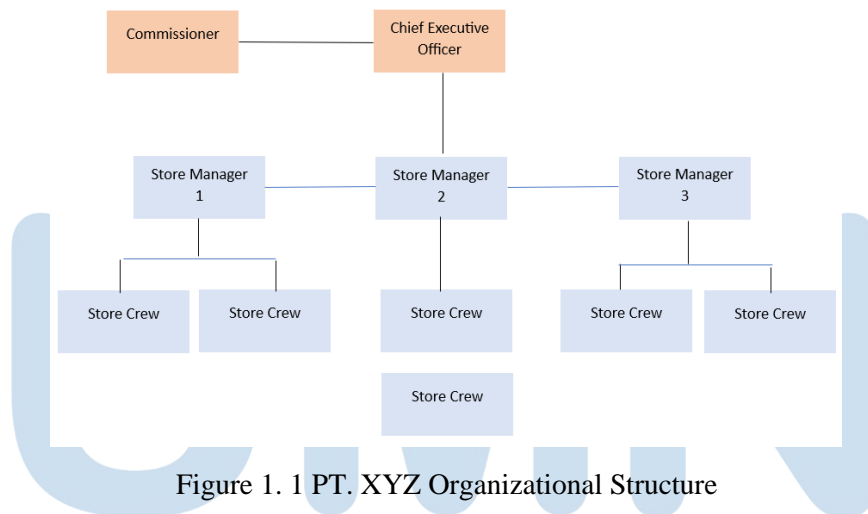
PT. XYZ is a company that recognizes the abundant opportunities within the culinary industry. Established in early 2020 and located in South Tangerang, the company currently oversees three business units in the Jakarta area, employing a total of 6 store staff. With a vision to become the largest culinary company in Indonesia, PT. XYZ aims to expand its business units nationwide. The company's mission includes establishing 1,000 culinary business units in various locations throughout Indonesia, fostering a positive and inclusive work environment. Furthermore, PT. XYZ is committed to providing equal opportunities for female employees and individuals with special needs.

One of PT. XYZ's units specializes in offering authentic Thai beverages, featuring flagship products like Classic Thai Tea and Classic Green Tea. This unit targets middle to upper market segments, adjusting prices accordingly. The beverages are served in generous portions, using premium ingredients imported directly from Thailand. Strategically, the unit operates in specific locations such as modern shopping centers, office complexes, and campuses.

Company History

PT. XYZ was founded in February 2020 by two culinary enthusiasts who identified substantial opportunities for both entrepreneurship and job creation, especially for women and individuals with special needs. Each business unit within the company offers unique products or specialties. One of these units is Dum Dum Thai Drinks, which specializes in classic Thai tea beverages. The product line includes milk-based drinks like Classic Thai Tea and Classic Thai Green Tea.

The company employs several business strategies, such as diversifying product offerings, crafting seasonal menus, choosing locations based on target demographics, leveraging social media and online stores, and providing various payment methods including cash and online payments. Presently, PT. XYZ's organizational structure comprises a Board of Commissioners and a Chief Executive Officer overseeing Store Managers, who in turn supervise Store Crew. This organizational structure is illustrated in Figure 1.2 below.



Source: PT. XYZ, 2023

Company Challenges

As the company continues to grow, challenges from various aspects are inevitable. One of these challenges is the high turnover rate among store crew employees. The company has conducted analyses, and the rapid expansion of the

culinary business has led to numerous entrepreneurs opening their own establishments, creating ample employment opportunities. However, this phenomenon also results in employees frequently switching workplaces within a short period. This poses a unique challenge for the company, as it must swiftly search for and screen potential store crew candidates to prevent employee vacancies.

To address this issue, the company has implemented various measures, such as adding a clause to employment contracts requiring employees to submit their resignations two weeks prior to their last working day. Despite these efforts, the turnover rate among store crew members has not decreased significantly. Additionally, the company attempted to increase the benefits offered to store crew members, aiming to compete with other businesses that offer higher wages. However, this approach has proven to be a significant financial burden for the company.

Therefore, there is a need for a solution to swiftly fill the vacant store crew positions and ensure the company's operations continue smoothly. In the process of recruiting store crew members, the company explored various job search platforms widely recognized in Indonesia, including OLX (www.olx.co.id). OLX is a marketplace platform that connects buyers and sellers for vehicles, real estate, jobs, household items, and more. However, this platform not only offers job-related information but also covers a wide range of fields and industries, lacking specificity in job-related information.

Subsequently, the company explored other platforms such as JobStreet (www.jobstreet.co.id), a marketplace-based job information provider. This platform facilitates the exchange of job information between job seekers and employers. However, the job listings are not specific to a particular industry but encompass various fields.

Furthermore, the company experimented with LinkedIn (www.linkedin.com), a specialized professional platform tailored for professionals seeking networking opportunities and career development. Members can create

profiles and connect with others, allowing job seekers to showcase their resumes while employers can post job vacancies. Nevertheless, this platform is predominantly utilized by professionals across diverse fields, rather than being exclusive to the culinary industry.

Upon evaluating several job information platforms, the company found no specialized platform focusing solely on culinary industry-related job information or job searches. Recognizing this gap, the company viewed it as an opportunity to create a dedicated job information platform exclusively for the culinary industry. This platform is expected to fulfill the emerging needs within the industry.

1.2 Formulation of the Problem

The rapid growth of the culinary industry in Indonesia presents unique challenges for business owners. The focal points of this thesis problem formulation are as follows:

- i. Within the F&B industry, business owners confront numerous obstacles in their recruitment efforts. Firstly, they encounter difficulty in finding, acquiring, and screening suitable candidates for their store crews. Each business within the culinary industry has its own unique requirements, necessitating a tailored approach to recruitment. This personalized approach is essential to ensure that candidates not only possess the necessary skills but also align with the specific culture of the business.
- ii. The high turnover rates challenges posed by extend beyond mere staffing issues, significantly impacting the operational efficiency and overall success of F&B establishments. High turnover rates result in a constant flux of employees, leading to a lack of consistency and stability within the workforce. This instability disrupts the smooth functioning of day-to-day operations, as new hires must be constantly trained and integrated into the team. Frequent turnover places a strain on existing staff members who must

shoulder additional responsibilities or fill in gaps left by departing employees. This can lead to increased stress, decreased morale, and overall dissatisfaction among the remaining workforce. Furthermore, the time and resources invested in recruiting, hiring, and training new employees to replace those who leave contribute to operational inefficiencies and elevated costs for the business. Ultimately, the cumulative effect of high turnover rates is a significant impediment to achieving long-term success and sustainability for F&B companies, underscoring the critical need for effective strategies to address this persistent challenge.

- iii. Job seekers with specialized backgrounds or interests in the culinary field often encounter significant hurdles in their job search endeavors. These demographic faces difficulties accessing transparent and comprehensive job information relevant to their industry niche. This scarcity of accessible data encompasses crucial details such as available job vacancies, their respective locations, offered wages and benefits, comprehensive insights into company backgrounds, and timely updates regarding job openings. The current landscape lacks a centralized platform where individuals can easily access the latest job listings tailored specifically to the F&B sector.
- iv. At present, there's a notable absence of online platforms specifically designed to facilitate employee search within the F&B industry. While numerous online platforms cater to job seekers and employers, the vast majority cover a wide range of industries rather than focusing exclusively on the specific needs of the F&B sector. Consequently, businesses operating in this industry have limited options when it comes to sourcing and recruiting suitable candidates for their roles. Without a dedicated platform tailored to the nuances of the F&B industry, both employers and job seekers must navigate through generic platforms that may not adequately meet their requirements. This lack of specialization not only complicates the recruitment process but also leads to inefficiencies and mismatches in

hiring. Therefore, there exists a clear market gap for an online platform expressly designed to facilitate employee search within the F&B industry. Such a platform would offer tailored solutions and targeted resources to meet the unique needs of businesses in this sector, potentially streamlining the recruitment process and enhancing overall efficiency and success.

1.3 Research Objective

The objective of this New Venture Project (NVP):

- **To develop a new business model that will help business owner to get store crew more effectively.**

This model aims to provide added value to business growth, particularly in terms of revenue, and offer solutions to culinary industry professionals in managing their operations. The creation of this new business model raises the **research questions:**

1. Are business owners interested in join our platform?
2. Are job seekers interested in joining our platform for their job search and interested in building their experience profiles?
3. Will the customer be willing to update their data on our platform?

1.4 Benefits of Research (New Business Projects)

This New Venture Project (NVP) addresses the challenges arising in the culinary industry and explores how the strategic application of technology is anticipated to provide solutions to meet the needs of business professionals. It is expected to bring about positive impacts on the development of the culinary industry in Indonesia. It will also will bring the academic benefit for the new venture project research and company benefits in business for expansion.