

Midocean University

Faculty of Management

Department / Specialization: Project Management

**The Impact of Operational Audit Practices on Quality
Standards
Compliance in Multi-Brand Restaurant Chains in Saudi
Arabia**

تأثير ممارسات التدقيق التشغيلي على الامتثال لمعايير الجودة
في سلاسل المطاعم متعددة العلامات التجارية في المملكة العربية السعودية

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Chapter 1: Introduction

الفصل الأول: الإطار العام للدراسة

1.1 Research Background / المقدمة

The restaurant industry is one of the fastest-growing sectors in the world, and Saudi Arabia is no exception. The country's food service market was valued at USD 27.8 billion in 2023 and is expected to grow at a rate of 11.57% annually through to 2029 (Abdou, Hassan, & Salem, 2023). This growth is connected to a number of factors — a young population, changing eating habits, and strong government investment in the hospitality and entertainment sector as part of Vision 2030. As more restaurant chains expand across the Kingdom, the question of how to maintain consistent quality across many branches becomes increasingly important for operators and managers.

Maintaining quality in a restaurant chain is not simply about serving good food. It involves managing a wide range of operational areas — from kitchen cleanliness and food storage to pest control and staff hygiene. The Saudi Food and Drug Authority (SFDA) sets clear requirements for all food businesses operating in the Kingdom, including the implementation of HACCP-based food safety systems, proper equipment maintenance, and regular pest management (Saudi Food and Drug Authority, n.d.). In the academic literature, Juran and Godfrey (1999) describe quality control as a three-step process: measuring actual performance, comparing it to a standard, and taking action when there is a gap. This is essentially what an operational audit does. Daft and Benson (2016) take a similar view from a management perspective, arguing that control systems need to be built into day-to-day operations — not just applied when something goes wrong. More specifically

in food service settings, Presti et al. (2023) found that using a structured audit checklist across different areas of a catering operation is an effective way to identify problems, apply corrective action, and improve compliance over time. Lee et al. (2021) also showed that poor implementation of food safety management systems has direct consequences for public health, reinforcing how critical it is to have a reliable monitoring tool in place.

Despite this, there is surprisingly little research on how operational audit systems work in practice within multi-brand restaurant chains in Saudi Arabia. Most existing studies either focus on a single type of establishment or look at food safety in isolation. None of them address the kind of situation common in the Saudi restaurant sector, where one company manages several different brands under one operations team — each branch needing to be audited regularly across multiple quality dimensions at the same time. As Juran and Godfrey (1999) point out, you cannot manage what you cannot measure consistently, and this is precisely the challenge that motivates the current study.

This study looks at the impact of operational audit practices on quality standards compliance in a multi-brand restaurant chain operating in Saudi Arabia. The audit system being studied covers eight operational dimensions — entrance standards, dining area cleanliness, kitchen cleanliness, equipment condition, food safety, storage, pest control, and SOP compliance — and uses a structured digital checklist to generate measurable scores across branches. The aim is to understand how this kind of systematic audit tool contributes to quality outcomes, and what lessons can be drawn for restaurant operators and operations managers in the region.

This project is divided into two main chapters. The first chapter outlines the general framework of the study — covering the research background, the problem and its significance, research questions and objectives, hypotheses, the proposed research model, methodology, scope, and the suggested structure for the final project. The second chapter will present a review of existing literature on the key study variables.

1.2 Research Problem / مشكلة الدراسة

Running quality checks across dozens of restaurant branches is genuinely difficult. Each branch operates under slightly different conditions — different staff, different customer volumes, different physical layouts — and yet all of them are expected to meet the same standards. Without a structured audit system, it is very hard to know which branches are consistently compliant and which ones need attention. Even where regulatory requirements exist — such as those set by the SFDA (Saudi Food and Drug Authority, n.d.) — compliance is not automatic. It requires regular monitoring, clear scoring, and follow-up action.

The core question this study is trying to answer is whether a structured, multi-dimensional operational audit system can actually make a measurable difference to quality compliance levels across the branches of a multi-brand restaurant chain in Saudi Arabia.

1.2.1 Theoretical Gaps / الفجوات على المستوى النظري

On the theoretical side, the quality management literature provides solid foundations — Juran and Godfrey's (1999) quality control process and Daft and Benson's (2016) framework for organizational control are both directly relevant here. However, these frameworks have rarely been applied specifically to multi-brand restaurant chains where a single audit system must cover several distinct brands operating under one management structure. Lee et al. (2021) identified that food safety management systems do not always perform as expected across different organizational contexts, which suggests that generic frameworks may not be enough. There is a need for a model that treats multi-dimensional operational auditing as a single, unified construct that can be studied in relation to quality compliance outcomes.

1.2.2 Practical Gaps / الفجوات على المستوى التطبيقي

On the practical side, many restaurant businesses in Saudi Arabia still rely on informal or irregular inspection routines that do not produce consistent, comparable data across locations. Abdou et al. (2023) noted that the Saudi food service sector includes a broad range of business types with varying levels of operational discipline. Presti et al. (2023) found a similar issue in institutional catering — no standard framework exists for regular mandatory inspections. Without a tool that scores each branch consistently and tracks changes over time, managers are essentially making quality decisions based on guesswork. This study directly addresses that problem by examining a real operational audit system already in use across a Saudi restaurant chain.

All of this points to one central research question: To what extent do operational audit practices impact quality standards compliance in multi-brand restaurant chains in Saudi Arabia?

1.3 Research Significance / أهمية الدراسة

1.3.1 At the Theoretical Level / على المستوى النظري

From a theoretical standpoint, this study fills a gap in the existing literature by applying established quality control and organizational management frameworks to a context that has received very little academic attention — multi-brand restaurant chains in Saudi Arabia. It builds on the work of Juran and Godfrey (1999) and Daft and Benson (2016) by testing their ideas in a real operational environment, and adds to the Saudi-specific food service research of Abdou et al. (2023) by introducing an operational audit dimension that previous studies have not examined. It also responds to the concerns raised by Lee et al. (2021) about the uneven performance

of food safety management systems by proposing a context-appropriate audit model that integrates multiple quality dimensions into one measurable construct.

1.3.2 At the Practical Level / على المستوى التطبيقي

In practice, the findings of this study should be useful to anyone responsible for managing quality across multiple restaurant locations. By showing which audit dimensions have the most impact on overall compliance, the study can help operations teams prioritize their efforts and use their time more efficiently. It also makes a case for the value of digital, standardized audit tools as everyday management instruments — not just inspection checklists that get filed away. Given that the Saudi food service sector is set to keep growing (Abdou et al., 2023) and that SFDA regulations require all food businesses to maintain high hygiene and safety standards (Saudi Food and Drug Authority, n.d.), there is a real and pressing need for this kind of evidence-based operational guidance.

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