

A Socio Economic Study of Unorganised Restaurant Workers in Mangaluru, India

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Abstract

Hotel and restaurant industry is one of the largest providers of employment for skilled and unskilled labour. Over 96% of this employment is from unorganized sector which is riddled with low wages, poor working conditions and lack of awareness of rights. The present study gives an insight into the socio economic conditions of unorganized restaurant workers in Mangaluru. The study reveals that that restaurant employment is chosen due to poor economic conditions and they do not have access to welfare measures. The study also observes that the level of education influences the reason for joining hotel work and the level of satisfaction of the job.

Introduction

The informal sector plays a significant role in the economy in terms of employment opportunities and poverty alleviation. It generates income-earning opportunities for a large number of people. In India, a large section of the total workforce is still in the informal sector, which contributes a sizeable portion of the country's net domestic product. Due to their isolation and invisibility, workers in the informal sector are often largely unaware of their rights, cannot organise and have little negotiating power with their employers and intermediaries (ILO 2000).

India's workforce comprises nearly 92 per cent in the unorganised segment, with the entire farm sector falling under the informal category, while only one-fifth of the non-farm workers are found in the organised segment (Sakthivel and Joddar, 2006). The workforce in the informal sector has no minimum wages or any kind of social security. Every year 5-10 million workers are added to this sector.

National Commission for Enterprises in the Un-organised Sector (NCEUS) report on Definitional and Statistical Issues relating to the Informal Economy, 2008, stated that “lack of reliable statistics on the size, distribution and economic contribution of the sector has been a major constraint in providing a realistic understanding of the significance of the informal sector to the Indian economy, leading to its neglect in development planning”. According to Ashoke K Maitra, HR and Strategy Adviser to industries, the share of the unorganised sector is quite overwhelming. In agriculture and forestry, they constitute 99.9%, in fishing 98.7%, mining 64.4%, manufacturing 87.7%, construction 92.4%, wholesale and retail trade, 98.3%, hotel and restaurants 96.7%, and transport, storage and communication 82.2%.

National Restaurant Association of India (NRAI) Food Services Report 2019 stated that the Indian food service industry is the largest service sector in India after retail and insurance. It is 20 times of the film industry, 4.7 times of hotels and 1.5 times of the pharmaceutical sector. The Indian restaurant industry employed 7.3 million people in 2018-19. The organised food service sector, which is only 35 per cent the total market, contributed Rs 18,000 crore in taxes in 2018-19.

A lot of unskilled labour is involved in the restaurant business, which results in low wages. Even for jobs that require skill and experience, the average salary for the restaurant staff remains quite low. Moreover the working conditions of the staff are still appalling in most of the restaurants. There are usually no HR policies or a clear hierarchy structure. This lack of staff management policies and processes leads to dissatisfaction among the restaurant staff.

Dakshina Kannada (South Canara) is the southern coastal district of Karnataka state with an area of 4866 Sq.Km. The district is bound by sea in the west and Western Ghats in the East, Udupi district in the North and Kerala State in the South. Mangalore is the district headquarters of Dakshina Kannada. The city of Mangalore with its old-world charm is a favourite among tourists for its pristine beaches, temples and authentic seafood. It is the largest city in the Karnataka Coastal and Malnad areas and one of the country's multi-cultural non-metro cities. Other than being the

commercial, industrial educational and healthcare hub, it is the second largest business centre in Karnataka. Around 75% of India's coffee, timber and cashew nuts exports are handled by the New Mangalore Port. Due to the influence of many communities Mangalore is a pot pourri of cultures and languages. Mangalorean food is rich with the contributions and influence of each of these cultures and therefore the restaurant industry is a thriving business in Mangalore. According to Dun and Bradstreet there are about 186 hotels and restaurant business in Mangalore.

Literature Review

The informal sector is considered to be a pre-capitalist form of production compared to the formal sector which is a profit maximising capitalist sector. There is a large volume of literature on rural–urban migration (Harris and Todaro ,1970) that examines migrants arriving in the city and initially finding work in the informal sector, then moving on to better paid work in the formal sector.

Katz and Krueger (1992) examined the impact of increases in the federal minimum wage on a low-wage labor market. Less than 5% of fast-food restaurants were using the new youth subminimum wage in July/August 1991, even though the vast majority paid a starting wage below the new hourly minimum wage immediately before it became effective. Although some restaurants increased wages beyond the level needed to comply with higher minimum wages in both 1990 and 1991, those federal minimum wage increases greatly compressed the distribution of starting wages in the Texas fast-food industry.

Dermody, Young and Taylor (2008) studied the chain and independent restaurant workers to identify job motivation factors for remaining in jobs in the restaurant industry. Interviews with servers of both independent and chain restaurants were conducted in a metropolitan city located in the United States. The results indicated that motivation is influenced by both financial and non-financial incentives. Although compensation and monetary awards appear to be the most important factors, other important motivation factors were also discovered such as relationships with co-workers, flexible working hours, atmosphere of restaurant, etc.

Kim and Jogaratnam (2010) investigated the effects of individual and organizational factors on job satisfaction and intent to stay of hotel and restaurant employees. The survey reveals that job characteristics, participative decision-making, and pressure/stress, can be good predictors of job satisfaction, while supervisory leadership and intrinsic motivation may not be a good predictors of job satisfaction. Kashyap (2014) observed that the retention rate of employees in Indian hospitality

industry is extremely low, mainly due to the employees' dissatisfaction with low pay and long working hours. A Cushman & Wakefield (2013) report states that one of the main causes of concern for

Indian hospitality industry is the lack of adequate manpower, given that hospitality is one of the most labour intensive service sectors and depends completely on the experiential and repeat value of the business.

Objectives

1. To present the demographic profile of unorganized labour in hotels and restaurants
2. To examine the working condition of hotel workers employed in hotels and restaurants in Mangalore
3. To identify the problems of the hotel workers in Mangalore.
4. To list welfare measures provided to these workers
5. To determine the level of their job satisfaction of hotel and restaurant workers.

Research Design

To pursue the current study, restaurant workers in Mangalore were surveyed. Cooks, servers and cleaners were the sample units for this study. A sample of 155 respondents were surveyed using convenience sampling method.

Results and Discussions

Table No. 1 Demographic Profile of Respondents

| Gender | No. of Respondents | Percentage |
|-----------------------|---------------------------|-------------------|
| Male | 124 | 80 |
| Female | 31 | 20 |
| Total | 155 | 100 |
| Marital Status | | |
| Married | 101 | 65.2 |

| | | |
|--|-----|------|
| Unmarried | 54 | 34.8 |
| Total | 155 | 100 |
| Area | | |
| Rural | 81 | 52.2 |
| Urban | 48 | 31 |
| Semi urban | 26 | 16.8 |
| Total | 155 | 100 |
| Age (years) | | |
| 18-25 | 29 | 18.7 |
| 26-35 | 64 | 41.3 |
| 36-50 | 45 | 29 |
| 50 < | 17 | 11 |
| Total | 155 | 100 |
| Education | | |
| Primary | 52 | 33.5 |
| High School | 56 | 36.1 |
| PUC | 31 | 20 |
| Diploma/Degree | 16 | 10.4 |
| Total | 155 | 100 |
| Family Income (Rs.) (per month) | | |
| 6000-8000 | 41 | 26.5 |
| 8000-12000 | 82 | 52.9 |
| 12000-15000 | 24 | 15.4 |
| 15000 < | 8 | 5.2 |
| Total | 155 | 100 |

Table No. 1 indicates the demographic profile of the respondents. 80% of the respondents were male while 65.2% were married. 52.2% were from rural areas. 41.3% of the respondents belonged

to the age group 26-35 years. The monthly family income of 52.9% of the respondents is between Rs 8000 to Rs 12000.

Table No. 2 Nature of Current Job

| Particulars | No. of Respondents | Percent |
|-------------|--------------------|---------|
| Cook | 49 | 31.6 |
| Servers | 72 | 46.5 |
| Cleaner | 34 | 21.9 |
| Total | 155 | 100.0 |

From the above table it can be inferred that the nature of the job of 46.5% of the respondents are servers.

Table No. 3 Reason for Joining Hotel Industry

| Particulars | No. of Respondents | Percent |
|--------------------------|--------------------|---------|
| Poor economic condition | 110 | 71.0 |
| Family tradition | 19 | 12.3 |
| Intention to start hotel | 24 | 15.5 |
| Any other | 2 | 1.3 |
| Total | 155 | 100.0 |

The above table implies that 71% of the respondents joined the restaurant business due to poor economic condition.

Table No. 4 Satisfaction of Current Job

| Particulars | Frequency | Percent |
|------------------|-----------|---------|
| Highly satisfied | 10 | 6.5 |
| Satisfied | 86 | 55.5 |

| | | |
|------------------------------------|-----|-------|
| Neither satisfied nor dissatisfied | 48 | 31.0 |
| Dissatisfied | 8 | 5.1 |
| Highly Dissatisfied | 3 | 1.9 |
| Total | 155 | 100.0 |

The table reveals that 55.5% of the respondents are satisfied with their current job and 6.5% are highly satisfied.

Table No. 5 Opinion regarding Basic Facilities

| Sl. No. | Description | Highly Dissatisfied | | Dissatisfied | | Neutral | | Satisfied | | Highly Satisfied | | Total | |
|---------|----------------------------|---------------------|-----|--------------|------|---------|------|-----------|------|------------------|------|-------|-----|
| | | F | % | F | % | F | % | F | % | F | % | F | % |
| 1 | Wages | 2 | 1.3 | 20 | 12.9 | 52 | 33.5 | 64 | 41.3 | 17 | 11 | 155 | 100 |
| 2 | Facilities at workplace | 1 | 0.6 | 12 | 7.7 | 38 | 24.5 | 83 | 53.5 | 21 | 13.5 | 155 | 100 |
| 3 | Working hours | 2 | 1.3 | 15 | 9.7 | 45 | 29 | 75 | 48.4 | 18 | 11.6 | 155 | 100 |
| 4 | Basic needs | 5 | 3.2 | 10 | 6.5 | 31 | 20 | 85 | 54.8 | 24 | 15.5 | 155 | 100 |
| 5 | Break time including lunch | 5 | 3.2 | 11 | 7.1 | 38 | 24.5 | 83 | 53.5 | 18 | 11.6 | 155 | 100 |

From the above table it is observed that the satisfaction level of respondents regarding basic needs is 54.8%, followed by facilities at workplace and break time are 53.5%, working hours is 48.4% and opinion about wages is 41.3%.

Table No. 6 Opinion regarding Nature of Job

| Sl. No. | Description | Strongly Disagree | | Disagree | | Neutral | | Agree | | Strongly Agree | | Total | |
|---------|---|-------------------|-----|----------|------|---------|------|-------|------|----------------|------|-------|-----|
| | | F | % | F | % | F | % | F | % | F | % | F | % |
| 1 | Hotel work is complex | 2 | 1.3 | 19 | 12.3 | 35 | 22.6 | 76 | 49 | 23 | 14.8 | 155 | 100 |
| 2 | Workload rises at peak hours & is dependent on customer behavior | 4 | 2.6 | 17 | 11 | 38 | 24.5 | 66 | 42.6 | 30 | 19.4 | 155 | 100 |
| 3 | Lack of replacement of sick colleagues, which in turn lead to more work for the remaining staff | 5 | 3.2 | 15 | 9.7 | 38 | 24.5 | 70 | 45.2 | 27 | 17.4 | 155 | 100 |
| 4 | Uncertainty about finishing time of the work | 2 | 1.3 | 19 | 12.3 | 50 | 32.3 | 63 | 40.6 | 21 | 13.5 | 155 | 100 |
| 5 | Monotonous work and work without creativity | 5 | 3.2 | 20 | 12.9 | 60 | 38.7 | 45 | 29 | 25 | 16.1 | 155 | 100 |

Table No. 6 reveals that 49% of the respondents agree that hotel work is complex. 42.6% agree that workload rises at peak hours and dependent on customer behaviour. Most of them agree that a lack of replacement of sick colleagues leads to more work for the remaining staff. Over 40% of the respondents agree that finishing time is uncertain. 38.7% of the respondents have neutral opinion regarding monotony of hotel work.

Table No. 7 Availability of Welfare Measures

| Sl. No. | Nature of benefits | Yes | | No | | Total | |
|---------|------------------------------|-----|------|-----|------|-------|-----|
| | | F | % | F | % | F | % |
| 1 | Life and disability covered | 61 | 39.4 | 94 | 60.6 | 155 | 100 |
| 2 | Health and maternity benefit | 50 | 32.3 | 105 | 67.7 | 155 | 100 |
| 3 | Cash loan benefit | 65 | 41.9 | 90 | 58.1 | 155 | 100 |
| 4 | Family welfare | 49 | 31.6 | 106 | 68.4 | 155 | 100 |
| 5 | Child education | 39 | 25.2 | 116 | 74.8 | 155 | 100 |
| 6 | Housing facility | 40 | 25.8 | 115 | 74.2 | 155 | 100 |
| 7 | Accident insurance coverage | 28 | 18.1 | 127 | 81.9 | 155 | 100 |

It can be observed from the above table that welfare measures to the respondents with respect to life and disability covered is 39.4%, health and maternity benefit is 32.3%, cash loan benefit is 41.9%, family welfare is 31.6%, child education is 25.2%, housing facility is 25.8% and accident insurance coverage is 18.1%.

Table No. 8 Area and Reason for Joining Hotel Work Cross tabulation

| Area | Reason for joining | | | | Total |
|-------------------|-------------------------|------------------|--------------------------|-----------|-------|
| | Poor economic condition | Family tradition | Intention to start hotel | Any other | |
| Rural | 60 | 11 | 10 | 0 | 81 |
| Urban | 34 | 6 | 7 | 1 | 48 |
| Semi urban | 16 | 2 | 7 | 1 | 26 |
| Total | 110 | 19 | 24 | 2 | 155 |

Table No. 9 Education and Reason for Joining Hotel Work Cross tabulation

The table reveals that 60 respondents who come from rural area and from poor economic condition joined hotel work to earn a livelihood. 24 of the respondents have an intention to start a hotel in the future.

| Education | Reason for Joining | | | | Total |
|--------------|-------------------------|------------------|--------------------------|-----------|-------|
| | Poor Economic Condition | Family Tradition | Intention to start Hotel | Any Other | |
| Primary | 45 | 5 | 2 | 0 | 52 |
| High school | 44 | 6 | 6 | 0 | 56 |
| PUC | 16 | 5 | 9 | 1 | 31 |
| ITI/Diploma | 1 | 1 | 2 | 0 | 4 |
| Degree | 1 | 2 | 2 | 1 | 6 |
| Others | 3 | 0 | 3 | 0 | 6 |
| Total | 110 | 19 | 24 | 2 | 155 |

Table No. 10 Education and Satisfaction of Current Job Cross tabulation

| Education | Satisfaction of current job | | | | | Total |
|--------------|-----------------------------|-----------|------------------------------------|--------------|---------------------|-------|
| | Highly Satisfied | Satisfied | Neither Satisfied nor Dissatisfied | Dissatisfied | Highly Dissatisfied | |
| Primary | 3 | 32 | 14 | 2 | 1 | 52 |
| High school | 2 | 31 | 17 | 5 | 1 | 56 |
| PUC | 2 | 18 | 10 | 1 | 1 | 32 |
| ITI/Diploma | 2 | 1 | 0 | 0 | 0 | 3 |
| Degree | 1 | 3 | 2 | 0 | 0 | 6 |
| Others | 0 | 1 | 5 | 0 | 0 | 6 |
| Total | 10 | 86 | 48 | 8 | 3 | 155 |

Hypothesis

H₀₁: There is no association between the area and the reason for joining hotel work

H₀₂: There is no association between the education of respondents and the reason for joining hotel work

H₀₃: There is no association between the education of respondents and satisfaction of current job.

Table No. 11 Results of Chi-Square Tests

| Sl. No | Association Between the Factors | Test statistics | p-value |
|--------|---|-----------------|---------|
| 1 | Area and Reason for joining hotel work | 6.329 | 0.387 |
| 2 | Education and Reason for joining hotel work | 43.540 | 0.000 |
| 3 | Education and Satisfaction of current job | 27.921 | 0.022 |

The chi square results for H_{01} has a p value of 0.387, which is greater than the level of significance (0.05). It can be inferred that there is no association between the area and the reason for joining the hotel work for the respondents.

The chi square results for H_{02} has a p value of 0.000, which is less than the level of significance (0.05). The results indicate that there is an association between the education of respondents and the reason for joining the hotel work.

The chi square results for H_{03} has a p value of 0.022, which is less than the level of significance (0.05). The study concludes there is an association between the education of respondents and satisfaction of current job.

Conclusion

The socio-economic condition of workers in informal economy particularly the restaurant workers is very glum. There is no job security and welfare provisions for them. The present study is an attempt to examine the socio economic conditions of hotel and restaurant workers in Mangalore. It is clear from the study that hotel employment is chosen due to poor economic conditions and the workers are satisfied with the nature of job. However they do not have access to welfare measures. The study also highlights that the level of education influences the reason for joining hotel work and the level of satisfaction of the job. Organized efforts on the part of the government in general as well as hotel and restaurant industry in particular are necessary for the welfare of unorganized hotel workers.

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