

DO WAITERS GET THEIR FAIR SHARE? A CASE STUDY ON THE WORKING CONDITIONS OF WAITERS

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January 2009

Abstract

In 2007 the working conditions and remuneration of waiters in South Africa changed with the introduction of the Sectoral Determination 14, as an addition to the Basic Conditions of Employment Act no 75 of 1997. One important provision of the Sectoral Determination is the introduction of minimum wages for employees in the hospitality sector, including waiters. The aim of this paper is to investigate the working conditions and remuneration of waiters and to compare their actual working conditions with those stipulated by the above legislation. In order to achieve this aim, the research includes a literature review of the BCEA and Sectoral Determination as well as a survey amongst waiters in Kempton Park (South Africa), investigating the actual working conditions and remuneration of waiters. A comparative study of the actual working conditions is done and the results are compared with the available literature on the topic. From this analysis relevant policy recommendations are formulated.

Keywords:

Tourism industry, hospitality sector, restaurant sub-sector, minimum wages, working conditions, labour legislation

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1. INTRODUCTION

The principles of fairness and humaneness are central features of the labour market. However, fairness is not always ensured in the contract between employer and employee, because of unequal bargaining power. The employer is usually in a much stronger position than the individual worker (Barker, 2003:2). Employees in the hospitality industry, and especially in the restaurant and other food outlets industry, are very vulnerable in this regard because a large number of businesses in the hospitality industry rely on casual staff and have a high staff turnover rate. This allows employers to avoid a range of legislated benefit commitments such as sick pay, leave and training (Murtuza, 2007a:1).

The industry is also not organised or unionised, leaving employees without a collective bargaining set-up. This, and the fact that waiters are usually regarded as temporary or contract labour, inhibits effective collective bargaining (Bell, 2005:1). In an industry where there is insufficient collective bargaining, the government has a responsibility to set minimum wages (Barker, 2007:6). Compensation also has an effect on employee motivation and job satisfaction (Lim, 2008:53). Many challenges therefore remain with regard to updating minimum wages of the unorganised and vulnerable groups of employees (Barker, 2007:108).

Besides studies by Bothma and Thomas (2001) and Germishuis (2002) in Bloemfontein, very little research has been done on the remuneration and working conditions of waiters in other parts of South Africa (DOL, 2006:53). In 2006, however, the Department of Labour, with the assistance of the Human Sciences Research Council, conducted an extensive investigation on a national level into the remuneration and working conditions of workers in the hospitality sector. The Sectoral Determination 14 of 2007 for the Hospitality Sector emerged from this investigation.

The investigation was necessary as the wage levels and conditions of employment are outdated and have not kept up to date with the cost of living. The geographical demarcations in the then Sectoral Determinations were also not in line with changes introduced by the National Demarcation Board, resulting in confusion and enforcement problems. The feasibility of combining the previous Sectoral Determinations had to be investigated and the levels of vulnerability of employees in the sector had to be established (DOL, 2006:7). The Sectoral Determination 14 of 2007 for the Hospitality Sector emerged from this investigation.

The aim of the Sectoral Determination 14 is to prevent the exploitation of employees and confusion amongst employers (Gadebe, 2007:1). The major changes to the Basic Conditions of Employment Act (BCEA) no 75 of 1997 and the Amended Basic Conditions of Employment Act no 75 of 2002 concern the remuneration of employees in the hospitality sector.

Two levels of minimum wages have been introduced. The minimum wage for workers who are employed by establishments that employ less than 10 workers is slightly lower than the minimum wage for workers in establishments that employ more than 10 workers. An across-the-board percentage increase for the next two years was also announced. The per annum increase in the minimum wages is based on the CPIX plus an additional 2% (Sectoral Determination 14, 2007:4). This approach is similar to that followed in the domestic worker market (Matjeke, 2008:49-50).

Some people in the industry, however, interpret the new regulation as applying only to full-time employees and not to part-time employees. This led to fears that the industry might resort to mass casualisation of its workforce (Burtenshaw, 2007:1). The Department of Labour made it clear, however, that only the two levels of wages exist, and no distinction is made between permanent, part-time and casual staff (DOL, 2007:1).

Another amendment affecting the remuneration of waiters is the re-implementation of the “double pay” wage for working on a Sunday. The provision for double pay for working on a Sunday was introduced by the Amended BCEA of 2002. Employers in the hotel and restaurant sub-sectors, however, were granted an exemption for this condition of employment in 2003 (DOL, 2006:36). The new Sectoral Determination 14 cancels this exemption.

Even though the working conditions are almost the same as those in the Basic Conditions of Employment Acts, previous studies still reported discrepancies between the legislated working conditions and the actual working conditions (Bell, 2005:1 and Germishuis, 2002:45).

2. AIM OF THE PAPER

Against this background and the fact that it is almost a year after the implementation of the Sectoral Determination 14, it is important to assess on a micro-economic level whether discrepancies still exist between law and practice. Kingdon and Knight (2001:2) state that the investigation of unemployment in South Africa requires the availability of reliable micro-economic data – that is, data collected directly from individuals or collected about individuals from their households. Reliable micro-economic data is important in the investigation of any labour market issue, however, and is therefore also important for this study.

The aim of this paper is to investigate the working conditions and remuneration of waiters in Kempton Park and to compare their actual working conditions with those stipulated by the above legislation. Kempton Park is a city that lends itself well to the case study, as it covers different types of restaurants in different types of environments. The restaurants at Oliver Tambo International Airport and Emperors Palace cater for a vast variety of guests, including local, national and international guests.

In order to achieve this aim, the research includes a literature review of the BCEA no 75 of 1997, the Amended BCEA no 75 of 2002, the Sectoral Determination 14 of 2007 and other literature on this topic. Furthermore, the paper undertakes a micro-economic study to investigate the current working conditions and remuneration of waiters in Kempton Park. It then compares the actual working conditions and remuneration with those stipulated by the above legislation as well as with other micro-economic studies. The paper concludes with relevant policy recommendations.

3. METHODOLOGY

The study includes a literature review as well as a questionnaire to investigate the current working conditions and remuneration of waiters in Kempton Park, and to compare their actual working conditions with those stipulated by legislation.

The study is quantitative in nature and literature was collected from primary and secondary sources. Micro-economic data was collected by way of a questionnaire. A structured questionnaire was used to collect information directly from waiters. The questionnaire was based on the questionnaire used by Germishuis (2002), and was divided into four sections providing useful information on the profile of the waiters, their education and job experience, their working conditions and their remuneration.

Senior students from the Department of Economics and Econometrics at the University of Johannesburg were used as fieldworkers and were responsible for the collection of the data. The

fieldworkers received training to do the fieldwork.

All restaurants in Kempton Park that employ waiters were covered by the survey. A total of 47 restaurants were identified of which 32 gave permission for their waiters to be interviewed – a success rate of 68%. A total of 138 waiters were interviewed. The data was collected over a period of three weeks during March 2008.

4. LITERATURE REVIEW

South Africa's tourism industry is a highly competitive growth industry. According to a skills audit by the Department of Environmental Affairs and Tourism (DEAT, 2007:1), the tourism industry currently contributes about 8.2%, or R79 billion, of the Gross Domestic Product (GDP). The hospitality sector in which most waiters operate is the largest sub-sector, with an estimated 28 000 employers and 290 000 employees (DEAT, 2007:11). Restaurants are the largest sub-sector in the hospitality sector (DOL, 2007:66). The skills audit also estimates that the sector will require almost 23 500 more waiters over the next three years (DEAT, 2007:35). The high demand for waiters can be attributed to aspects such as emigration, mortality, retirement, and HIV/Aids (DEAT, 2007:35).

The hospitality sector is characterised by long working hours, work over weekends, low wages and high staff turnover rates. Besides management positions, waiters are the most difficult position to fill (DEAT, 2007:12). In the light of the high unemployment rates in South Africa and the fact that waiters require little formal education, the high turnover rate is of great concern.

The high turnover rate increases the cost of labour and has a negative impact on the profit and the survival of an establishment (Lim, 2008:65). In the hospitality sector, employee turnover may compromise the consistency and quality of customer service (Tracey & Hinkin, 2006:1). Apart from the financial costs to replace staff, there are also other costs such as recruitment costs and opportunity costs associated with high staff turnover rates. Opportunity costs include costs associated with wasted administrative time, repetitive training obligations of remaining and new employees, costs associated with defensive behaviour related to terminations and a lack of motivation, a decrease in morale of remaining employees, and lost sales (Lim, 2008:52; Varoglu & Eser, 2006:31; Tracey & Hinkin, 2006:1). The damage to productivity caused by the inexperience of new employees is the greatest contributor to the overall costs of high turnover rates (Tracey & Hinkin, 2006:1).

All these factors are disruptive to both organisational culture and structure. The ability to retain employees is normally a function of compensation, job satisfaction and managerial personality (Lim, 2008:52–54).

Waiters are constantly interacting with guests and have to ensure that guests are satisfied. Waiters are therefore very important contributors to the success of an establishment (Lim, 2008:52). According to Braymer (in Varoglu & Eser, 2006:30), all companies view service as critical to retain their internal as well as their external customers. Quality service provision is very important in the hospitality sector, as customers are becoming more demanding. Many studies show that customers expect not only excellent, high quality goods, but also high levels of service along with these (Varoglu & Eser, 2006:30).

Every member of staff in hospitality organisations contribute to guests' service experience and therefore the organisation's competitive advantage. The concept of fairness is realised by

servicing internal customers with the same attentiveness to detail as when servicing guests. Customers' satisfaction depends on employee satisfaction and this encourages employers to treat their employees in the same manner as they want their customers to be treated. This will contribute to motivated and satisfied staff, which in return will decrease the turnover rate and increase the retention of employees (Varoglu & Eser, 2006:30).

Micro-economic studies by Bothma and Thomas (2001) and Germishuis (2002) in Bloemfontein revealed wide discrepancies between the actual and legally prescribed remuneration and working conditions of waiters. This is an indication that waiters are not always treated fairly.

Until June 2007, there was no clear regulation on the minimum wage for the estimated 568 300 hospitality workers in South Africa, despite the fact that a minimum wage had already been set in the Wage Determination 461 of 1989 (Bell, 2005:1).

The minimum wage for waiters was set at R2,28 an hour. However, in the Johannesburg Bargaining Council in 2001, the unions and employers jointly agreed to a minimum wage of 50 cents per hour for waiters (Bell, 2005:1). This bargaining council agreement undercut the national minimum wage established by the Wage Determination 461. This led to confusion and exploitation in the sector.

None of the respondents in the study by Bothma and Thomas (2001:269) received a regular wage, despite the fact that over half of them were full-time employees. To date some workers still have to rely solely on tips as their only remuneration (Bothma and Thomas, 2001:268-9; Germishuis, 2002:27; Bell, 2005:1; and Khanyile, 2007:1).

According to Murtuza (2007b:1), the new legislation has the potential to improve productivity in the hospitality industry. Increased labour costs will require higher performance from employees, which, in turn, will increase investment in training. Increased training and the resulting improvement in productivity will give employees the chance to follow a career in the hospitality industry. Feedback from unions, however, indicates that skills development is a secondary issue for workers in the sector. Other issues such as job security, wage determination, safety, transport and medical care are more pertinent and if not addressed adequately will continue to render training ineffective (DEAT, 2007:6)

A minimum wage for hospitality workers may not be good for all workers in the industry, however. Some workers might lose their jobs or not be able to find a job in this industry (Tupy, 2004:1). The reduction in the demand for workers may manifest itself through a reduction in the hours worked or through a reduction in the number of jobs. Minimum wages might therefore lead to higher unemployment rates (McConnell and Brue, 1995:375; Barker, 2007:109).

Minimum wages also reduce employment amongst teenagers, unskilled and low-wage workers in particular. They hurt the least employable by making them unemployable, pricing them out of the market (Kibbe, 1988:1). Instead of protecting these groups, minimum wages may affect them worst (Barker, 2007:109). If increasing labour costs are passed on to the customers, they create an inflationary effect (Barker, 2007:108). Artificial increases in labor costs can therefore produce cost-push inflation (Kibbe, 1988:1).

According to the National Manpower Commission (Barker, 2007:141 and Tupy, 2004:1), the most important argument in favour of a minimum wage is that it enables a worker to maintain a certain minimum standard of living. As wage costs increase, employers will use their labour more efficiently, and this will improve the productivity of workers (NMC 1983:16). Employers will also be more inclined to train and develop workers (Barker, 2007:108).

A minimum wage will also improve workers' morale and nutrition, and reduce absenteeism, illness and labour turnover, which will also have a positive effect on productivity (Barker, 2007:108). Moreover, a minimum wage also serves as an incentive to work (Tupy, 2004:1) and can counterbalance some distorting factors in the market, such as discrimination against certain employees like casual or part-time workers.

Apart from the change in remuneration, many role players see the Sectoral Determination 14 as a replica of the BCEA and criticise the Department of Labour for not considering the unique conditions in the restaurant industry. The provisions of the BCEA no 75 of 1997 and the Amended BCEA no 75 of 2002 also still apply to all employees and their employers covered by this Determination in respect of any matter that is not regulated by this Sectoral Determination.

The analysis of the data collected in the micro-economic study will reveal the actual working conditions of waiters in Kempton Park. After this analysis, the legal situation is compared with the actual situation in the workplace in terms of the provisions of the labour law for waiters.

5. ANALYSIS OF DATA

The following section analyses the results of the micro-economic study according to the profile of the waiters in Kempton Park, their educational qualifications, working conditions and remuneration.

5.1 Profile of waiters in Kempton Park in 2008

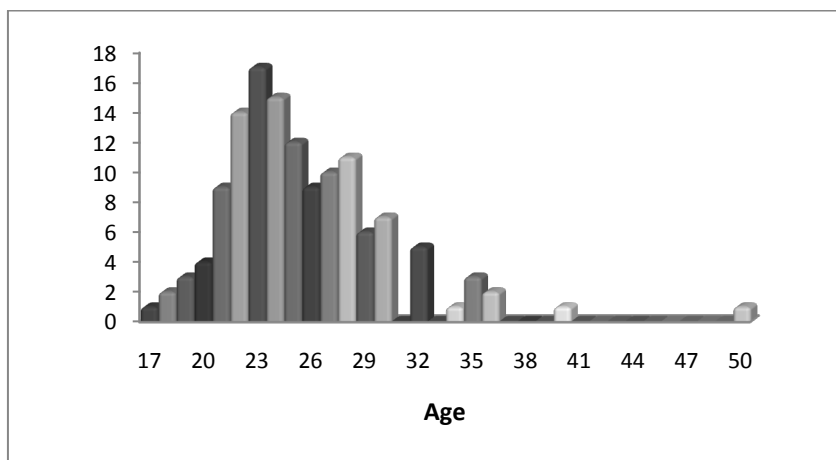


FIGURE 1: Age distribution of respondents, 2008

Source: Survey data (2008)

FIGURE 1 shows the age distribution of waiters in Kempton Park. The average age of the waiters in Kempton Park is 25.6 years. The youngest waiter is 17 years of age and the oldest is 50 years of age. More than half (or 64.7%) of the waiters were between the ages of 17 and 26.

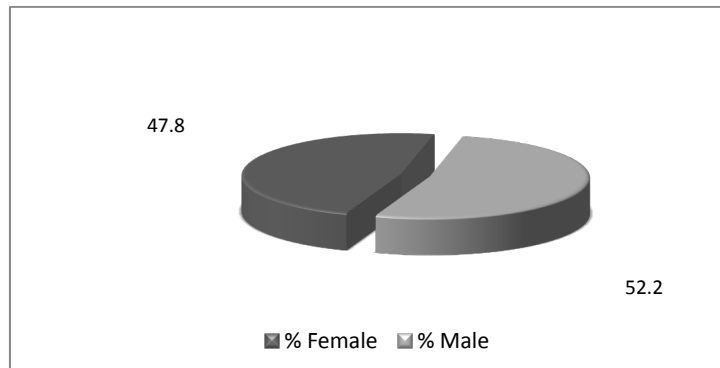


FIGURE 2: Gender distribution of respondents, 2008.

Source: Survey data (2008)

The results show a balanced distribution between male and female waiters. As can be seen from **FIGURE 2**, 72 (52.2%) of the respondents were male and 66 or 47.8% were female. This distribution compares well with the results of a similar study in Bloemfontein (Germishuis, 2002), with a distribution of 45% and 55% for males and females respectively.

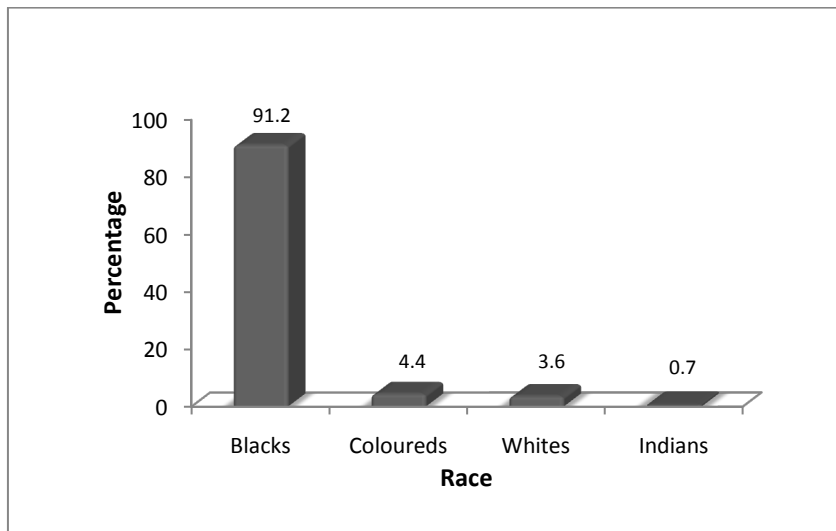


FIGURE 3: Race distribution of respondents, 2008.

Source: Survey data (2008)

In terms of race distribution, the vast majority of the respondents were black (91.2%), followed by 4.4% coloureds, 3.6% whites and only one Indian waiter, representing 0.7% of the sample.

5.2 Education, work experience and training

The educational qualifications of the respondents, shown in **TABLE 1**, are similar to those in the study by Germishuis (2002).

TABLE 1: Highest educational qualification of waiters in Kempton Park, 2008

	<i>Frequency</i>	<i>Valid %</i>
No schooling	1	0.7
Some primary schooling	2	1.5
Completed primary schooling	2	1.5
Some secondary schooling	26	19.4
Completed secondary schooling	86	64.2
Post-school qualification	17	12.7
TOTAL	134	100.0

Source: Survey data (2008)

The majority (64.2%) of the respondents has completed their secondary schooling and 12.7% have a tertiary qualification, as opposed to the 75% and 17% respectively in the Bloemfontein study (Germishuis, 2002:22).

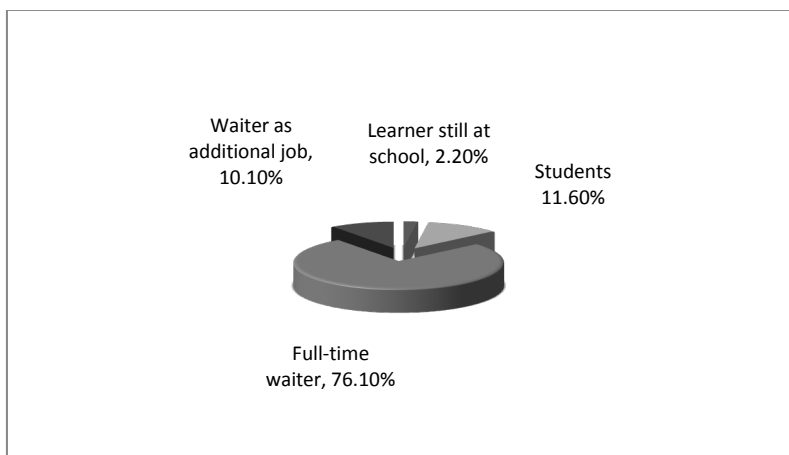


FIGURE 4: Current employment status of respondents, 2008

Source: Survey data (2008)

FIGURE 4 displays the employment status of waiters in Kempton Park in 2008. The status of waiters seems to be influenced by the proximity of institutions of higher learning. In Bloemfontein, 35% of the waiters were students in 2002 as opposed to the 11.6% in Kempton Park in 2008 (Germishuis, 2002:22). As a result, far more waiters in Kempton Park (76.1%) are active in this profession as their major or only source of income, whereas in Bloemfontein this figure was just over 50% (Germishuis, 2002:22).

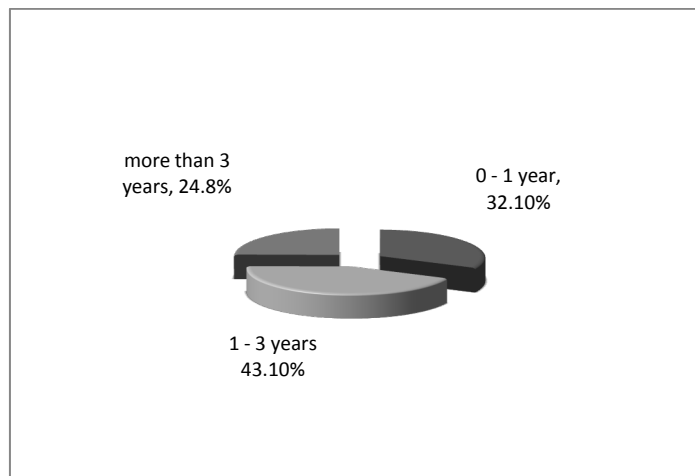


FIGURE 5: Length of experience as a waiter (2008)

Source: Survey data (2008)

The results in **FIGURE 5**, which concern the length of experience as a waiter, further reveal that waiters do not stay in the occupation for long periods. The majority (43.1%) of respondents had been waiters for one to three years. The shortest period of service was a mere one month. There is one respondent, however, who has been doing this job for 20 years.

The average length of experience is two years and the median is 2.5 years. Just over 30% have been doing this job for less than a year and the remaining 24.8% have been doing it for more than three years. Again, what is noteworthy is the close similarity of this data to that of the 2002 study in Bloemfontein (Germishuis, 2002:23).

Almost all respondents (96.4%) received training for this occupation. More than half (51.9%) of the respondents indicated that the training lasted between one and two weeks. Seventy (or 51.5%) of the respondents indicated that they did receive some form of remuneration during the training period. The payment in question consisted mainly of a free meal as opposed to monetary compensation. For every three waiters who received some remuneration, one received monetary remuneration while two received a free meal.

5.3 Working conditions

The study in Bloemfontein in 2002 revealed that the waiters were working very long hours (Germishuis, 2002:45). This study does not confirm this fact. The average number of shifts that the respondents work is 6.6 shifts per week, with a median of six shifts. As many as 42% indicated that they work six shifts per week. A further 16.7% work seven shifts a week and 10.1% indicated that they work as many as eight shifts per week.

The spread of these shifts between day and evening shifts seems to be more or less equal, with the median being three in both cases. The average length of day and evening shifts is 7.7 and 7.3 hours respectively. A double shift is just over 13 hours long.

Although 74.8% of the respondents did receive a rest period between shifts, 25.2% indicated that they do not get any rest period during a shift. Germishuis (2002:25), on the other hand,

found that in Bloemfontein in 2002 none of the respondents enjoyed a rest period during a single shift, but all received a rest period of between one and two hours in a double shift. In Kempton Park the average rest period is half an hour for both a day and night shift and an average of an hour for a double shift.

Only 26.8% of the respondents worked overtime. Most of these respondents (95%) also indicated that they only worked overtime when it was necessary. When they do work overtime the length of time involved is on average 3.5 hours.

A disturbing feature is the fact that only 16.7% of the respondents indicated that they receive additional monetary remuneration for working on Sundays and/or on public holidays. However, this figure is more encouraging than the findings of Germishuis (2002:27), who established that no waiters in the 2002 survey in Bloemfontein received additional compensation for working on Sundays and/or public holidays. Only 7.3% of the respondents received compensation other than money for working on Sundays and/or on public holidays. Three of these received an additional staff meal for work on Sundays and/or on public holidays and six respondents received extra time off for working on such days.

Despite the fact that more than 70% of the respondents were in this occupation on a full-time basis, only 23.9% of the waiters indicated that they qualify for annual leave. The average number of annual leave days in question is 23, with 21 being the median. Only 13.1% of the respondents qualify for paid sick leave. The average days allowed for this purpose is 8.63 days per year. The above results begged the question whether the respondents are aware of the existence of the BCEA. In response, 54% indicated that they were aware of the existence of this legislation, whereas 46% were not. This is illustrated in **FIGURE 6**.

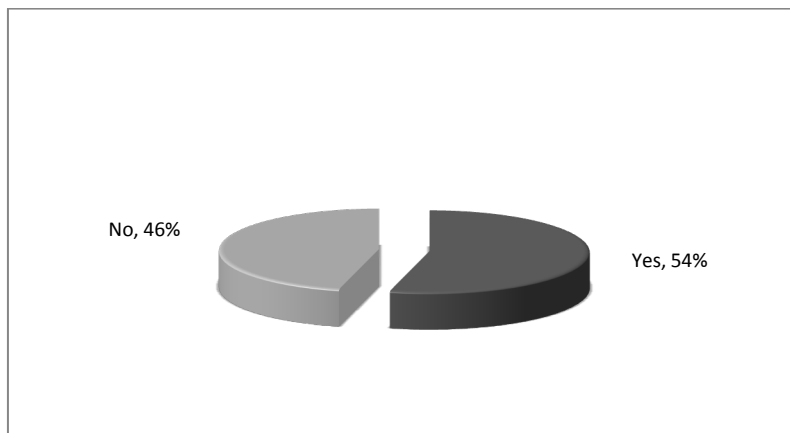


FIGURE 6: Respondents' awareness of the existence of the Basic Conditions of Employment Act, 2008

Source: Survey data (2008)

It is interesting to note that the findings by Germishuis (2002:25) in Bloemfontein in relation to this question were precisely the same.

FIGURE 7 demonstrates that as many as 70.8% of the respondents have a signed working contract. For 29.2%, there is no form of contract between themselves and their employers. This is markedly different from the situation that existed in Bloemfontein in 2002, where a mere 12% of

waiters had a written service contract between themselves and their employers (Germishuis, 2002:26).

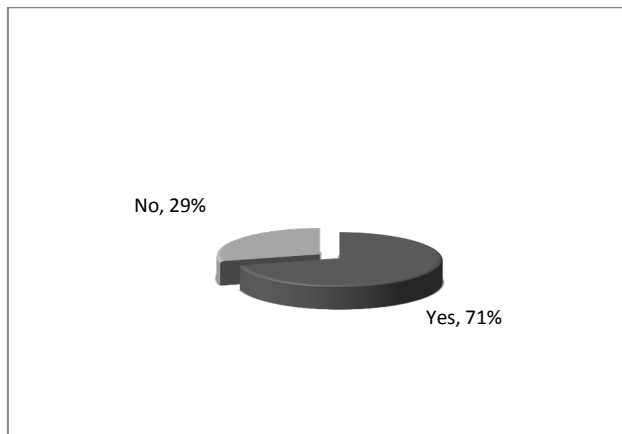


FIGURE 7: Contract of service between employee and employer, 2008

Source: Survey data (2008)

This seems to be a sign of an improvement in the general level of compliance with labour legislation over time across labour markets. Similar improvements were found in the market for domestic workers in Bloemfontein over a period of 10 years (Blaauw & Bothma, 2007:11). Matjeke (2007:56) pointed out that just more than 47% of the employers in Orchards signed contracts of service with their domestic workers in 2007. This figure stood at only 10.6% in Soshanguve. Therefore on average 28.6% of domestic workers in Orchards and Soshanguve met this requirement.

Only 25% of the waiters were expected to work a notice period if they wanted to resign. The remaining 81.6% were not obliged to adhere to this requirement. Other micro studies on the same topic yielded different results. In Bloemfontein in 2002, 41% of the respondents had to work a notice period (Germishuis, 2002:33). This is more than double the number in the Kempton Park area. This seems to suggest that not all aspects of the labour law are consistently adhered to. The varied tasks that waiters are expected to perform are summarised in **FIGURE 8**.

The results in **FIGURE 8** provide few surprises. The exceptions are the 20.3% of waiters who are involved with determining shifts of co-workers, 16.7% who are expected to help with food preparation and the 54.3% who must be able to provide specialised knowledge on the wine available in their establishment.

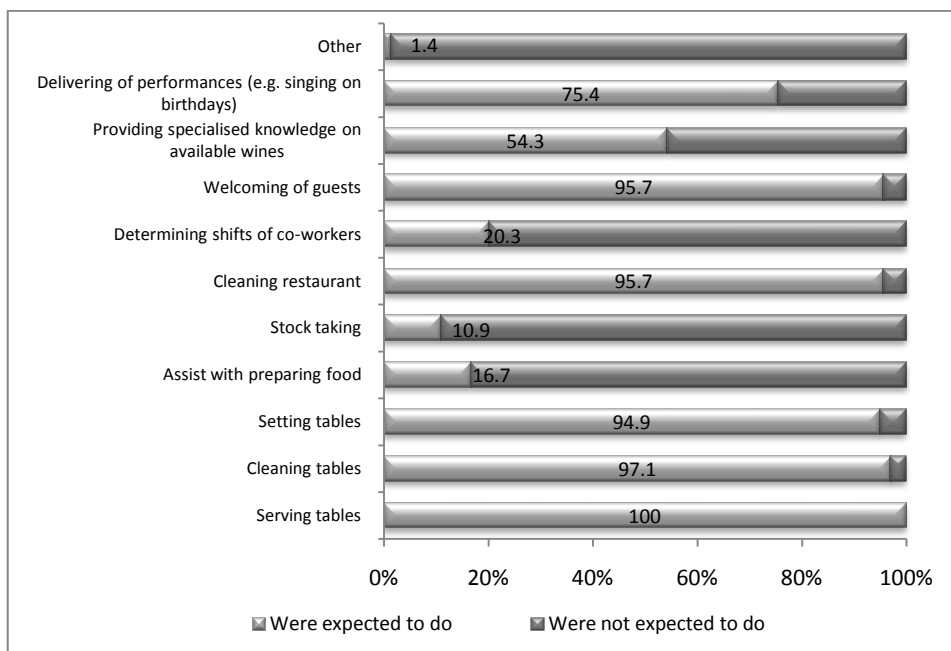


FIGURE 8: Tasks that waiters in Kempton Park are to perform, 2008

Source: Survey data (2008)

5.4 Remuneration

In essence, there are four ways in which waiters are compensated for their labour. They can earn commission on the food and/or drinks sold to the tables under their care, they can earn the gratuities of the customers they serve, a fixed salary or a combination of the above. Various questions were included in the questionnaire to disaggregate the above.

The first question concerned whether the respondents received any basic wage, excluding tips and/or commission. It was determined that only 51 of the respondents, representing 37%, did indeed receive such a form of remuneration. The remaining 63% did not. The respondents were asked to indicate the amount of this basic wage, either in Rand per hour, week or month, depending on which is applicable to them. The results are represented in **TABLE 2**.

More than 70% of the 51 respondents who receive a basic wage indicated their wage per hour. As shown in **TABLE 2**, the average basic wage per hour was R6,22 and the median was R6,00. The lowest hourly wage was R3,50, while the highest was R11,00. The average basic wage per month was R1 296,52 and the median was R1 200,00. The lowest monthly wage was R960,00 and the highest monthly wage was R1 700,00.

TABLE 2: Basic wages (excluding commission and tips) per hour, week or month, 2008

<i>Basic wage per hour</i>					
Range	R0 - R5	R5,01 - R10	R10,01 - R15	Mean	Median
No	17	15	5	R6,22	R6,00
<i>Basic wage per week</i>					
Range	R0-R100	R101-R200	R201-300	Mean	Median
No		1		R200	R200
<i>Basic wage per month</i>					
Range	R901 - R1 200	R1 201 - R1 500	R1 501 - R1 800	Mean	Median
No	9	6	2	R1 296,52	R1 200

Source: Survey data (2008)

More waiters receive commission as a form of remuneration as opposed to a basic wage. Almost 77 (55.8%) and 73 (52.9%) respondents specified that they receive commission on food and drinks respectively. **FIGURE 9** provides a breakdown of the commission structure of the waiters.

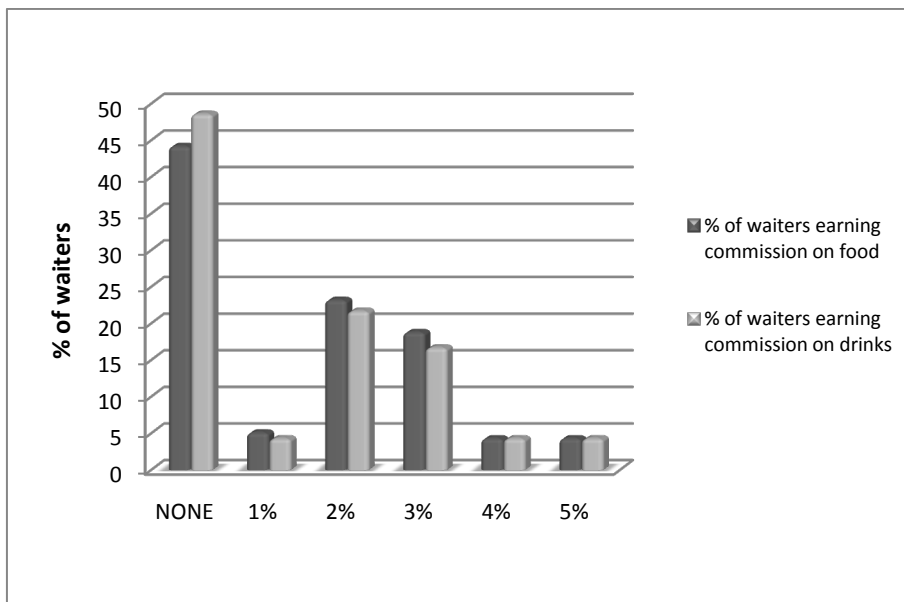


FIGURE 9: Commission structure of waiters in Kempton Park, 2008

Source: Survey data (2008)

Just under one-third (29.6%) of the respondents indicated that they receive additional forms of

remuneration such as a staff meal from their employers. Although the law specifies a minimum basic wage that excludes tips and gratuities, 16 of the respondents still only receive tips as remuneration with no basic wage or commission.

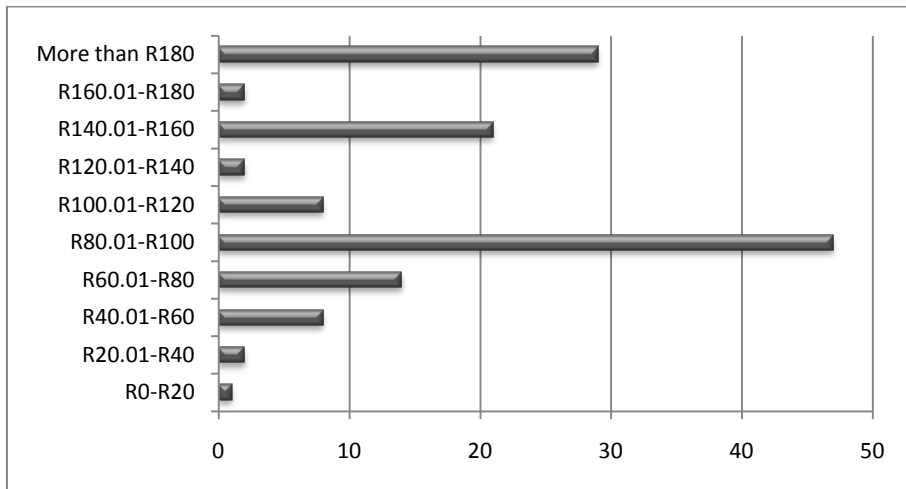


FIGURE 10: The average tips per shift in Kempton Park, 2008

Source: Survey data (2008)

FIGURE 10 shows that more than half of the respondents receive tips in the order of between R40 and R100 per shift worked. The average tip per shift was R133,25 and the median was R100. The sizes of the tips range from R20 per shift to R500 per shift.

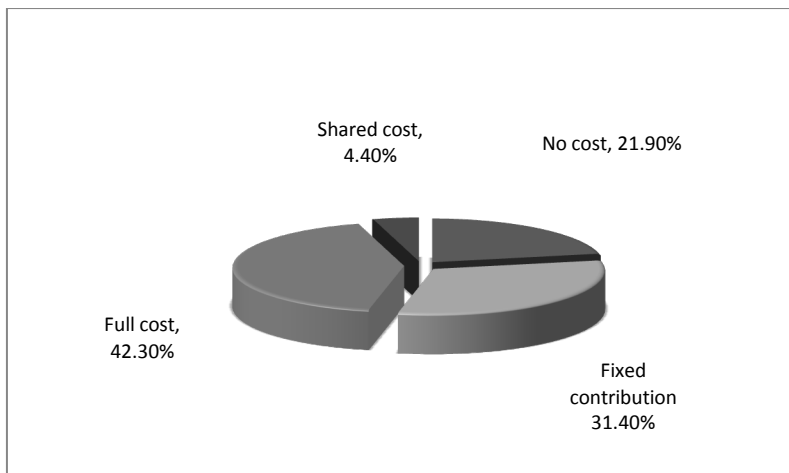


FIGURE 11: Contribution to breakages, 2008

Source: Survey data (2008)

There were however 29 respondents who received more than R180 per shift. There are also certain deductions from the income of waiters. Most important in this regard is money deducted for breakages. Waiters were asked to indicate how breakages are handled in the restaurant they

work in. **FIGURE 11** presents the results.

The percentage of waiters who bear the full cost of breakages is more than double that of the waiters in Bloemfontein in 2002 (Germishuis, 2002:30). In spite of the high percentage of respondents who must bear the full cost of breakages, almost 60% indicated that they did not sign any written agreement with their employers in this regard. This is the case in spite of the fact that such an agreement is a requirement of the BCEA no. 75 of 1997 (Germishuis, 2002:33). It was also determined that 80% of the respondents had to pay for their own uniforms.

6. COMPARISON BETWEEN LAW AND PRACTICE

TABLE 3 provides a summarised comparison between the required working conditions of waiters, according to the Amended BCEA no 75 of 2002, the Sectoral Determination 14 of 2007 and the actual conditions of service in Kempton Park in 2008.

TABLE 3: Comparison between the de jure and actual remuneration and working conditions of waiters in Kempton Park in 2008

	<i>According to legislation</i>		<i>Actual (2008)</i>	
<i>Maximum working hours</i>				
	≤5 days pw = 9 hours per day		Average length of day shift = 7.7 hours	
	5 days pw = 8 hours per day		Evening shift = 7.3 hours	
	incl overtime = max 12 hours per day		Double shift = 13 hours	
	max 45 hours per week		Average shifts per week = 6	
<i>Overtime work</i>				
	By agreement, max 10 hours pw/3 hours pd		Only 26.8% worked over time	
<i>Work on Sunday and public holiday</i>				
	Sunday: 1½ wage (usually work), otherwise double wage/time off		Only 16.7% receive additional monetary remuneration for working on Sundays and/or on public holidays	
	Public holiday: only by agreement. Double wage (usually work on that day), otherwise daily wage + earnings for the day)			
<i>Minimum wage (excluding gratuity or tips)</i>				
	<i>≤ 10 employees</i>	<i>> 10 employees</i>	<i>Average</i>	
Per month	R1 480,00	R1 650,00	Per month	R1 296,53
Per week	R341,60	R380,80	Per week	R200,00
Per hour	R7,59	R8,46	Per hour	R6,22
Total remuneration (excl tips and gratuity) not less than minimum wage			Only 35% received a basic wage. 16 only worked for tips.	

<i>Commission</i>		
By written agreement. Rates and type of commission should be stipulated in the contract	Average per week	R213,75
	Average per month	R868,09
	77 or 55.8% received some commission	
<i>Deductions from remuneration</i>		
No deductions allowed for breakage without written agreement. No deductions allowed for training /supply of work equipment /tools and work clothing	40% have signed written agreement, yet 73.7% contributes a fixed percentage or all costs	
<i>Meal intervals</i>		
1 hour after 5 hours' continuous work or 30 min or no meal interval for a shift of 6 hours or less by agreement only	74.8% do get a meal interval, average =30 minutes (25.2% do not get any meal interval)	
<i>Annual leave</i>		
3 weeks (21 working days) for each 12 months cycle or by agreement; at least one day annual leave for every 17 days worked	23.9% qualify Average = 23 days	
<i>Sick leave</i>		
6 week's normal working time for sick leave cycle (36 months). 1 day for every 26 days worked (during first 6 months of work)	13.1% qualify. average = 8.63 days per year	
<i>Contract of service</i>		
Written agreement of service	70.8% have signed contract of service	
<i>Notice of termination of employment</i>		
employed 6 months or less - 1 week's notice, > 6 months but < a year - 2 week's notice, 1 year or more - 4 week's notice	18.4% expected to work a notice period, 81.6% are not	
<i>Child labour</i>		
No employee under age of fifteen years	Youngest waiter is 17 years old	

Source: Survey data (2008); Amended Basic Conditions of Service Act no 75 of 2002; and Sectoral Determination 14 of 2007

From the summary above it is clear that most of the waiters in Kempton Park are not receiving the full benefits of the changes introduced by the Sectoral Determination 14 for the hospitality industry. The two areas of change, namely that related to basic remuneration and work on Sundays and Public holidays, are the areas of greatest concern.

The average remuneration of waiters in Kempton Park falls short of the prescribed minimum basic wage. The fact that more employees receive commission as remuneration rather than a basic wage does not compensate for the non-compliance to the legislated prescribed remuneration. The average commission are also far below that of the minimum remuneration prescribed. What is of greater concern is the fact that some waiters still have to rely on the tips

they receive as their only form of remuneration. Most waiters do not get any additional remuneration or time off for working on a Sunday and/or public holiday. Only 16.7% received additional remuneration and only 7.3% received time off.

From the working conditions that did not change, two need serious attention. The seriousness stems from the fact that very few waiters in Kempton Park qualify for annual and/or sick leave even though legislation provides for one day annual leave for every 17 days worked and one day sick leave for every 26 days worked.

The last area to highlight is the fact that only 18.4% of the waiters in Kempton Park are expected to give or get a notice period of termination of employment. The services of the rest of the waiters can immediately be terminated.

7. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Employees in the hospitality industry are still vulnerable despite the implementation of the Sectoral Determination 14 for the Hospitality Sector. This is suggested by this micro-economic study in Kempton Park, which still shows discrepancies between the legal and actual remuneration and working conditions of waiters. Many of these discrepancies are similar to those identified by the Germishuis (2002) study in Bloemfontein.

This occupation is not exclusively undertaken by the most vulnerable workers in the labour market such as the unskilled, young and temporary workers. On the contrary, the study in Kempton Park revealed that 76.1% of the waiters are active in this labour market on a full-time basis. This job, in other words, is their only source of income. In the study in Bloemfontein, this figure was just over 50%. No waiter can therefore be regarded and treated as temporary or contract labour in order to avoid the legislated benefits to which he or she is entitled.

The academic qualifications of the waiters in Kempton Park as well as those in the Bloemfontein study are an indication that this occupation is an important market for skilled workers. One of the key findings of the Tourism and Sport Skills Audit was that the South African tourism industry does not provide attractive career and remuneration opportunities for graduates (DEAT, 2007:22). This finding relates to the negative impressions formed in the minds of young people, or entry-level industry workers, like waiters, based on the fairness with which they were treated while being employed in the hospitality sector.

The average age of the waiters (25.6 years), and the length of experience as a waiter (one to three years for the majority of the respondents), however, suggest that waiters do not stay in this occupation for long and the industry experiences a high staff turnover rate.

One reason for this might be the non-compliance of employers with the basic working conditions and wages in this occupation. The risk of immediate dismissal reduces the security that this occupation provides. This insecurity is reflected in the large percentage of waiters (81.6%) who are not expected to work a notice period. This increases the risk of immediate dismissal.

Although the results on the remuneration for working on Sundays and/or on public holidays are more encouraging than the findings of Germishuis (2002), they are still a cause for concern. Only 16.7% of the waiters in Kempton Park (as opposed to none in the previous study) receive additional monetary remuneration for working on Sundays and/or public holidays.

In terms of basic remuneration, it is clear that commission is a more popular form of

remuneration than a basic wage. Only 35% of the waiters in Kempton Park received a basic wage, whereas 55.8% received some form of commission. The average basic wage and average commission earned, however, fall short of those stipulated in the Sectoral Determination 14. An alarming 11.6% of the waiters still work for tips only.

The condition on deductions for breakages and the paying of uniforms is also not complied with. The percentage of waiters who bear the full cost of breakages in Kempton Park is more than double that of the waiters in Bloemfontein in 2002.

There is also not full compliance with annual and sick leave. Only 23.9% of the waiters qualify for an average of 23 days per year annual leave, while 13.1% qualify for an average of 8.63 days sick leave per year despite the fact that 76.1% of the waiters indicated that this is their only job.

There is however some indication of an improvement in the general level of compliance with labour legislation. In Kempton Park, exceptional exploitation in terms of the hours worked does not occur. The length of day and evening shifts is less than 8 hours, with an average of six shifts per week. What is of concern are the double shifts of 13 hours, which exceeds the 12 hours allowed. Double shifts are not frequent, however. But the rest periods should receive attention, as only 74.8% of the waiters in Kempton Park receive a 30-minute rest period per shift, while 25.2% do not get any rest period. In Bloemfontein in 2002, however, no rest period was allowed in a single shift.

The majority of waiters (70.8%) did have a signed working contract. In 2002, only 12% of waiters in Bloemfontein had a written service contract between themselves and their employers.

Full compliance with the legally prescribed conditions of service and remuneration as stipulated by the BCEA no 75 of 1997, the Amended BCEA no 75 of 2002 and the Sectoral Determination 14 might decrease the staff turnover rate. It may further improve the hospitality industry in South Africa through higher productivity and increased training, giving employees in the industry exposure to, and the chance to follow a career within, the hospitality industry as envisaged by Murtuza (2007b).

The study reveals the need for the implementation of a strategy to increase staff retention and job satisfaction in the hospitality sector and in the restaurant sub-sector in particular. The cost of high staff turnover rates has a negative impact on the profit and survival of an establishment. The reduction of turnover rates through motivational procedures could provide establishments with a competitive advantage (Lim, 2008:65). The problem of turnover and retention can only be successfully solved if the entire organisation works together (Lim, 2007:49).

Recommendations that flow from this study include the following:

- Strategies must be employed to improve the level of compliance with the legally prescribed conditions of service and remuneration as stipulated by the BCEA no 75 of 1997, the Amended BCEA no 75 of 2002 and the Sectoral Determination 14. This can play an important role in decreasing the staff turnover rate.
- Managerial leadership training can equip managers with leadership skills to understand the importance of their role in creating a positive work climate. This will support employee job performance and job satisfaction, which may in turn increase the level of staff retention. Managers should also understand the value of employee retention, and structure their organisation's compensation system and management practices to reinforce retention.

- Training can be extended to include programmes for employees and management to foster a culture of integrity, leadership, adaptability, creativity, engagement, respect and camaraderie (Walters, 2005:4).
- Attention can also be focused on the implementation of a career management system with multiple career paths, job rotation, job enlargement and redesigned jobs (Varoglu & Eser, 2006:31). This can play a significant role in establishing waitering as a viable career option accompanied by fairer treatment for those involved in this important service.

Acknowledgement and disclaimer

The authors wish to thank two anonymous referees for their valuable comments on an earlier draft. The usual disclaimer applies.

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