



# The burden and impact of COVID-19 on restaurant employment within the Mthatha District, Eastern Cape Province, South Africa

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**Abstract.** The study examined the impact of the coronavirus disease on employment in the restaurant industry in the Mthatha District, Eastern Cape Province. The primary aim of the study was to investigate the impact of the coronavirus disease on employment contracts for restaurant workers. Additionally, the study aimed to investigate the roles of employers and the government in mitigating the pandemic's impact on restaurant workers. The study adopted a quantitative approach, and a cross-sectional survey of 75 employees from five restaurants was analysed using descriptive statistics, factor analysis, correlations, and multiple linear regression. The findings revealed that COVID-19 led to a high number of workers' contracts being terminated and perceived non-compliance with employment contracts, while government and employer measures were not sufficient to protect livelihoods. Correlation and regression analyses showed no statistically significant associations between perceived government or employer interventions and the perceived impact of COVID-19 on employees. The study recommends that employers should uphold labour and contract standards, communicate transparently with staff, and support workers in accessing available benefits. The government must strengthen labour enforcement and simplify access to relief schemes to ensure that employees receive support and understand their rights during times of crisis. Furthermore, more effective crisis-response strategies are also needed to protect vulnerable employees in future disruptions between the government and employers.

**Keywords:** COVID-19, contract, employer, employee, employment relations, government, restaurant

## 1. Introduction

The COVID-19 pandemic created unprecedented disruptions in various labour markets, both locally and globally, with the hospitality and restaurant sectors among the most severely affected by the shift to face-to-face service (ILO, 2020). Various studies have revealed extensive job losses, reduced working hours, and increased job insecurity among restaurant employees, particularly those in informal or contract-based employment (Messabia et al., 2021; Ray & Rojas, 2020). In South Africa, national lockdown measures were introduced to limit the spread of the virus, resulting in business closures, which

reduced operating capacity and, in turn, created widespread employment insecurity (Jafta et al., 2021). Restaurant workers, many of whom were employed on fixed-term or informal contracts, were hence particularly vulnerable. While governments and employers introduced various interventions aimed at mitigating job losses and insecurity, the effectiveness of these measures was inconsistent, based on contextual factors. Whilst existing studies have largely focused on metropolitan areas, the purpose of this study was to examine the impact of the COVID-19 pandemic on restaurant employees in the Mthatha District of the Eastern Cape, South Africa. Specifically, the study sought to understand how the pandemic affected employment stability while also assessing the role of employers and the adequacy of government interventions in safeguarding labour rights during this crisis. The study aimed to contribute to the body of knowledge on employment relations during periods of disruption and to provide insights for strengthening policies and practices that protect vulnerable workers in future crises.

### **1.1 Research questions**

The key research questions are the following:

1. What are the effects of COVID-19 on employment contracts for restaurant workers in the Mthatha district?
2. What role did the government play in mitigating the severity of COVID-19 on restaurant workers in the Mthatha district?
3. What role did the employer play to mitigate the consequences of COVID-19 on workers in the restaurant industry in the Mthatha district?

## **2. Literature Review**

### **2.1 Global impact of COVID-19 on hospitality and restaurant employment**

The COVID-19 pandemic has intensely impacted the world with significant consequences for economies and employment. The pandemic also forced a global slowdown in the restaurant industry, with over 110,000 establishments closing permanently (Lippert et al., 2021). In the U.S., the hospitality sector lost millions of jobs, with a 39.3% unemployment rate in April 2020. Messabia et al. (2022), also states that in Canada sales in the food services and beverages subsector declined by 36.6% in March 2020 to \$4.0 billion. This was due to business closures across the country caused by the new regulations introduced to limit the spread of COVID-19. Hence, uncertainty among workers increased as job losses mounted and many businesses faced financial devastation. COVID-19 restrictions, such as social distancing and lockdowns, forced restaurant closures and reduced operations and leading to massive job losses. In India, for example, around 9 million jobs were at risk due to the pandemic's effects on the restaurant and tourism sectors (Sardar et al., 2022). In light of this, job creation in the restaurant industry suffered as well. Before the pandemic, the restaurant sector employed millions of employees, but COVID-19 closures and safety measures led to massive job loss. The global tourism sector also faced major setbacks where the pandemic disrupted both direct and indirect businesses related to tourism, such as transportation, accommodation and entertainment (Hafsa, 2020). Countries such as Spain and Portugal saw their GDP decline significantly due to the collapse of the tourism industry, with Portugal's GDP falling by 16.4% and Spain's by 21.5% (Gomes et al., 2022).

### **2.2 African and South African restaurant sector impacts**

The African continent's COVID-19 cases were largely concentrated in a few countries, including Ghana, Nigeria and South Africa, which saw significant economic consequences, particularly in industries reliant on tourism and hospitality (Mpfu, 2020). The African continent, the hospitality sector had grown rapidly in recent years with many

people relying on restaurants for jobs and livelihood. However, COVID-19 restrictions, such as social distancing and lockdowns, forced restaurant closures and reduced operations, leading to massive job losses. In Africa, the effects of COVID-19 intensified pre-existing labour market vulnerabilities, particularly within service-oriented economies (ILO, 2020). Hence, the hospitality and restaurant sectors experienced prolonged closures, reduced capacity and financial distress, resulting in retrenchments and contract terminations. The pandemic had caused drastic economic challenges, particularly in sectors such as tourism. For instance, Ethiopia's tourism industry faced a 30% decline in growth, with an estimated loss of \$35 million in revenue per month and potential job losses for 15,000 employees (Tamrat, 2020). In some cases, businesses terminated employees without following regular procedures, citing the pandemic as justification (Thoba et al., 2021). Similarly, Kuforiji et al. (2020) highlighted that the COVID-19 pandemic has significantly impacted human life, with lasting changes expected in Nigeria. The crisis strained both global and local adaptability, including business closures and challenges in upholding employment contracts.

In South Africa per se, repeated lockdowns under varying alert levels led to widespread job losses and income instability within the restaurant industry (Jafta et al., 2021). To mitigate these effects, the South African government introduced relief mechanisms such as the UIF Temporary Employer–Employee Relief Scheme (TERS). However, research evidence suggests that access to these interventions was unequal with challenges including administrative delays, limited awareness and exclusion of casual or informal workers (Jafta et al., 2021).

### **2.3 Measure employed by Governments to protect employees**

Governments around the world responded by implementing measures such as unemployment benefits, income support and temporary work schemes to sustain livelihoods during the economic collapse (Gangopadhyaya & Waxman, 2020). From a global perspective, employers in the United States and other countries responded by ensuring stability for employees during the pandemic, recognising the economic vulnerability of workers in the food service industry (ILO, 2020b). Moreover, governments were urged to protect workers through health measures and income support initiatives, ensuring that employees' rights were upheld while also safeguarding businesses from bankruptcy (Ryder, 2020). For border context, the amount of COVID-19 prompted rescue and recovery spending in G20 countries is reported to be US\$ 7.3 trillion (Abate et al. 2020). The ILO advocated for coordinated policy responses to mitigate job losses and promote economic recovery. In Bangladesh, the government introduced stimulus packages to support the restaurant industry, offering low-interest loans to businesses to help them survive the crisis (Hafsa, 2020). These measures were in line with ILO recommendations for human-centered policies that protect workers' health and ensure economic support during times of crisis (International Labour Organisation, 2020). Governments, both globally and locally, were tasked with managing the crisis through emergency responses and implementing strategies to support affected industries.

In Ethiopia, the government took measures to prevent layoffs in the public sector, while the hospitality industry was directly impacted by travel restrictions and social distancing policies (Biwota, 2020). In Ghana, the government implemented legislation to address the economic challenges posed by the pandemic, including restrictions on gatherings that affected the tourism sector (Esq & Esq, 2020a). Hence, the role of the state in regulating employment relationships became particularly important during the pandemic, with governments ensuring that workers' rights were protected and that businesses complied with labour laws (Nel et al., 2012).

South Africa had responded with a national lockdown beginning in March 2020, gradually lifting restrictions with a focus on public health measures and economic relief. The

government introduced tax relief initiatives such as the Employment Tax Incentive (ETI) to encourage the hiring of youth and the COVID-19 Employer Relief Scheme (TERS) to support businesses and workers during the crisis (Cluster, 2020). These policies were designed to mitigate the financial impact on businesses and employees, providing direct support through tax incentives and temporary unemployment benefits.

Employment contracts, unfair labour practices and dispute resolution during COVID-19  
The International Labour Organisation (ILO) defines employment relationships as connections between employers and employees, where the employee provides services in exchange for compensation (ILO, 2006). These relationships were severely impacted by the pandemic, as businesses faced lockdown measures, reduced consumer confidence and economic downturns, resulting in widespread layoffs and furloughs (Thoba et al., 2021). The hospitality sector, already characterised by low wages and lack of job security, saw many workers either losing jobs or facing significant pay cuts, contributing to heightened economic insecurity (Gangopadhyaya & Waxman, 2020). Despite these challenges, some employers adapted by shifting to take-out and delivery models but still faced the challenge of reduced demand, leading to further layoffs (Rogerson & Rogerson, 2020). This highlights the vulnerability of workers during crises, underscoring the need for improved labour protections and adaptive policies to mitigate future economic disruptions (Kuforiji et al., 2020).

The pandemic also highlighted the vulnerabilities of informal and casual workers, particularly in developing economies where financial support mechanisms were less robust (Nedbank, 2021). The ILO (2020) noted that the legal consequences of the pandemic included adjustments to employment contracts, including force majeure clauses, which allowed employers to temporarily suspend obligations without penalties due to unforeseen circumstances such as the pandemic. In cases where performance of duties became excessively difficult, the ILO (2006) emphasised the role of force majeure provisions, which allowed businesses to limit liabilities due to external events like COVID-19.

The Organisation for Economic Co-operation and Development (OECD, 2020) emphasised the rapid and robust responses needed, including lockdown measures and the phased reopening of economies. The pandemic accelerated trends like remote work and increased reliance on temporary labour, while also highlighting the importance of reskilling and upskilling for the workforce (Watson, 2020). Furthermore, the role of employers, particularly in the hospitality industry, became increasingly critical. Restaurant workers, who interact directly with the public, were among the most vulnerable to exposure, facing increased health risks and uncertainties due to government-imposed lockdowns (Rogerson & Rogerson, 2020). Employers were expected to adopt contingency plans to safeguard their workers, including reducing business hours instead of closing entirely, offering short-term benefits, preparing for workforce shortages and implementing strict sanitation measures (Rogerson & Rogerson, 2020). However, the food service sector, especially restaurants, experienced severe financial strain, with widespread job losses and reduced working hours (Mpofu, 2020).

In South Africa, the role of employers was particularly important during the pandemic. Employers were expected to create a safe work environment, providing proper health and safety measures to protect workers and customers (Chothia, 2020). They were also required to comply with government guidelines, adjusting operations to minimise health risks and ensure workers' welfare during lockdowns. Mokofe and Eck (2022), states that even though the CCMA and courts have recognised that disciplinary codes constitute mere guidelines and not binding conditions of service, it would be best for employers to ensure fairness by employing clear principles that seek to ensure even-handedness at the workplace. In addition, the Compensation for Occupational Injuries and Diseases Act (COIDA) protect employers from liability for workers contracting COVID-19 unless

negligence is proven, highlighting the legal responsibilities of employers to safeguard employees' health (Compensation for Occupational Injuries and Diseases Act, 1997). Employers in the hospitality sector also had to be flexible with their workforce, adjusting to changing business conditions and requiring workers to adapt to new roles or working from home where possible (Milo & Froneman, 2020). Retrenchments were inevitable, but employers were legally obligated to consider re-engaging retrenched workers if vacancies arose (LRA, 1995). Furthermore, employers had to navigate sick leave policies, ensuring employees received compensation for illness while maintaining operational efficiency. Overall, employers and employees in the hospitality industry faced numerous challenges during the COVID-19 pandemic, from safeguarding employees' health to managing financial losses and adapting to changing regulations, the coronavirus has forced many of us to go home and 'shelter' which has resulted in sudden and very large, surges of unemployment, (Ray and Rojas, 2020). Providing a safe and stable working environment, along with fair compensation and flexibility, was crucial to navigating the crisis and ensuring worker well-being. In the Mthatha district per se, the pandemic triggered widespread infections, with 47 deaths and over 11,000 cases by mid-2020 (Brandt, 2020). It was hence important to examine the impact on Restaurant employee as such districts were often overlooked as compared to their larger metropolitan counterparts.

### **3. Theoretical framework**

The International Labour Organisation defines the employment relationship as a legal and socio-economic relationship in which work is performed in exchange for remuneration and protection (ILO, 2006). In South Africa, labour protection is governed by legislation such as the Labour Relations Act (LRA) and the Basic Conditions of Employment Act (BCEA) and the Compensation for Occupational Injuries and Diseases Act (COIDA). These frameworks aim to regulate employment contracts, prevent unfair labour practices and provide mechanisms for dispute resolution. During periods of crisis, such as the COVID-19 pandemic, these protections are intended to safeguard workers while allowing operational flexibility for employers. However, existing research indicates that enforcement gaps often emerge during economic shocks, particularly in sectors characterised by unstable employment relationships (ILO, 2020). Therefore, this study is guided by these frameworks which is seen as relevant and withing the study context.

While numerous studies have documented the macro-economic and sectoral impacts of COVID-19 on tourism and hospitality, comparatively little is known about how the pandemic affected employment contract compliance, perceived unfair labour practices and the accessibility of dispute resolution mechanisms among restaurant workers in secondary South African cities such as Mthatha. This study addresses this gap by examining restaurant employees' perceptions of contractual adherence, government assistance and employer interventions during the pandemic in the Mthatha District.

### **4. Research design and methods**

This study employed a descriptive research design as it is useful to outline the characteristics of a population or phenomenon without manipulating the study subject, focusing on the actual happening rather than causality (Maharaj, 2021). The research was guided by the positivist paradigm, emphasising systematic data collection and analysis (Tshabalala, 2021). The study targeted employees from five restaurants in Mthatha, with a population of approximately 100. A non-probability convenience sampling approach was used as participants were selected based on the feasibility of obtaining sufficient responses while maintaining COVID-19 precautions. Hence, a response rate of 75 was received. A structured questionnaire with a 5-point Likert scale was used to collect responses on the impact of COVID-19 from restaurant employees and the questionnaire gathered both demographic data and perceptions on how the pandemic affected employment contracts

and worker strategies in the restaurant sector. As such, the questionnaire contained 17 questions with 6 questions based on the impact of COVID-19 on employment, 6 questions on interventions introduced by government to mitigate the effects of the Covid-19 pandemic on employees and a further 5 questions on strategies implemented by employers to mitigate the effects of the Covid-19 pandemic on employees. The data analysis for this study was conducted using SPSS version 26, focusing on descriptive and inferential statistics with analysis focusing on frequencies, correlations and regression. The study adhered to ethical considerations, ensuring informed consent, privacy and anonymity of participants with participants' identities protected throughout the process.

## 5. Findings

The study surveyed a total of 75 respondents from the Mthatha hospitality industry. The results of the are outlined as per section below.

### 5.1 Participant demographics

**Table 1:** Description of the respondents

<b>Variables</b>	<b>Biographic Info.</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Gender	Male	25	33.3
	Female	50	66.7
Age	18-25 years	14	18.7
	26-35 years	53	70.7
	36- 45 years	8	10.7
Race	Black	68	90.7
	White	1	1.3
	Coloured	6	8.0
Job title	Manager	3	4.0
	Supervisor	9	12.0
	Cashier	10	13.3
	Waiter	17	22.7
	Waitress	31	41.3
	Security	3	4.0

Variables	Biographic Info.	Frequency	Percentage (%)
	Other	2	2.6
Education	Certificate	23	30.7
	National Diploma	34	45.3
	Bachelor's Degree	16	21.3
	Masters	2	2.7
Tenure	2-5 years	68	90.7
	6-10 years	7	9.3
Hour per week	> 20 hours	3	4.0
	21-30 hours	3	4.0
	31-40 hours	47	62.7
	41-50 hours	21	28.0
	< 50 years	1	1.3

The gender distribution revealed a predominance of female respondents, comprising 66.7% (n=50), while male respondents accounted for 33.3% (n=25). The age distribution indicated that the majority of participants were aged between 26-35 years (70.7%, n=53), followed by the 18-25 years age group (18.7%, n=14) and the 36-45 years age group (10.7%, n=8). In terms of racial composition, the sample was predominantly African (90.7%, n=68), with a small representation of White (1.3%, n=1) and Coloured individuals (8.0%, n=6). There were 30.7% (n=23) of respondents who had certificates, 45.3% (n=34) had a National Diploma, 21.3% (n=16) possessed a Bachelors degree and 2.7% (n=2) had a Masters degree. The job titles of respondents varied, with the largest group being Waitresses (41.3%, n=31), followed by Waiters (22.7%, n=17), Cashiers (13.3%, n=10) and Supervisors (12.0%, n=9). A small number of respondents held managerial positions (4.0%, n=3) or worked in security (4.0%, n=3). Regarding tenure, the majority of respondents (90.7%, n=68) had been employed for 2-5 years, while 9.3% (n=7) had worked for 6-10 years. The hours worked per week were predominantly in the 31-40 hours range (62.7%, n=47), with smaller groups working 41-50 hours (28.0%, n=21) and less than 20 hours (4.0%, n=3).

## 5.2 Reliability and Validity

The study demonstrated strong reliability in its measurement instruments, as indicated by the Cronbach's alpha values. The variable for 'COVID-19 and employees' achieved a very

high Cronbach's alpha of 0.991. The variables 'Government interventions' and 'Employer interventions' also showed acceptable reliability with Cronbach's alpha values of 0.716 and 0.745, respectively. The high Cronbach's alpha values indicate strong internal consistency reliability for the three scales. The extremely high alpha for the 'COVID-19 and employees' suggests that items are highly intercorrelated and may be somewhat redundant.

To ensure the validity of the measuring instrument in this study, factor analysis was employed. Factor analysis helps to reduce a large number of variables into fewer, more manageable factors. Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity to assess sample adequacy, with KMO values above 0.70 deemed acceptable. Factor analysis supported the construct validity with items clustering into three dimensions corresponding to impact on employees, government interventions and employer interventions.

**Table 2: Factor analysis- component matrix<sup>a</sup>**

Component Matrix <sup>a</sup>			
	Component		
	1	2	3
COVID6	.602		
COVID3	.551		
COVID4	.464		
GOV6		.739	
GOV4		.719	
GOV2		.706	
GOV3		.644	
GOV5		.615	
EMPL1			.746
EMPL5			.729
EMPL4			.667
EMPL3			.564
EMPL2			.555
Eigenvalue	3.89	3.05	2.12
% of Variance	24.29	19.05	13.26
Extraction Method: Principal Component Analysis.			
a. 3 components extracted.			

**Table 3: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin's Measure of Sampling Adequacy.		0.741
Bartlett's Test of Sphericity	Approx. Chi-Square	480.935
	Df	120
	Sig.	<.001

Statistically, the requirements of sampling adequacy were met. The findings explained that the sample was acceptable for the factor analysis. Factor analysis revealed three significant factors: The impact of COVID-19 on employees, the role of government in mitigating its effects and the role of employers. These three factors accounted for 56.6% of the variance and all retained items had loadings greater than 0.30 thereby confirming the validity of the measuring instrument.

### 5.3 Descriptive Statistics of Key Dimensions

This Section outlines the Descriptive statistics of the key dimensions.

**Table 4: Impact of COVID-19 on employees**

Statement	SD	D	N	A	SA
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Minimum provisions in the contract	37.3	21.3	16.0	14.7	10.7
Experienced unfair labour practices	9.3	5.3	14.7	36.0	34.7
Took employer to CCMA for dispute	49.3	10.7	10.7	20.0	9.3

Regarding the adherence to minimum contract provisions, the majority disagreed, with 37.3% strongly disagreeing and 21.3% disagreeing, while only a small percentage (14.7%) agreed and 10.7% strongly agreed that these provisions were followed. For unfair labour practices, majority (36% agreed and 34.7% strongly agreed) that they experienced such practices, compared to 9.3% who strongly disagreed. When it came to taking disputes to the CCMA, the majority (49.3%) strongly disagreed, indicating they did not pursue legal action, while only 20% agreed and 9.3% strongly agreed they had taken such steps. Results indicate dissatisfaction regarding contract compliance, unfair labour practices and the pursuit of legal action for disputes.

#### 5.4 Role of government in mitigating the effects of COVID-19

Table 5 shows the results of the role of the government in mitigating the impact of the COVID-19 in the restaurant industry.

**Table 5:** Role of government in mitigating the effects of COVID-19

Statement	SD	D	N	A	SA
Government assisted workers	29.3	18.7	13.3	30.7	8.0
Government assisted employers	8.0	1.3	12.0	52.0	26.7
Government intervention reached those intended for	21.3	16.0	14.7	36.0	12.0
Government interventions did not have complications	57.3	4.0	12.0	21.3	5.3
I benefited from UIF TERS from Labour	17.3	10.7	1.3	42.7	28.0

The findings revealed mixed opinions on government assistance. Regarding assistance to workers, there was a majority of disagreement whereby 29.3% strongly disagreed and 18.7% disagreed that the government helped workers. Conversely, for assistance to employers, 52% agreed and 26.7% strongly agreed that the government helped employers. On the effectiveness of government interventions, 21.3% strongly disagreed and 16% disagreed, while 36% agreed and 12% strongly agreed the interventions reached those intended. The participants overwhelmingly disagreed that government interventions were free from complications, with 57.3% strongly disagreeing. Regarding benefiting from UIF TERS, 17.3% strongly disagreed, 10.7% disagreed, 42.7% agreed and 28% strongly agreed they benefited.

#### 5.5 Role of the employer in mitigating the impact of COVID-19

Table 6 displays the results of the role of the employer in mitigating the effect of the COVID-19 pandemic.

**Table 6:** Role of the employer in mitigating the impact of COVID-19

Statement	SD	D	N	A	SA
Employer played an important role during Covid-19	6.7	13.3	16.0	42.7	21.3
Employer gave time off to sick employees	1.3	13.3	12.0	45.3	28

Employer compensated off-sick employees	46.7	16.0	18.7	10.7	8.0
Employer tried to save jobs during COVID-19	24.0	12.0	20.0	25.3	18.7
Employer put all protocols in place to protect workers	6.7	13.3	16.0	45.3	18.7

While 42.7% agreed and 21.3% strongly agreed that the employer played a significant role, 6.7% strongly disagreed and 13.3% disagreed. When it came to providing time off for sick employees, 45.3% agreed and 28% strongly agreed. However, regarding compensation for sick employees, there was high disagreement that compensation was provided. On efforts to save jobs, 24% strongly disagreed and 12% disagreed, while 25.3% agreed and 18.7% strongly agreed that the employer made efforts to save jobs during the pandemic. In relation to the implementation of safety protocols, there was more agreement but considerable disagreement and uncertainty thereby indicating varied perceptions of the employer's actions to protect workers.

### 5.6 Inferential statistics

There were also inferential statistics employed, specifically correlations and regression analysis, to further interpret the findings at an association level. Correlations were used to identify the linear relationship between two continuous variables, with the correlation coefficient representing the strength of this relationship (Mukaka, 2012). Regression analysis, described by Ali and Younas (2021), was used to assess the association between multiple variables, both dependent and independent. The results of these analyses shown in Table 7 and Table 8.

**Table 7:** Correlation

		1	2	3
COVID-19 and employee	Pearson Correlation	1	-	-
	Sig. (2-tailed)			
	N	75		
Government intervention	Pearson Correlation	-.109	1	
	Sig. (2-tailed)	.351		
	N	75	75	
Employer intervention	Pearson Correlation	-.173	.153	1
	Sig. (2-tailed)	.139	.191	
	N	75	75	75

**Table 8:** Linear regression

Independent variables	R	R-squared value	Adjusted R-squared value	F	Beta	T	P
	0.192 <sup>a</sup>	0.037	0.010		-	-	0.259 <sup>b</sup>
Government					-.085	-.725	.471
Employer					-.160	-1.364	.177
Constant					-	9.832	<.001

The correlation results revealed no significant relationship between the impact of COVID-19 on employees and the role of the government or the employer in mitigating its effects. In addition, no relationship was found between the roles of the government and employer

in addressing the effects of COVID-19. The regression analysis on Table 7 indicates an R-squared value of 0.192 and an adjusted R-squared value of 0.037. Hence, the regression model was not statistically significant, with government and employer interventions together explaining only 3.7% of the variance in the perceived impact of COVID-19 on employees ( $R^2 = 0.037$ ; adjusted  $R^2 = 0.010$ ). Furthermore, neither government interventions ( $\beta = -0.085$ ,  $p = 0.471$ ) nor employer interventions ( $\beta = -0.160$ ,  $p = 0.177$ ) significantly predicted the perceived impact of COVID-19 on employees.

## 6. Discussion

The findings highlight significant demographic, employment and perceptual trends among restaurant workers regarding the impact of COVID-19. The gender distribution shows a predominance of female workers. The age profile showed many participants aged between 26 and 35 years, thereby indicating that the sector largely employs young adults. Most of the employees were Black Africans who managed to reflect the local demographic context of the Mthatha district. The respondents were also highly educated with most possessing National Diplomas and some even Degrees. Job roles were primarily dominated by waitresses and waiters which is a logical finding in this type of industry. The tenure findings indicated that the industry in the district predominantly retained employees for 2-5 years.

The findings have shown that that restaurant employees did face key challenges. Participants reported contract terminations, reduced working hours and perceived non-compliance with minimum labour standards. These findings are consistent with other studies showing that hospitality workers were among the most vulnerable groups during the pandemic due to the sector's reliance on face-to-face customer service and unstable demand (ILO, 2020; Ray and Rojas, 2020; Messabia et al., 2021). There was also high level of dissatisfaction with adherence to minimum contract requirements and widespread perceptions of unfair labour practices. Respondents cited unilateral contract changes, late or irregular wage payments and poor communication which indicated a breakdown of decent-work standards as defined by the ILO (2006). The lack of adherence to minimum employment provisions observed in this study also reflects broader labour challenges identified by Joshi and Bhaskar (2020) and Messabia et al. (2022), who highlighted widespread financial strain and labour violations in the hospitality sector. South African labour legislation, including the Labour Relations Act (LRA) and Basic Conditions of Employment Act (BCEA), aims to protect employees from such practices, but the pandemic appears to have weakened enforcement, particularly in this specific sectors (ILO, 2020). The findings also show that employees seldom used formal dispute-resolution mechanisms, such as the Commission for Conciliation, Mediation and Arbitration (CCMA). This aligns with Mokofe and Eck (2022), who argue that low-wage workers often avoid legal processes due to limited awareness, fear of retaliation and procedural complexities. Messabia et al., 2021 and Ray and Roja (2020) echoes this pattern that hospitality workers rarely pursue formal remedies and instead rely on informal coping strategies

In light of the above, perceptions of government and employer interventions were mixed. While some employees acknowledged broader government support to employers, participants also expressed dissatisfaction with regards to direct assistance to workers and with the overall effectiveness of interventions. This contrasts with the emphasis placed by the ILO (2020a) and authors such as Abate et al. (2020) who argued that government intervention was vital to sustaining employment relationships during crises. Although the South African government introduced the Temporary Employer-Employee Relief Scheme (TERS) through the Unemployment Insurance Fund (UIF) for both employers and employees, results indicated reported difficulties in terms of accessing these funds, having administrative delays as well as exclusion due to their employment status (Jafta et al.,

2022). These findings therefore show the inequality in the implementation and limited reach of TERS among contract workers.

The inferential results further support these concerns. The correlation analysis revealed weak and statistically non-significant relationships between the perceived impact of COVID-19 and both government and employer interventions. Similarly, the regression analysis showed that the two intervention variables explained only 3.7% of the variance in perceived impact, with neither emerging as a significant predictor. These results suggest that employees did not experience government or employer measures as meaningfully protective during the pandemic. This suggests that, within this sample, mitigation strategies were not experienced as meaningfully reducing employment insecurity. Similar studies report that formal support systems often fail to reach workers in small hospitality enterprises due to administrative capacity limitations and high levels of informality (ILO, 2020; Jafta et al., 2021). The weak associations also highlight the structural vulnerability of restaurant workers during crises. Much of the negative impact resulted from national lockdown regulations and economic contraction. Even employers who intended to retain staff may have lacked the financial resilience to do so thereby concurring with Ray and Roja (2020) and Messabia et al (2021) argument that small restaurants were among the least able to withstand extended periods of reduced revenue. As such, these findings contrast with studies such as Salami et al. (2021), who reported employer efforts to retain essential staff during the pandemic and Garcia-Sanchez and Garcia-Sanchez (2020), who emphasised organisational responsibility to safeguard workers and their skillsets.

## **7. Conclusion**

The paper was derived from a study that investigated the profound impact of COVID-19 pandemic on employment within the restaurant sector in the region of Mthatha, Eastern Cape Province, South Africa. The findings affirmed the pandemic's toll on the industry while also revealing intervention gaps thereby presenting potential for improvement. Overall, the research highlighted that the COVID-19 significantly disrupted employment contracts in the restaurant industry with many workers experiencing termination of their contracts as the economic strain left businesses unable to sustain their workforce and also leading to unfair labour practices. There was no significant impact from government interventions in mitigating these effects on restaurant workers. Employer strategies to protect workers were found to be inadequate in reducing the pandemic's adverse effects. Hence the study concludes that whilst government and employers made efforts to address the challenges posed by COVID-19, these efforts were insufficient to protect restaurant workers from the widespread impacts of the pandemic. The study further concludes with the argument that underscores the need for stronger protection, clearer communication and more effective interventions from both employers and the government to support workers during future pandemic crises. The study was confined to just five restaurants in the Mthatha district, limiting its generalisability to other regions or industries. Future research should aim to expand the scope and incorporating larger sample sizes and comparative studies across regions could provide a more comprehensive understanding of the pandemic's impact on employment in the sector. Future studies can also focus on post-pandemic strategies for the hospitality sector.

## **8. Recommendations**

The study recommends that government adopt more targeted and effective measures to support workers in times of pandemic crises. Evaluating and refining policies to ensure they meet the needs of affected employees is crucial. Similarly, employers must learn from the pandemic and develop proactive or even tailored strategies to better manage workforce challenges during similar disruptions. This study highlights the urgent need for stronger collaboration between governments and employers to safeguard workers' livelihoods

during crises and to build more resilient systems that can withstand future challenges. Furthermore, provide training and awareness programs for workers on their labour rights and available dispute-resolution mechanisms, thereby encouraging more informed recourse when labour-related crises occur.

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