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Management



## Social Sustainability in Restaurants: A Study of Customers

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Sustainability is an issue of immense importance in today's scenario. In the overview of sustainability some areas play very vital role and Restaurants are one of these. Out of these three, social aspect has been taken into consideration. Current study takes an account of customers' perception about social sustainable development practices being followed by restaurants. Main objective of the present study was to study the understanding of importance of Social Sustainability issues among customers of restaurants. Nature of research is exploratory as well as descriptive. Sources of information are both primary and secondary. Primary data was collected through questionnaire filled by 250 customer respondents of various restaurants selected with the help of convenient sampling method. Data was analyzed with the help of SPSS 18.0 software. Pretesting of questionnaire was done on 30 sample questionnaires. Statistical tool used in present study was Exploratory Factor Analysis.

**Research Paper** 

## **KEYWORDS**

Social Sustainability, Restaurants, Exploratory Factor Analysis, Customers' view etc.

Sustainability is an issue of immense importance in today's scenario. In the overview of sustainability some areas play very vital role and Restaurants are one of these. Sustainable development has been defined in many ways but the most familiar and universally accepted definition remains that given in the Brundtland Commission report - Our Common future : "Sustainable Development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs" Kates, Robert W. et al (2005) discussed in their article that the environment does not exist as a field separate from human proceedings, ambitions, and requirements. The two are inseparable. Zhang Jie J. et al (2012) proposed to raise a cost-based resource efficiency measure for environmental sustainability from reported financial data. JingJing, Duan, Xinze, Li and Sitch Renate (2008) in their study defined ethical consumers and the restaurant industry as the research field, after analysing the current reality of restaurant industry, and the existing tools for ethical consumers to make their purchasing decision, they bridge the gaps by creating an ideal eco-labelling process for the restaurant industry. According to Berry and Rondinelli (1998) 'Employee Safety and Legal Liabilities'; Anderson B. et al (2002) 'Emotional Labour'; Occupational Health Program Fact Sheet (2007) Reduction of Employee injuries and accidents; A Report by Make the Road New York (2009) Illegal employee practices were some practices which come in social parameters of Sustainable Development.

Various dietary behaviors, variety of cuisines, high living standard, changing lifestyle and the diverse food preparation techniques are some of the chief factors behind the growth of restaurants in India. Along with global policies of government, India has also been developed in end user market with a giant consumer base. Today, the Indian restaurant industry is mainly based in the urban areas the tourist destinations. Efforts need to be made to increase the market in the rural areas as well. There are restaurants in the rural areas but most of them fall under the unorganized sector. Sustainability has three main dimensions which are Environmental, Social and Economic. Out of these three, social aspect has been taken into consideration. In restaurants social sustainability is an important matter because it includes customers, employees and other stake holders in community as a whole. It includes various important issues for society such as child labour, gender discrimination etc. Current study takes an account of customers' perception about social sustainable development practices being followed by restaurants.

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#### **Objective of Study**

Restaurants form an important part of today's lifestyle. Hence it becomes important to include its functioning and its implications on business and society. This paper reflects the impact of the Sustainable Development Practices of restaurants on the society and business.

Main objective of the present study was to study the understanding of importance of Social Sustainability issues among customers of restaurants.

#### **Research Methodology**

Nature of research is exploratory as well as descriptive. Sources of information are both primary and secondary. Primary data was collected through questionnaire filled by 250 customer respondents of various restaurants selected with the help of convenient sampling method. Scale used in questionnaire was

Very unimportant	unimportant	Neutral	important	Very important
1	2	3	4	5

#### **Data Analysis and Interpretation**

Data was analyzed with the help of SPSS 18.0 software. Pretesting of questionnaire was done on 30 sample questionnaires. Reliability of questionnaire was calculated by Cronbach's Alpha method. Reliability statistics is given as follows:

Reliability Statistics	
Cronbach's Alpha	No of Items
.717	9

Exploratory Factor analysis

The objective of factor analysis is to summarize a large number of original variables into a small number of synthetic variables, called factors(Tull Donald S. and Hawkins Del I. 2011). To test the suitability of the data for factor analysis, the following steps have been taken:

The correlation matrices were computed and examined. It revealed that there were enough correlations to go ahead with factor analysis.

To test the sampling adequacy, Kaiser-Meyer-Olkin Measure of sampling adequacy is calculated which was found to be more than 0.5 which indicates that the sample is good enough for factor analysis.

The overall significance of correlation matrices is tested with Bartlett Test of Sphericity and Significance value of 0.000 provided support for the validity of the factor analysis of the data set.

Hence all these values pointed out that the data were appropriate for factor analysis. The number of factors to be extracted becomes an important issue in the absence of any set criterion. The four possible criteria are: (i) in a priori criterion, the analyst already knows how many factors to extract and accordingly instructs the computer; (ii) in latent root or Eigen value criterion, only those factors which have latent roots greater than one are considered significant; (iii) in percentage of variance criterion, the cumulative percentage of variance extracted by successive factors is considered; (iv) in Scree Test criterion, at least one factor more than latent root criterion is usually extracted. Factor Analysis is used to identify the optimum number of factors that can be extracted before the amount of unique variance begins to dominate the common variance structure (Nargundkar 2002). In the present study exploratory efforts were made with all of the above methods. Latent Root was used as guideline. In all the attempts percentage of the variance explained was also taken into consideration. Thus, several factor solutions with different number of factors were examined before a satisfactory solution was reached.

**Factors:**Components were elected on the basis of latent roots and minimum components and maximum information about variance rule was also considered for computation. After extracting the Eigen values, Varimax rotation was used for the selected variables. The factor loading of the variables was then observed, and the variables were grouped into factors.

Factor analysis was applied on 9 variables of Social issues. To test the sampling adequacy, Kaiser-Meyer-Olkin Measure of sampling adequacy was computed which was found .709 i.e. greater than 0.5 and it is indicated that the sample is good enough for factor analysis. After extracting the Eigen values, Varimax rotation was applied for the selected variables. The factor loading of the variables was then observed, and the variables were clubbed into factors. In present case 9 variables were clubbed down to 3 factors.

#### Table 1

Variables for	' Social	Attributes	in view	of customers
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Construct	Measures	Variable Name
Social Attributes	Avoiding any type of discrimination	SA1
	Avoiding child labour, forced labour	SA2
	Charitable activities	SA3
	Training opportunities to people from local community	SA4
	Products and services on standard prices	SA5
	Clear and accurate information about products and services.	SA6
	Health and safety of customers	SA7
	Honest advertising	SA8
	Consumer privacy	SA9

There were above nine variables (table 1) which were narrowed down to following two factors (Table 2) with the help of exploratory factor analysis.

#### Table 2

 $\ensuremath{\mathsf{Extracted}}$  important Social SDP Factors in view of customers after Factor Analysis

Factor	Variables included	Factor loadings
	Charitable activities	0.732
	Training opportunities to local people	0.809
Community Centric	Honest advertising	0.734
	Consumer privacy	0.689

Legal issues	No discrimination	0.641
	No child, forced labour	0.800
	Product and services on standard price	0.643
	Health and Safety of customers	0.607

#### **Findings and Conclusions**

There were nine social sustainability attributes which were narrowed down to two factors.

In restaurants it was observed that customers are attracted towards social sustainable development practices, which are mainly concern for community welfare and related with legal issues helpful for customers and society.

They also feel that being employee, customer and community oriented would make them sustain longer in the minds of their internal and external customers. Monitoring the legislations and changes in rules and regulations would keep them up-to-date and free from legal hassles.

The restaurants should be easily accessible if they want themselves to be popular in the minds of the customers. They also felt that being community, customer and community oriented would naturally make the restaurants more sustainable.

It was concluded that customers prefer to visit those restaurants which have concern for their business as well as society i.e. they also fulfill their responsibility towards the society in which they survive.

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