

NUKKAD TEA CAFE: COMBATING THE TABOO OF TRANSGENDER EMPLOYEES

Archi Dubey, Somesh Kumar Sinha, and Smitha Siji wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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When the going gets tough, put one foot in front of the other and just keep going. Don't give up.
—Roy T. Bennett, *The Light in the Heart*¹

The date at the top of the letter was August 9, 2021. Priyank Patel, the founder of Nukkad Tea Cafe (Nukkad), stared at Samira Shanti's resignation letter, exclaiming, "Not again!"² Shanti was a transgender person and her resignation as an employee ran counter to the notice board in Patel's office where he displayed the newspaper cuttings commending his initiative of employing people from equity-deserving groups.

Since he opened the cafe in 2013, Patel had tried to create a welcoming environment for transgender people. Yet the persistent turnover of employees who were transgender raised critical questions about how to sustain such an initiative. As of 2021–2022, the cafe had experienced a continuous decline in the retention of transgender employees (see Exhibit 1). Patel had to choose between his moral promise of making Nukkad a diverse and welcoming place and his business imperative of keeping his cafe functionally operational. It was a tough decision that left him feeling like he was battling himself.

Patel had travelled an eventful journey with Nukkad. It was a cozy and lively, socially inclusive cafe chain nestled in the heart of Raipur, the capital of Chhattisgarh state in India (see Exhibit 2). The cafe took pride in its approach to inclusive employment. It made a concerted effort to hire people from equity-deserving groups, such as people with disabilities, transgender people, and people from other equity-deserving groups, recognizing their distinct skills and potential. Nukkad hoped to empower people by cultivating a culture that accepted and understood differences, allowing all people to thrive both personally and professionally within the cafe. However, although the cafe's management firmly believed in equal opportunities and strived to create a safe and welcoming environment for all employees, the cafe was having difficulty retaining transgender employees on its team. Patel wondered how he could turn that trend around.

¹ Roy T. Bennett, *The Light in the Heart: Inspirational Thoughts for Living Your Best Life* (pub. by author, 2021).

² All names in the case, with the exception of Priyank Patel, are disguised.

GENESIS OF NUKKAD TEA CAFE

In 2011, Patel had a transformative experience working with the rural communities of three states in India—Gujrat, Maharashtra, and Odisha—through a fellowship with the ICICI Foundation.³ The ICICI Fellowship was a 12-month youth leadership program designed to cultivate socially responsible leaders in India. Its mission was to train young individuals from diverse backgrounds in the development sector, empowering them to become change-makers and future leaders. The fellowship sought to significantly contribute to India's socio-economic progress by enhancing the quality and quantity of effective development projects.

Patel was granted the fellowship to identify and train rural volunteers and build institutional links to launch information centres at the villages. By staying with the community, Patel gained first-hand experience of the village-based economy and the social structure of Indian villages. He witnessed stark disparities among the various social segments. This led to his realization that an interactive, common or public area was needed in the community to provide a platform for discussion and help to unite people.

While he was working with non-governmental groups (NGOs) and support groups, Patel began to realize how people with special needs and transgender people were considered a burden by their families. Transgender people in India faced prejudice and violence in addition to an overwhelming identity crisis.⁴

This was not always the case. Historically, transgender people were treated with respect and held important roles during the Mughal rule in medieval India.⁵ There were two primary reasons for this respect. First, in Islamic belief, transgender people were considered pious and pure, as they were seen as creations of God who lacked worldly desires. Second, many transgender individuals were not born that way but were castrated later in life. These individuals received advanced education and training to serve elite families. Due to their enforced celibacy, they were entrusted with various administrative and other posts in the palace.⁶

However, during the later period of colonization in India, transgender people were denied civil rights and became social outcasts. They were abducted, castrated, and mocked. Transgender children were often encouraged to dress and dance like women, reinforcing social taboos. Over generations, this led to systemic marginalization, social stigma, separation, discrimination, parental rejection, and physical and sexual abuse.⁷

Families disapproved of a male child exhibiting female characteristics. They pressured male children to behave like men to conform to the social norms. Those who could not comply were abused and discriminated against by their own family.⁸ Fear of societal disgrace, embarrassment, and disapproval led parents to either abandon their transgender children or flee as a family from their homes. As a result, transgender children lost family and peer support and, sometimes, they even lost their right to inherit parental property.⁹ According to India's census, there were 487,803 transgender people in the country in 2011.¹⁰

³ "About: ICICI Fellowship Programme," ICICI Foundation, accessed October 30, 2024, <https://icicifoundation.org/fellowship>. ICICI = Industrial Credit and Investment Corporation of India; ICICI Foundation was associated with ICICI Bank Limited.

⁴ Neethu, M. Naik, Shivani Gharge, and Sayeed Unisa, "A Snapshot of Transgender Community in India," *Demography India* 52, no. 2 (2023): 60–71, <https://iasp.ac.in/uploads/journal/005-1708491768.pdf>.

⁵ Qaisar Abbas and Ghiasuddin Pir, "History of the Invisible: A People's History of the Transgendered Community of Lahore," *THAAP Journal* (2016): 162–175, https://www.researchgate.net/publication/339948489_History_of_the_Invisible_A_People's_History_of_the_Transgendered_Community_of_Lahore.

⁶ Shahzad Bashir, "Islamic Tradition and Celibacy," in *Celibacy and Religious Traditions*, ed. Carl Olson (New York: Oxford University Press, 2007), 133–46.

⁷ V. Chakrapani, "Hijras/Transgender Women in India: HIV, Human Rights and Social Exclusion," Brief to the United Nations Development Programme, 2010, <http://hdl.handle.net/2451/33612>.

⁸ B. Golden Kisha, "A Study of Attitude of Society Towards Transgender in South India," *International Journal of Science and Research* 6, no. 8 (2017): 1564–1569, <https://www.ijsr.net/getabstract.php?paperid=ART20176251>.

⁹ "Transgender in India," Population Census, accessed October 30, 2024, <https://www.census2011.co.in/transgender.php>.

Patel understood that it would be difficult to persuade companies to employ transgender people, so he eventually decided to start his own venture. His primary goal was to create job opportunities for people from equity-deserving groups, such as specially abled and transgender people, and bring opportunities for transformative change to their lives. He considered this for some time. Once, while sitting in the street of a village and sipping tea, the idea of a tea cafe dawned on him. A cafe could employ and empower people from equity-deserving groups and could engage even more people from these groups. He decided to name his cafe *Nukkad*, which meant *junction*.

Patel started his journey with Nukkad by learning sign language and engaging people with hearing impairments. He convinced families to send their specially abled children and relatives for employment. But operating the cafe was a challenge.

COMPANY OVERVIEW

Nukkad was first trialled in Raipur City in the state of Chhattisgarh in India in 2013. As the cafe gained popularity and prosperity, Patel opened another branch in 2015 at a mall located in the heart of the city. The cafe initially employed people with speech and hearing limitations. Later, Patel decided to include transgender people in his entrepreneurial venture. During the trial period, a lead role was given to a transgender employee, tasking the employee to operate company kiosks on the premises of the various existing companies in Raipur. Some customers were uneasy; they were not accustomed to being served by transgender employees.

Two years later, Patel opened another branch of his cafe, this one in Bhilai, a nearby city. He hired transgender employees for this cafe as well.

When Patel won a business idea competition, he used the prize of approximately US\$33,570 to develop another cafe in Raipur, this one with a broader, wider, and more popular scope. The location had ample opportunity for success, and Patel used the opportunity to launch several innovative practices. He expanded the menu by adding vegetarian food, and for the first time, the cafe employed people with Down's syndrome and autistic people. The cafe included an amphitheatre, a library corner, and a unique display of sustainable products. The customers could learn to make artwork for free on the rooftop, and the cafe celebrated *Gyan daan* every month to facilitate the exchange of books and encourage reading habits among the customers.¹¹ Customers could donate one book and borrow three to read.

By 2021, Nukkad had three outlets in the cities of Raipur and Bhilai and had employed more than 200 deaf people, people with learning disabilities, little people (people with dwarfism), trafficking survivors, and transgender people. *Social inclusion* was a broad term, and Nukkad was consistently working to create an inclusive work environment by sensitizing society as well.

DISTINCTIVE PRACTICES AT NUKKAD TEA CAFE

Nukkad was noted for its distinctive social practices that significantly contributed to the betterment of equity-deserving groups and society as a whole. In addition to Nukkad's commitment to inclusiveness with

¹⁰ *Gyan daan* referred to sharing knowledge or education as a charitable and selfless act to transform lives and uplift society. At Nukkad, the regular celebration of Gyan daan converted the cafe into a working library.

employment, it initiated programs to promote social awareness and teach social skills for use in real time rather than on social media.

“Bill by Dill” was a bill-free day, held each year on the anniversary of Nukkad’s opening. Customers were not given a bill and paid for their food and beverages in an amount they chose.

One cafe had a corner dedicated for a library. Following the practice of *Gyaan daan*, which referred to imparting knowledge or education as a form of charity, visitors to the cafe could donate books, which other visitors could borrow.

A digital detox initiative helped customers set aside their electronic gadgets. If a customer handed over their cell phone while at the cafe, they received a discount of 10 per cent.

“Super Mom Celebrations” encouraged customers to bring their mothers to the cafe. On celebration days, Nukkad provided the mother with a free dish.

COMPETITORS

In Raipur City, where Nukkad was making a commendable effort to provide employment opportunities to people with diverse backgrounds, there were several competitors in the local cafe industry. These competitors varied in terms of offerings, ambience, and target audiences. Some of the notable competitors included the following:

Cafe Coffee Day. A well-known chain, Cafe Coffee Day offered a wide range of coffee and snack options. It catered to a diverse customer base and offered a welcoming atmosphere.

Starbucks. With its global presence, Starbucks was a formidable competitor. It emphasized social responsibility and inclusivity in its corporate values, and it offered an extensive menu.

Local independent cafes. Raipur was home to numerous independent cafes, such as Mocha, Mithya, The Living Room, The Gotvit Cafe, and Cafe Junoon. Each had its unique charm and offerings. These cafes often emphasized local flavours and drew customers seeking authentic experiences.

Speciality tea shops. Nukkad focused primarily on tea, so the local speciality tea shops were also competitors. They offered a wide variety of tea blends, such as Amrut Tulyam and Chai Govindam, and related products.¹²

Fast-food chains. Fast-food chains like McDonald’s and KFC were also competitors, primarily for customers seeking quick meals and beverages.

Indian Coffee House. Indian Coffee House with its multiple outlets was another significant competitor. Indian Coffee House had a well-established presence across India and a loyal customer base. The iconic cafes offered a diverse menu of coffee, tea, and snacks. Known for its affordable prices, Indian Coffee House attracted a wide range of patrons, including students, professionals, and families. While Nukkad differentiated itself with inclusive hiring practices, Indian Coffee House focused on traditional, nostalgic experiences. It provided a distinctive blend of history, culture, and affordability, posing a formidable challenge in Raipur’s cafe landscape.

¹¹ Amrut Tulyam and Chai Govindam were local varieties of tea, popular among the local crowd.

Patel reasoned that to maintain a competitive edge, Nukkad should continue to emphasize its mission and values, offer high-quality products, and provide exceptional service to its customers. Additionally, he believed that ongoing community engagement and partnerships could help to strengthen Nukkad's position in the local market.

TRANSGENDER PEOPLE IN THE WORKPLACE

Among those he hired at Nukkad, Patel had hired some transgender people in his efforts to make his cafe open and welcoming. However, transgender employees, who would otherwise beg for their subsistence, experienced a drop in societal acceptance and pay once working as a waiter. Working in a restaurant was hard work and not lucrative. Some transgender people felt they could earn more money by begging. Transgender people were also less accepted in the workplace. Even though the cafe's customers were sensitive and respectful, their occasional sympathetic behaviour could be strained, making transgender employees uncomfortable.

While begging was a simple way to get quick money, it perpetuated unfavourable preconceptions about transgender people and further marginalized the group. Societal biases perpetuated a restricted view of acceptable careers for transgender people, limiting their job opportunities and hindering their endeavours to seek fulfilling and financially stable careers, which led them back to begging, and the cycle continued. Patel had hoped to break that cycle, but if transgender employees did not feel comfortable at the cafe, were paid a low income, and were treated differently by people, they were not going to stay.

When Shanti handed in her resignation, Patel sat down with her to understand why she wanted to quit. Shanti described her experience of working in the cafe. She said that many times when she took customers' orders, she noted expressions on their faces that made her feel uneasy. Not all customers treated her poorly, but enough betrayed negative feelings to make Shanti uncomfortable. She said that before joining the cafe, she begged on the streets along with other transgender people. Hence, she always moved in a group of familiar people. But in a cafe, she had to face customers alone, which added to her uneasiness. Patel remembered that the transgender employees who had quit earlier also had narrated similar experiences.

"Anita," for example, had said that on one occasion, the restaurant was bustling with diners when a middle-aged couple took a seat in her section. Throughout their meal, they kept offering overly kind remarks such as, "You're so brave," and "It must be so hard for you, but you're doing great." Though intended as kindness, their words came across as pity rather than genuine respect. Each compliment made her feel as though her gender identity was viewed as something tragic, needing constant validation. While she smiled politely, deep down she wished the diners saw her simply as a professional, like any other waiter.

"Sudha" reported that a group of diners once arrived chatting and laughing. As Sudha approached their table to take their order, one of the diners hesitated for a moment before quickly averting his eyes. While his friends interacted normally, the one diner barely looked at Sudha throughout the meal. When it was time to pay, the diner insisted on handing over the payment to another waiter, avoiding Sudha completely. The exchange was subtle, but Sudha sensed the discomfort. It was a quiet prejudice, not in words but in actions that spoke volumes.

"Shanu" said that one evening, she overheard a small group of diners at a nearby table discussing her, not knowing Shanu could hear. "I don't know if this is appropriate," one of them whispered to the others. "I don't have an issue, but what if families feel uncomfortable?" asked another. Although the diners did not outright insult Shanu, their concerns implied that Shanu's presence was somehow controversial or

unsettling to others. The remarks were delivered in hushed tones, but they stung, subtly suggesting that Shanu's presence in the restaurant challenged some unspoken norm.

Each of these situations highlighted the nuanced challenges the transgender people faced: the awkwardness of over-sympathy, the quiet prejudice that often goes unspoken, and the negative public opinion that lingered just below the surface. Not only did this discrimination negatively affect the livelihoods of transgender people, but it also perpetuated a cycle of economic vulnerability.

SOCIETAL IMPACT

Patel was proud of the societal impact Nukkad was having. When customers spoke with the staff using sign language, deaf employees felt confident. It enhanced their morale and inspired them to continue their work. It also inspired other equity-deserving people to work and become financially independent. Specially abled staff became financially independent, reducing the feeling of being burdensome to their families and inspiring pride in their families. Some staff were able to financially assist their families.

There was a provision for a people-focused recruitment and training system in the cafe. Commitment to the job and professionalism were the two pivotal obligatory requirements for employment. Free workshops were organized for the visitors to the cafe to learn sign language and gender sensitization. The menu provided a signing code for each dish, and orders were often taken in sign language. To ensure employees complied with the professional norms and standards of the hospitality sector, they were provided with training and grooming sessions that were standard in the hospitality sector.

CHALLENGES AHEAD

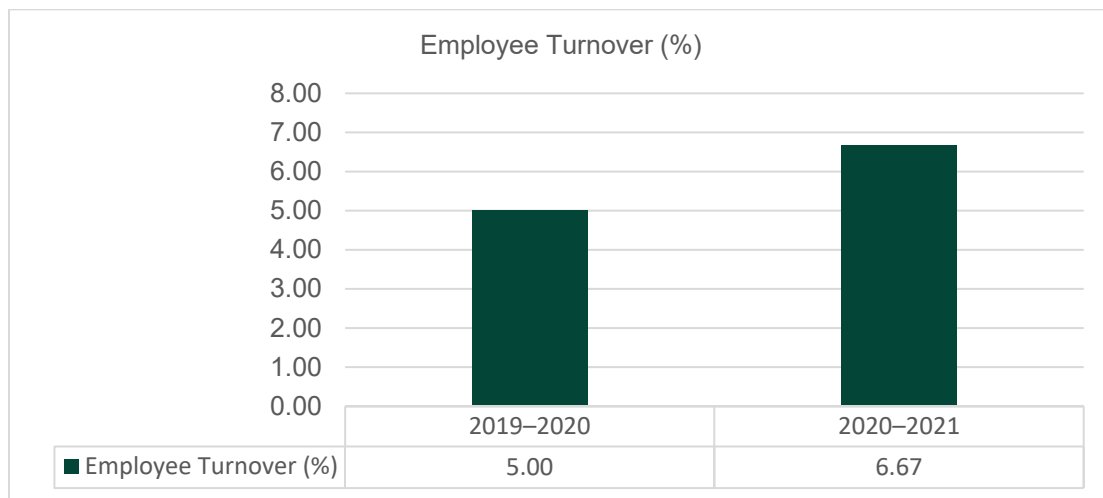
Although Patel had successfully convinced transgender people to try employment at the cafe, the experience was not easy. The major problem was that he was unable to retain transgender employees consistently or for any length of time. Their low retention rate and high switching rate were creating a hurdle in Patel's path to serve the social cause. Each time an employee resigned, the cycle of recruitment, selection, training, and induction had to start again.

The recruitment process at Nukkad had its own challenges. Unlike most restaurants that benefited from a wider hiring pool, the cafe was dedicated to employing people from small, marginalized communities. When a transgender employee left the cafe, the process of finding a suitable replacement was particularly challenging. Not only did potential candidates need to be identified, but also needed to be convinced about the benefits of being employed. Once selected, they were engaged in a labour-intensive process of training, and integrating the new employee into the team. These steps were considerably more complex and time-consuming than what was involved in the recruitment process in a conventional restaurant, where the hiring pool and training demands were typically less constrained. New employees also took considerable time to become efficient.

Patel had observed that the customers who came to his cafe knowing Nukkad's inclusive employment policy applauded Patel's initiative and interacted with the transgender employees in a caring manner. However, the customers who were not aware of Nukkad's mission were sometimes taken aback when they were attended by a transgender employee. Hence, retaining transgender employees for initially low-income jobs instead of begging was challenging. It took time along with timely revised strategies to increase the acceptance of transgender employees by the general public.

After the initial success of the cafe, customers started to feel that the food items were expensive in comparison to competitors. Patel accepted this challenge and said it was imperative to increase the price of the dishes to serve the welfare of the groups the cafe was supporting. Patel was trying to sensitize his customers to the needs of equity-deserving groups and pave a new and exemplary way of empathizing with these people. Profit-making was an inevitable part of any business if the business was to last (see Exhibits 3–5).

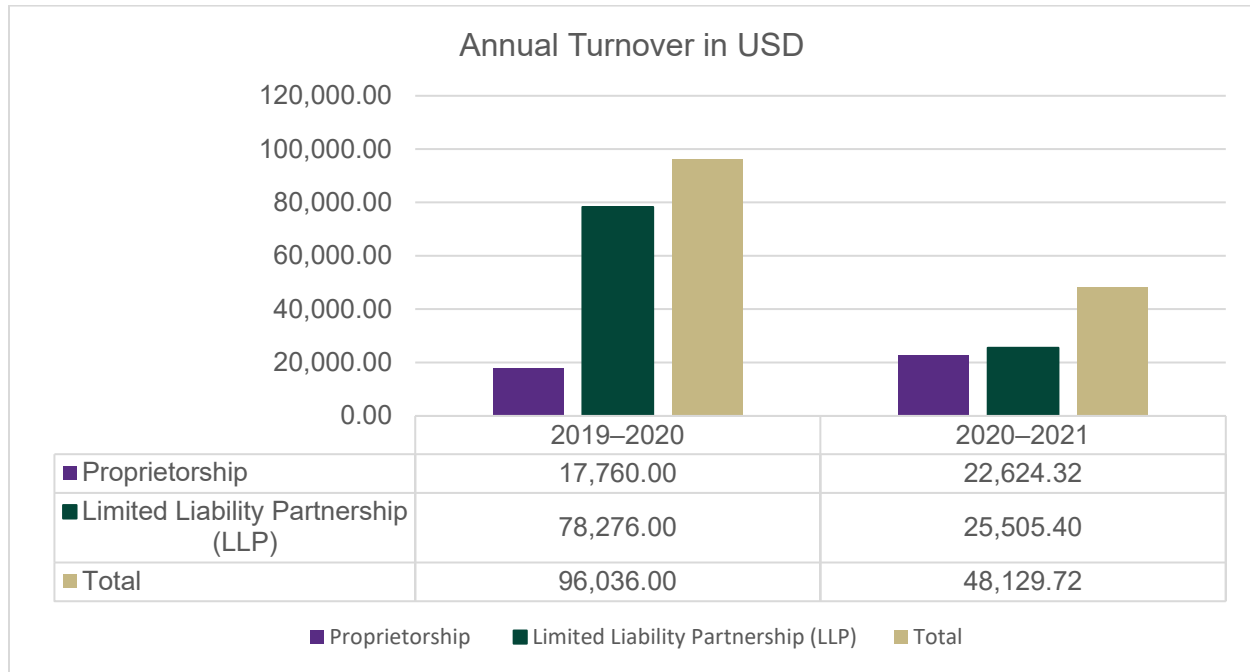
Maintaining a profit while advancing a social justice in context of transgender employees was a challenge. The low retention rate of transgender employee and parallel need to always be training new transgender employees were the complexities faced by the social entrepreneur.

EXHIBIT 1: ANNUAL TURNOVER OF TRANSGENDER EMPLOYEES (2019–2021)

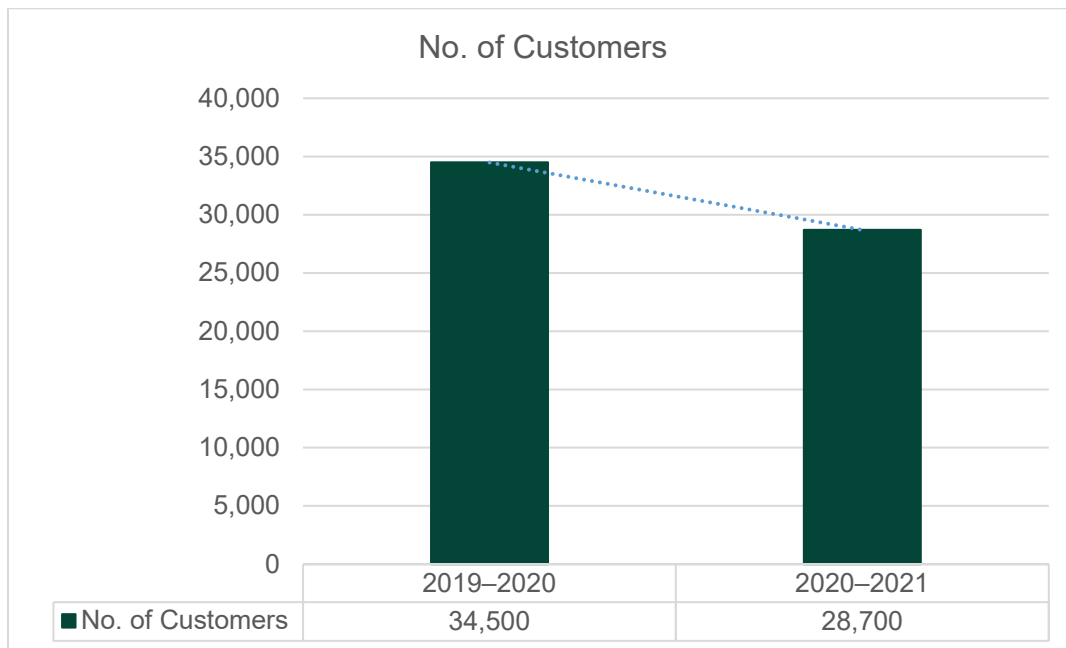
Source: Company documents.

EXHIBIT 2: THE AMBIENCE AT NUKKAD TEA CAFE

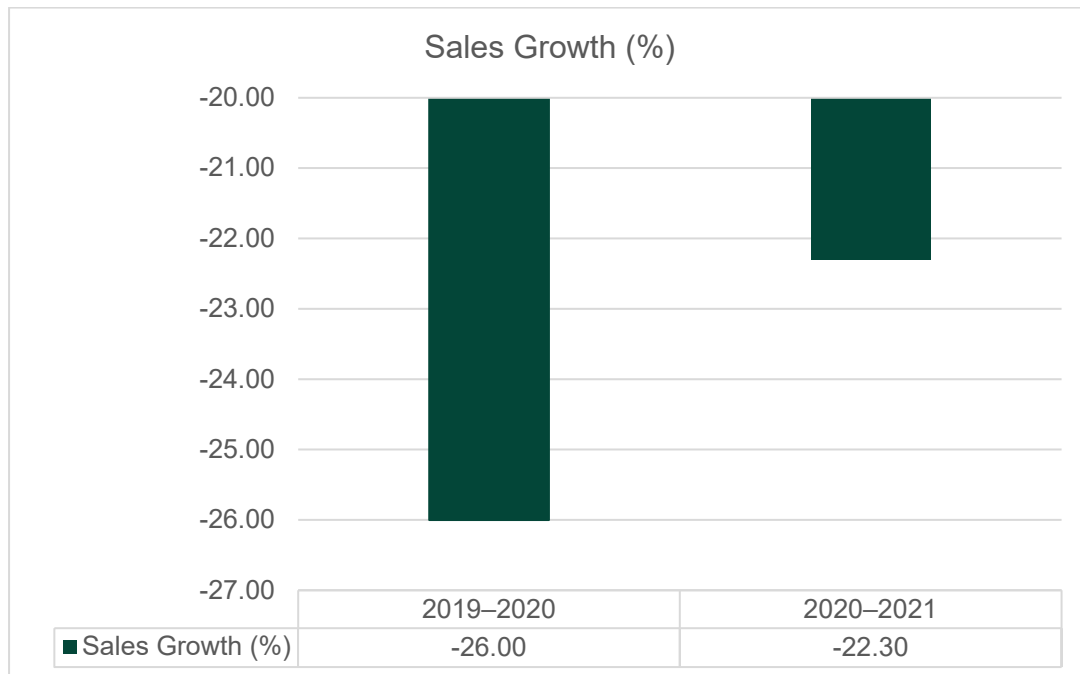
Source: Company documents.

EXHIBIT 3: ANNUAL BUSINESS TURNOVER (2019–2024)

Source: Company documents.

EXHIBIT 4: ANNUAL GROWTH IN THE NUMBER OF CUSTOMERS (2019–2021)

Source: Company documents.

EXHIBIT 5: ANNUAL SALES GROWTH IN PERCENTAGE (2019–2024)

Source: Company documents.