

## INCENTIVES AND MOTIVATION OF EMPLOYEES IN SELECTED FAST FOOD CHAINS IN LIPA CITY, PHILIPPINES

Kymerle Felnecah M. Umali<sup>1</sup>, Carren Joy B. Dagdagan<sup>2</sup>, Arlene F. De Torres<sup>3</sup>,  
Mario Lemuel K. Felipe<sup>4</sup>, Christine Joy G. Maranan<sup>5</sup>, Dionisio III M. Maranan<sup>6</sup>

College of International Tourism and Hospitality Management,  
Lyceum of the Philippines University  
PHILIPPINES.

[jakelaguador@yahoo.com](mailto:jakelaguador@yahoo.com)

### ABSTRACT

*This study sought to determine incentives and motivation of employees in selected fast food restaurants in Lipa City. Specifically, it presented the profile of the respondents in terms of the establishments they are connected with, gender, age, civil status, educational attainment and, status of employment; determined the benefits or incentives that the establishments offer; determined if there was a significant relationship among the demographic profiles; find out the impact of incentives to employees; and, to come up with a possible plan that can benefit both the employees and the establishments. The research was done through the use of descriptive method. Most of the employees strongly agreed that incentives can greatly improve their work performance. The mandatory benefits had a significant relationship to the demographic profile of the respondents. Non-mandatory benefits also had significant relationship to the demographic profile except gender. The researchers came up with a plan, an incentive program that can be additionally offered by the establishments to their employees. This incentive program can benefit both the establishment and employees.*

**Keywords:** Incentives, Employee Motivation, Fast Food Chain

### INTRODUCTION

People who work in a fast food restaurant often choose this employment as interim employment while they pursue education or other employment. Because the fast food industry experiences one of the highest turnover rates, managers and owners in this industry often search for ways to motivate fast food employees. The use of incentives and other methods to get employees motivated to produce higher quality and more productive work results. Fast food restaurant jobs can be stressful, long hours, demanding customers and the constant pressure to be friendly and cheerful can take its toll on your own workers. Incentive programs can help keep staff be motivated especially on high-stress days. They can also build loyalty and create a positive trusting relationship between management and staff (Hatter, 2012).

Companies use employee incentive plans for a variety of reasons and examples are, to meet or increase sales goals, to meet or increase production goals, to raise employee morale or for extraordinary employee performance, all for the drive to have success in the company. Plans range from simple rewards, including gifts, plaques to monetary rewards such as bonuses and travel incentives. Currently, Lipa City is fast developing as a business centre, with its massive infrastructure projects and with the linking of Port of Manila and Batangas International Port excellent transportation for trade and commerce is an added factor for the townsfolk (Paine, 2012).

As Hotel and Restaurant Administration students, the researchers would have a high possibility of working in fast food restaurants in the future. Therefore, the researchers chose this study to be aware of the incentives and benefits that employees can acquire upon employment in fast food restaurants. Likewise, they also want to find out what are the impacts of the given incentives to the employees' work performance.

### **OBJECTIVES OF THE STUDY**

This study sought to determine incentives and motivation of employees in selected fast food restaurants in Lipa City. Specifically, it intends to present the profile of the respondents in terms of their gender, age, civil status, educational attainment and, status of employment; determine the benefits or incentives that the establishments offer; determine if there was a significant relationship among the demographic profiles; find out the impact of incentives to employees; and come up with a suggested plan that can benefit both the employees and the establishments.

### **MATERIALS AND METHOD**

The researchers used a descriptive design in conducting the study. The descriptive method of research as a condition or relationship that exist, practices that prevail beliefs and process that are going to, effects that are being felt or trend that are developing. It is capable or supplementing facts as it is naturally and obviously happening at the time of study.

The respondents of the study are employees of the chosen fast food restaurants in Lipa City, Batangas like the managers and the crews that include 75 respondents. The main instrument was a questionnaire. The first part of the questionnaire was to determine the demographic profile of the respondents. The second part was to determine what benefits or incentives they acquire from their establishment. The third part of the questionnaire was focused on what incentives motivate the respondents. The last part of the questionnaire was to determine what are the impacts or effects of the incentives to the respondents. The researchers visited the library to find some possible topics for the research. After the researchers agreed about the topic, the researchers had it approved by the adviser. After the topic was approved, the researchers started to gather information about the chosen topic. The researchers started to gather information by sending out questionnaires as instrument and having it validated by the panel. The letters of request for answering the questionnaires were given to the chosen respondents. After collecting all the answered questionnaires, all the information gathered were discussed, compared, analyzed, and prepared for presentation. Frequency, percentage distribution, ranking, and weighted mean, product-Moment of Correlation were used to analyze and interpret the results of the study.

### **RESULTS AND DISCUSSION**

Out of 75 respondents, there were 40 male and 35 female respondents. Most of the respondents are in the range of 15-24 years old with the frequency of 67. Respondents whose ages range from 25-34 with a frequency of eight follow it. This implies that the respondents are of young age that is willing to work hard and exert extra efforts for the job on hand. It can be seen that 71 respondents equivalent to 94.7 percent are single. Only 5.3 percent equivalent to 4 respondents has a civil status which is married. This implies that the respondents are free from different family responsibilities that can be the cause of their problems while they are at their duty. Majority of the respondents are on their college level that has 66.7 percent equivalent to 50 respondents. Only 13 respondents equivalent to 17.3 percent are high school graduate. Moreover, 12 out of 75 respondents are college graduate that is equivalent to 16%.

There are 37 respondents that are contractual, 22 respondents are working students and only 16 respondents equivalent to 21.3 % are regular.

In terms of mandatory benefits, the respondents always receive SSS/PHILHEALTH/PAG-IBIG share and meal and rest period. The respondents rarely received 13<sup>th</sup> month pay and service incentive leave. In terms of non-mandatory, the respondents always receive purchase discounts. The respondents sometimes received paid holiday, overtime pay, trainings, award and recognition, and job enrichment. The respondents rarely received promotion opportunities, sick leave with pay and emergency allowances.

The respondents agreed that incentives have a great impact to the employee. The respondents strongly agreed that improving performance is the great impact of the incentives. The respondents agreed that incentives can reduce labor turnover, loyalty to organization and can lead to job satisfaction. As shown from the results, the least impact of incentive is it can increase work productivity.

Based from the results, the computed eta values indicate high correlation between age, educational attainment, educational attainment, and mandatory benefits. Age and status of employment has a high correlation with non-mandatory benefits. Status of employment indicates a very high correlation with mandatory benefit. The computed p-value of demographic profile when correlated to mandatory benefits shows significant relationship since the obtained value is less than 0.05. The computed p-value of demographic profile except gender when correlated to non-mandatory benefits shows significant relationship since the obtained value is less than 0.05. However, the resulted p-value of gender, when correlated to non-mandatory benefits shows no significant relationship since the obtained value is greater than 0.05 level of significance, thus the hypothesis of no significant relationship between gender and non-mandatory benefits is failed to reject.

Fast-food chains rely on frontline employees to provide first-class customer service, setting their establishments apart from competitors in this highly competitive industry. Fast-food employees are often paid minimum wage or only slightly above, making financial incentives an especially effective motivational tool in this industry. Instituting a range of employee incentive programs in the fast-food business can increase employee morale in addition to productivity.

## RESULTS AND DISCUSSION

Most employees who work in a fast food restaurant are male and range from ages 15-24 years old. Most employees are single, are on their college level, and mostly are on a contractual basis only. In terms of mandatory benefits, the employees always receive SSS/PHILHEATH/PAG-IBIG and Meal and Rest period benefits. In non-mandatory benefits, the employees always receive purchase discount. Incentives play a great role in motivating employees to perform well. Most of the employees strongly agreed that incentives can greatly improve their work performance. The mandatory benefits have a significant relationship to the demographic profile of the respondents. Non-mandatory benefits also have significant relationship to the demographic profile except gender. The researchers came up with a plan, an incentive program that may be adapted by the establishments to their employees. This incentive program can benefit both the establishment and employees.

Establishments may offer more incentive programs especially to their contractual employees since most of their employees are on contractual basis. Contractual employees may not rely solely on motivation brought about by incentives; instead, they may also consider other sources of motivation like providing a better living for themselves and their families. As per

given incentives and benefits by these fast food restaurants, those contractual employees who would want to have a more stable financial and job security, they may strive more in order to be hired as a regular employee. For program implementation, the drafted incentive program may be adapted for future use that can benefit both the establishment and their employees.

## REFERENCES

- Hatter, K. (2012). How to Motivate Fast Food Employees, available online:  
<http://smallbusiness.chron.com/motivate-fast-food-employees-22316.html>
- Paine, J. (2012). Incentive Plans for Employees, available online:  
<http://smallbusiness.chron.com/incentive-plans-employees-2824.html>