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INCENTIVES OF EMPLOYEES OF BUSINESS FIRMS
IN SELECTED TOWNS OF CAVITE

THESIS

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and Development Studies
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**INCENTIVES OF EMPLOYEES OF BUSINESS FIRMS
IN SELECTED TOWNS OF CAVITE**

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IN SELECTED TOWNS OF CAVITE**


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ABSTRACT

TEREZ, ANNA MARIE S. Incentives of Business Firms in Selected Towns of Cavite. Undergraduate Thesis. Bachelor of Science in Business Management major in Marketing. Cavite State University. Indang, Cavite. April 2006. Adviser: Dr. Nelia C. Cresino.

A study was conducted to describe the incentives of employees of business firms in selected towns of Cavite. Specifically, the study was conducted to: describe the profile of business firms in selected towns of Cavite, determine the incentives offered to employees of business firms; and determine the recognition programs offered to employees of marketing firms.

A total of 100 firms were selected through purposive sampling. Frequency count, mean, range, percentage and rank were used to answer the objectives of the study.

The findings of the study revealed that majority of the firms were operating for longer number of years. Business firms offered incentive programs mostly to mid-level managers, salespeople, and customer service/administrative support. Also, majority of the goals of the firms' incentive programs were to increase sales by a specified amount or percentage, to build company loyalty, and to increase profits by a specified amount or percentage.

Cash award was the most common incentives offered by business firms to employees. Promotional items and professional development/training were also common incentives offered by the company to employees. Similarly, cash award, promotional items and professional development/training were common incentives given to top sales performers.

Generally, those involved in sales such as Mid-level management, field salespeople, dealers/distributors/sales agents/brokers were eligible for participation in the organization's incentive programs. Mid-level managers were the personnel in-charge in the management of the organization's incentive programs. The most frequent measure employed by the firms to evaluate the organization's incentive programs was increase in sales volume. Also, half of the firms were using percentage of unit sales in determining the budget for the incentive programs. This suggests, that sales was a very important determinant on the nature of incentives that would be given to companies' employees. Plaques/trophies/certificates, employee of the month award and breakfasts/lunches/dinners with senior company executives were the common recognitions programs offered to employees.

The persons eligible for participation in the organization's recognition programs were mid-level management, field salespeople, senior management and sales administration/co-ordination. Few firms offered recognition programs to customer support personnel (38%), dealers/distributors/sales agents/brokers (38%), and non-sales staff (10%). Data indicate that the firms recognition programs were concentrated only on the people involved in sales rather than the entire employees of the company.

The most widely used methods of communicating the recognition of the employees of firms were special events/celebrations, company email, company website, and company memo. This would suggest that firms communicate the recognition programs of their employees through company-wide events and/or Web interactivity.

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INCENTIVES OF EMPLOYEES OF BUSINESS FIRMS IN SELECTED TOWNS OF CAVITE^{1/}

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INTRODUCTION

People do things for their own reasons. Motivation is the marketing tool that can bridge this gap (Murray, 2001). An incentive program is a planned activity designed to motivate *people* to achieve predetermined *organizational* objectives. (Mulsow, 2000)

Many companies are motivating their employees by using incentives. Incentives can be a reward of cash, merchandise, travel, recognition and/or status. Most companies believed that giving incentives boost sales and keep their sales people productive and happy in their jobs (Banks, 1999).

Outcome-based incentive plans are being used increasingly by business firms as a reward mechanism (Basu et al. 1985; Joseph and Kalwani 1998). Incentive plans play a prominent role in motivating, directing, and, especially, retaining a knowledgeable, skilled, and competent employees (Joseph and Thevaranjan 1998; Slater and Olson 2000). Some researchers consider incentive plans as part of the organization's investment