

658.3142

D37

2006

PERFORMANCE INCENTIVES AND JOB
SATISFACTION OF PRIVATE EMPLOYEES
IN SELECTED FIRMS IN CAVITE

THESIS

REDELYN B. DELA CRUZ

College of Economics, Management
and Development Studies
CAVITE STATE UNIVERSITY
Indang, Cavite

April 2006

**PERFORMANCE INCENTIVES AND JOB SATISFACTION OF
PRIVATE EMPLOYEES IN SELECTED FIRMS IN CAVITE**

Undergraduate Thesis
Submitted to the Faculty of the
Cavite State University
Indang, Cavite

In partial fulfillment
of the requirements for the degree of
Bachelor of Science in Business Management
(major in Economics)



00006682

*Performance incentives and job
satisfaction of private employees in
658.3142 D37 2006
—T-3397*

REDELYN B. DELA CRUZ
April 2006

ABSTRACT

DELA CRUZ, REDELYN B. Performance Incentives and Job Satisfaction of Private Employees in Selected Firms in Cavite. Undergraduate Thesis. Bachelor of Science in Business Management major in Economics, Cavite State University, Indang, Cavite. April 2006. Adviser Dr. Luzviminda A. Rodrin.

This study was conducted to analyze the performance incentive and job satisfaction of private employees of selected firms in Cavite. The study aimed to describe the socio-economic profile of private employees in selected areas of Cavite, to determine what are the different performance incentive schemes extended to private employees by their company, determine the level of job satisfaction of private employees, and to identify the different problems encountered by the employees in the availment of performance incentives provided by the company.

The study was conducted in selected areas of Cavite, namely: Dasmariñas, General Trias, Tanza, Rosario and Tagaytay from January to February 2006. The five municipalities were purposively selected due to the existence of numerous medium and large - scale business establishments in these areas. Quota samples of 100 private employees were included in this study. The respondents were selected through purposive sampling. The respondents were private employees with regular appointment and had been serving the company for at least three years.

Descriptive statistics such as frequency count, percentage, rank, mean and range were used in presenting the socio-economic profile of private employees in selected towns of Cavite and the different pay-for-performance incentive schemes extended to private employees by their company. The level of job satisfaction of private employees was measured using a 22-item index developed by Cooper (2001). The measurement is

formed by adding responses on each item, where each item allowed for responses on a three-point Likert scale represented as: 1 - High Satisfaction, 2 – Moderate Satisfaction , 3 - Low Satisfaction.

Most of the private employees in Cavite were female with a mean age of 32 years, married, and with an average household size of six numbers.

The respondent's average monthly income was Php9, 600.

This study revealed that the performance incentives offered to the employees by their company were membership to associations, health and social clubs, company merchandise, promotional items, and merchandise given to employees by the company.

Generally, most of the private employees were moderately satisfied with their present job although some respondents were not really satisfied to the performance incentives that they received from their employers it doesn't mean that the level of their job satisfaction is low.

TABLE OF CONTENTS

	Page
BIOGRAPHICAL DATA.....	iii
ACKNOWLEDGMENT.....	iv
ABSTRACT.....	vi
TABLE OF CONTENT.....	viii
LIST OF TABLES.....	x
INTRODUCTION.....	1
Statement of the Problem.....	3
Objectives of the Study.....	3
Importance of the Study.....	4
Operational Definitions of terms.....	5
REVIEW OF RELATED LITERATURE.....	7
METHODOLOGY.....	10
Time and Place of the Study.....	10
Sampling Procedure	10
Collection of Data.....	11
Analysis of Data.....	11
Scope and Limitation of the Study.....	12
RESULTS AND DISCUSSION.....	13
Socio economic profile of Private Employees in selected towns of Cavite.....	13
Performance Incentives Offered to Private Employees.....	17

Persons Entitled to Performance Incentives.....	22
Level of Satisfaction of Private Employees in relation to the different Practices/Activities of the Company.....	23
Problems Encountered by the employees in the Availment of Performance Incentives provided by the Company.....	35
SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	37
Summary.....	37
Conclusion.....	39
Recommendations.....	40
BIBLIOGRAPHY	41
APPENDIX.....	42

LIST OF TABLES

Table	Page
1 Distribution of Respondents by Area, Cavite 2005.....	10
2 Socio-economic profile of Private Employees in selected areas of Cavite, 2005.....	14
3 Bases of Performance Incentives offered to Private Employees in selected towns of Cavite, 2005.....	17
4 Incentives offered to Private Employees by their company in selected areas of Cavite, 2005 based on Individual Performance Schemes	18
5 Incentives offered to Private Employees by their company in selected areas of Cavite, 2005 based on Group Performance Schemes.....	19
6 Incentives offered to Private Employees by their company in selected areas of Cavite, 2005 based on Overall Company Performance Schemes.....	19
7 Incentives offered to Private Employees by their company in selected areas of Cavite, 2005 based on Individual and Overall Company Performance Schemes.....	20
8 Incentives offered to Private Employees by their company in selected areas of Cavite, 2005 based on Individual, Group and Overall Company Performance Schemes.....	21
9 Persons Entitled to Performance Incentives by their company in selected towns of Cavite, 2005.....	22
10 Level of Job Satisfaction of Private Employees with their company with regards to nature of job.....	25
11 Level of Job Satisfaction of Private Employees with their company with regards to flow of communication in the work place.....	27
12 Level of Job Satisfaction of Private Employees with their company with regards to Job Performance.....	29

13	Level of Job Satisfaction of Private Employees with their company with regards to Career Advancement.....	31
14	Level of Job Satisfaction of Private Employees with their company with regards to Company Organization.....	33
15	Level of Job Satisfaction of Private Employees with their company with regards to Compensation and Fringe Benefits.....	35
16	Problems Encountered by the Employees in the Availment of Performance Incentives of the Company, 2005.....	36

PERFORMANCE INCENTIVES AND JOB SATISFACTION OF PRIVATE EMPLOYEES OF SELECTED FIRMS IN CAVITE ¹¹

Redelyn B. Dela Cruz

¹¹ A thesis manuscript submitted to the faculty of the Department of Management, College of Economics, Management and Development Studies, Cavite State University, Indang, Cavite in partial fulfillment of the requirements for graduation with the degree of Bachelor of Science in Business Management major in Economics with Contribution No. T-2006-BM-02-013. Prepared under the supervision of Dr. Luzviminda A. Rodrin.

INTRODUCTION

A focus on job satisfaction is warranted to the extent that the employees believe that the creation of satisfying conditions in situations where many people spend much of their lives is a desirable end in itself. Further, employees might expect that employees who achieve high levels of job satisfaction would be committed to maintaining those conditions by exhibiting low quit rates, a result which will be beneficial to the firm if turnover is costly. Of potentially greater importance to the firm, however, is whether the individual is committed to the organization, in which case the individual might expand his or her efforts beyond those required to merely retain employment. Given the potential benefits of either job satisfaction or organizational commitment, research on how various work incentives influence these aspects of employee behavior seems warranted (Drago, et. al., 1998).

Work motivation is one of the key areas of organizational management. Organization theory is frequently described as an interdisciplinary study that examines