

THE MOTIVATIONAL IMPACT OF INCENTIVE PROGRAMS ON YOUNG  
ADULT EMPLOYEES IN CORPORATE CASUAL RESTAURANTS

THESIS

Presented to the Graduate Council of the  
University of North Texas in Partial  
Fulfillment of the Requirements

For the Degree of

MASTER OF SCIENCE

By

Gregory S. Hirsch, B.S.

Denton, Texas

August, 1996

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This study was conducted to determine which incentive programs best influence young workers in corporate casual restaurants. The server and bar staff of the Chiff's division of Brinker International, Inc. were surveyed in 18 stores in the Dallas area. From the sample, 386 usable surveys were received. The study was designed to obtain feedback about existing and future incentive programs that will enhance development of a positive working environment, along with higher productivity and a lower turnover rate.

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## CHAPTER I

### INTRODUCTION

#### Statement of the Problem

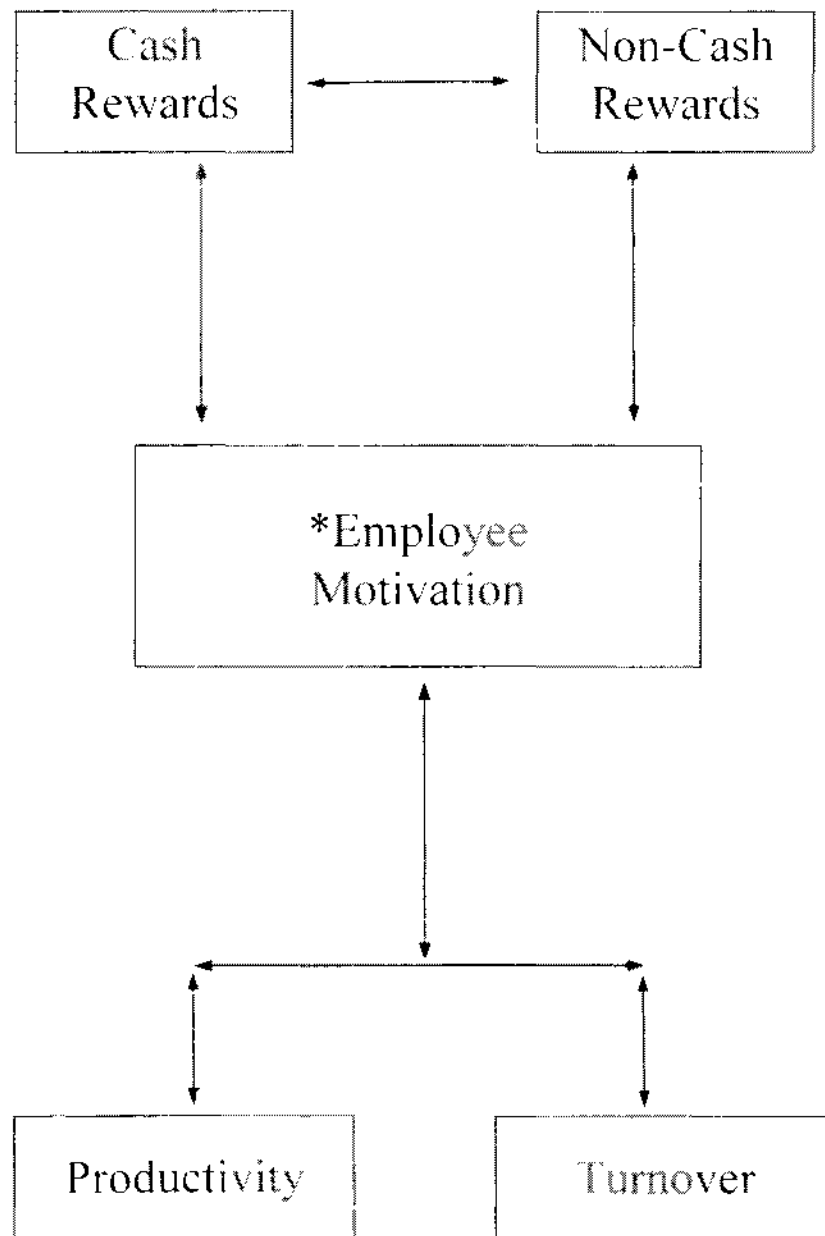
The problem is how to motivate young adult workers who are working for reasons other than full personal financial support. Young adults often are working to earn spending money or to pay for marginal costs associated with a college education that are not covered by their guardian.

With this financial situation and the abundance of jobs offered by the restaurant industry, monetary needs often are not the key motivational factor for employees staying at one particular location. Factors such as seniority, personal interaction and recognition of a job well done are some other strong elements for increasing productivity, longevity and profitability (Quinn, 1994). Short-term and long-term monetary programs also affect productivity and turnover rates (Campion, 1991). Kelly (1993) found service employees' performances are enhanced by allowing the employee to exercise personal discretion on the job. This study will look at these motivational factors and how they affect one another.

#### Purpose

The purpose of this study is to examine the effect of incentive programs on young adult workers employed at Chili's Restaurants in the Dallas area. The investigation of

employee incentive programs was conducted in order to determine their impact on employee productivity and turnover rate. The following chart illustrates how cash and non-cash incentive programs influence employee motivation and how motivation influences productivity and turnover.



## Research Questions

1. Is there a relationship between incentive programs and turnover rates among young adults in corporate casual theme restaurants?
2. Is there a relationship between incentive programs and productivity among young adults in corporate casual theme restaurants?
3. Which non-cash incentive programs best increase the interest among young adult workers?
4. Which cash incentive programs best impact young adult workers?
5. Is there a relationship between incentive programs and gender?
6. Is there a relationship between incentive programs and ethnicity?

## Rationale

Incentive programs are a resource that can be utilized to increase productivity and reduce turnover among young adult workers. This can be especially important in the service industry, where the turnover percentage is very high (Kelly, 1993).

Incentive programs provide several benefits to both the worker and to the employer. For the worker, incentive programs create a sense of pride in workmanship and a sense of belonging. These programs can also create work ethic. Employers benefit from the programs through lower turnover ratio, higher productivity and greater employee loyalty (Kelly, 1993). An increased profit percentage for employers will come from fewer dollars spent on recruitment and training (Noe & Wilk, 1993).

This study was designed to understand and interpret which incentive programs have a stronger effect on young adult workers, and in return, create higher productivity and lower turnover ratios.

#### Limitations

This study was limited to Chili's restaurants in the Dallas area. The findings are limited to what makes a young adult worker who chooses to work at Chili's more productive and have a lower turnover ratio.

#### Assumptions

The researcher assumes that all questions were answered honestly and only by those people who were qualified to answer the survey.

#### Operational Definitions

These definitions are used in the parameters of this research and are the author's definitions unless otherwise stated.

1. Young adult worker is a male or female worker between the ages of 18 and 23.
2. Corporate casual restaurant is a full service, sit-down restaurant with a per person dinner average of \$15-25 dollars. The unit also must be part of a corporate controlled chain of at least 20 units.
3. Cash rewards are financial or gift-based rewards which give motivation to the worker such as salary, profit sharing programs, insurance benefits and hard goods (Graham & Unruh, 1990).

4. Non-cash rewards are non-financial rewards that are aimed at satisfying basic employee needs and day-to-day operations such as recognition, seniority and special privileges (Graham, 1990).

5. Productivity is the ability of the worker to increase revenue and create profits for the company.

6. Turnover Rate is the rate at which employees at a particular business leave and are replaced by new employees.

## CHAPTER II

### REVIEW OF LITERATURE

#### Theoretical Background

Motivation, by definition, is something that rouses the mind or the spirit and incites activity. By another definition, motivation has to do with direction of behavior, strength of response and the persistence of behavior. Overall, four solid assumptions can be made about motivation:

1. Different theories place emphasis on various factors in motivation.
2. All motivation can be related to behavior and performance.
3. Goal setting is related to motivation.
4. Both internal and external events effect motivation. (Campbell, 1970)

Motivational theories can be classified into two separate types. Content theories focus on factors inside a specific individual which incite that individual to act. Process theories are descriptions of the system that can be utilized to create a motivating or non-motivating atmosphere in the work force (Gibson, 1994).

There are four main content-based theories. They are Maslow's Hierarchy of Needs, Alderfer's Existence, Relatedness, and Growth Theory, Herzberg's Two-Factor Theory and McClelland's Learned Needs Theory (Alderfer, 1972).

McClelland's Learned Needs Theory can be described as the theory that a person

who has a strong need will be motivated to use the appropriate behavior to satisfy that need. These needs are learned through participation in culture and society. The three main learned needs are as follows:

1. need for achievement.
2. need for affection, and
3. need for power.

McClelland tested his theory using the Thematic Apperception Test. In this test subjects are given a set of pictures which they are asked to discuss. Based on the discussion of the pictures, an analysis can be made of the subjects' thoughts and perspectives. The main interest of this theory is not to understand a person's actions, but what a person is thinking that makes him or her take those actions (McClelland, 1962).

The next content theory is Herzberg's Two-Factor Theory. This theory looks at the work environment for specific conditions. These conditions are as follows:

1. salary,
2. job security,
3. work condition,
4. status,
5. company procedures,
6. quality of supervision, and
7. quality of interpersonal relationships.

If these conditions are all present, the job is said to have a level of "no dissatisfaction".

When these basic elements exist in proper portions, "no dissatisfaction" exists in the position. They are referred to as extrinsic conditions.

The intrinsic conditions identified by Herzberg are as follows:

1. achievement,
2. recognition,
3. responsibility,
4. advancement, and
5. growth.

When these conditions are not present, the job is not affected. But when they are present, motivational levels increase dramatically. These five conditions are called satisfiers.

Herzberg's research changed the idea that in the workplace there is either satisfaction or dissatisfaction. Instead, the workplace is now viewed as having levels of satisfaction including both extrinsic and intrinsic factors with every level, leaving room for both growth and dissipation based on use of motivational tools (Herzberg, 1959).

Alderfer's Theory looks at a need hierarchy in three levels. They are as follows:

1. existence-basic needs,
2. relatedness-interpersonal relationships, and
3. growth-satisfaction through productivity and creation.

Alderfer's Theory suggests that these needs not only build on each other, but feed on one another. When the path of one is not clear, the others will be enhanced to compensate for the frustration factor (Alderfer, 1969).



The most popular motivational theory is Maslow's Hierarchy of Needs. In this theory, which all other motivational theories are to some extent based on, there is a hierarchy of five needs. They are as follows:

1. physiological - the need for food, water and shelter.
2. safety and security - the need for freedom from threat.
3. belongingness, social, and love - the need for friendship, affection and love.
4. esteem - the need for self-esteem and the esteem of others, and
5. self-actualization - the need to fulfill oneself by maximizing the use of abilities, skills and potential (Maslow, 1954).

The theory behind this hierarchy is that a person must fulfill the lower needs before being able to achieve higher level needs.

Often, these theories are placed against one another, but studies show that alone none of the content theories can be used in every situation. However, when they are used in tandem there is no situation that cannot be identified.

The next type of motivational theory is the process theory. The process theory attempts to understand what specific type of motivation will energize, direct, sustain or stop an employee's behavior. There are four major process theories. They are as follows:

1. the reinforcement theory,
2. the expectancy theory,
3. the equity theory, and
4. the goal setting theory

The Reinforcement Theory uses positive and negative reinforcement in order to extend or remove behavior. The Expectancy Theory deals with first and second level outcomes. The first level includes employee behavior such as productivity, absenteeism, etc. The second level deals with the rewards or punishment that the first level brings. This then allows an employer to gauge employees' actions on known outcomes.

The Equity Process Theory deals with the employee's perceived equity, the comparison of equity with other employees, the inputs the person brings to the job and the outcomes of the job as perceived by that person.

The fourth process is the Goal Setting Theory. In this theory, challenging but attainable goals are set. Achievement can be measured by goal commitment, which is the actual effort used to achieve the goal (Campbell, 1970).

Human motivation is highly individualistic. People are motivated by different things based on their demographic characteristics and past experiences (Graham & Unruh, 1990). For instance, Cox and Beliveau (1994) found young people and women tended to be motivated by recognition and praise, unlike older men who were influenced more by physical hard goods.

Management attitudes, worker satisfaction with rewards, and recognition practices have been linked to motivation and performance (Noe & Wilk, 1993). The key to employee motivation is the effective movement of information, knowledge, power and rewards from management to every level of the organization.

Shrader (1972) investigated more specifically the situation of construction

workers. He found that their physiological needs for food and shelter had been met and that the strong job market created a sense of security and safety. He also found that the nature of the construction industry created an automatic sense of belonging. With these needs met, it then became necessary to fulfill the next steps of the hierarchy, ego and self actualization, if motivation was to be achieved (Cox & Beliveau, 1994).

Shrader's (1972) research was later backed by the investigations of Campbell (1970) and Alderfer (1972) both of whom looked at the areas of participation and employee involvement in decision making. Their findings show that improvements such as higher morale and lower absenteeism occur when programs of participation are set in place (Cox & Beliveau, 1994).

The employment situation in the restaurant industry in 1995 closely resembles that of the construction industry in 1972. The young adults' satisfaction of physiological needs, the abundance of jobs, and the natural relationships formed in the restaurant industry are now bringing motivation to the next level of Maslow's hierarchy.

Motivational programs need to create a diverse variety of choices from which people make a selection that satisfies their individual needs (Quinn, 1994). The investigation of motivating employees through different incentive programs is the focus of this literature review.

### Cash Rewards

Salary, profit sharing, bonuses and employee ownership programs are the major cash rewards that are offered in the American working market today. The use of these

tools to motivate employees has been a standard in American business for years, but until the last few decades, the full use and power of these programs has gone highly unnoticed. (Plishner, 1995). More radical programs such as pay-at-risk, used successfully by the Saturn Corporation, give employees the opportunity to take on an ownership mentality allowing them to appreciate the company on a higher level and profit from their ability to help the company grow (Overman, 1995).

Cash rewards may be accompanied by broad banding, which is a reduction in the number of salary grades and an increase in the use of teams and job flexibility. A 1994 study by Shepperd investigates how these techniques create loyalty and their long-term effects on both productivity and turnover. The study of different industries, including both service and industrial, shows that employees who feel that they are part of the economic growth of the company are more likely to contribute to its success (Field, 1994).

#### Non-Cash Rewards

Graham and Unruh (1994) analyze recognition based on a four quadrant breakdown. They look at whether recognition is initiated by the company or by the manager, and whether the recognition is based on the performance of the employee or the presence of the employee. Their findings show that employees prefer manager initiated performance based recognition.

Quinn (1994) had similar results comparing the growing differences of motivating influences between the genders and the ages of employees. This research

supported the idea that young adults have a strong need for recognition and belonging in the workplace.

It is necessary to empower service personnel in order to create a self-discretioning employee. A self-discretioned employee becomes more valuable and the cost of such a program can be the cost of a few appropriate words in the course of a workday (Kelly, 1993).

Non-cash rewards such as merchandise, travel, status and recognition often are characterized by such activities as intra-office contests, holiday parties and extended educational programs (Noe & Wilk, 1993). The effect of short term programs and instant gratification contests can raise the morale of the worker while incurring little, if any, cost to the employer.

The four main advantages of non-cash incentives are the following:

1. Memory Value.
2. Trophy Value.
3. Flexibility, and
4. Lower Cost.

The first two values create an emotional response to an incentive which a cash reward cannot. They allow an employee to share the reward with family and friends and an opportunity to embrace the reward rather than just accepting cash, which often is used for more practical uses. The last two values address the more practical aspects of non-cash rewards. They give employers the ability to be creative and choose a reward more fitting

for a particular occasion. They also show that a reward does not have to be expensive, just meaningful to the employee (Brooks, 1994).

### Productivity

Productivity results in increased revenue, profits and market share (Alonzo, 1994). According to a 1994 survey reported in Incentives, employee productivity is the primary concern in the implementation of motivational objectives, followed by turnover and quality control. Productivity can be induced by both short-term and long-term goals. Short-term goals can be the increase in sales for a certain time period, whereas long-term goals can be the increase in market share over an extended period of time. The fact of the matter is that these goals feed off one another (Eisman, 1994). Research by both Harder (1991) and Shepard (1994) indicate that a mix of cash and non-cash incentives can induce employees to work towards personal and company goals.

Making money is the bottom line to being in business. When employees are productive, revenues and profits are up, thus creating a productive environment. Productivity is the total utilization of employee power to reach those goals (Alonzo, 1994).

### Turnover

Employee turnover translates into heavy expense for companies - money that is lost every year in retraining and recruiting employees. Campion (1991) investigated the effects that turnover can have on morale and on a company's profit margin, and suggested that its reduction can decrease costs and increase the satisfaction of both the worker and

the employer.

Annual turnover in the restaurant industry in the early 1990s is estimated to be 108%. By the year 2005, the restaurant industry work force will grow by 33%. The restaurant industry has such a strong turnover due to the mental and physical demands made by the work. (Oleck, 1994). Considering the heavy turnover that typically takes place in this industry, the question arises of how to reduce it (Mount, 1995).

According to a study done by Campion (1991), hospitality workers under the age of 30 are looking for these categories in a job:

1. good wages.
2. opportunity.
3. interesting work.
4. good working conditions, and
5. appreciation.

All of these factors point to one main condition: the work environment. When the employer creates an environment for success, the employee is less likely to feel uninvolved and is more likely to succeed.

Turnover cost per employee far exceeds the cost of environmental improvement. Training cost estimation in even a quick-serve restaurant equals \$500 per hourly employee and \$1,500 per management team member. As the quality of the restaurant increases, so does the cost of recruiting, interviewing and training. Also figured into the cost is the bureaucracy of paper processing, tax filing and employee updating (White,

1995).

### Incentive Programs

Incentive programs must have a basic structure. This structure includes the following features:

1. Performance level designations.
2. Awards and compensations.
3. Distribution channels, and
4. Measurements and reporting.

These four basic components are a part of every incentive program, whether it is based on cash or non-cash rewards. Non-cash programs will consist of four basic types of rewards: travel, merchandise, status and recognition. Cash rewards refer to salary, bonuses, profit sharing and special programs such as pay-at-risk. In all of these cases, the basic four-component structure must exist (Wallace, 1994).

Cash reward programs stimulate the analytical side of the brain. New methods of distributing cash rewards have developed over the last decade. Such examples are across-the-board bonuses for all employees when a company goal is met, and even more recently a mix of compensation for achievement of both personal and company goals. This allows the employee the flexibility to grow in different areas (Plishner, 1995).

Non-cash rewards offer even greater flexibility in allowing for more creativity and appeal to the emotional side of the brain. The industry has become filled with inexpensive ideas that allow for employee growth and appreciation. The following are



examples of optimal times to award non-cash incentives:

1. following a job well done.
2. a birthday.
3. a service anniversary.
4. a special favor.
5. for doing an unpleasant task.
6. for maintaining a good attitude, and
7. for saving the company money (Boyd, 1995).

Examples of creative ideas for non-cash rewards range from a smile and a pat on the back to public recognition. Team related non-cash incentives could be as simple as a company flag passed on to the best unit in the company or a fancy dinner. Companies such as McDonald's have expanded their understanding of their employees and pays their employees to attend school for several hours a week. Larger professional companies often set up financial assistance programs for both graduate and undergraduate students (McVerney, 1994).

In a study of medical technologists, non-cash rewards were found to be important for other reasons than improving achievement. The study also looked at manager- and company-based presence awards. These awards raise morale and express a general 'thank you' to the whole group for being part of a team and for a job well done or for general group morale. Examples of this can be a holiday party or, in one company's case, a masseuse who gives rubdowns every two weeks (Graham & Unruh, 1990).

Methods such as encouragement of creativity and the use of non-conventional work teams have had a very strong effect at the Saturn Corporation. Saturn has restructured its work force to promote teamwork and corporate goals with individual rewards. Other companies such as Subway Sandwiches have concentrated on sincere and public recognition of their employees. These are further examples of successful and financially feasible incentive programs that interest employees and motivate them towards a common goal (Overman, 1995; Sanson, 1995).

A survey conducted by Restaurant Business, which interviewed employees of casual corporate restaurants, found that most employees in that environment value their benefits more than their pay. This statistic indicates that young adults often have a different perspective on what is motivating and important for their productivity and willingness to stay on the job. A sense of community and belonging and the chance to improve one's self are all factors in the motivation of these workers (Simpson, 1994).

### Summary

Motivation theory is a highly individualized idea. There are as many ways to motivate people as there are people to motivate. The key is to have a wide selection of choices so that people can find their own comfort level. It is also very important to understand the group you are dealing with in order to better understand what will motivate that particular set of people.

Current new theories tend to include employees in the creation of their own incentive programs with the goal of improving the following areas in business:

1. Performance,
2. Turnover rate,
3. Team work,
4. Morale, and
5. Communication (Brooks, 1994).

By talking to and examining employees and their behavior, much can be learned about their motivation. One such research project, conducted by Business Incentives Services and Goodyear Tires, looked at the power of non-cash emotional incentives compared to cash analytical incentives. By the end of the research, non-cash reward recipients out-sold cash reward recipients by 50 percent. This type of new research is changing the concepts of incentive programs (Gravalos & Jack, 1995).

The sharing of goals is also a major factor in the outcome of a motivational program. If the workers do not understand why they are participating, productivity will suffer along with an increase in the turnover ratio. Setting goals for productivity and turnover may enhance employee job satisfaction in ways originally requested by employees, and will increase the ability of employees to understand management goals.

This review discusses many aspects of motivation and keys to structuring programs. Most motivational programs are a long-term commitment that may require initial cost, but as stated by Cox and Beliveau (1994), initial costs are often minute compared to the overall savings that can be achieved through proper implementation of these programs.

## CHAPTER III

### METHODS

#### Introduction

The purpose of this study was to examine employee incentives and the effects of those incentives on young adult workers employed at Chili's restaurants in the Dallas area. The investigation of employee incentive programs was conducted in order to determine their impact on employee productivity and turnover rate.

#### Methodology

Current research suggests that incentive programs, whether cash or non-cash, have a strong effect on the productivity and turnover rate of young adults (Quinn, 1993). This study was designed to determine what motivates young adult workers between the ages of 18 and 23 to be more productive and less likely to resign. This study was conducted in the context of corporate casual restaurants where the main employee pool consists of this young adult age group. The following research questions were used in this study:

1. Is there a relationship between incentive programs and turnover rates of young adults in corporate casual theme restaurants?
2. Is there a relationship between incentive programs and productivity of young adults in corporate casual theme restaurants?

3. Which non-cash incentive programs best motivate young adult workers?
4. Which cash incentive programs best motivate young adult workers?
5. Is there a relationship between certain types of incentive programs and gender?
6. Is there a relationship between certain types of incentive programs and ethnicity?

### Sample

The sample consisted of young adult front-of-the-house sales workers in the corporate casual restaurant chain of Chili's, a division of Brinker International. This survey was conducted in 18 stores in the Dallas, Texas metropolitan area. The survey was distributed to employees at each individual store and completed on the premises, then returned by mail by the management to the author. Each worker received a survey and a cover letter. The cover letter (see Appendix A) explained to the worker the process and the reasoning behind the survey and was signed by the researcher, his committee chair, and a Brinker representative. Surveys were distributed to the 577 manager-reported eligible population.

### Instrument

A questionnaire (see Appendix B) was developed to respond to the research questions in chapter 1. The questionnaire contained both closed-ended and open-ended questions, and contained both nominal data and Likert Scale measurements. The survey took approximately 10 minutes, per sample member, to complete. Content validity was

tested by conducting a pre-test of the original survey at the Chili's in Denton, Texas just north of the Dallas stores that were used for the actual survey. The pre-test was administered in the same manner as the actual survey with the exception of a discussion about the instrument at the end of the session. From this discussion, the survey was adjusted in order to clarify some aspects of the survey and refine the questions. Due to the fact that the survey was used to gather descriptive statistics, no specific tests of reliability were run.

The questionnaire consisted of four main components. These included questions on turnover, productivity, incentive programs, and demographics. All questions emphasized the need to understand the staff member point of view and outlook on his/her position based on demographics and experience. Staff members were asked to indicate the selection with which they agreed most strongly. In the incentive portion of the instrument, a Likert five-point scale was used to rate possible incentive programs and an open-ended question asked which program the staff member felt was most rewarding.

#### Data Collection

Data was collected during the month of February, 1996. The surveys were placed in a marked envelope and given to the general manager of each location surveyed. Locations were chosen based on availability in cooperation with Brinker International. A management-selected staff member liaison distributed and collected the survey in the presence of other staff members. Completed surveys were put back into the marked envelope. The envelope was sealed and then returned to the management team. A total

of 377 surveys were collected. Of these, 356 were deemed to be usable responses resulting in a net response rate of 62%. This number met and exceeded the required minimum amount of 276 surveys, formulated by the National Education Association Small-Sample Formula as used in the NEA Research Bulletin, deemed necessary to create a reliable study.

#### Data Analysis

The collected data was examined in order to derive the score for each question and its relationship to other research questions. The Statistical Package for the Social Sciences (SPSS) was used under the guidance of the statistical support team of the University of North Texas Computing Center. During data analysis, the following statistical tests were used: mean, median, mode, standard deviation and chi square correlations.

## CHAPTER IV

### RESULTS

#### Introduction

This study was conducted in order to identify the components of a better working environment for young adult workers in casual corporate restaurants. It examined incentive programs and their impact in relation to employee history, perception of the way in which workers' productivity is judged, and employee demographics. A survey was distributed to 18 Dallas, Texas area Chili's Restaurants. The survey was administered to sales staff personnel (i.e., wait staff and bar staff) in order to better understand the workers opinions and backgrounds. Frequency counts, percentages, chi-square correlations and other descriptive statistics such as means, modes, medians and standard deviations were used to analyze the information in order to create an objective picture of the workers and their opinions. The analyses were used on both open- and close-ended questions in the survey to answer the research questions as well as to help formulate new questions to be answered both now and in future research.

In conducting the chi-square crosstabulations in this study, the .10 level of probability was used. The .10 significance level was chosen in order to decrease the possibility of a Type II error, thus creating a wider net of programs which may be seen in a positive light.



Crosstabulations in some tables reflect combined columns and rows in order to reduce cells with an expected frequency count of five or less. The statistical package for social sciences (SPSS/PCT) was used for the analysis of the collected data from the closed-ended questions of the survey.

#### Characteristics of the Sample

Subjects for this research were drawn from employees of Chili's Restaurants, a division of Brinker International. Surveys were sent to 18 Chili's Restaurants in the Dallas, Texas metropolitan area. Of the 577 surveys sent to the manager-reported population, 380 (66%) of the surveys were returned and 356 (62% of the sample) were usable responses. As shown in table 1, a majority (58.7%) of the respondents were female. Almost half (44.6%) were 23 years of age or older with a relatively even dispersal of age in all other groups. The majority of the population was Caucasian (87.4%). Table 1 provides a summary of the demographic attributes of the respondents.

Table 1

#### Staff Member Demographic Attributes

N = 356

Value	N	%
Gender		
Female	209	58.7
Male	147	41.3
Age		
18 and under	30	8.4
19	38	10.7
20	51	14.3

(table continues)

Table 1 (continued)

Staff Member Demographic Attributes

Value	N	%
21	44	12.4
22	33	9.3
23 and over	160	44.9
Ethnicity		
Caucasian	311	87.4
Hispanic	20	5.6
African American	17	4.8
Asian	5	1.4
Native American	3	.8

## Statistical Analysis

Table 2 illustrates the modal responses for each question in the survey. This table presents the overall view of the answers that created the strongest response from eligible Chili's workers.

Table 2

Modal Responses to the Survey Questions

N=356

Modal Response	% of Frequency
1. No	68.8
2. One	19.9
3. 12+ Month	36.0
4. Other	34.3

(table continues)

Table 2 (continued)

Modal Responses to the Survey Questions

Modal Response	% of Frequency
5. I would not return	38.8
6. Above average	55.6
7. 12- Month	43.0
8. The company's reputation	26.7
9. This job	62.1
10. Other	75.3
11. Co-worker support	53.4
12. Average sales	26.1
13. Customer comments	25.6
14. Cash rewards	33.1
15. Strongly Agree	59.8
16. Agree	34.8
17. Neutral	40.4
18. Strongly Agree	42.4
19. Agree	36.5
20. Agree	37.6
21. Neutral	41.0
22. Strongly Agree	45.5
23. Neutral	33.4
24. Agree	43.0
25. Neutral	34.6

(table continues)

Table 2 (continued)

Modal Responses to the Survey Questions

<u>Modal Response</u>	<u>% of Frequency</u>
26. Strongly Agree	46.1
27. Neutral	56.7
28. Agree	41.0
29. Agree	42.1
30. Strongly Agree	57.3
31. Strongly Agree	46.6
32. Strongly Agree	61.0
33. Unreadable	
34. Strongly Agree	37.4
35. Strongly Agree	42.1
36. Agree	42.4
37. Open	
38. Open	
39. Above average	39
40. 23 and above	44.9
41. Female	58.7
42. Caucasian	87.4
43. Server/Bartender	99.2
44. 31-40 hours	48.3
45. None	51.5

### Research Question 1

Research question 1 asked if there was a relationship between incentive programs and employee turnover. This question was analyzed by conducting a chi square crosstabulation between the incentive programs in questions 15-36 on the survey and questions 2,3,4,5,7 and 8 on the survey. The objectives of this research question were to understand the history of the worker, to have a better concept of the past trends of the work force, and to better appreciate the past and present circumstances that the workers felt they had been or are enduring. This allowed for a more complete analysis of possible downfalls to be wary of in the future. Survey question 2 asked the number of different restaurants the employee had worked at. Table 3 shows the three incentive programs that are directly correlated with this question. These correlations show that there is a direct link between the effectiveness of these incentive programs and the number of different restaurants the employee had worked at. The smaller the p value, the greater the correlation the incentive program had to the survey question.

Table 3

#### Incentive Programs Crosstabulated by the Employment History of the Workers

N=356

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Median Tendencies
Performance as a basis for promotion	.029	First Time Employee	31.5	Strongly Agree
		1	19.9	Agree

(table continues)

Table 3 (continued)

Incentive Programs Crosstabulated by the Employment History of the Workers

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Median Tendencíes
		2	17.4	Neutral
		3	12.9	Neutral
		4+	18.3	Even Split
Outside Social Interaction w/management	.0524	First Time Employee	31.5	Neutral to Disagree
		1	19.9	Neutral
		2	17.4	Neutral to Disagree
		3	12.9	Strongly Agree
		4+	18.3	Strongly Agree
Day Care Assistance	.060	First Time Employee	31.5	Agree to Neutral
		1	19.9	Neutral to Disagree
		2	17.4	Even Split
		3	12.9	Strongly Agree
		4+	18.3	Strongly Agree

Survey question 3 asked how long the employees were at their previous place of employment. Five incentive programs were directly correlated with this question. The field of workers was heavily divided between workers with strong past seniority and those with little past seniority. Table 4 shows that employees who were at their previous employment for a short time tended to be more interested in social activities. Employees with a longer past tenure preferred more tangible rewards such as shift assignments and insurance benefits. Both groups agreed on acknowledgment as a key motivator.

Table 4

Incentive Programs Crossstabulated by the Length of Previous Employment

N=356

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
Insurance Benefits	.031	First Time Employee	31.5	Neutral to Disagree
		1 month	8.4	Evenly Distributed
		2 months	12.1	Agree
		3 months	12.1	Evenly Distributed
		4+ months	36.0	Strongly Agree
Outside Social Interaction with Management	.051	First Time Employee	31.5	Strongly Agree
		1 month	8.4	Evenly Distributed
		2 months	12.1	Agree to Neutral

(table continues)

Table 4 (continued)

Incentive Programs Crosstabulated by the Length of Previous Employment

Incentive Program	P Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
		3 months	12.1	Strongly Agree to Agree
		4+ months	36.0	Neutral to Disagree
Seniority Based Shift Assignments	.05	First Time Employee	31.5	Evenly Distributed
		1 month	8.4	Agree to Neutral
		2 months	12.1	(Polar Split) Strongly Agree to Disagree
		3 months	12.1	Strongly Agree
		4+ months	36.0	(Split) Strongly Agree and Neutral
Acknowledgment in a Company Publication	.061	First Time Employee	31.5	Agree
		1 month	8.4	Neutral
		2 months	12.1	Split Agree & Disagree
		3 months	12.1	Neutral
		4+ months	36.0	Strongly Agree

(table continues)



Table 4 (continued)

Incentive Programs Crossstabulated by the Length of Previous Employment

Incentive Program	P Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
Day care Assistance	.068	First Time Employee	31.5	Neutral to Agree
		1 month	8.4	Neutral
		2 months	12.1	Agree
		3 months	12.1	Neutral
		4+ months	36.0	Strongly Agree

Survey question 5 asked the employee's reason for leaving his/her last position. One incentive program was significantly correlated with this question. That incentive program was day care assistance. This can be best correlated with the agree to strongly agree attitude for the possible answers of salary, responsibility and appreciation. This is a reflection of a mature work attitude and one that is reflected with the maturity of parenthood.

Table 5

Incentive Programs Crosstabulated by the Employees' Reason for Leaving Previous Position

N = 356

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
Day Care Assistance	.072	First Time Employee	32.2	Neutral to Disagree
		My salary was raised	6.2	Agree to Strongly Agree
		The management changed	3.7	Evenly Distributed
		I would not return	38.8	Neutral to Disagree
		My responsibility increased	1.4	Agree to Strongly Agree
		I felt more appreciated	2.0	Agree to Strongly Agree
		Other	15.7	Agree to Strongly Agree
		62.5% Based on location		
27.0% Unsure				
10.5% Varied				

Survey question 7 asked how long the employee had worked at Chili's. This question was asked to understand the proportion of workers that the system was presently pleasing. Nine incentive programs are directly correlated with this question. A strong

43% of the current workers had been with the company for over one year, and another 34.2% had been employed for four months or longer. Table 6 shows the incentive programs which saw a strong agreement by the employees who had been with the company for one year or longer. The less than one year employee group agreed with most programs, but had a definite difference of opinions on programs that dealt with the question of seniority.

Table 6

Incentive Programs Crossstabulated by Length of Employment Time at Chili's

N = 356

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
Special Privileges for Seniority	.000	Less than a month	6.5	Agree to Neutral
		1-3 months	16.3	Agree to Disagree
		4-6 months	15.7	Agree to Disagree
		7-11 months	18.5	Agree to Disagree
		12+ months	43.0	Strongly Agree
Seniority-based Shift Assignments	.000	Less than a month	6.5	Agree
		1-3 months	16.3	Agree to Disagree
		4-6 months	15.7	Neutral to Disagree
		7-11 months	18.5	Agree
		12+ months	43.0	Strongly Agree

(table continues)

Table 6 (continued)

Incentive Programs Crosstabulated by Length of Employment Time at Chili's

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
In-store Recognition	.005	Less than a month	6.5	Agree
		1-3 months	16.3	Agree to Neutral
		4-6 months	15.7	Agree to Neutral
		7-11 months	18.5	Agree
		12+ months	43.0	Strongly Agree
Performance-based Shift Assignments	.023	Less than a month	6.5	Agree
		1-3 months	16.3	Strongly Agree and Neutral/Disagree
		4-6 months	15.7	Agree to Disagree
		7-11 months	18.5	Agree to Disagree
		12+ months	43.0	Strongly Agree
Day Care Assistance	.035	Less than a month	6.5	Agree
		1-3 months	16.3	Strongly Agree
		4-6 months	15.7	Agree
		7-11 months	18.5	Neutral
		12+ months	43.0	Strongly Agree

(table continues)

Table 6 (continued)

Incentive Programs Crosstabulated by Length of Employment Time at Chilf's

Incentive Program	P Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
Performance as the Basis for Promotion	.045	Less than a month	6.5	Agree
		1-3 months	16.3	Neutral to Disagree
		4-6 months	15.7	Agree
		7-11 months	18.5	Agree
		12+ months	43.0	Strongly Agree
Longevity as the Basis for Promotion	.054	Less than a month	6.5	Agree
		1-3 months	16.3	Split Agree and Disagree
		4-6 months	15.7	Neutral
		7-11 months	18.5	Neutral
		12+ months	43.0	Strongly Agree
Positive Written Note from Management	.071	Less than a month	6.5	Agree
		1-3 months	16.3	Neutral
		4-6 months	15.7	Neutral
		7-11 months	18.5	Agree
		12+ months	43.0	Polar Split- Strongly and Disagree

(table continues)

Table 6 (continued)

Incentive Programs Crosstabulated by Length of Employment Time at Chili's

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
Outside Social Interaction with Management	.095	Less than a month	6.5	Agree
		1-3 months	16.3	Split Neutral and Disagree
		4-6 months	15.7	Split Strongly Agree and Neutral
		7-11 months	18.5	Split Agree and Disagree
		12+ months	43.0	Strongly Agree

Survey question 8 asked the employees why they chose to work at Chili's. The purpose of this question was to better understand the organization's current appeal and what relationship that appeal has to current or future incentive programs. A strong percentage of the respondents gave the reason for selecting Chili's as "the company reputation" (26.7%), job flexibility (19.9%) and job availability (19.1%). Six incentive programs were directly related to this question. Table 7 indicates that the strongest opinions came from the company's employees who agreed or strongly agreed with a majority of the six programs. This relates to the company's reputation and the incentive programs which are currently in place.

Table 7

Incentive Programs Crosstabulated by Why an Employee Chooses Chili's

N=356

Incentive Program	P Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
In-Store Recognition	.008	Job Availability	19.1	Agree
		Job Flexibility	19.9	Neutral
		Other	18.0	Neutral to Disagree
		31% Better Atmosphere		
		28% Location		
		20% Friends		
		21% Varied		
Positive Written Note from Management	.009	Better Money Opportunity	16.3	Agree
		The Company's Reputation	26.7	Strongly Agree
		Job Availability	19.1	Neutral
		Job Flexibility	19.9	Neutral to Disagree
		Other	18.0	Neutral to Disagree
		31% Better Atmosphere		

(table continues)

Table 7 (continued)

Incentive Programs Crosstabulated by Why an Employee Chooses Chili's

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
		28% Location		
		20% Friends		
		21% Varied		
		Better Money Opportunity	16.3	Agree to Strongly Agree
		The Company's Reputation	26.7	Strongly Agree
Special Privileges for Seniority	.054	Job Availability	19.1	Agree to Neutral
		Job Flexibility	19.9	Evenly Distributed
		Other	18.0	Neutral to Disagree
		31% Better Atmosphere		
		28% Location		
		20% Friends		
		21% Varied		
		Better Money Opportunity	16.3	Strongly Agree
		The Company's Reputation	26.7	Strongly Agree

(table continues)



Table 7 (continued)

Incentive Programs Crossstabulated by Why an Employee Chooses Child's

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
Day Care Assistance	.062	Job Availability	19.1	Agree to Disagree
		Job Flexibility	19.9	Agree to Strongly Agree
		Other	18.0	Disagree
		31% Better Atmosphere		
		28% Location		
		20% Friends		
		21% Varied		
		Better Money Opportunity	16.3	Neutral
Merchandise with a Company Logo	.070	The Company's Reputation	26.7	Strongly Agree
		Job Availability	19.1	Neutral
		Job Flexibility	19.9	Neutral
		Other	18.0	Disagree
		31% Better Atmosphere		
28% Location				

(table continues)

Table 7 (continued)

Incentive Programs Crosstabulated by Why an Employee Chooses Chili's

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
Employee of the Month Award	.075	20% Friends		
		21% Varied		
		Better Money Opportunity	16.3	Agree
		The Company's Reputation	26.7	Strongly Agree
		Job Availability	19.1	Evenly Distributed
		Job Flexibility	19.9	Agree
		Other	18.0	Neutral to Disagree
		31% Better Atmosphere		
		28% Location		
		20% Friends		
21% Varied				
Better Money Opportunity	16.3	Evenly Distributed		
The Company's Reputation	26.7	Strongly Agree		

### Research Question 2

Research question 2 asked if there was a relationship between incentive programs and productivity. This question was answered by conducting a chi-square crosstabulation between the list of incentive programs (survey questions 15-36) and survey questions 12, 13 and 14. Survey question 12 asked employees what criteria was used to judge their productivity at Chili's. None of the incentive programs were found to directly correlate with this question. Table 8 provides a breakdown of the frequency percentages of the responses to this question.

Table 8

#### Employees' Perception of Chili's Productivity Measures

N=356

Possible Answers	Frequency %
Average Sales	26.1
The Store Overall Performance	16.3
Specific Efficiency Rating	10.1
Other	20.2
Customer Comments	14.6
I am not judged	12.6

Survey question 13 asked employees what criteria they felt should be used to evaluate their productivity. Specific evaluation procedures and overall performance guides were the leading responses to how they feel their productivity should be judged.

Those who felt strongly about overall performance tended to agree with such programs as acknowledgment and day care and tuition assistance, whereas those who were more interested in specific evaluation were more receptive to merchandise and promotion opportunities, as shown in Table 9.

Table 9

Incentive Programs Crosstabulated by How the Employees Would Prefer to be Judged

N=356

Incentive Program	F Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
Tuition Assistance	.001	Average Sales	13.5	Neutral
		The Store Overall Performance	18.8	Strongly Agree
		Other	20.5	Neutral
		76.5% Some form of personal evaluation		
		23.5% Some form of team evaluation		
		Customer Comments	25.6	Agree
		Specific Efficiency Rating	21.6	Agree
Merchandise with Company Logo	.007	Average Sales	13.5	Agree to Neutral
		The Store Overall Performance	18.8	Agree

(table continues)

Table 9 (continued)

Incentive Programs Crosstabulated by How the Employees Would Prefer to be Judged

<u>Incentive Program</u>	<u>P Value</u>	<u>Possible Answer</u>	<u>Possible Answer Mode %</u>	<u>Staff Member Median Tendencies</u>
		Other	20.5	(Polar Split) Strongly Agree and Disagree
		76.5% Some form of personal evaluation		
		23.5% Some form of team evaluation		
		Customer Comments	25.6	Very Neutral
		Specific Efficiency Rating	21.6	Agree
Performance as a Basis for Promotion	.083	Average Sales	13.5	Agree to Neutral
		The Store Overall Performance	18.8	Agree
		Other	20.5	Neutral
		76.5% Some form of personal evaluation		
		23.5% Some form of team evaluation		
		Customer Comments	25.6	Strongly Agree
		Specific Efficiency Rating	21.6	No tendency, evenly split

(table continues)

Table 9 (continued)

Incentive Programs Crosstabulated by How the Employees Would Prefer to be Judged

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
Day Care Assistance	.086	Average Sales	13.5	Agree to Neutral
		The Store Overall Performance	18.8	Strongly Agree
		Other	20.5	(Polar Split) Strongly Agree and Disagree
		76.5% Some form of personal evaluation		
		23.5% Some form of team evaluation		
		Customer Comments	25.6	Agree to Strongly Agree
Positive Written Note from Management	.092	Specific Efficiency Rating	21.6	Neutral to Disagree
		Average Sales	13.5	Agree
		The Store Overall Performance	18.8	Strongly Disagree
		Other	20.5	Neutral
		76.5% Some form of personal evaluation		

(table continues)

Table 9 (continued)

Incentive Programs Crosstabulated by How the Employees Would Prefer to be Judged

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
		23.5% Some form of team evaluation		
		Customer Comments	25.6	Agree
		Specific Efficiency Rating	21.6	Agree and Disagree

Survey question 14 inquired what would inspire the employee to sell more. The majority of respondents were interested in cash rewards (33.1%). The response of other (26.7%) developed into two general categories. One of these was a variety category and the other, interestingly, was a category of employees who feel they cannot sell any more than they already do. The incentive programs can be directly linked with this survey question. The greatest level of significance was found for cash rewards, verbal acknowledgment, in-store recognition and a positive written note from management. The study shows that of the top 50% incentives the employees are asking for, the majority of incentives are cost-free.

Table 10

Incentive Programs Crossstabulated by How the Employees Feel They Could Sell More

N=356

Incentive Program	P Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
Cash Prizes	.001	Cash Rewards	33.1	Neutral
		If I felt more appreciated	15.2	Strongly Agree
		Other	26.7	Neutral
		30% Feel they can't sell more		
		60% Varied Ideas		
		Opportunity for Better Schedule	10.7	Agree
		Chance for Advancement	14.3	Agree
Verbal Acknowledgment from Management	.006	Cash Rewards	33.1	Agree
		If I felt more appreciated	15.2	Neutral
		Other	26.7	Strongly Agree
		30% Feel they can't sell more		
		60% Varied Ideas		
		Opportunity for Better Schedule	10.7	Agree to Neutral
		Chance for Advancement	14.3	Agree

(table continues)



Table 10 (continued)

Incentive Programs Crosstabulated by How the Employees Feel They Could Sell More

Incentive Program	P Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
In-Store Recognition	.014	Cash Rewards	33.1	Agree to Neutral
		If I felt more appreciated	15.2	Strongly Agree
		Other	26.7	Agree to Neutral
		30% Feel they can't sell more		
		60% Varied Ideas		
		Opportunity for Better Schedule	10.7	Agree
		Chance for Advancement	14.3	Agree to Strongly Agree
Positive Written Note from Management	.015	Cash Rewards	33.1	Agree
		If I felt more appreciated	15.2	Strongly Agree
		Other	26.7	Very Neutral
		30% Feel they can't sell more		
		60% Varied Ideas		

(table continues)

Table 10 (continued)

Incentive Programs Crossstabulated by How the Employees Feel They Could Sell More

Incentive Program	P Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
		Opportunity for Better Schedule	10.7	Agree
		Chance for Advancement	14.3	Strongly Agree
Friendly On-shift Competition	.022	Cash Rewards	33.1	Neutral to Agree
		If I felt more appreciated	15.2	Agree
		Other	26.7	(Polar Split) Strongly Agree to Disagree
		30% Feel they can't sell more		
		60% Varied Ideas		
		Opportunity for Better Schedule	10.7	Neutral
		Chance for Advancement	14.3	Agree to Strongly Agree
Insurance Benefits	.032	Cash Rewards	33.1	Strongly Agree to Agree
		If I felt more appreciated	15.2	Agree
		Other	26.7	Strongly Agree
		30% Feel they can't sell more		

(table continues)

Table 10 (continued)

Incentive Programs Crosstabulated by How the Employees Feel They Could Sell More

Incentive Program	P Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
		60% Varied Ideas		
		Opportunity for Better Schedule	10.7	Neutral to Agree
		Chance for Advancement	14.3	Evenly Divided
Performance as the Basis for Promotion	.040	Cash Rewards	33.1	Strongly Agree
		If I felt more appreciated	15.2	Agree
		Other	26.7	Strongly Agree
		30% Feel they can't sell more		
		60% Varied Ideas		
		Opportunity for Better Schedule	10.7	Both Agree and Disagree
		Chance for Advancement	14.3	Strongly Agree
Day Care Assistance	.047	Cash Rewards	33.1	Split - Strongly Agree and Neutral
		If I felt more appreciated	15.2	Agree to Neutral
		Other	26.7	Strongly Agree
		30% Feel they can't sell more		

(table continues)

Table 10 (continued)

Incentive Programs Crosstabulated by How the Employees Feel They Could Sell More

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
		60% Varied Ideas		
		Opportunity for Better Schedule	10.7	Neutral to Agree
		Chance for Advancement	14.3	Agree
Performance-based Shift Assignments	.050	Cash Rewards	33.1	Agree to Strongly Agree
		If I felt more appreciated	15.2	Neutral
		Other	26.7	Split - Strongly Agree and Neutral
		30% Feel they can't sell more		
		60% Varied Ideas		
		Opportunity for Better Schedule	10.7	Agree
		Chance for Advancement	14.3	Agree to Strongly Agree

## Research Question 3

Research question 3 asked which non-cash incentive programs best increased the interest of young adult workers. Table 11 shows a breakdown of the non-cash programs from questions 15-36 on the survey. The strongest program is verbal acknowledgment from management (59.8%), followed by performance as a basis of promotion, special

privileges for seniority, seniority-based shift assignments and performance based shift assignments.

Table 11

Employee Perception of Non-Cash Incentive Programs

N=356

Incentive Program	Label Mode	Frequency	%	<u>Mdn</u>	<u>M</u>	<u>SD</u>
Verbal Acknowledgment from Management	Strongly Agree	213	59.8	1.00	1.5	0.76
Performance as a Basis of Promotion	Strongly Agree	162	45.5	2.00	1.8	0.91
Special Privileges for Seniority	Strongly Agree	151	42.4	2.00	1.9	1.04
Seniority Based Shift Assignments	Strongly Agree	133	37.4	2.00	2.1	1.07
Performance Based Shift Assignments	Strongly Agree	150	42.1	2.00	1.9	0.90
In-Store Recognition	Agree	153	43.0	2.00	1.9	0.82
Set Performance Goals	Agree	151	42.4	2.00	2.1	0.86
Friendly On-Shift Competition	Agree	150	42.1	2.00	2.0	0.95
Dinners at Other Restaurants	Agree	146	41.0	2.00	2.4	1.02
Positive Written Note from Management	Agree	134	37.6	2.00	2.1	0.97
Special Perks	Agree	130	36.5	2.00	2.2	0.95

(table continues)

Table 11 (continued)

Employee Perception of Non-Cash Incentive Programs

N= 356

Incentive Program	Label Mode	Frequency	%	Mdn	M	SD
Employee of the Month Awards	Agree	124	34.8	2.00	2.3	1.01
Longevity as the Basis for Promotion	Neutral	119	33.4	2.00	2.3	1.00
Acknowledgment in a Company Publication	Neutral	123	34.6	2.00	2.6	0.97
Outside Social Interaction with Management	Neutral	146	41.0	3.00	2.7	1.08

Note: Median values based on scale of 1=Strongly Agree to 5=Strongly Disagree with 3=Neutral

Research Question 4

Research question 4 sought to discover which cash incentive programs best increased the interest of young adult workers. Of the incentives in survey questions 15-36, Table 12 shows the interest that was generated by cash-related programs. The top cash incentive was not cash prizes, but rather tuition assistance. This shows the importance of the future to these workers. The realization of a better future outweighs the promise of short-term gain. It is also important to note that even though day care assistance is rated as neutral, there was a very distinct segment of the population that ranks this very highly; therefore, it cannot be disregarded as an unimportant program.

Table 12

Cash Incentive Programs Descriptive Statistics

N: 356

Incentive Program	Label Mode	Frequency	%	Mdn	M	SD
Tuition Assistance	Strongly Agree	217	61	1.00	1.6	0.87
Cash Prizes	Strongly Agree	204	57.3	1.00	1.6	0.87
Insurance Benefits	Strongly Agree	166	46.6	2.00	1.8	0.90
Employee Food Discounts	Strongly Agree	164	46.1	2.00	1.7	0.82
Day Care Assistance	Neutral	202	56.7	3.00	2.1	0.94

Note: Median values based on scale of 1= Strongly Agree to 5= Strongly Disagree with 3=Neutral

#### Research Question 5

Research question 5 concerns the relationship between gender and incentive programs. The demographic breakdown of respondents by gender shows that a 50.7% were female and 49.3% were male. In the six incentive programs that directly correlated to the survey question on gender (question number 41), all showed a definite correlation between incentive programs and female interest in those programs (see Table 13). The male respondents had no strong affiliation toward any one particular incentive program. In general, incentive programs have a stronger effect on females than they do on males in this particular work environment.

Table 13

Incentive Programs Cross-tabulated by Gender

N=356

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
Friendly On-Shift Competition	.023	Female	58.7	Strongly Agree
		Male	41.3	Agree to Disagree
Dinner out at other restaurants	.039	Female	58.7	Strongly Agree to Agree
		Male	41.3	Neutral
Cash Prizes	.041	Female	58.7	Strongly Agree
		Male	41.3	Agree to Neutral
Positive Written Note from Management	.044	Female	58.7	(Polar Split) Strongly Agree and Disagree
		Male	41.3	Agree to Neutral
Special Privileges for Seniority	.076	Female	58.7	Strongly Agree
		Male	41.3	Agree to Neutral
Day Care Assistance	.079	Female	58.7	Agree to Strongly Agree
		Male	41.3	Neutral
Merchandise with a Company Logo	.064	Female	58.7	Strongly Agree
		Male	41.3	Disagree



### Research Question 6

Research question 6 asked if there was a relationship between incentive programs and ethnicity. The incentive programs in survey questions 15-36 were compared to the demographic attributes of ethnicity. Table 14 shows the demographic breakdown of ethnicity within the surveyed group, and indicates a very strong Caucasian majority (87.4%). This should be noted when looking at the group as a whole, so as not to disregard the minority population, which holds a different viewpoint on several of the program choices.

Table 14

#### Ethnicity of Respondents

N=356

Possible Answers	Frequency %
Caucasian	87.4
Hispanic	5.6
African American	4.8
Asian	1.4
Native American	.8
Eastern Indian	0.0

In order to receive a more accurate crosstabulation, the minority groups of this survey were recoded into one group (Minority Conglomerate). The six incentive programs that showed a significant correlation with ethnicity also showed a definite

tendency for the Caucasian majority to agree with a program, while the Minority Conglomerate tended to disagree in each case. This could be a warning flag to management as to the sensitivity in which these particular programs are presented so as not to exclude or alienate over 10% of the workforce.

Table 15

Incentive Programs Crosstabulated by Ethnicity

N = 356

Incentive Program	p Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
Tuition Assistance	.001	Caucasian	87.4	Agree
		Minority Conglomerate	12.6	Disagree
Special Privileges for Seniority	.007	Caucasian	87.4	Agree
		Minority Conglomerate	12.6	Disagree
Employee Food Discount	.02	Caucasian	87.4	Agree
		Minority Conglomerate	12.6	Disagree
Performance-based Shift Assignments	.025	Caucasian	87.4	Agree
		Minority Conglomerate	12.6	Disagree
Cash Prizes	.078	Caucasian	87.4	Agree
		Minority Conglomerate	12.6	Disagree

(table continues)

Table 15 (continued)

Incentive Programs Crosstabulated by Ethnicity

N= 356

Incentive Program	P Value	Possible Answer	Possible Answer Mode %	Staff Member Median Tendencies
Verbal Acknowledgment from Management	.083	Caucasian	87.4	Agree
		Minority Conglomerate	12.6	Disagree

## CHAPTER V

### SUMMARY, IMPLICATIONS, AND RECOMMENDATIONS

#### Summary

Creating an environment where people want to work is important to retaining employees and having them produce a profit. In order to create such an environment, it is necessary to have components such as physical plant, positive management attitudes, and programs that keep employees involved, thus keeping the employees motivated and interested. Some of the best tools that management can use are incentive programs. These incentive programs consist of cash and non-cash environment enhancements which will keep the employees' attention and drive them to achieve.

This study was conducted to determine which types of incentive programs best reach workers of corporate casual restaurants. Specifically, it evaluated incentive programs as a whole and compared them to measures of turnover, productivity, ethnicity and gender, in order to understand which programs could best be placed together to create an overall atmosphere in which an employee would be as comfortable and productive as possible.

The survey instrument used a combination of open- and closed-ended questions, and was divided into five parts:

1. Employee History (Questions 1-5);
2. Opinion on the Organization (Questions 6-11, 39);
3. Opinions on Productivity (Questions 12-14);
4. Rating of Incentive Programs (Questions 15-38); and
5. Demographics (Questions 40-45).

The sample for this survey was taken from the service staff of 18 Chili's Restaurants in the Dallas, Texas metropolitan area. Surveys were directed to the manager-reported population of 577 eligible staff members. 382 (66%) surveys were returned, 356 (62%) were determined to be useable. The data obtained by the survey were analyzed using frequency counts, percentages, means, median, modes, standard deviation and chi square crosstabulations.

The demographics breakdown was weighted at 58.7% female to 41.3 % male, with 44.9 % of the respondents over 23 years of age. A combined 55.1 % of the workers were between the ages of 18 and 22. Caucasians were the predominant ethnic group (87.4 %), followed by Hispanics (5.6 %), African Americans (4.8 %), Asians (1.4 %), and Native Americans (0.8 %).

The findings obtained in the research and analysis of the data answered the research questions presented in Chapter I. Research questions 1, 2, 5, and 6 were analyzed by chi-square crosstabulations of the incentive programs in survey questions 15-36 and the following survey questions:

Turnover - Questions 2, 3, 4, 5, 7, and 8;

Productivity - Questions 12, 13, and 14;

Gender - Question 41; and

Ethnicity - Question 42.

The following is an examination of incentive programs with a chi-square crosstabulation p-value of .10 or less in conjunction with the six Research Questions found in Chapter I. Research question 1 looked at the relationship between incentive programs and turnover. The author found that the incentive programs that best reach the different types of workers could be split into two major categories of workers: less experienced and more experienced.

The following incentive programs were found to have a definite correlation with employee turnover. They had the most crosstabulated p-values at or below .10, found in Chapter IV, in order of the amount of crosstabulation they had.

1. Day care assistance, 4 crosstabulations
2. Outside social interaction with management, 3 crosstabulations
3. Seniority-based shift assignments, 3 crosstabulations
4. Positive written note from management, 2 crosstabulations
5. Performance-based shift assignments, 2 crosstabulations
6. Special privileges for seniority, 2 crosstabulations
7. In-store recognition, 2 crosstabulations
8. Acknowledgment in a company publication, 1 crosstabulation
9. Performance based promotion, 1 crosstabulation
10. Insurance benefits, 1 crosstabulation

Particular programs were inclined to interest less experienced workers. These programs were determined based on the staff member tendencies of the crosstabulations in Chapter IV. Five incentive programs were found specifically to catch the interest of the less experienced worker, meaning that less experienced workers agreed to strongly agree with all of the following:

1. outside social interaction with management,
2. performance as a basis for promotion,
3. day care assistance,
4. in-store recognition, and
5. performance-based shift assignments.

Less experienced workers were asking for the opportunity to prove themselves based on performance, and in return, wanted to be publicly recognized for their work.

Nine incentive programs were found specifically to catch the interest of the more experienced worker. These programs included:

1. special privileges for seniority,
2. acknowledgment in a company publication,
3. day care assistance,
4. insurance benefits,
5. seniority-based shift assignments,
6. performance-based shift assignments,
7. performance as the basis for promotion.

8. in-store recognition, and
9. positive written note from management.

The preference for these programs showed a stronger interest in recognition for what the employee has done, but also a need for a stronger sense of security. This includes security in the job from the standpoint of seniority as well as security in the form of items such as insurance and day care assistance. Turnover has a wide range of effects on a business from actual cost to morale cost. Controlling this aspect of the environment with the proper programs can be very effective.

Research question 2 examines the relationship between incentive programs and productivity. This was determined by comparing survey questions 12, 13, 14 with questions 15-36. The author found that the programs can generally be split into two major categories: those programs that have a tendency to increase personal performance and those that have a tendency to increase team performance.

Overall, the top ten programs that most frequently crosstabulated with productivity are as follows:

1. positive written note from management, 2 crosstabulations
2. performance on the basis of promotion, 2 crosstabulations
3. day care assistance, 2 crosstabulations
4. verbal acknowledgment from management, 1 crosstabulation
5. in-store recognition, 1 crosstabulation
6. merchandise with a company logo, 1 crosstabulation



7. friendly on-shift competition, 1 crosstabulation
8. cash prizes, 1 crosstabulation
9. insurance benefits, 1 crosstabulation
10. tuition assistance, 1 crosstabulation

Of the programs in the survey, these were the most likely to directly affect productivity. Based on the staff member tendencies recorded in Chapter IV, all of the programs listed above were specifically related to personal performance goals. Team performance was correlated with the following programs:

1. merchandise with a company logo,
2. day care assistance, and
3. performance as a basis of promotion.

Productivity is the bottom line to profit. Acknowledgment and assistance are the two underlying factors in raising the productivity of workers. If the worker can feel as though the company cares and that what they are doing is appreciated, productivity will naturally rise.

Research question 3 asked which non-cash incentives best increased the interest of the employee. The percentage of all employees who strongly agreed with non-cash incentives is shown as follows:

1. verbal acknowledgment from management - 59.8%
2. performance as the Basis for Promotion - 45.5%
3. special Privileges for Seniority - 42.4%

4. performance-based Shift Assignments - 42.1%, and
5. seniority-based Shift Assignments - 37.4%

The selection of these incentive programs indicated that the employees were calling out for management approval. It also showed that employees were willing to work, but wanted to be rewarded for performance and longevity. Thus, productivity and turnover demonstrably were a major focus for the employees as well as for management.

Research question 4 asked which cash incentive programs best increased the interest of employees. Four of the cash-related incentive programs clearly were ranked higher than other similar incentives. They are as follows:

1. tuition assistance - 61%
2. cash prizes - 57.3%
3. insurance benefits - 46.6%, and
4. employee food discounts - 46.1%

The above list shows a Maslowthian spectrum from physiological to self-actualizing needs and show a work force that is working day-to-day, but planning for a successful future. It will be necessary to view each staff member not only as a wait person or bartender, but as a person striving to move forward. If employee needs are not met and dissatisfaction prevails, then the quality of the work environment will decline, increasing turnover and decreasing productivity and the bottom line of profit.

Research question 5 asked if there was a relationship between gender and incentive programs. Seven different incentive programs were directly correlated with gender. In all of the correlations, females strongly agreed with:

1. friendly on-shift competition,  $p < .023$ ,
2. dinners out at other restaurants,  $p = .039$ ,
3. cash prizes,  $p = .041$ ,
4. positive written note from management,  $p = .044$ ,
5. special privileges for seniority,  $p = .076$ ,
6. day care assistance,  $p = .079$ , and
7. merchandise with a company logo,  $p < .064$

Males showed some interest in the following programs, but their percentage of interest was not as strong as the opinions of the female population. Males interest seemed to center on such programs as friendly on-shift competition, cash prizes, positive written notes from management, and special privileges for seniority.

The question of gender correlation showed that females had a strong interest and influence in incentive programs while males tended to take a more neutral stance on the subject of incentive programs as a whole.

Research question 6 asked if there was a relationship between ethnicity and incentive programs. Six different incentive programs were correlated with ethnicity. Each of the following programs generated a positive response from the Caucasian

majority and a neutral to negative response from the Hispanic, African American, Asian, and Native American minorities. These programs were as follows:

1. Tuition Assistance,  $p = .001$ .
2. Special Privileges for Seniority,  $p = .007$ .
3. Employee Food Discount,  $p = .02$ .
4. Performance-based Shift Assignments,  $p = .025$ .
5. Cash Prizes,  $p = .078$ , and
6. Verbal Acknowledgment from Management,  $p = .083$ .

From the data above, the major focus appears to be the employees' need to be acknowledged. Ninety % of the staff members in this survey demonstrated this, including 60 % who strongly agreed and 30 % who agreed.

The second finding was that employees want the same things as management. The top four non-cash incentives showed that employees overwhelmingly wanted to stay at their job and perform. In return, they asked to be noticed and rewarded directly for those accomplishments. They favored performance-based assignments and promotions. They also favored seniority-based promotions. Employees wanted to work, but they wanted to experience the fruits of their labor. Along with the rewards, they asked for recognition - verbal, written, and in-store. These rewards were correlated to productivity.

The top overall cash incentive was not cash, but tuition assistance. This again shows a staff that is willing to work in order to succeed. It also closely relates to the demographics of the workforce, which was heavily populated by students.

An interesting special interest incentive program that was important to respondents was day care assistance. This program appeared in almost every correlation, showing the predominant number of staff members who were 23 and older and needed assistance with day care in order to support a family.

The survey's open-ended questions reiterate a strong pattern that developed throughout the survey. Of the 82 respondents to a question regarding other incentive programs that the employees would like to see, 15% wanted to see more positive management support, 13% wanted to see a strong team work base, 12% were more money-oriented and 25% requested a combination of performance evaluations, the opportunity to speak out more, corporate acknowledgment and management consistency. The remaining respondents requested a wide range of incentives as follows: cross training, tickets to events, vacation time, customer respect, food vouchers, better insurance, challenge course, extra side-work for late people, non-smoking stores, and more positive music on the public address system. Although all of the above incentives may not be feasible, they indicated the perceived needs of the staff.

When questioned about their favorite incentive programs, there again was a solid support of the general survey. Of the 200 responses which mentioned a particular program, 23% wanted cash rewards, 20% wanted acknowledgment from management, 15% wanted shift competitions, and 9% wanted food discounts and tuition assistance. Other programs mentioned include: in-store recognition, insurance, benefits, performance-based shift promotions, employee of the month, seniority-based shift

assignments, outside social interaction with management, special parties, and day care assistance.

Thirty staff members identified existing contests and programs. Twenty % of the respondents wanted inter-store competition, 17% wanted “top shelf margarita” sales competition, 13% mentioned secret shoppers, and 10% talked about soup/salad sales and per person average contests. An assortment of other contests were mentioned including: specialty beer sales, dessert sales, bingo, monthly personal sales, star menu item competition, peer-employee of the month and shift stars. Ten of the staff members mentioned existing prizes which they felt currently added to the environment, including work shifts, company merchandise, bank holders, Chili bucks and food vouchers.

#### Implications

When this research is looked at as a whole, there are several points that stand out as lessons to be learned. The original objective of this research was to determine how management could increase productivity and lower turnover through the use of incentive programs. In the broad scope of the research, it was found that employees want to know the same from management. This was shown by the top five incentive programs shown in research question 3, (see Table 11).

The most important incentive program by far is verbal acknowledgment from management. This is the true key, a costless resource considered the most valuable. Management must be taught that a pat-on-the-back is not gimmick, but rather a tool and must not be done for show, but rather must become a habit.

The next four most important incentive programs (performance as a basis of promotion, special privileges for seniority, seniority-based shift assignments, and performance-based shift assignments) all show a need to increase productivity and reduce turnover. What the employees are saying is that they want the same things as management, but they want to be recognized for what they do.

Finally, it is important to understand the strength of crosstabulated programs with their respective cause. A perfect case in point is day care assistance. Day care does not appeal to the masses of employees in this survey, but it does crosstabulate frequently with productivity and especially turnover. This indicates that there are special groups that have special needs and they do represent sizable segments of the population. Their needs must be looked at categorically, because if they are ignored, it will have a detrimental effect on the business in the long run.

This survey was dominated by Caucasian females over the age of 23. Their needs can be seen in the overall picture, but as seen in Chapter IV, the real picture is taken one group and one cause at a time.

The theoretical background of motivation looks at the overall workplace environment more than a particular action to motivate a worker over a significant length of time. High productivity and low turnover are shared goals of both management and staff. The key is to create a working environment that lessens the fears of workers, allowing them to concentrate on the job at hand.

Other areas that have a strong correlation with incentive programs include main financial support, educational activity, work activity, age, and perceived management attitude.

#### Recommendations for Future Research

Specific recommendations for future research as a result of this study are:

1. To utilize this survey to study several different restaurants of the same general concept in the same markets and compare the sample groups for similarities and differences.
2. To use this survey to study different restaurant concepts in the same market and compare the sample groups for similarities and differences.
3. To use this survey to study several different restaurant of the same general concept in different markets and compare the sample groups for similarities and differences.
4. To utilize this survey to study different restaurant concepts in different markets and compare the sample groups for similarities and differences.
5. To utilize a modified survey for the back-of-the-house personnel in restaurants.
6. To conduct an investigation to determine if ethnicity creates differences in some incentive program interests.



APPENDIX A  
QUESTIONNAIRE

## Young Adults In The Work Place: What Are Your Opinions?

\*Please mark the one selection you feel most strongly towards for each question.

1. Is this your first time to be employed by a restaurant?  
 YES  Move to Question # 7.      NO  Move to Question # 2.
2. How many other different restaurants have you worked with?  
 1  2  3  4  5 +
3. How long were you at your previous place of employment?  
 less than 1 month  1-3 months  4-6 months  7-11 months  12+ months
4. What was your reason for leaving your last position? (Check only one.)  
 money  felt unappreciated  
 conflict with management  personal reason outside of workplace  
 other (Please comment.) \_\_\_\_\_
5. I would return to my previous work place if: (Check only one.)  
 my salary was raised  my responsibility was increased  
 the management changed  I felt more appreciated  
 I would not return  other (Please comment.) \_\_\_\_\_
6. My training at Chili's is comparison to other restaurants was.  
 excellent  above average  average  below average  poor
7. How long have you worked at Chili's?  
 less than 1 month  1-3 months  4-6 months  7-11 months  12 months +
8. Why did you choose Chili's to work with? (Check only one.)  
 job availability  better money opportunity  
 job flexibility  the company's reputation  
 other (Please comment.) \_\_\_\_\_
9. What is your main source of financial support? (Check only one.)  
 this job  loan and/or grant  
 a combination of jobs  family and/or guardian  
 other (Please comment.) \_\_\_\_\_
10. How often are you eligible for a monetary raise from Chili's?  
 every 3 months  every 6 months  
 once a year  raises are based purely on performance level  
 other (Please comment.) \_\_\_\_\_
11. Which part of your Chili's training best prepared you for your first solo shift? (Check only one.)  
 oral material  co-worker support  
 written material  follows  
 other (Please comment.) \_\_\_\_\_
12. My productivity at Chili's is judged on: (Check only one.)  
 average sales  customer comments  
 the store's overall performance  my productivity is not judged to the best of  
 specific efficiency ratings: my knowledge  
 other (Please comment.) \_\_\_\_\_
13. I would prefer my productivity at Chili's be judged on: (Check only one.)  
 average sales  customer comments  
 the store's overall performance  specific efficiency ratings  
 other (Please comment.) \_\_\_\_\_
14. I could sell more product if I had: (Check only one.)  
 cash rewards  opportunity for better schedules  
 felt I were appreciated  chance for advancement  
 other (Please comment.) \_\_\_\_\_

\*Please continue on the back.

The following incentive programs improve my attitude in the work place:  
(Circle only one response for each incentive.)

		SA = Strongly Agree    A = Agree    N = Neutral    D = Disagree    SD = Strongly Disagree				
		SA	A	N	D	SD
15	Verbal acknowledgement from managers	1	2	3	4	5
16	Employee of the month recognition	1	2	3	4	5
17	Acknowledgement in a company publication	1	2	3	4	5
18	Special privileges for seniority	1	2	3	4	5
19	Special parties	1	2	3	4	5
20	Positive written note from the manager	1	2	3	4	5
21	Outside social interaction with management	1	2	3	4	5
22	Performance as the basis for promotion	1	2	3	4	5
23	Longevity as the basis for promotion	1	2	3	4	5
24	In-store recognition for performance	1	2	3	4	5
25	Merchandise with company logo	1	2	3	4	5
26	Employee food discount	1	2	3	4	5
27	Daycare assistance	1	2	3	4	5
28	Dinners at other restaurants	1	2	3	4	5
29	Friendly on-shift staff competition	1	2	3	4	5
30	Cash prizes	1	2	3	4	5
31	Insurance benefits	1	2	3	4	5
32	Tuition assistance	1	2	3	4	5
33	Specific opportunities for advancement	1	2	3	4	5
34	Seniority-based shift assignments	1	2	3	4	5
35	Performance-based shift assignments	1	2	3	4	5
36	Set performance goals	1	2	3	4	5

37. Please name other incentives that may improve your attitude in the work place. \_\_\_\_\_

38. Please name your favorite incentive program(s). \_\_\_\_\_

39. How would you describe the management's general attitude toward the staff?  
 excellent     above average     average     below average     poor

40. What is your age?  
 Under 18     18     19     20     21     22     23     Over 23

41. What is your gender?     Female     Male

42. What is your Race/Ethnicity?  
 African American     Hispanic     American Indian  
 Caucasian     Asian     Eastern Indian

43. What is your position at Chili's?  
 server/bar staff     bus person     host/hostess     kitchen staff

44. How many hours a week do you work?  
 1-10 hours     11-20 hours     21-30 hours     31-40 hours     40+ hours

45. How many semester hours of college courses are you taking?  
 None     1-3 hours     4-6 hours  
 7-9 hours     10-12 hours     12+ hours

Thank you for taking time to complete this survey.  
Your information is very valuable and much appreciated.

APPENDIX B  
LETTER OF INTRODUCTION

February 1, 1996

Dear member of the restaurant community:

I am a Graduate Student in Hotel and Restaurant Management at the University of North Texas. I am doing a study on the wants and desires of young adult employees and their motivation in the work place.

In full cooperation with Brinker International, in particular the offices of Vickie Parker, Director of Training, and Larry Lindsey, Regional Vice President, I will be conducting this survey in varied Chili's Restaurants across the Dallas area.

You may be assured of complete confidentiality of your responses to this questionnaire. Individual data will not be released to anyone and all results will be reported as a sum. Also, your participation is strictly voluntary. You may withdraw from the survey at any time without penalty, prejudice, or loss of benefits. However, when you do answer the questions, please be as frank as possible.

The findings of this research are for educational information only. The findings will be shared with the restaurant community and its educational backers. Hopefully, with your responses, we can increase understanding in the work place and create a better atmosphere for all who are involved.

Thank you for your assistance.

I agree to participate in this research.

Sincerely,

\_\_\_\_\_  
Staff Member Signature

Gregory S. Hirsch  
Graduate Student  
University of North Texas

Vickie Parker  
Chili's  
Director of Training

Johmy Sue Reynolds, Ph.D  
Major Professor  
University of North Texas

This information has been reviewed and approved by the University of North Texas Department of Human Subjects.

APPENDIX C  
LETTER TO STAFF LIAISON

February 1, 1996

Dear Staff Member Liaison:

Thank you for volunteering to pass out and collect these surveys. To me, this is the most important job I could ask someone to do. Please follow the directions carefully. The integrity of the research depends on it.

1. Open unsealed, but marked envelope.
2. Pass out the surveys to each staff member.
3. Please read aloud the enclosed cover letter.
4. Have employees fill out the survey.
5. Collect the surveys, and cover letter separately, place them into the envelope in the presence of the other staff members and seal the envelope.
6. Sign your name over the flap edge of the main envelope.
7. Return the sealed and marked envelope to the manager.

Thank you again for your time and enthusiasm. You have been a tremendous help in the furthering of this research and the betterment of your work place.

Sincerely,

Greg Hirsch  
University of North Texas

APPENDIX D  
LETTER TO GENERAL MANAGER



February 1, 1996

To The General Manager:

Thank you for allowing your store to participate in this research. Enclosed are the following items:

1. Cover letter
2. Staff Liaison letters
3. Surveys

The position of a staff member liaison is one of great importance. Please choose a very trusted employee. They will be acting as your appointed manager for those brief fifteen minutes that this survey should take.

I look forward to sharing my information with you and hope to find way to enhance the ground work you have already laid with your employees.

Feel free to call me with any question.

Sincerely,

Greg Hirsch  
University of North Texas

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