

Fringe Benefits and Tenure of Company-owned compared to Franchise Business a Case of Fast Food Restaurant

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Abstract- The study was conducted to compared the company-owned and franchise business in giving fringe benefits and the tenure of their employees. The study compared the three different fringe benefits namely; health benefits, subsidized meal benefits and time schedule. The study showed that subsidized meal and time schedule were being limit by the franchise business to minimized cost. The second objective of the study was the tenure of the employee, which the study showed, that franchised is using WAP to lessen their labor cost.

Keywords – Benefits, Fast Food, Franchise, Tenure

I. INTRODUCTION

The benefits given to millions of employee in the Philippines are different depending on the capacity and ability of certain business establishment. These benefits are sometime abuse by the employer.

McDonald’s has a “People Promise” which is to be the “Best Employer”. This promise was then being pursued to give the safest and secure job. The benefits were then carefully study and give the most applicable and beneficial to its employee.

There are two categories at present in the ownership of McDonald’ s; one is company-owned or being operated by the mother unit, the other one is franchised method which is being operated by a licensed person or business operator.

They give full authority to the franchisee to manage or modify some of the benefits which the company is giving to their employee as long as they are doing it under the law.

The main objective of this study is to compare the benefits given to employees between company-owned business and franchise business. Specifically, it sought to answer the following objectives; 1. To compared the company-owned and franchise business in giving their fringe benefits to their employees and eventually finds a solution to the differences. 2. To compared the tenure of company-owned and franchise business.

II. MATERIALS AND METHODOLOGY

The methodology used in this study was a descriptive

Manuscript received

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quantitative methods of research. The descriptive research design involves using a range of qualitative and quantitative research methods to collect data that aids in accurately describing a research problem (Voxco.com 2018). The main goal of this is study is to compare the Company-owned business and the Franchise Business. This study was conducted in two (2) McDonald’s in Cabanatuan City; McDonald’s Hi-way Maharlika and McDonald’s Crossing. A total of 6 managers of McDonald’s served as the respondent on the study. Personal interview was the technique of gathering data. Interviews are used to collect data from a small group of subjects on a broad range of topics. You can use structured or unstructured interviews (utwente.nl 2018). Data collected from the interview are presented using a table and a qualitative discussion.

III. RESULTS AND DISCUSSION

To compared the company-owned and franchise business in giving their fringe benefits to their employees and eventually finds a solution to the differences.

The following are the fringe benefits:

Table 1. Health Benefits

	Company-owne d	Franchise
Health benefits		
SSS	/	/
PhilHealth	/	/
Pag-Ibig	/	/

Table 1 showed that health benefits are given by company-owned and franchised business. This can be conclude that company-owned and franchise business are following the mandatory benefits provided by the law. Under the Labor Code of the Philippines, employees are entitled to monetary benefits such as the minimum wage, medical and health benefits, and overtime pay, among many others. (Department of Labor and Employment (DoLE), 2018).

Table 2. Subsidized Meal Benefits

	Company-owne d	Franchise
Hourly Basis		

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1-4hours	/	X
5-8hours	/	/
8hours above	/	X

Table 2. showed that franchise only give subsidized meal during 5-8hours works of their employees. On the other hand, company owned are giving subsidized meal even if the employees work from 1-4hours. This can be attributed that meals are not part of mandatory benefits but an addition given at the discretion of the owners of the business. In the Philippines, employees tend to look at the number of benefits offered as a factor for accepting employment offers and staying in the company. If your company competes for available talent you need to at least be at par with other companies in this area or else you could be a target for poaching headhunters. Meal allowance while not that significant in terms of amount serves as an added attraction in your benefits list (anythinghr.blogspot.com 2018).

Table 3. Time Schedule

	Company-owne d	Franchise
Shifting per day		
Single schedule	/	/
Double schedule	X	/
Break on shift		
20mins w/pay	/	x
15mins/ w pay	X	/

The table 3 showed that company-owned business are not giving double shift schedule for their employees with 20mins break with pay while franchise is giving double schedule per day and give only 15mins break on shift.

This shows that The Labor Code of the Philippines prescribes an eight (8) hour period per day with at least one rest day per week. An excess to this shall be subjected to premium pay such as overtime and if its within 10 pm to 6 am, night shift differential.

Working a double shift means working two shifts in a row. Sometimes, it is called working "two shifts back to back". Generally speaking, the DOLE doesn't encourage "double shift work." However, in exigency of service, this may be allowed without regularity (DOLE 2018).

2. To compared the tenure of company-owned and franchise business.

Company-owned

The company-owned have to kinds of employees namely; first, Probationary employee who is under observation and not reached the 1056hours allowed to be tagged as a regular employees, second, Regular employee, the employee who reached the 1056hours work and has no record of violation on

the policy of McDonald's before he/she became a regular employee.

Franchised Business

The franchise business has 3 kinds of tenure namely the;

- WAP(Work Apprenticeship Program) - an employee with no benefits for the duration of three (3) months and has the chance to be a probationary employee, second is
- Probationary employee, an employee who finish a WAP after three (3) months, with all the fringe benefits given by their employer and is under observation if he/she will be regular, third,
- Regular employee who has passed the 1056hours observation.

IV. CONCLUSION AND RECOMMENDATION

From the data above a conclusion was made. The researcher conclude that the franchise business was not patterned to the company-owned on giving their fringe benefits and reduces it to minimized the cost. The tenure of franchised business showed that they are using WAP to extend the duration of time of employee before they become a regular employees.

The researcher highly recommend that the franchised business showed patterned the way they give their employees fringe benefits and; That the company-owned should make a policy that also governs the right on fringe benefits of the employees under the franchised business. The franchised should eliminate the WAP on their tenure and instead strengthen the implementation of the policy so that they can terminate the contract in a due process of the employee who violate it.

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