REWARDING PROGRAMS AND EMPLOYEE MOTIVATION IN FOOD INDUSTRY IN THAILAND: THE CASE OF CP ALL & FOOD PASSION

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The paper is devoted to rewarding programs and employee motivation in food industry in Thailand. It is explored the relationship between the reward programs practiced by companies in Thailand and their employees’ motivation and/or job satisfaction. The interesting reward programs of CP ALL Company Limited and Food Passion Company Limited have been chosen to be analyzed in this research. Strengths and weaknesses of each are identified, as well as threats and opportunities of the recognition and reward programs. External factors that may prevent companies to reward their employees are also analyzed, and last but not least the cause and effect diagram will be observed. Moreover, the research paper also covers the countermeasures of the hurdles that companies might face.

Keywords: employee motivation; recognition and rewards; employee satisfaction

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Introduction

Rewards programs are employer’s initiatives to give some offerings to employees as a symbol of appreciating their achievement, behaviors, anniversaries, milestones, etc. (Martic, 2019).

Nowadays, these programs are widely practiced because they are believed to increase motivation in which it will eventually increase productivity as well. Employees tend to work harder or prioritize their actions if they know that they will be rewarded with something valuable if they do so (Satyendra, 2013).

Employee motivation is key to an organization’s success because if companies experience less productivity from their employees, it will cause lower levels of output, and this may cause the company to fail in reaching its objectives and goals.

Therefore, it is always a good idea for employers to motivate their employees so that they will perform at their best. There are so many ways that employers can reward their employees other than conventional compensation methods which include salary, overtime, commissions, merit pay, profit-sharing and bonuses are categorized as compensation.

Another type of extrinsic reward is benefits which are often less direct compared to compensation. Examples of benefits are health insurance, retirement plans, use of a company car and mobile phone, expense accounts for meals and travel and it can be something intangible like flexible working schedules.

The attractive benefit package can help companies to motivate their employees (Brown, n.d.). In this research, information about CP ALL and Food Passion will be collected in order to understand more about their company and to analyze the rewards programs practiced in their company.

Literature Review

In the past, employees were considered as an input of goods and services production until Elton Mayo conducted The Hawthorne Studies from the year of 1924 to 1932 in which it changed that way of thinking about employees as an input as the result of this study found that employees are not motivated entirely by wealth and employee behavior is linked to their attitudes (Lindner, 1998).

The Hawthorne studies began the human relation approaches to management of businesses, whereby the needs and motivation of employees became the one of the focus for every manager (Bedeian, 1993).

Lindner (1998) defined motivation as an inner force that drives individuals to accomplish personal and organizational goals. Businesses need motivated employees, Smith (1994) explained that motivated employees help organizations to survive and they are more productive. Psychologists have proposed different ways of looking at motivation, whereby motivation may arise either from outside (extrinsic motivation) or inside (intrinsic motivation) of an individual.

Extrinsic motivation arises when an individual is motivated to perform a behavior or engage in an activity because he/she wants to get something in return or avoid something unpleasant situation, while Intrinsic motivation is when an individual engages in a behavior because he/she finds it rewarding for him/herself by performing the activity rather than waiting for rewards (Cherry, 2020).
A high level of intrinsic motivation can be seen by such interest and involvement in the work, and by such a perfect match of task complexity with one’s skill level, that make he/she experience a sense of merging with the activity they are doing (Ganta, 2014).

In the research performed by Isen & Reeve (2005), they found that employee’s feeling of happiness promotes the enjoyment of doing their jobs, and it leads to self-control and the ability to stay on doing the tasks even when the tasks are uninteresting or unpleasant for them.

This means that some employees are driven by the value and meaning of the tasks they are completing rather than extrinsic rewards.

Lin (2007) also stated that extrinsic rewards may only secure temporary compliance with employees. In other words, an employee that is looking for extrinsic motivation will only be temporarily driven to complete their tasks, they may feel demotivated once they have received the rewards they want.

Therefore, to create long-term effects of employee motivation, employers must understand employees’ interests and motivation factors.

Schickey (2018) discussed the importance of placing a limit on extrinsic motivation as it pressures employees to complete the tasks and this pressure may lead to a demotivation as they may find the job not pleasing anymore.

This kind of motivating programs and strategies should be considered in a company’s business plan because placing too much focus on extrinsic motivating factors may cause a company to find its employees are no longer focusing on their work performance in which this situation will end up to a declining employee morale and work output will be decreased too.

The Research Problem, Goals and Objectives

In this era, there are still employers that are not implementing motivating programs for their employees, especially medium-small sized businesses which turnover rate could be high. The question remains whether they are aware of how important it is to keep their employees motivated and the impact behind it.

The goal of this research is to study about motivating programs that are practiced in the real businesses world specifically in CP ALL Co. Ltd. and Passion Food Co. Ltd., and to find out the outcomes of the programs being practiced by them.

Research Objectives:
- to explore the facts about the current motivating programs of CP ALL Co. Ltd. and Passion Food Co Ltd;
- to investigate the relation between motivating programs and employees’ motivation;
- to investigate what are situations or factors that may affect the implementation of motivating programs in CP ALL and Passion Food;
- to analyze the strengths and weaknesses of the programs, as well as opportunities it may give to the company, as well as the threats;
- to provide suggestion to companies which have not practiced motivating programs in their business.
Research methods and analytical tools

Research Methodology
In this research paper, the secondary research method is used

Analytical Tools used in this research:
SWOT Analysis. In this research paper, we will analyze the SWOT of the motivating programs practiced by some businesses in Thailand.
Ishikawa Modeling. In this research paper we will analyze any possible issues that may occur or have occurred in the companies that implemented motivating programs.

CP ALL Company Limited

Background of CP ALL Company Limited
CP ALL is Thailand’s largest private company and known as one the world’s largest conglomerates. It was established in 1988 by the Charoen Pokphand Group, and today it has many subsidiary companies in various fields of business including retail, wholesale, financial services, education, ready to eat and bakery service, marketing communication service, and logistics. An example of CP ALL’s subsidiary is the famous convenience store chain in Thailand, 7-Eleven. As a giant company, CP ALL employs over 100,000 employees. We would like to analyze CP ALL because we found the motivation programs for their employees are interesting. Following are the motivating programs practiced by CP ALL Co. Ltd. in their companies

Motivating programs of CP ALL Company Limited

Bot to helps 7-Eleven employees
CP ALL has started to make use of a “Bot” to help them run their business in 7-Eleven stores because some tasks require a lot of manpower and cannot be done by a single employee. This investment is meant to increase productivity, manage challenges in the operation field, and it helps in reducing employees’ workloads. With the implementation of this technology, the time required to get things done are reduced.

According to CP ALL’s reports, this bot has increased employees’ job satisfaction rate (Kryon Full-Cycle Automation Streamlines Processes for CP All, Thailand’s sole operator of 7-Eleven Convenience Stores, 2020). This job satisfaction rate can boost intrinsic motivation of the employees. Wolfe (2017) explained that motivation and satisfaction are closely related, in which job satisfaction can be described as a type of motivation.

C.P. Leadership Institute (CPLI)
CP ALL established the C.P. Leadership Institute (CPLI) as part of reward or incentive programs to motivate and encourage their future employees. CP ALL will train students and enhance their leadership skills as well as other essential abilities in order to get qualified and promoted to be employees in the future; this is a significant and new way of motivating talents apart from monetary or extrinsic motivation. CP ALL believes that it is a better way to educate students and develop all of their skills and ability in order to make them more productive and valuable.
This motivation program creates sustainable growth for both employees and organizations as it’s beneficial for both parties, and it shows that CP ALL cares for the employability of youngsters as it takes care of their development. One key to business success is to understand the company as well as to understand the people in the company, as everyone deserves to feel valued by the company (Beine, 2015). Robert (n.d.) explains that people who feel valued will be more motivated and engaged compared to those who did not feel valued.

**Diversity & Inclusion practices**

CP ALL committed to diversity and inclusion through emphasizing equal treatment which does not discriminate based on religion, sexual preference, gender, age, disability and any other characteristics considered to be human rights.

Employees of CP ALL feel included as their uniqueness has been warmly welcomed, this will increase employee loyalty and retain them from leaving the company. CP ALL takes the matter of employee’s fair treatment seriously because every employee is considered as a meaningful resource and key to company success and CP ALL has won an outstanding organization that supports the work of people with disabilities award (Respecting Human Rights, committed to International Principles, Creating Peace, 2019).

A result of research about the relationship between diversity inclusion practice and employee engagement shows that employee levels of engagement will increase as they have the impression towards their company’s diversity practice.

The higher diversity inclusion company provided the higher engagement company will receive from their employees. (The role of diversity practices and inclusion in promoting trust and employee engagement, 2015) whereby according to Terry (2020), truly engaged employees are often intrinsically motivated.

**Compensations & Benefits**

CP ALL offers many extrinsic motivations for employees such as job promotion, reasonable salary and benefits, scholarship for employee’s children, loans for hospital admission, housing loans, and support program for unforeseen disaster. CP ALL received the response rate of both Employee Engagement Pulse Surveys and Employee Engagement Full Surveys at 98%. (Mix the Similar, Mend the Different, and Make Good and Talented Individuals, Mould to Unite a Force, 2019).

So, as explained by Terry (2020) that engaged employees are often intrinsically motivated, we can assume that employees of CP ALL are motivated with the compensations and benefits provided.

**College and work-based learning**

Besides C.P. Leadership Institute (CPLI), CP ALL also built a college and university under its brand as well. Students will learn how to operate retail business directly from their experience. CP ALL developed this curriculum into an establishment of Panyapiwat Technological College (PTC) in 2005.

And later on in 2007, Panyapiwat Institute of Management (PIM) was founded to offer education at a higher level, from bachelor degree to doctor degree. Nowadays, Panyapiwat Institute of Management has successfully produced qualified students and the graduating students are offered opportunities to work with the company.
Similar to the impact of CPLI, this program may also make those students feel valued and they will be motivated intrinsically.

Activities for employee’s children

CP ALL provides special training about maternal care and childcare for employees with pregnancy covering topics such as relationship management for pregnant mothers, pre and post- maternal care, nutrition knowledge for pregnancy. Moreover, CP ALL also offers a very interesting campaign that is eligible for employees with children with the age range of 0-6 years old, each program divided by the age of the child. CP ALL gives books to its employees free of charge.

The first book is for children with age 0-3 years old to learn how to read a book by having their parents read books for them 10-15 minutes a day; this campaign is to promote employees’ quality time for them and their child. It becomes very successful with the employee satisfaction rate of 97%.

This high level of job satisfaction rate can boost intrinsic motivation of the employees as Wolfe (2017) explained that satisfaction can be described as part of motivation too.

In Tab. 1 below it is presented the SWOT analysis for CP ALL’s Motivating Programs.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>The CPLI and College program is creating sustainable growth for the company as it prepares future talents. The diversity &amp; inclusions programs has brought CP ALL to win some awards.</td>
<td>High investment cost for the “bot” in 7-Eleven operations. “Bot” can prevent employees from performing at their best. The package of compensations and benefits may be costly. Extrinsic rewards are motivating temporarily.</td>
</tr>
<tr>
<td>Opportunities</td>
<td>Threats</td>
</tr>
<tr>
<td>Improve employer branding. Low employee turnover rate. Productivity improved as the employees’ satisfaction rate is high. Attract external talents.</td>
<td>If employees are not getting motivated anymore, the programs will be a waste. The participants of CPLI and College might left CP ALL after their graduation.</td>
</tr>
</tbody>
</table>

In Fig. 1 it is shown the Ishikawa diagram for of CP ALL’s Motivation Programs. Fishbone diagram shows that there are many causes that may lead to demotivation of employees.

Even when CP ALL conducted its motivating programs but during business operation there is an error or issue in one of the variable factors for example, when employees found that their salary is below market range or other company, there is a chance that they will be demotivated immediately.
Figure 1 - Ishikawa Modeling of CP ALL’s Motivation Programs
(compiled by co-authors)

Food Passion Company Limited

Background of Food Passion
Food Passion Co Ltd. is the operator of Bar-B-Q Plaza, Chana and Joom Zap Hut restaurant (Jitleecheep, 2017).

Bar-B-Q Plaza was founded in 1987 by Mr. Choopong Choopojchareon, it is a self-cooking barbeque restaurant with 138 branches around Thailand. (Our Story, n.d.).

The human resource practices of Food Passion Co Ltd. have led them to win the “Best Employer Thailand 2017” award, followed by Best of “The Best Employer Award 2018” from Aon Hewitt, and “Best Companies to Work For In Asia 2019” from HR Asia Awards (Food Passion-organization which fulfill employees with joy, 2019).

In an interview with the CEO of Food Passion Co Ltd., Mrs. Chataya Suphannahong, She mentioned that Bar-B-Q Plaza’s turnover rate is only 60% which is lower than average other restaurants in the market whereby the turnover rate is 80%. Mrs. Chataya revealed the secret of the company's success in retaining employees are Trust and Engagement.

Motivating programs of Food Passion
Unlike CP ALL Co. Ltd. who promotes both external and internal motivating programs, Food Passion has a concept of being a big family; therefore they are more focused on motivating employees intrinsically.

It is interesting and great because intrinsic rewards can increase the quality of working performance better than extrinsic rewards (Cherry, 2019).
The Waiter’s Mom

In 2015, Bar-B-Q Plaza released a program called “The Waiter’s Mom”. It was all about rewarding the hardworking employees who are unable to have a day off on public holiday specifically during mother’s day as they have to work in the restaurant outlet. They created a real-time video where employees were asked to do a survey including questions like “when is the last time you have dinner with family?”

The results of surveys indicate that the majority of employees wanted to spend time with their family. A month before mother’s day, these employees were rewarded with the chance to celebrate mother’s day by dining at Bar-B-Q plaza with their parents (Polden, 2015).

During the dining, the higher management teams were the one who served foods and beverages to the employees. This will make employees feel valued. In addition to that, Bar-B-Q Plaza later gave their 3,800 employees two extra day offs for this special occasion so employees can spend maximum 3 days together with their parents (10 things to know about the waiters mom advertisement by Bar B Q Plaza, the winner of The Best Digital and Film Adman 2015 award, 2015). Giving extra off day with no reduction in pay or benefits will lead to an improvement in productivity and employee satisfaction (Jolly & Inman, 2018). Thus, this kind of program will improve employees’ motivation.

Happy 4 Plus 4

Happy 4 Plus 4 is an employee benefits concept of Food Passion which includes Eat Well where the company provides two meals per day for operation staff at the restaurants and employees at corporate offices will have free breakfast. Secondly, Rest Well where the company offers a relaxation room with Wi-Fi installed for branch staff to rest and blind massage therapists will be sent to provide a good massage for the staff too.

There are also Stay Healthy, Share Knowledge where the company gives educational chances for employees such as scholarship, Good Family, Earn Saving where the company came up with the plan to support employees to manage their financial plan to cope with their debt obligation and last concept is Give to Society (Food Passion- organization which fulfill employees with joy, 2019). When company policy guides the direction of the working environment to be supportive to employees, employees will become motivated and engaged accordingly (Chiemeke et al., 2018).

Test Running “Sook Jai Day” and “P Jai Dee”

Normally, a day before the grand opening is used for practicing the store operation process after the actual store audit as part of training. They name this day as “Sook Jai Day” or a day of happiness. On this day, management will visit the branch and give a speech to encourage all the employees, let them try the meal and also practice servicing so that they understand the customer’s perspective and they will indirectly get on-the-spot training. According to Sharma & Shirsath (2014) training is a motivational factor which enhances the knowledge of the employee towards the job. It will boost the motivation of an employee.

Moreover, each of the branches will have a “P Jai Dee” or kind hearted sister. This position will be in charge of personal consultants and act as a listener, as the company is concerned that their employees might have other problems they might want to discuss apart from work such as personal issues.
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Whereby Tracy (n.d.) explained that an effective listening is essential to motivating employees. So, this program can get employees motivated intrinsically.

**Uniform**

In the operation of Bar-B-Q Plaza restaurants, the uniform policy has been changed whereby it’s not a must for employees to wear leather shoes, and sneakers are allowed. This is changed because the HR has found that the average walk during operation hours is around 10 km per day, making the employees feel uncomfortable with leather shoes.

Additionally, the company has also changed the pattern of the uniform to be more modern and practical for staff. CEO of Passion Food, Mrs. Chataya argued that even these changes is only a minor change, but it has raised an impact to employees as they gain a feeling of being cared by company, making them become motivated.

Uniform is one of the factors that has impact on employee performance, way of behavior and job satisfaction (Karch & Peters, 2017). And it is explained that uniforms can affect the working process as well as it increases employee motivation towards common objectives because they feel like they truly are a part of the business (Motivate Your Store Employees With Custom Uniforms, 2019).

**People Connect**

People Connect is one of the Food Passion website’s sections where posts about personal impression towards their job will be written down and shared to both internal and external personnel. The interesting point is most of the interviewees are actual employees of Bar-B-Q plaza in various positions, not only the higher management team but also lower rank, so employees in the lower position feel more connected and engaged to the company as their thought and point of view were being listened to by the company.

This pleasure feeling is considered as a kind of Job satisfaction as well (Chiemeke et al., 2018). In which it may lead to motivation.

In Tab. 2 below it is presented the SWOT analysis for the Food Passion’s Motivating Programs.

**Table 2 - SWOT Analysis of Food Passion’s Motivating Programs**

(Compiled by co-authors)

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>The Waiter’s Mom program is very unique and will be memorable for the employee. The people connect program will let employees engage with the company. The Happy 4 Plus 4 is very personalized and unique. Has been effective in reducing the turnover rate.</td>
<td>The Happy 4 Plus 4 however can be costly if the number of employees is many. Some staff might prefer pay rise instead of these intangible benefits.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create positive employer image. Lower down employee turnover rate even more. Productivity improved due to job satisfaction. These programs can act as marketing tool for attracting talents.</td>
<td>The “P Jai Dee” program might lead to favoritism that makes one employee does not get along with other but just one. If employees are not getting motivated anymore, the programs will be a waste of energy and money.</td>
</tr>
</tbody>
</table>
Fig. 2 presents the Ishikawa Modeling of Food Passion’s Motivating Programs.

![Ishikawa Diagram]

Figure 2 - Ishikawa Modeling of Food Passion’s Motivating Programs (compiled by co-authors)

Above fishbone diagram shows that there are many causes that may lead to demotivation of employees.

Even when Food Passion conducted its motivating programs but during business operation there is an error or issue in one of the variable factors for example, employees are having conflict that causes them to be in an uncomfortable situation, there is a chance that they will be demotivated during the day.

**Recommendations**

Based on the above findings, motivating programs in companies are not just benefiting the employees’ side.

We found that both of the companies that we have analyzed, CP ALL Co. Ltd and Food Passion Co. Ltd, also benefited in many ways by the implementation of their motivating programs. CP ALL’s motivating programs have been successfully increasing the employees’ satisfaction (Elevating the Occupational Safety and Creating a Friendly Work Environment, 2020), and they have received awards as an outstanding organization which support disabilities person (Respecting Human Rights, committed to International Principles, Creating Peace, 2019) as they create an environment where employees feel valued and taken care by the company.

The awards they received can benefit them in a way that it can build up the employer branding as it can increase visibility, reach, credibility and attract talents (Why Awards Are Good For Your Employer Brand, n.d.), while the increased employees’ satisfaction will help
them in reducing turnover rate and help maintain a motivated workforce (Employee Retention & Satisfaction, 2020).

Similarly, Passion Food also successfully keeping their turnover rate at 60% which is considered low when compared to average restaurant businesses in the market according to Mrs. Chataya, CEO of Food Passion. Therefore, we would like to provide recommendations for companies who have not been practicing motivating programs.

First of all, the management team in companies should understand that motivation can lead to an increased productivity (Satyendra, 2013) so that they will be eager to get employees motivated.

Secondly, they can conduct surveys to evaluate employee satisfaction or motivation level to understand better on what is expected by each and every employee as different people have different preferences.

From this point, they can develop such motivation programs accordingly either it will be focusing on intangible rewards and benefits or its extrinsic rewards through bonuses, pay rise, etc…

However, continuous assessment of employees’ motivation level and satisfaction should be done to see whether the motivating programs implemented are working well or it is actually not motivating them at all, especially extrinsic motivation. It is important to place a limit as extrinsic rewards work only for a short period of time and employees may find it not pleasing anymore after they get what they wanted earlier (Schickey, 2018).

Another reason why companies should implement these programs is that it has proven through above analysis of CP ALL and Food Passion that it can create mutually beneficial situations for both employers and employees in other words win-win situation whereby employees are happy with what they get, and in return employers will get maximum output due to the increase in productivity.

Quain (2019) also explains that motivated employees are likely to perform at a higher standard than employees who feel unmotivated to do their best at work.

**Conclusion**

To sum up our findings, analysis, and discussion above, the implementation of motivating programs in business nowadays should be taken into consideration. Employers as providers should look at it as a long-term investment whereby it affects their employees’ performance and it eventually will impact their business results as well at the end of the day. It is actually also creating huge opportunities for the employers to become a company where everyone wants to work in the future so that they will have a pool of talents and will not cost much for their recruitment and selection processes.

However, as mentioned in the analysis part above, sometimes, there are gaps between employees’ expectations and employer’s, especially across generations whereby millennials prefer extrinsic rewards more than Gen X and Baby-boomers do (Exposing Some Truths About Motivating Millennials in the Workforce, 2021).

This can happen due to lack of understanding from the employers side that is why employee satisfaction / engagement surveys play an important role in a business. Employers should do maximum efforts to make sure their employees are motivated like how CP ALL and Food Passion have been doing.
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