Emotional Labor and Its Influence on Employees’ Work and Personal Life in a Philippine Franchise Dining Industry Setting

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ABSTRACT

Emotional labor involves an employee handling a wide range of his or her feelings and emotions on the job, interacting with a customer. Emotional awareness and control is necessary to maintain positive relationships with customers, and ensure continued income and profit for the company. Yet the majority of these emotions and feelings are fake, or what Hochschild (2012) defines either as surface acting or deep acting. This research paper sought to examine the effects of acting on a regular basis on the part of the employees of several international dining franchises in Cebu, Philippines, whether it leads to emotional exhaustion, stress, or it affects their productivity, relationship with co-workers and family, or influences their decision to quit their jobs. These employees work in upscale quick-service restaurants. A Likert-scale, 81-item questionnaire was sent out to 136 employees. A focus group discussion followed, to check for understanding and validity and reliability of the survey answers. Regression analysis was used to analyze and interpret the results.

KEYWORDS

Decision to Quit Jobs, Emotional Exhaustion, Emotional Labor, Philippines, Regression Analysis, Relationship with Co-Worker and Family, Stress, Productivity

INTRODUCTION

Second to Metro Manila, Cebu is the next largest metropolitan city in the Philippines. The Philippine Statistical Authority lists Cebu and its provinces as having over 4 million inhabitants in its 2010 census (2010 Census of Population, 2010). An article by Dagooc (2013) cites a report by Colliers International Philippines, pointing out that the growing food business in Cebu, Philippines is a “ripple effect” of the dynamic retail developments influenced by increased spending capacity of the people, availability of large-scale developable land, high population, healthy tourism market and a generally strong business environment. Moreover, Cebu’s dining scene has added more selection through the years, with homegrown restaurants gaining a foothold in provinces around the country.

A more recent observation by Dagooc (2016) mentions that the Hotel, Resort and Restaurant Association of Cebu (HRRAC) is confident Cebu has enough space for additional investors in the dining industry, despite the steady stream of new players, especially the franchised big buffet dining concepts. HRRAC President Julie Najar said that Cebu’s consumer base has matured and improved in terms of purchasing power. This is due to the surge in domestic and foreign tourist arrivals, which has largely helped the dining industry in Cebu to report historical growth in the last few years. The
Cebu market is now ready for variety; competition is viewed as normal, and even good for the growing Cebuano economy.

Alon (2006) discusses about how the Philippines has become an important franchise hub in South East Asia in recent years. For example, a report culled by the Philippine Franchise Association (PFA) shows that the Philippine franchise industry grew ten times over the last five years. According to the PFA, the franchise success rate of 90% was significantly higher than the 25% success rate of traditional retail ventures (Philippine Franchise Association 2003). The PFA added that the number of both domestic and local franchisors in the country has been steadily increasing, growing six fold since 1996. The local business landscape can also be described as highly competitive in certain sectors, especially for the food and retail businesses. The franchises are mainly located in large malls and well-developed urban locations. This leads to competition among the franchises regarding price, quality, service, productivity, and operational efficiency. Viewed positively, this landscape can be considered attractive that there is proof a market exists, and forces franchisors to function and operate at their best. On the negative side, the landscape becomes unattractive when survival tactics lead to price wars and unhealthy competition.

Information featured in a report by the Philippine Franchise Association show that food franchises dominated the Philippine franchising scene since 1995. Food franchises usually include the following: bakeshops, bars and cafes, convenience stores, ice cream parlors, pizza parlors, restaurants, and water refilling stations. Lately, the prevailing presence of US food franchises in the Philippines has become more apparent with the increasing appearance of franchises such as McDonald’s, Kentucky Fried Chicken, Dunkin Donuts, Greenwich, Domino’s, Sbarro, Starbucks, Dairy Queen and many others.

Due to all these developments, the Philippine Franchise Association is aggressively attempting to position the Philippines to become the franchise hub of Asia, given the following reasons: a large majority of Filipinos speak English; the country has a huge population that is estimated to reach 100 million by 2014; a continually growing franchise sector; proximity to neighboring Asian markets by airplane; and a large pool of skilled labor and managers in diverse fields. The Philippines also offers relatively low labor cost that makes it ideal as a test market for the rest of Southeast Asia. Moreover, the infrastructure in major metropolitan cities like Manila, Cebu and Davao is at par to those of developed Asian cities. Establishing a regional headquarter for Asia, located in the Philippines, may soon become an alternative option to international franchisors. Domestic food franchisors in the Philippines, such as Jollibee, Goldilocks, Chowking, and Max’s Fried Chicken have also started to explore international markets. Meanwhile, the Department of Trade and Industry in the Philippines has showed support to the franchising industry by embarking on a program called “Order Negosyo.” Negosyo means business in the Filipino language. (Alon, 2006)

At the moment, Garcia-Yap (2012) states that the franchise industry grew by double digits in 2012, as affirmed by Robert F. Trota, the Philippine Franchising Association (PFA) Chairman. PFA President Elizabeth Pardo-Orbeta adds that at least 83% of their members are homegrown brands and 17% are international brands, a strong indicator that franchising in the Philippines has become the preferred investment option of Filipinos. The PFA Director for Cebu, Virgilio Espeleta, disclosed that at least 17 home grown Cebu brands have signed up as members in the new Cebu chapter of the Philippine Franchising Association. Espeleta said they are optimistic that other Cebu brands will benefit from franchising and become competitive as national and international brands in the future. Meanwhile, Cacho (2015) reveals that franchise consultant Rudolf Kotik predicted a 20% growth in the country’s franchise industry for 2015, and for the growth to continue into 2016. According to Kotik, franchising is the ideal path, being the best option available for individuals who wish to engage in business. This is because the franchise set up has a proven system and business model, with a 95 percent success rate compared to setting up a business, sans the system. The Philippines has had a
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