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Wendy's replacing workers with machines because of rising wage cost

Wendy's operates more than 6,500 restaurants in the US and in 29 other countries worldwide

Hazel Sheffield | Wednesday 18 May 2016 11:15 |



The majority of Wendy's outlets are operated as franchises (*Getty*)

One of the biggest **burger chains** in the world has announced plans to replace workers with machines to combat the rising cost of **minimum wages**.

Wendy's, which operates more than 6,500 restaurants in the US and in 29 other countries worldwide, has said it will install self-service ordering kiosks at most restaurants because of spiralling costs.

It plans to replace employees who once took orders with self-service kiosks and to cut down on employee hours further by introducing mobile ordering and payment apps.



McDonald's of the future opens in Hong Kong - in pictures

Todd Penegar, president of Wendy's, told Investor's Business Daily that the move is in response to wage increases of five or six per cent at the 10 per cent of Wendy's outlets operated by the company. He also noted increased competition between companies for a smaller pool of workers, driving up the cost of living.

The company has found it has to pay more than it once did to access good labour.



The majority of Wendy's outlets are operated as franchises. Some of these outlets have put up prices of their burgers and other products to offset high wage costs.

At the 258 Wendy's restaurants in California, for example, the minimum wage has risen to \$10 an hour and will rise to \$15 over time. In New York, where 75 per cent of the 200-plus Wendy's restaurants are franchised, minimum wages have risen to \$10.50 in New York City and \$9.75 in the rest of the state, and will also increase to \$15 over time.

McDonald's has also test self-service kiosks and ordering apps, but Wendy's is the first major chain to roll out the initiative on a wider scale.