

Situation of mcdonalds and kfc



**ASSIGN
BUSTER**

McDonalds is one of the best international retailers in providing fast food services to its customers. Providing world class fast-food in more than 100 countries is the core idea of McDonald's. McDonald's provide its services in whole of the world. Mc Donald's are local and independent franchisee which is owned and operated globally. In the globally popular restaurant industry in approximately all the countries where it is operating its services McDonald's holds a major part of the share.

COMPANY B : KFC

Kentucky Fried Chicken is called as KFC. It is a fast food restaurant chain whose headquarteres is in Louisville, Kentucky, United States, which specializes in fried chicken and even in burgers and wraps. KFC secondz over Mcdonald's as an " American icon", it is the the world's largest fried chicken chain and the second largest restaurant chain, with over 17, 000 outlets in 105 countries and territories.

Founder of KFC is Harland Sanders, who began to sell fried chicken from his roadside restaurant in Corbin, Kentucky during the Great Depression. The pioneer of the restaurant Sanders is the one who brought in franchising concept, with the first " Kentucky Fried Chicken", the franchise opening in Utah in the early 1950s. Its rapid development saw it grow too large for Sanders to handle, and he slowly sold the company to a group of investors. Even after that also Sanders image was still used for branding; Sanders had been made a Kentucky colonel after the success of his first restaurant, and he worked as a goodwill representative for the company until in a while before his death. KFC had mixed success in 1970's and 1980's at home as it

went through a series of corporate owners who had little or no familiarity in the restaurant business, although it continued to expand in overseas markets. KFC was sold to the spirits firm Heublein in the early 1970's, who were taken over by the R. J. Reynolds corporation, who sold the chain to PepsiCo. PepsiCo transformed its restaurants division by also including Pizza Hut and Taco Bell, as Tricon Global Restaurants, which was later called as Yum! Brands.

The chain primarily sells fried chicken pieces and variations such as wraps, chicken burgers and starters, as well French fries, coleslaw, desserts and other soft drinks, often supplied by PepsiCo. Its most famous product is fried chicken pieces, seasoned with Sanders' 11 herbs and spices " Original Recipe". The precise nature of these ingredients are unknown, and represent a remarkable trade secret has been kept on this delicious recipe. The famous slogan for KFC is " finger lickin' good", which has later been replaced by " So good", and " Nobody does chicken like KFC". China and US, its home country together contain around half of its outlets which are KFC's two major single markets.

INTRODUCTION OF LEADERS

COMPANY A: JIM SKINNER

James Alan Skinner was born 1944 in Illinois. He is an American business executive. He was the Vice Chairman and CEO of McDonald's Corporation. Skinner began his career with McDonald's in 1971 as a restaurant manager trainee in Carpentersville, Illinois. Skinner graduated high school in 1962 at West High School in Davenport, Iowa,[2] he went on to start serving nearly

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ten years in the United States Navy, Skinner began his career with McDonald's as a restaurant manager trainee in Carpentersville, Illinois in 1971, and since then has held numerous leadership positions. He never graduated from college.[3] He started out like so many other teenagers, working as an entry-level crew person at the old McDonald's on Brady Street in Davenport.[4] Prior to becoming CEO, Skinner was President and Chief Operating Officer of the McDonald's Restaurant Group with corporate management responsibility for Asia, Middle East and Africa (AMEA), and Latin America. Prior to that, he was responsible for McDonald's Japan Limited, their second-largest market. Skinner held numerous positions in the U. S. Corporation, including Director of Field Operations, Market Manager, Regional Vice President and U. S. Senior Vice President and Zone Manager.

LINK: http://en.wikipedia.org/wiki/Jim_Skinner

COMPANY B: ROGER EATON

Born in South Africa, Eaton moved to Australia in 1984.[2] Prior to becoming President and Chief Concept Officer of Kentucky Fried Chicken (KFC), he was Senior Vice President/Managing Director of YUM! Restaurants International South Pacific from 2000 to 2008.[1]

In April 2009, he appeared in an American commercial promoting the introduction of Kentucky Grilled Chicken to the KFC menu.[3] In May 2009, he appeared again in an American commercial to announce the ending of the free Kentucky Grilled Chicken that was promoted earlier. Due to "overwhelming success", the company could not afford to honor the coupons, and Eaton had to announce later compensation for the coupons.[4]

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http://en.wikipedia.org/wiki/Roger_Eaton

Roger Eaton became President of KFC Corporation in early 2008. Eaton is an international restaurant industry veteran and has been with Yum! Brands for 12 years. Prior to taking on the top job at KFC, Roger was Chief Operating and Development Officer for Yum! Since 2000, he has served as Senior Vice President/Managing Director of Yum! Restaurants International South Pacific (SOPAC). Earlier in his career, Eaton was Regional Operations Director of KFC SOPAC, General Manager of KFC New Zealand and Finance Director of KFC SOPAC. Under his leadership, SOPAC has had 27 consecutive quarters of profitable same store sales growth, as well as a consistent above target new restaurant builds.

<http://topics.wsj.com/person/E/roger-eaton/802>

Roger Eaton serves as Yum! Chief Operations Officer, a position he has held since late 2011. Roger has also served as Chief Executive Officer of KFC U. S. after serving as President of KFC Corporation. Eaton is an international restaurant industry veteran and has been with Yum! Brands for 12 years. Prior to his roles at KFC U. S., Roger was Chief Operating and Development Officer for Yum! Brands. He has also served as Senior Vice President/Managing Director of Yum! Restaurants International South Pacific (SOPAC). Earlier in his career, Eaton was Regional Operations Director of KFC SOPAC, General Manager of KFC New Zealand and Finance Director of KFC SOPAC. Under his leadership, SOPAC had 27 consecutive quarters of profitable same store sales growth, as well as consistent above target new restaurant builds.

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<http://www.yum.com/company/srofficers.asp>

CURRENT SITUATION OF THE COMPANY'S

COMPANY A: MCDONALD'S

<http://www.aboutmcdonalds.com/content/dam/AboutMcDonalds/Investors/Investors>

[com/content/dam/AboutMcDonalds/Investors/Investors](http://www.aboutmcdonalds.com/content/dam/AboutMcDonalds/Investors/Investors)

[%202012/2011%20Annual%20Report%20Final.pdf](http://www.aboutmcdonalds.com/content/dam/AboutMcDonalds/Investors/Investors)

first paragraph

COMPANY B: KFC

<http://www.yum.com/annualreport/>

first paragraph

meaning of a leader:

A leader is a person who influences a group of people towards the achievement of a goal.

<http://www.vtaide.com/gleanings/leader.htm>

LEADERSHIP IN COMPANY

COMPANY A: MCDONALD'S

Truly a charismatic and transformational leader, many attribute McDonald's turn-around in the past few years to the efforts of Skinner; not only did he revitalize the organization, but he “reinvented the fast food business” with a

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new vision and direction (Hume, 2007). Early in the turn-around, he was one of the architects of the “ Plan to Win” initiative which renewed McDonald’s core focus of store operations. His election to the CEO post provided some stability and faith for the organization. Hume notes that one of the key elements to his success was his vast experience with overseas markets that gave him great diversity exposure which was crucial for the global corporation. This diversity has definitely helped giving McDonald’s a competitive advantage, and was paramount in the global communication between employees and customers (Daft, 2008, p. 334). One of his noted achievements during his tenure in regards to leadership was fighting the “ McJob” stigma; he made employees feel important and began to promote the various positions in a brighter light through advertising campaigns (Hume, 2007).

In terms of Mr. Skinner’s philosophy, he is primarily focused on customer satisfaction. He believes that is necessary to first meet customer expectations and then focus on the restaurants themselves. The philosophy also includes keeping things simple and manageable for each store while making sure that “ everyone is aligned around that one idea”. The idea is directed towards making a good appearance, caring about how the restaurant looks and how you present yourself. Another important aspect of his philosophy is the fear of complacency. Therefore, he encourages creativity, but also wants to make sure that people do not lose track of the chain’s primary objectives (Hume, 2007). Thus, there is a strong focus on coming up with good, creative strategies, and then putting the full effort into successful execution. For Mr. Skinner, a companywide initiative is always a

must, and never a maybe. Skinner is also a man of values and ethics: When McDonald's was blamed for the obesity problem, he helped direct the company to take responsibility and help create a solution rather than pass the blame. Thus, Skinner can be seen as a moral leader and symbol of doing the right thing for McDonald's (Daft, 2008, p. 169). Finally, one of Skinner's continuing main goals is "talent management and leadership development" (Hume, 2007). This involves critical tasks such as reorganizing individuals into different roles and identifying potential leaders to be awarded additional responsibility.

While many of the Mr. Skinners values are not easily discernable on surface, his leadership was seen at the restaurants observed. The care regarding customer satisfaction was most obvious, employees were always polite and the restaurant was very clean. During some observations, employees were seen talking with regular customers beyond the normal service interactions, demonstrating some level of intimacy between them. In addition, almost all employees seemed well mannered and presented themselves well. There seemed to be a high level of morale, even with the more menial and custodial positions, which was unexpected in a fast food restaurant. In many of the locations visited, there were employee recruitment signs on the door that listed benefits; however, the application process was online. While more efficient, perhaps a stronger focus on in-person recruitment would help improving morale and result in more applications.

Improving Employee Effectiveness

One may initially believe that there is not really much that can or even needs to be done in order to improve efficiency in McDonald's restaurants; however, good leadership involves constantly reinforcing a brighter vision of the future and increasing value for both customers and employees. An employee should not think that just because they cook fries or flip burgers, that they cannot make a difference. Rather, by encouraging creativity and leadership even at this lowest level, the next great executive may emerge. It is important to turn each restaurant's employee into a productive team member. In order to increase productivity and employee commitment, we propose several measures. The first measure would be to create a program to encourage creativity among restaurant managers, owners, and operators. In fact, the iconic Ronald McDonald was not developed by Ray Kroc or anyone at corporate, but by the owner of a local franchise (Walker & Scott). Rewards should be available for coming up with new ideas at the restaurant level. As owners and managers are the ones who are actively involved with the day-to-day operations, they have a greater vantage point for implementing successful changes. In order for such a program to be successful, there must first be some educational programs like workshops. At the regional level, managers and owners can be brought together and taught about creative ideas. This will encourage thinking "outside of the box", and furthermore can introduce individuals to the practice of "creative swiping", which is a process of copying the best ideas whether they be from within your industry or from completely unrelated fields (Peters, 1987). After properly motivating the owners and managers, there should be a trickle-down effect to the restaurant's employees.

In addition to the trickledown effect of targeting the managers, we would take steps to directly motivate individual employees as well. On this front, one of the first steps is to truly understand each and every employee. Some employees may only be working at McDonald's temporarily, but for others this may be the only available job opportunity. For such individuals, they want to maximize their job satisfaction. We would implement a program similar to those in large corporations where employees are able to set specific goals and explain their rationale for working at McDonald's and what they expect from their employment. This process would show employees that they can do more than flip burgers, for example develop leadership and management skills which can be invaluable regardless of future career plans. Managers and/or owners would apply Vroom's Expectancy Theory in this case; the attention and treatment of each employee should be personalized (Daft, 2008, p. 235). Managers would therefore develop a plan with each employee to increase his intrinsic satisfaction, while at the same time increasing that employee's productivity.

Building on our focus on individuals, we would also implement a scholarship and education program. We want our employees to represent us well within our restaurants and throughout the world. We would offer high school and college aged employees a greater number of college scholarship opportunities in return for quality work and demonstration of leadership potential. Younger workers are often harder to motivate directly, but the opportunity to have someone else paying for your education is always a great motivator. The program would reward quality work such as customer service and punctuality, as well as creativity and the ability to dream like a

leader. Employees must be sponsored by a manager or owner and would have to write an essay answering a question that instigates them to think creatively about how we as a corporation could improve. This would motivate even the youngest and most inexperienced ones. In fact, this could create an upstream effect on the whole restaurant or corporation, increase team cohesiveness and help encouraging those who are older or in higher positions to also think about making the entire organization better (Daft, 2008, p. 239). The winners would make a positive impact on the organization and earn the extrinsic reward of a scholarship. In subsequent years, this would encourage other young employees to also pursue this opportunity, be a first-class worker and think creatively about the organization.

<http://www.managementparadise.com/forums/foundation-human-skills-f-h-s/221122-leadership-style-mcdonald-s.html>

COMPANY B: KFC