

Fast food industry in singapore germany and us management essay



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'Fast food for a fast world' (Schlosser, 1998) - the fast food industry has, over the years, experienced rapid growth and expanded at a breathtaking rate, with McDonald's as the main force behind the success of this industry. With over two million people being employed by McDonald's across 118 countries in the year of 2002, there has to be many employment relations policies and practices in place, to ensure profits despite the huge labour costs incurred.

This essay will explore various aspects of work and employment relations on the management, and employees' side, to compare and contrast the similarities and differences between the fast food industry in Singapore with the fast food industry in Germany and the United States (US).

Basic employment practices was similar amongst the three countries, but Singapore's employees in the fast food industry get to enjoy more favourable working conditions due to its Human Resource Management and laws imposed by its government.

This essay will be using the market leader of the fast food industry, McDonald's, as the key example throughout the comparing and contrasting of work and employment relations across the three countries.

THE MANAGEMENT

The management of McDonald's in its origins at the US, enjoys great freedom in establishing the terms and conditions of employment for its employees. This is due to its extremely low rates of unionization and minimal intervention from the federal and state governments. (Leidner, 2002)

Employers in the US may generally dismiss any employee 'at will', at any time, for any reason, or even for no reason, with no legal obligation of fairness to the employees (Leidner, 2002). There is great imbalance in the power of employers and workers in McDonald's at US, where employers have all the freedom to decide its employment terms and conditions.

Some forms of Human Resource Management (HRM) were used in McDonald's at the US. Work-evaluation sessions, incentive systems etc. work were what they would refer to as employees' benefits, rather than providing significant material advantages. These policies are intended to promote team spirit, energize workers, yet create the impression that the management is attentive to workers' concerns (Leidner, 2002).

The management in the US takes the unitarist approach and do not believe in trade unions. The management was anti-union, and took on a strong and determined opposition against any acts of unionization within its company.

Like the US, McDonald's management in Germany adopts the same unitarist approach of not wanting the trade unions to be involved in their employment relations. Royle & Towers (2002) stated that 'McDonald's early approach to unions and statutory forms of worker representation was hostile'. This hostility shows a similarity between the German and US managements' mindsets of being anti-union.

Unlike the US, although it was not mandatory for employees to join a trade union, it was a norm in Germany to have works council. Works council were given extensive rights to information, consultation and co-determination

supported by the law in Germany, and they can positively determine

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employees' working conditions (Royle & Towers, 2002). ' The German system provides workers with statutory rights to representation through works councils at the workplace, and through supervisory boards at boardroom level in larger firms' (Royle & Towers, 2002 p. 1). Work councillors also enjoy some forms of protection against dismissal. These show the strong importance of works councils and trade unions, in other words, employees' rights and say, in the German employment law and culture, which is different from the US, of being more in favour of the employers.

Due to the norms and employment culture in Germany, the stance and measures which McDonald's took in not wanting unions and work councils to be involved, led to many criticisms from the unions and the public. All these criticisms led to unwanted publicity, which eventually made McDonald's at Germany, despite not being supportive of trade unions and works councils, decide to shift its policy. A new employers' federation was established, and negotiations for a collective agreement were made. The management was no longer outspokenly anti-union in Germany. (Royle & Towers, 2002) This change in policy is a significant difference between its management and that of the US and Singapore.

However, even with the change of policy, the German management, was still anti-union internally. They often delay works council activities, and employ other indirect means to marginalize employees who join such works council to seek for their rights, and make life difficult for them. Examples are, managers will post threats or actually dismiss those employees, despite the state protection from wrongful dismissal of employees (Royle & Towers, <https://assignbuster.com/fast-food-industry-in-singapore-germany-and-us-management-essay/>)

2002). Managers would also alter the work hours of such 'undesirable' employees such that they can only work a certain particular shift, or be scheduled very few working hours and eventually choose to quit the job due to lack of a stable income. Such a scenario is very similar to the US management, who will not hire "pro-union" employees, and arrange poor scheduling for such employees.

In Singapore, employment laws were generally similar to the US in being "pro-employer" (Pereira, 2002). The Industrial Relations Act gave more authority to employers in leaving the decision of factors such as promotion, retrenchment, dismissal and work assignment between the employer and employee (Pereira, 2002), with no interference from trade unions.

However, employees in Singapore, unlike those in the US, were also protected by the law despite the "pro-employer" bias. Unlike the law in Germany which protects the rights of employees through their support for works council, the employment law in Singapore directly provided for adequate amount of working hours, leaves and overtime pays of employees. Unlike the US, McDonald's in Singapore adopted a disciplinary system - company had to initially give one verbal warning, followed by one written warning before dismissal could take place for non-criminal acts (Pereira, 2002). Hence, McDonald's employees in Singapore are more well-taken care of than their American and German counterparts.

Similar to the US and Germany, Singapore's management took the unitarist approach, whereby collectivism of unions was not preferred (Pereira, 2002).

Like the US and Germany, the state did not make it mandatory for

employees to join labour unions. Although unionization rates in Singapore, like in Germany, were relatively high, the fast food industry did not contribute to these figures. As such, Singapore was able to introduce its own HRM programme to foster employee loyalty and to keep its employees satisfied through individualizing employee relations (Pereira, 2002). However, in reality, ' individual bargaining and negotiation of employment terms and conditions is only available to very few who are based at headquarters; otherwise, the corporation determines every aspect of the terms of employment and its broader conditions' (Pereira, 2002 p. 7). This is the same for the US, whereby employees do not have much say over their employment conditions since most were decided by the company.

However, Singapore's management, unlike the US and Germany, was more concerned about keeping the crew satisfied, as they believe that ' without them the restaurants simply could not function' (Pereira, 2002 p. 10).

Although like the US and Germany, Singapore does not really reward the employees through material advantages, they organized many activities through their HRM programme to make employees happy to work for McDonalds. The stance of the importance of keeping employees satisfied, together with the state's employment regulations of adequate work hours and leaves, allowed the employees in Singapore to benefit more than the other countries.

THE EMPLOYEES

A typical worker in an American fast-food restaurant is a young woman who works part-time. The workforce in McDonalds at US was dominated by the

young and inexperienced, with 70% of its employees being youth. Fast food job were seen as appropriate first labour-force experience for them. The introduction of the 'welfare reform' in the US opened up jobs for many poor single mothers. Employers can earn tax credits for hiring such workers, thus increasing the pool of potential fast food workers.

Employees' working conditions in the US were poor; they were low paid, no benefits, and minimal or poor career advancement opportunities were made available to them. Employees experience unpredictable work hours and shifts, which affect their daily lifestyle, and results in the lack of a fixed and stable income. As employees do not see their jobs in McDonald's as one that they intend to work for long, they would leave the job at McDonald's for a better paying job elsewhere, instead of organizing trade unions to fight for their rights. Hence, labour turnover rates in McDonald's at US was high.

Level of detail in work specification in the US was remarkably high.

McDonald's can be classified under the 'Post-fordism' work category with its great precision in the daily duties. Due to the highly specified and standardized routines, the job scopes of employees were generally easy. This led to low expectations for the job, and was one of the reasons why the employees accept the low pay and poor working conditions. However, even with such seemingly easy job routines, employees had to work in pressurized working conditions, as managers tend to 'understaff' their shifts schedules so as to cut down on labour costs.

The German workforce, like the US, was made up of part time employees, who are not dependent on the company for livelihood and those who do not

intend to stay on the job for long, examples are second income earners and students. Thus, like the US, the Germans experienced high labour turnover rates, whereby employees leave their jobs at McDonald's for a higher paying job, instead of going through the hassle of fighting for their rights. Unlike the US, the German workforce was made up of large number of foreign workers, economic migrants and guest workers. (Royle & Towers, 2002). Employees work conditions are very similar to the US, with low pay, no benefits, and poor career advancement.

The workforce in Singapore was made up of teenage crews, who were later replaced by 'older' part time crew comprising of the retirees and housewives. This was a different group of employees as compared to the US and Germany. 'The older crew often stressed that the job needed them more than they needed the job' (Pereira, 2002). Many of them would choose to leave the company once they were dissatisfied, as the reason why they choose to work, was not so much for financial rewards, but to stay healthy, pass time fruitfully and maintain social relations with others. This group of employees, unlike the workforce in Germany and US, are more likely to keep their job for a long run, as long as they were happy working there.

Employees' work conditions in Singapore were generally better than those in US and Germany. The starting salaries for the crew were slightly higher than the 'market rate'. Employees were entitled to benefits such as annual paid leave, medical benefits and annual bonuses. This is very different from the employees at US and Germany, who do not receive any benefits. The HRM programme in Singapore also kept crews satisfied through its various forms of perks, benefits, incentives and parties. The older crews were well taken
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care of by the management through special attention and greater patience for them. (Pereira, 2002) This was very different from the US, which do not care for their employees at all.

The Singapore management takes effort in promising better career prospects for its employees, such as by making the employees feel more 'professional'. However, in reality, career advancements were generally poor like that in US and Germany, where limited career advancements to work in the headquarters were given.

CONCLUSIONS

Basic employment practices and conditions like giving low pay and minimal benefits, and the greater say of employers, was very similar amongst the three countries. The significant difference between Singapore's employees in the fast food industry and those in Germany and US, is that they get to enjoy more favourable working conditions due to its HRM stance on keeping employees satisfied through other non-material advantages means, as well as the laws imposed by its government, which ensure fairer salaries and working hours systems.