

# [Mcdonald’s corporate social responsibility in malaysia](https://assignbuster.com/mcdonalds-corporate-social-responsibility-in-malaysia/)

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McDonalds’ Malaysia is very concerned about what they can provide to their stockholders, the public, customers and even the suppliers. Since McDonalds’ Malaysia first came to Malaysia on 29 April 1982, they are well-known for their high commitment in their corporate socialresponsibility. McDonalds’ cares abouthuman rightsand their customers. They do not employ forced labourers or child labourers. Besides that, McDonalds’ has antidiscriminationpolicy, especially the discrimination against women. Today, 53% of McDonald’s restaurant manager positions are held by women.

Thefoodand services provided by McDonalds’ have met the international food quality and safety standards requirements. Their employees are well trained with fundamental food safety and hygiene practices. The employees are required to follow the procedures strictly. Procedures such as hand sanitizing, handling of raw foods and food quality control are all well-designed and well-followed by the employees. McDonalds’ meat supplier is also awarded ISO9001: 2000 certification to ensure that the meat meets certain standards.

Furthermore, all foods provided by McDonalds’ are certified HALAL by Malaysian Islamic Development Department. McDonalds’ has been putting effort in producing less waste to the environments and emphasizes on energy conservation technologies for over 30 years. All McDonalds’ restaurants Malaysia are installed with power system stabilizers. Power factor correction boards also helps in reducing energy costs. These efforts have proved a 5%-8% reduction in energy consumption per month over the past few years. McDonalds’ also take caution measurements about the usage of non-biodegradable items such as plastic bags.

Today, beyond 60% of the materials used for food packaging are made by paper instead of polystyrene or plastic. As for the cooking oil, it is sold back to the supplier for recycling. Every month, around 12, 000 kilograms of cooking oil is recycled. Besides that, McDonalds’ also implies the practices of water conservation. The rainwater are channelled and collected from the drainage system installed on the rooftop of McDonalds’ building. The collected water is then used for watering the plants and cleaning the floors. McDonalds’ is not only a profit making organisation but it also contributes to the society.

One of its significance philanthropic works is the establishment of Hamburger University. Today, McDonalds’ has 7 Hamburger Universities around the world. Over these years, McDonalds’ Malaysia has been sending restaurant managers to these Universities for trainings. The society has hugely benefited by the establishment of these universities as it has created many job opportunities and learning opportunities. The Ronald McDonald house was opened in Malaysia on 1999. This is a charity home built by the The Ronald McDonald House Charities Malaysia, which is a non-profit organization.

The purpose of this institute is to provide a place to stay for families who travelled far to seek medical treatments for their kids. This has greatly reduced their burden as hotels and motels can be costly to parents. Despite of The Ronald McDonald House, McDonald’s Malaysia also has 8 institutions in Malaysia which serve the purpose of helping kinds with learning disabilities. In this competitive 21st century, businesses which do not make profit do not stay. There will be no investors. That is why McDonalds’ knows that fiscal responsibility plays an important part in this business.

The publics have the rights to know if the company is doing well. The big companies have the responsibility to provide more transparency andaccountabilityto the stockholders and stakeholders. In UK, an annual director’s report is required to go public under the UK company law. The 2011 McDonalds’ annual report contains details about the social accounting, auditing and reporting of the McDonalds’ Co. Ernst and Young, a well known accounting firm, has conducted the audit for McDonalds’ consolidated balance sheet, shareholders’ equity, income statement and cash flows for the year ended 2011.

Ernst and Young also audited McDonald’s Co. internal control over financial reporting. The internal control over financial reporting is to provide reliability of the financial reporting and preparation of financial statements. Without this, the possibility of misstatements of any of the financial reports might occur. These audits are also conducted by the standards of the Public Company Accounting Oversight Board (US). McDonalds’ annual report 2011 consisted many details of the company. The straightforwardness of the disclosure of the financial reports of the company has greatly increases the corporate image and thus, increases the sales. Read about

McDonald's quality assurance.

Here are some of the highlights from the year 2011. The sales grew 5. 6%. Revenue increased by 12%. The operating income rose 14%. Operating Margin rose from 0. 6 percentage points to 31. 6%. McDonalds’ returned 6 billion dollars to shareholders through repurchases of share and dividends paid. Next, Diluted earnings per share rose by 15%. Cash generated from operations also increased from 808 million dollars to 7. 2 billion. McDonalds’ Co has a total asset of $32, 990 million in 2011. It has increased by $1015 million as compared to last year. McDonalds’ Co also has a healthy cash flow.

The cash generated from operations has increased drastically in these 6 years. Cash Expenditure is maintained at $1900 million to $2700 million, which is a good sign. This means the company has control over their expenditures. Net income of the company has increased $1959 million in 6 years. The total revenues of the company have increased $6, 111 million in 6 years. The purpose of comparing the revenues of 6 years is to analyse certain financial stability of the company whereas comparing revenues between 2 years has its own different explanations.