

Link between pay and performance

[Business](#), [Management](#)



The essay aims to propose the remuneration strategy for McDonald's employees and managers taking into consideration all short and long term monetary and non monetary incentives. Further it explains that there must be some significant differences in incentives and salary packages for employees and managers and they must be divided according to their weightage. The essay also suggests that since the duties and roles of managers and employees are different the remuneration strategy also need to be different.

It is suggested that for manager level result based method is effective for remuneration strategy but for employees it must be behaviour based because in McDonalds' employees has less role in increasing sales. As discussed further in the essay management can't give every benefit and incentive equally to managers and employees. As in short term monetary reward no company would like to give out bonuses, paid time offs etc to lower level employees.

The case is same with other monetary and non monetary strategies division is necessary before distribution of incentives and rewards.. Further this essay briefly discusses the advantages and disadvantages of these remuneration strategies and how they motivate employees and managers and recognise their efforts thereby retaining highly talented employees. Introduction - It is the intention of this essay to critically analyse the link between performance management and rewards with in company McDonald's. Management at McDonald's should adopt a result based remuneration strategy.

This essay will critically discuss how an employer should devise and implement a remuneration strategy that is linked to job analysis, performance management training and development action plans, recruitment and selection. It will also discuss that whether companies should use single remuneration strategy for management and employees or diverse. In addition this essay will analyse whether manager and employee should have equal access to short and long term monetary rewards and short and long term long monetary rewards as well as access to salary packaging per take achievement of predetermined performance package

McDonalds' is an U. S company. Its all started way back in 1970's. The foundation was set up by MR Thomas in Florida USA. It is the leading global foodservice retailer with more than 30, 000 local restaurants serving nearly 50 million people in more than 119 countries each day. It is one of the worlds most well-known and valuable brands and holds a leading share in the globally branded quick service restaurant segment of the informal eating-out market in virtually every country in which it do business.

The first Australian McDonald's opened in Yagoona, NSW in 1971. Today company has 730 restaurants around the country, 56, 000 employees and serve more than 1, 000, 000 customers every day. Company has divided its working class in two groups one is management level and second one is crew. The age group working here is divided in two parts one is crew and second is management for crew the age level can be from 15 to 26 and for management level starting from 20.

Education background for crew level is just 10th standard and for management level it is like this, for Trainee manager suitability will be assessed on their ability to supervise people, product and equipment to deliver outstanding Quality, Service, Cleanliness ; Value (QSC; V) on assigned shifts and their motivational desire to perform. McDonald's objectives for the next 1 to 3 years are to increase the market share of McDonald's from 30 % to 33 %, to hire top C. E. O's from the corporate world, use of new methods of learning for its employers, to open restaurants in new destinations where company is not operating at present.

McDonald's use franchisee system to operate in any country in which they do business. They have to follow the strategies of McDonald's for recruitment. McDonald's operates in fast food segment industry and they are the leader of informal eating out market. Company is at its maturity phase of business cycle where it is at top and earning profit. McDonald's benefits program is designed to attract, energize, reward and retain talented people who will produce superior business results and enhance their leadership position.

They recognize the importance of strong benefits programs. (McDonald's) 2006 The intention of this paragraph is to critically analyse whether McDonald's should adopt a trait based, result based or a behaviour based performance system and why. McDonald's should adopt result based performance system particularly for senior managers and for lower level employees it must use behaviour based but before going in detail, we first discuss what these three performance assessment methods all about are. Schaffler(2004)The objective of performance-based pay is multi-faceted.

It's integrated into pay packages to ensure a holistic remuneration strategy that attracts, retains and motivates key individuals. Linking senior managers' performance and reward is designed to motivating individuals to achieve specific results that are aligned to the business strategy, sharing a portion of the financial success with those who are able to influence results, promote the appropriate balance between long and short-term thinking, and, align employee interest with that of shareholders.