

Organisational dynamics and culture of mcdonald's



**ASSIGN
BUSTER**

McDonald's is spread across 31, 000 restaurants all over the world and serves over 52 million people in about 119 countries each day. The company can be proclaimed as the world's largest food retailer. The work culture of McDonald's very much depends upon the manager. The managers do not try and put any vertical barriers between themselves and their employees. They display real concern for the emotions and well being of their employees.

McDonald's corporate management focuses on training and leadership which is permeated at all levels through Hamburger University. On the university website, they quote McDonald's founder Ray Kroc's ideology which is training-oriented: " If we are going to go anywhere, we've got to have talent. And, I'm going to put my money in talent". This shows that McDonald's considers its crew members as elements that cannot be replaced. Because training is not limited to just the top-level executives, McDonald's is able to ensure that its culture is spread at all levels and reinforced through education and promote that employees still remain important to the organization. Ravi Sharma, restaurant manager at McDonald's outlet in New Delhi concurs - " At McDonald's, the work operations are such that I've been exposed to different aspects of business including finance and leading teams. This is one place where one can get complete orientation and training to lead and develop the organization".

McDonald's offers different shift schedules so that everyone can achieve a good balance between their work and their personal lives. Some individuals want to work fulltime while some are part-time workers who have to fulfill some social obligations as well. The job being a low-skilled one, another employee can always step in to fill for a part-timer. This provides a feeling of

empowerment to the employees who can always adjust and allows for mutual trust to develop between manager and the employees on the basis of respect for each other. Saurabh Mishra, also a McDonald's restaurant manager at Lucknow agrees - " Such flexible schedules as well as wages which are competitively benchmarked, superior management training and other opportunities, such benefits help us believe that we are a valued part of our team".

The success of McDonalds is based on a simplistic yet very effective formula which involves standardizing the service to the smallest detail, maintaining strict control on the quality of service and developing cost efficiencies by employing cheap, young, unskilled labour who is supervised by managers. The business grows by involving franchisees and entrepreneurs who really look forward to be associated with the brand. McDonalds is characterized by the importance of the system over the individual and breaking down the work into simplistic steps. As an assistant manager at one of the restaurants of McDonald's adds - " Little do people know that not just the management but even crew members require some talent. I see it everyday in my store and I feel proud at working with such people -the speed, planning of things, solving problems, taking care of hospitality, teamwork, and most importantly, a positive attitude"

In most organizations, norms do not result due to sharing of values among the members of the organisation; rather the rules and practices of the organization play a much bigger role in defining the culture thus, making both values and practices as the determinants of the culture and norms. With franchisees spread wide and far across the globe, the core values of <https://assignbuster.com/organisational-dynamics-and-culture-of-mcdonalds/>

McDonalds - Quality, Service, Convenience and Value - are inculcated deeply into managers who are trained at the Hamburger University, so that uniformity can be maintained all around. In performance of each task - right from making eye contact to how to smile during transactions, a standard is maintained by the counter staff. Thus, in a system of command and control which is increasingly centralized, culture is characterized as an entity with limits but with definite identity and mannerisms.

McDonalds approach is universal when taken in a context where standardization and integration are treated as foundations of the business. It is a methodical approach to doing business where emphasis on established practices and standards is important for smooth operations. This approach, which is somewhat bureaucratic, makes the employees behave in a certain manner during their work hours due to the influence of organizational practices which are under strong control. With their jobs being quite regulated, even employees who do not find favour with such tightly controlled work, adhere to these norms. This match between the ideas of the employee and the business is what acts as a cornerstone of success for McDonalds.

VALUES AND PRINCIPLES OF MCDONALDS

The core values McDonalds live by

- McDonalds, worldwide stands for Q, S, C and V i. e. Quality, Service, Cleanliness and Value which translates into providing customers high-quality products which are served pleasantly in a clean environment and at an affordable price

- McDonalds believes that it is important to invest in people as there are qualified people coming together from diverse backgrounds and it is important that they work together to ensure success for the organization
- Honesty and integrity to be the cornerstones for all business approaches and strategies
- Orienting and providing support to systems that ensure success
- Being proud of achievements but also having the intention to progress further

The guiding principles

- Confidence to exceed customer's expectations at every opportunity possible
- Corporate, Franchisees and Suppliers are the drivers of success for the organization
- McDonalds considers franchising as a priority and in collaboration with the franchisees, strives to make strategies that are beneficial for the customers

VISION AND MISSION OF MCDONALDS

- To be the best and numero uno global fast food provider
- The mission for brand McDonalds is to become the customers' favourite in defining the way they eat and also try to improve the operations to the level where it surpasses the expectations of the customers

FUNCTIONAL ASPECTS OF MCDONALDS ORGANISATIONAL CULTURE

- Strong organizational culture
- McDonalds has a very strong sense of its organizational history as they are proud of their “ single store” humble origins which acts as a motivator for employees
- Globally supports the employment of youth by recognizing their contribution in the growth of the organization
- Encouraging pro-social initiatives like the Ronald McDonald Foundation for better relations with local communities
- Focus on retaining promising employees by offering good growth opportunities
- McDonald’s emphasis on the process of “ Entry Socialization” which is an effort at investing into potential leaders and grooming them for organizational excellence
- McDonald’s employee-friendly offerings include flexible shift scheduling, incentive of free meals and provision of “ McCrew Care” – an elective health insurance option
- Frequent opportunities of promotion from within the system and also, more opportunities of a increase in salary

DYSFUNCTIONAL ASPECTS OF MCDONALDS ORGANISATIONAL CULTURE

Centralized decision-making structure: A very centralized scope of authority means that employee work profile consists of limited responsibility and lack of any opportunity to exercise individual initiatives

Most employees are under the age of 20 and for most people, it is their first job. Employees thus, tend to identify more with their coworkers partly due to them not offering any decision-making input and a high-stress, fast-paced environment takes its own toll on the identification of the employees with the organization

Tolerance for conflict is very low as it is important for employees to adhere to the work groups , individual initiatives are not encouraged and differing views remain muted to the level of employees and does not figure at the organizational strategy level

Not much focus on implementing service motivators and few opportunities for recognition and growth in the present system except for those who plan to stay with the organization for a longer period of time

EVALUATION OF MCDONALDS CULTURE: PROCESS CULTURE

“ Procedural Complicity” is important for employees

Sticking to norms and procedures strictly

Punctual and obedient people suit the structure of an “ ideal employee”

Authority-Obedience management rules the roost as interference in decision-making is reduced to bare minimum. The scope of authority is more centralized in practice as the decisions are made by top management while the crew members and lower-level staff just “ follow procedure”

Horizontal Division of Labor: There is specialization in labour and emphasis is there on “ conformity” in the production of final output

HOW CULTURE CAN CHANGE

Facilitating the flow of communication in the organization by means of vertical decision-making – Make efforts at alleviating job boredom and humiliation of the employees as they are the key for successful running of the restaurants

“ Decentralization” should become a more prominent determinant of future strategies of McDonalds

Lower level managers should have more responsibility for decisions that are instrumental in bringing changes in the working of their branches

Involvement of crew members in development of initiatives at innovating work structure and responsibilities

Developing a Work-hard/Play-hard culture where employees derive satisfaction through increased involvement in work and make efforts at ensuring limited risk-taking individually

Encouraging subordinates to take on more responsibilities in order to make them self-reliant in decision-making

Ensuring that employee tasks are frequently rotated so that they become knowledgeable about different business skills which includes crucial skills like finance and accounting

Take on more risks: Each franchisee must be allowed freedom in deciding promotion strategies and service offerings which are instrumental in increasing individual autonomy and improving relations with local community

Ask employees to be a part of brand restructuring initiatives. For example - Designing more attractive uniforms where employees feel proud in making a brand their own

HOW TO IMPLEMENT CHANGE

Employee responsibility and inclusion should be the focus for a new management strategy. Brain-storming sessions with employees, especially lower level employees which involves taking their inputs and suggestions for improvements and innovations in service offerings

Create a new training program for newly-inducted restaurant employees that will focus on education, growth and responsibility and orientation for different tasks which are important for smooth operation of the business which include inventory control, budgeting, and scheduling

Offer plans to help employees in continuing their education even while they work at McDonalds by paying for their education

Create an outreach program for new managers, which is voluntary in nature, for 2 weeks a year wherein they go and work in their communities so that when they come back, they can provide insights on their communities to the organization for better offerings