

Report on organizational structure within two fast food industry leaders



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The purpose of this report is to find out the organisation structure of McDonald's and Kentucky Fried Chicken, and that Compare the Similarities and Differences of Organisation Structure between two companies. After that, i will find out the two company about the Approaches to Management & Organisational Behaviour, that is include the Motivation, Leadership, Learning and Knowledge Management, Human Resource Management, Culture and Diversity, information Technology, Communication. Finally, i will summary of my actual findings in organisation structure and Management & Organisational Behaviour.

Business Background

McDonald's (McDonald's Corporation) is a large chain of the hamburger fast food restaurant, with approximately thirty thousand branch stores in the world, and more than 58 million customers every day to use the service. McDonald's Business began in 1940; a restaurant opened by brothers Richard and Maurice McDonald in San Bernardino, California. They recommend the " Speedee Service System" principle to create the modern fast-food restaurant, established in 1948. (Wiki 2010)

McDonald's first proposed for the United States and the name of McDonald's on May 4, 1961, with the description of " Drive-In Restaurant Services," which is still by extending the end of December 2009. In the same year, on September 13, 1961, the McDonald's filed a logo band on the overlap, double arch " M" symbol. Overlapping double arch " M" symbol logo are being unwelcome by the September 6, 1962, when the brand was applied for a single arch, shaped many of the early McDonald's in the early days.

Modern double-arch " M" symbol, which continues to use of McDonald's
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restaurants but did not occur until November 18, 1968, when the company is now well-known brand in the United States of symbols, which is still in use in the end of 2009. (Wiki 2010)

McDonald's main sells hamburgers, French fries, chicken products, shakes, soft drinks, ice cream, and salad. McDonald's restaurants to be find everywhere more than one hundred countries on six continents in the world. McDonald's has become most valuable brands in catering trade. McDonald's is represents an American way of life in many countries. McDonald's is the largest international fast food franchise company. But McDonald's is become corporate ethics and consumer responsibility focus, because there are food lead to obesity, and then the company has changed its menu. In addition to its well-known restaurant chain store, McDonald's company held a minority interest in preterit manager until 2008, and that was a important investor in the Chipotle Mexican Grill until 2006, and owned the restaurant chain Boston Market until 2007. McDonald's restaurant is operated by a franchisee, an affiliate, or the company itself. The company incomes come from the rent, royalties and money paid by the franchisee, and sales in company-operation restaurant. McDonald's income grew 27% over the three years ending in 2007 to \$22. 8 billion, and 9% growth in operating income to \$3. 9 billion. (Wiki 2010)

Business Background

Kentucky Fried Chicken

Kentucky Fried Chicken Corporation build up, also referred as KFC that is a fast food restaurant chain based in Louisville, Kentucky, in the US. From

1997, KFC has been a brand and business, called the concept of Yum! Brand, when that company is take apart off from PepsiCo change Tricon Global Restaurants Inc. (Wiki 2010)

Kentucky Fried Chicken main sells chicken, sandwiches, wraps and salads. Although its main focus is fried chicken, KFC also offers a line baked chicken products, side dishes and desserts in online, Outside North America, and the KFC offers products such as kebabs or hamburgers, pork based products such as ribs and other part country of fare. (Wiki 2010)

The company was founded, that is KFC build up by Colonel Harland Sanders in 1952, although it's thought the idea of KFC fried chicken can actually be traced back to 1930. The company used the abbreviated form KFC of its name in 1991. Begin in April 2007, KFC began using its original name, KFC, packaging, its logo and advertising in the United States as part of a new company re-branding program; update and transform the restaurant will have a new signage and name, while the older stores will continue to use the 20th century, that is marks 80 years. In addition, Yum continued use of the abbreviated name in its advertising. (Wiki 2010)

Organisation Structure

McDonald's

C: Documents and SettingsKaHoæ;Æé ¢career chart of mcdonald. JPG

Figure 1 (MC 2006)

Organisation Structure

McDonald's

C: Documents and SettingsKaHoæ;Æé ☰ ☐international chart of mcdonald.

JPG

Figure 2 (Rockelly 2010)

In figure 1, that is show the McDonald's organisation structure in every chain store. McDonald's managing organisational structure looks at chart 1, at the top are the restaurant manager, and under that are the first and second assistant managers. And the assistant is executive the trainee manager, below that are the floor manager, that include the shift running floor manager, floor manager and the trainee floor manage. In this floor manager, the shift running is the top, and trainee is the low. Finally, the floor manager is managing other employee.

In figure 2, this chart is talk about McDonald's international organizational structure. In the international, the company is talking about how to executive other country chain store. The organization structure of McDonald's is pyramid-shaped, to ensure consistency of service delivery across all country. Look at the chart 2, at the top are the chairman and CEO to managing USA and international, below the president and CEO international are executive other all location.

Organisation Structure

Kentucky Fried Chicken

Since its inception, Kentucky Fried Chicken has evolved through some different company changes. In 1986, PepsiCo was acquired KFC, which is trying to expand some of its fast food service restaurants. (Kelley 2010)

The current structure of the organization is two departments in the Pepsi Company. David Nowak is the president of Kentucky Fried Chicken. John Hill is the Financial Officer leader and Colin Moore is the director of marketing. Peter Waller is the head of franchising, and Olden Lee is human resources leader. Kentucky Fried Chicken is part of PepsiCo separation, which is PepsiCo and PepsiCo Restaurants International global diet. These departments are PepsiCo based in Dallas. (Kelley 2010)

In 1992, Kentucky Fried Chicken is continues with another restructuring in its middle management team. They are eliminated of 250 of the 1500 business management of the position, there is gave to the marketing manager and restaurant franchise. (Kelley 2010)

Compare the Similarities and Differences of Organisation Structure

In the two companies of McDonald's and Kentucky Fried Chicken, they have some different organisation structure. That is the Kentucky Fried Chicken company acquired by other company to control their structure, but the McDonald's is control by the Chairman. And the KFC is set up the middle management team to manage the chain store, but the McDonald's is the SVP

manage for each country, and then the SVP will give the control to each chain store restaurant manage.

Motivation

McDonald's

The McDonald's is Full utilization of human resources of an organization is one of the most momentous advantage, which the company is occupies the leading position in the world market. in the ' McDonald's' company flourishes to the logical integration of the employee into the problem solving. The Company insists on principle: ' The result is through by a person. '

McDonald's' is checking the main source of their employees to progress in the field of quality and productivity. This organization is based on the motivation of its success has changed some aspects of them, ' McDonald's' insist to four simple principles, given the possibility to increase the performance of their employees:

The Company must elaborate different systems and departments motivation.

Must have clear and achievable goals. It is better to have a common goal to everyone.

The aim must change: managers should have a common goal for half of a year

The rise of salary amount must be sensible for an employee.

' McDonald's' application of the three components of motivation system: financial encouragement, non-financial encouragement, and social policy. All

the three factors are described in Maslow's hierarchy of needs motivation theory. The architecture has five levels of human needs and that must be completed in order to move to the next level. Start with the physical level is basically a normal need. Once this has completed a next level of security, where the employee must feel personally the financial and security, to move to the next level of needs, this is the 'social demand', and then the self-esteem and self-realization. However, Maslow said that all the needs must be complete one by one. The study of the 'McDonalds' company, its strategy and structure that only meet to needs of employees will increase employee performance. It is not necessary to meet the needs of all levels. (Renu & John 1976)

McDonald also applies to the 'two-factor theory' written by Frederick Herzberg, which clearly define between satisfaction and dissatisfaction with the two factors' motivators' and 'hygiene factors'. Just improving the wages, safety and status, that do not motivate the staff. It just makes staff less dissatisfied with their work; it does not help to improve output. In order to increase production, managers need to give sure feedback to staff to encourage them to do the best they can. This shows the staff who were recognized for their work to do, thus enhancing their motivation. (Renu & John 1976)

Motivation

Kentucky Fried Chicken

Keep an effective manpower is requires more than just a salary, benefits, and safe working terms. Employees need to be encouraged and meet their

work. KFC employee in order to improve relations with the level of requiring employees in the restaurant should go to the restaurant from the enterprise level and interaction of all the staff working there. They have staff incentive programs, conventions, Champs Elysees, that is include the cleaning, hotel, maintenance, accuracy, speed of service and product quality of the challenges and the motivation will be one to one meetings and etc. that can enhance employee motivation. (Rizwan 2010)

Another major thing effecting is the ways of communication between staff, that can help the employee enable them to update and inform. The role of KFC does by sending e-mail, together with the memorandum, the crew incentive programs. At the first time, managers were told by e-mail or memo, and then pass on their messages to their assistants, who in turn around provide information to their Resources, and then the information is passed to a different shift supervisor. (Rizwan 2010)

At the same time, the company must be bottom-up approach and a top to down in strategic decision-making after the exercise. This method will not only make real-time information market, enabling the company is take to master the latest developments in the market, and develop positive, proactive strategy. This will also improve the motivation level of staff and they can feel proud, because they can contribute to organizational strategy. (Rizwan 2010)

And the other thing, It is essential that the importance of Kentucky to highlight the contribution in overall, and proper arrangements for meetings and social activities for them to understand the development between them.

This will greatly help to build up and maintain staff moral and motivation.

(Rizwan 2010)

Leadership

McDonald's

The McDonald's companies of the leadership development include five factors that are below:

Annual Review of Management Performance - Independent directors in consultation with the Chairman of the Compensation and Governance Committee shall approve the annual goals and objectives of the CEO, which should be consistent with the aims and objectives of the Company relating to the establishment of remuneration of the CEO annually by the Remuneration Committee in accordance with its Charter. In order to ensure unity in these discussions and evaluation of the performance of CEO, Chairman of the Remuneration Committee should be the governance committee. (Mc 2010)

Succession Planning - The Board should periodically review the initiatives and leadership development, and succession planning short-and long-term chief executive and other senior management positions, including the unexpected event of vacancies in these offices. (Mc 2010)

Board Self-Evaluations - Governance Committee should annually assess the performance of the board as a whole. Individual directors should be regularly assessed, but in any case little more than each time they are scheduled for re-election. Upon completion of these assessments, Governance Committee may choose to base the practice on the other board directors; flow surveys,

questionnaires and evaluation forms; to engage external consultants and advisers (Mc 2010)

Committee Self-Evaluations - Each audit, compensation and Governance Committee should annually evaluate the performance of the Commission. The responsibility of each enterprise and the Finance Committee should periodically to assess the performance of the Commission. (Mc 2010)

Director Orientation and Education - new non-management Directors should participate in a direction, shall address the company's operations, strategic planning performance and corporate governance practices, and should include too company's senior management and their individual responsibilities. (Mc 2010)

Leadership

Kentucky Fried Chicken

Kentucky Fried Chicken use low differentiated with an integrated leadership, because if they can rely on its brand and the original taste and unique formula, and must at the same time to compete on cost with the advantage of economies of scale from cost savings.

KFC believe that there has never been exciting time for a small part of Yum! Brands and KFC! When they created Yum! Brand, they had the pleasure of possession of the successful establishment of heritage by KFC. Their leadership and innovation was helped launch the fast food service industry. They create a brand and reputation is recognized around the world. (Franchise 2006)

In the Yum! , there are build the Yum! University that is the training and development institutions are delicious! Brands company, whose main task is provide to support the global support for education and the institutionalization of the Leadership Program, and that programs both for company leaders and franchisees. (Franchise 2006)

And in the KFC, there are Pedoman is a group of interactive session, institutionalized open conversation, and provides a completely transparent interface in those to leadership positions, and including all of the restaurant manager and the Chairman. And enhance open communication, and give everyone the opportunity to express concerns and their ideas, Pedoman to consolidate its strong business culture, strengthens the bonding between the groups at all levels. In so doing, it provides a new powerful meaning, their principle “ people First.” (Asrin 2008)

Learning & Knowledge Management

McDonald's

In the University of Hamburg, from around the world to provide training courses, there are 19 full-time professors and restaurant operations expertise. McDonald's employee is training, to adjust their specific career path, Restaurant Manager progress the way through the change management and systems management courses. Once these courses completed, they learn more knowledge and skills in the Hamburger University. (Mc 2010)

The middle management learning to builds on their leadership and counseling skills, teaching individuals how to effectively operate, and how to consult with other coaches and to run a large restaurant.

Take action implementation of learning paths help to consolidate the ongoing development of business and leadership skills, senior management staff. (Mc 2010)

Kentucky Fried Chicken

KFC is provided all staff to training. They bear the high cost of providing to each organization. KFC is believe that well-trained staff, better staff. They offer each employee a form entitled “ Training Needs Assessment”, which is completed for each person in the organization. (Rizwan 2010)

This form tells what the lack of employee for human resources department, and they provide some basic training to staff. Training usually begins in July for the contract staff. Staff training is regular to send. They have a contract with the TCS training center, TCS sent out their staff training and development. And they also have a contract with the Management Association of Pakistan, Pakistan Institute of Management Sciences and teachers, this is a training organization. (Rizwan 2010)

Kentucky Fried Chicken is using variety of training methods for training and staff development. Job training is an important training program for KFC. The restaurant level, the staff usually provides the incentive lectures. They also have a guest speaker with the CEO and senior management meetings of different institution. EFU CEO came to the meeting as guest speaker in last time. (Rizwan 2010)

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Human Resource Management

McDonald's

McDonald's is the largest fast food restaurant in the world and second biggest employer in the US. The company have 500, 000 employees are serving more than 90, 000 branches all over in the world, McDonald's great leaders need more knowledge and skills of human resources management than any other company. Its human resources management skills extend far past the normal administrative capacity, such as the management of trade union work force and design benefits. (Hackman & Oldham 1976)

With the job market rebounds and staff re-evaluate there are choose, the chief executive is placing a greater premium on the ability of the HR senior management to preserve talent, and to set up succession planning. In order to remain competitive, companies need the full range of human resources experience and talent, the skills in enlist and retention. McDonald's use science recruitment, retention strategies and approaches to employee performance management, development and reward. (Hackman & Oldham 1976)

Kentucky Fried Chicken

Human resource management is involves a functional area management and the employment relationship between the company and its staff, effective use of staff to improve company performance. (Australian 2010)

In the human resource management, there are important objective of attract, retain and develop talented employees, and find who are source of competitive advantage of organizations. Human resources management is

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an important part of Kentucky Fried Chicken organizational structure.

Australia's chief human resources officer directly to Managing Director the South Pacific region and the recruitment of staff is considered essential to the continued increase of the corporation. Analysis of the recruitment process, there are constantly adapt to new online technologies and ensures that the most effective training and recruitment. (Australian 2010)

Culture & Diversity

McDonald's

Around the world, McDonald provides inclusiveness and diversity for everyone to equal opportunities and contributes to the success. Such as the integration of diversity initiatives into our day by day business convention, with a strong diversity of educational course, employee business networks, external partnerships and minority organisation. (Mc 2010)

McDonald's constantly evaluate a performance, so that have a strong representation to ensure diversity at all levels, that including gender, race and nationality. (Mc 2010)

In addition, we are proud that we have the bigger quantity of minority and women owners of the franchise in the fast-service industry. Our National Black McDonald's Owners Association is one of the most successful African American business organisations in the country. (Mc 2010)

And then McDonald's suppliers are diverse. On average, we spend four billion U. S. dollars annually in food, paper packaging, and restaurant operating supplies, uniforms and toys from the minority businesses. (Mc 2010)

Kentucky Fried Chicken

Companies need to fully contribute to the community and then KFC has always given young scholars through the animal welfare programs and plans. Along With the feedback, KFC offers different Diversity of food choices, different cultures in the rest of the world. (Ferman 2007)

Kentucky Fried Chicken is exhibits employee culture through by a broad range of diversity. There are 7, 741 KFC in other location or countries. And between people and employees belong to an ethnic group, often to bring their culture with them, sometimes building up the subculture. This subculture is often from different values, customs, beliefs, language and traditions. As the KFC is diversity of values, and its management to create benefits for the entire organization to find. Since the corporate culture shape as employees, it is very important to Kentucky Fried Chicken, and their staff has the opportunity to interaction and grows a lot of different person, both through staff and customer for relationships. (Sally 2007)

Information Technology

McDonald's

McDonald's is considered one of the most successful to use Improve the application's menu.

Transaction processing, records and financial management is one of the most important factor, the company is use application of information technology to help improve customer relationship management, sales and marketing activities, there have a real-time transmission system . It is used in order to handle customer orders and payments efficiently, that is a fast

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way. And then the data has been collect in their POS machines can be used to understand the buyer behavior of customers, can help companies satisfy needs of their customers. Thinking 2010)

In addition, the company also uses the Internet and Intranet, so that can connect to their stakeholders. The Internet is used to start the different marketing strategies, and can connect to their potential and loyal customers. On the other hand, the intranet as a private communication channel of the internal. (Thinking 2010)

Kentucky Fried Chicken

The KFC chose to use the information technology team, that is development, implementation and maintenance of professional technology solutions, support, and enable the strategic objectives of the enterprise. And the IT team supports the Kentucky Fried Chicken restaurant across the UK and building up the standard framework with a strong application and infrastructure. The team's passion to provide world-class solutions and support that include from in-store technology to enable our stores to sell a large chicken get to be timely and accurate report on the management team to make a clear decision. (KFC 2008)

Communication

McDonald's

McDonald's is design a new communication to change a large number of people eating behavior. McDonald's new communications is referred as "" Happy Exercise and Love Touch Health" project, with the World Health Organization, nutritionists, local communities, fitness centers and a variety

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of media channels. McDonald's health movement including organisation, communication-based interventions for different populations and social marketing efforts, service on two objectives:

Change the image of the McDonald from junk food to become friendly and healthy food restaurant. The purpose is attract those who are health-oriented, focusing on healthy food and healthy lifestyles, and expands the market. (Tianbai 2009)

Change behavior of existing consumers and know who are taking junk foods, convince many fast food users to change the lifestyle by buying balanced meal with McDonald's, and the traditional foods and healthy foods together. McDonald's will interest more on how consumer explain particular messages in the media and on what types of messages are more effective with which types of target viewer from the perspectives of communication. (Tianbai 2009)

Kentucky Fried Chicken

Companies need to provide market prices and sales of a analysis to rapid response, combined with company business systems and electronic commerce system to improve internal communication and information to achieve the effect of share management and to explore the management efficiency. Achieve the operation, management, unified decision-making, coordination management and communication processes. Therefore, the company is take internal and external resources to achieve the best use. (TekBAR. net 2010)

Consider this reality is Kentucky Fried Chicken, and their sales continue to expand, the chain stores have set up, each chain is in set-up lines to connect the Internet, their respective cities or country for business information transmission or query. (TekBAR. net 2010)

Conclusion

In the all, McDonald's and Kentucky Fried Chicken is the largest fast food restaurant chain store. There is some important point to utilization of human resources, but the KFC is not much method to keep the human, KFC only to encourage or meet their work of employee. In the McDonald's except for encourage or meet their, they will rise of salary amount must be sensible for an employee.

And In the Learning and Knowledge Management, the two companies are provided some training course to the employee, and KFC will offer each employee a form entitled " Training Needs Assessment". In the McDonald's, there are 19 full-time professors to teach their employee restaurant operations expertise.

After that, i will Conclusion something about the culture and information technology for the McDonald's and KFC. First is the culture & Diversity, McDonald is provides inclusiveness and diversity for everyone, and recruit quantity of minority and women. The two companies are provides Diversity food to customer, and there are build up some chain store to world country, this is mean the two company are respect customer for relationships in the world. And then they are improve business to use the application's menu for the information technology, and build up the Internet and Intranet in their

company inside to private communication channel, that can easy to help the company quick to send the message.