

Demographic factors research



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Running head: DEMOGRAPHIC FACTORS RESEARCH Demographic Factors Research University of Phoenix MMPBL 560 Managing in a Cross-Cultural Environment October 19, 2009 Organizations around the world are experiencing the effects of cultural and global diversity. Kellogg, Starbucks, McDonald's, and Arbor are four companies introduced in this paper.

They have been researched in order to identify how each company is affected by demographic factors, how these factors are managed, and what systems are implemented to enhance the success of the business; thus, this paper illustrates the key course concepts and their application to the best practices of these companies. The dynamics and dimensions of diversity in an increasingly global business environment can challenge the demographic factors of most organizations.

Basically, Kottak and Kozaitis (2003) declare, " In the 21st century, the overwhelming majority of the world's population, along with a large percentage of the populations of the United States and Canada, will be descendants of the non-Western groups" (Ch. 1, p. 29). In other words, organizations will need to learn how to manage the complexities of a diverse workforce. Among these complexities, organizations will encounter demographic factors such as age, race, education level, religion, political party preference, sexual orientation, and gender (Kottak & Kozaitis, 2003).

Because of these diverse factors, organizations need to be prepared to recognize the individuals' behavior that is influenced by culture, values, and beliefs. To illustrate, culture refers to people's identity in their traditions, customs, and way of life (Kottak & Kozaitis, 2003). In fact, Kottak and

Kozaitis (2003) declare that culture is all encompassing. In essence, it is important for organizations to know that individuals are influenced by popular culture as well. Therefore, individuals in a diverse workplace need to understand and respect each other's differences.

It is not enough to know that the workplace is composed of people with different views in life, values, and attitudes. Kottak and Kozaitis (2003) state that “ Ethnic diversity may be associated with positive group interaction and coexistence or with conflict” (Ch. 5, p. 12). Knowing that diversity can be beneficial to the organization will help management integrate appropriate value systems within the company. However, in the event that conflict exists as a result of diversity, management would need to consider alternative best practices to address the organizational conflict.

Given the complexities of a diverse workforce, organizations need to examine constantly alternative solutions to help them manage the demographic factors within the company. Kottak and Kozaitis (2003) declare that “ Failure to achieve an accurate account and appreciation of a race-based group of people results in racism” (Ch. 6, p. 3). Certainly, organizations need to mitigate any potential and undesirable outcomes that can negatively affect the reputation and profitability of the business.

To put it differently, “ The great sociopolitical paradox of the contemporary world is that both integration and disintegration are increasing” (Kottak & Kozaitis, 2003, Ch. 3, p. 5). In addition, globalization is contributing to the workforce diversity around the world, and organizations are continually being challenged to learn new ways to manage these changes. Organizations are

not only challenged with internal changes but also with external forces such as economic and political factors.

The importance of understanding the presence and influence of diversity that affect the contemporary American culture can prove enormously beneficial for any organization. In effect, organizations need to learn how to effectively manage the effects of demographic factors involving their planning and decision making in motivating and rewarding individuals (Kottak & Kozaitis, 2003). Consider for instance, Kellogg started its business more than 100 years ago and has quickly expanded into new geographies, leading to a steady fast growth plan that provided them with a global business, which still stands strong today.

While remaining a superior global food company, Kellogg's management realized that they had to have the strongest possible resources to support their business growth in a diverse and competitive environment (Kellogg, 2009). Likewise, Starbucks is managing its competition challenges; the current economic conditions are factors that Starbucks needs to consider in order to market the new products to preserve its clientele and bring in new customers. Hence, Starbucks is wise to use the four P's model; Price, Product, Place, and Promotion, to determine the course of action best suited to stay ahead of the competition.

To be clear, both Kellogg and Starbucks are managing the effects of postmodernity; that is, "postmodernity describes our time and situation—today's world in flux, with people on the move who have learned to manage multiple identities depending on place and context" (Kottak & Kozaitis, 2003,

Ch. p. 29). To manage the influence of postmodernity within the context of demographic factors, Kellogg and Starbucks are implementing strategic approaches to aid them in their success involving global and cultural diversity.

For example, Kellogg committed itself to developing a comprehensive and ground-breaking supplier diversity program. This program was to cultivate strategic procurement relationships with W/MBE-owned, controlled and operated businesses while supplying products and services Kellogg purchased; this would allow them to foster the growth of their business while marketing the long-term growth of Kellogg (Kellogg, 2009). Similarly, Starbucks expanded the menu to include products to target non-coffee drinkers, with the introduction of blended or iced cold coffee drinks, frappuccino's, lattes, mocha's, and teas.

Starbucks creatively integrated a diverse menu consisting of bold aromas to creamy sweet flavors, attracting a range of customers to Starbucks at various times and for various reasons. Starbucks' intention to satisfy the demographic factors has prompted management to add items on the menu for anyone willing to try; among them, Professionals heading to an early morning meeting needing a "stout" cup of coffee, housewives stopping for a late morning latte with friends after dropping the children at school and the high school and college students in search of Wi-Fi connection and snack (Kembell, 2002).

Another company that has continued to strive for cultural adaptability in a diverse global environment is McDonald's. This company is an organization

that can be found in every country, servicing nearly 47 million customers around the world. Because of McDonald's unique demographic factors, managers are trained through a comprehensive Management Development Program. This program encompasses McDonald's core values and principles along with the dedication to serve customers, the community, and employees (McDonald's, 2009).

One of the demographic factors affecting McDonald's management planning involves the aging population in Australia. In other words, McDonald's management is challenged with having to change its marketing approach in order to reach the newly identified groups (Monash University, 2009). Similar to Kellogg and Starbucks, McDonald's management is searching for effective systems to help aid the company in addressing the increasing changes in demographics.

Fortunately, McDonald's continues to find strength on its business models in which McDonald's management is "committed to exceeding [...] customers' expectations in every restaurant every time" (McDonald's, 2009).

Accordingly, McDonald's management recognizes that the company's core values go beyond demographics, for this reason, McDonald's philosophy declares, "We will seize every opportunity to innovate and lead the industry on behalf of our customers" (McDonald's, 2009).

Effectively, the best practices of McDonald's, Starbucks and Kellogg demonstrate the dedication and commitment to learn and adopt successful systems that will help them serve customers regardless of demographic factors. Unquestionably, these organizations need to also integrate rewards

and motivations systems to help them sustain a diverse workforce anywhere in the world. For example, Arbor Education and Training is a leading provider of workforce development services to job-seekers, workers, employers, and communities nationwide (Arbor E & T, 2009).

Arbor employees come from many different walks of life, employees of all ages, religions, and other factors; these employees are treated equally within the organization in decisions concerning rewards and performance. Kottak and Kozaitis (2003) state that “ Cultural diversity refers to variation in institutions, traditions, language, customs, rituals, beliefs, and values” (Ch. 4, p. 6). In summary, organizations are required to continually scan their business environment in order to identify the challenges that come with a diverse workforce.

Overall, Kellogg, Starbucks, McDonald’s, and Arbor are challenged with cultural diversity, yet each company is finding the way to integrate successful best practices in the workplace. As noted, the dimensions of diversity in relation to each demographic factor play a crucial role in how Kellogg, Starbucks, McDonald’s, and Arbor cope with the increasing changes of the business environment. Accordingly, the practices of these companies serve to address the presence of a diverse workforce in a constantly changing society. Synopsis of Kellogg by Wendy Harris

Kellogg Company, a company with many competitive advantages in global communications, started its company more than 100 years ago and quickly expanded into new geographies. With a steady fast growth plan that provided them with a global business which still stands strong today. While remaining

a superior global food company, Kellogg Company realized that they had to have the strongest possible resources to support their business growth. A great deal of that strength was acquired through raw materials and other products and services from the widest and best foundation of resources.

During the building process, Kellogg Company committed itself to developing a comprehensive and ground-breaking supplier diversity program. This program was to cultivate strategic procurement relationships with W/MBE-owned, controlled and operated businesses while supplying products and services Kellogg purchased; this would allow them to foster the growth of their business while marketing the long-term growth of the Kellogg Company. Kellogg's code of conduct, their management staff is required to hold certain employees to special responsibilities under the Code.

Kellogg believes it's their managers' responsibility to create and maintain a work environment in which all employees and agents know that ethical and legal behavior is expected of them at all times. Each manager is expected to model the highest standards of ethical business conduct and encourage discussion of the ethical and unethical as well as the legal implications of business decisions. It is the managers responsibility to make sure that anyone needing additional information in an effort to do his or her job receives appropriate policies and training.

It is the managers' responsibility not to hire or retain any employee or agent who they feel may engage in unlawful conduct or unethical activities. In 2005, Kellogg incorporated an awards program called the W. K. Kellogg Values Award, which is given annually to one individual and one team of

employees who best exhibit the K Values while working. This program initiated to support their code of conduct as well as the company's mission.

Synopsis of Starbucks by Colleen Holdahl Young urban professionals consuming specialized coffees were the first to patronize Starbucks.

Today the popular coffee chain attracts 25 million people each week and draws a large demographic of patrons varying in age and ethnic backgrounds (Hanft, 2005). The most common customer Starbucks attracts is of course, the coffee drinker, yet the company expanded the menu to include products to target non-coffee drinkers, with the introduction of blended or iced cold coffee drinks, frappuccino's, lattes, mocha's, and teas. With the presence of bold aromas to creamy sweet flavors, a range of customers are frequenting Starbucks at various times and for various reasons.

Starbucks has items on the menu for anyone willing to try: Professionals heading to an early morning meeting needing a "stout" cup of coffee, housewives stopping for a late morning latte with friends after dropping the children at school and the high school and college students in search of Wi-Fi connection and snack (Kembell, 2002). Adding new products is a challenge as Starbucks must consider many factors. For example when the new Creme Frappuccino was created, Starbucks took into consideration the demographic areas to launch the drink, the market to target, and the packaging of the new product.

Introducing the Creme Frappuccino, Starbucks faces a competition that the company has not previously experienced, with competitors imitating the

Crema Frappuccino. Competition and the current economic condition, both are factors Starbucks needs to consider how to market the new products to preserve current patrons and bring in new customers. Starbucks is wise to use the four P's model; Price, Product, Place, and Promotion, to determine the course of action, best suited to stay ahead of the competition.

Emotions are potent internal influences described by Hawkins, Mothersbaugh, and Best (2007) as “ strong, relatively uncontrollable feelings that affect behavior” (p. 364). Starbucks is in a controversy over the supposed injustice and treatment toward coffee growers in Ethiopia. The controversy deals with negative emotions of customers, due to the report that Starbucks deprives the Ethiopian growers of \$90 Million annually by opposing the Ethiopian government's efforts to trademark three locally grown coffee beans (Economist, para.). The Crema Frappuccino gives Starbucks an opportunity to offer a guilt-free alternative to non-coffee drinkers or patrons who oppose the Ethiopian controversy, during the time the legal and public-relations situation is in transition. Synopsis of McDonald's by Marisela Jimenez McDonald's is an organization that can be found in every country, servicing nearly 47 million customers around the world. Because of McDonald's unique demographic factors, managers are trained through a comprehensive Management Development Program.

This program encompasses McDonald's core values and principles along with the dedication to serve customers, the community, and employees (McDonald's, 2009). Hence, the demographic factors affecting McDonald's vary from each country, yet management understands that by following McDonald's philosophy, their planning can help mitigate the effects of each

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demographic factor. To illustrate, some of the demographic factors affecting McDonald's management planning involves the aging population in Australia, the decline in birth rate, the changing family, the increase in ethnic diversity, and the population growth.

In other words, McDonald's management is challenged with having to change its marketing approach in order to reach the newly identified groups (Monash University, 2009). To address this organizational conflict involving the demographic factors, McDonald's management focuses on its services and products. Accordingly, McDonald's management is trained to approach each conflict with honesty and integrity (Monash University, 2009). Not only is McDonald's management keeping up with the rapid demographic changes, they are also continuing to manage conflict by remaining committed to their principles.

This means that McDonald's management is “committed to exceeding [...] customers' expectations in every restaurant every time” (McDonald's, 2009). Fundamentally, McDonald's best practices on dealing with organizational conflict are strongly carved on its philosophy; that is “We will seize every opportunity to innovate and lead the industry on behalf of our customers” (McDonald's, 2009). Hence, McDonald's management recognizes that their focus is every customer, regardless of age, ethnicity, sex, and location.

McDonald's is an organization that understands how to motivate and reward people. Consider for instance, McDonald's has what is called People Promise. This means that McDonald's promises to “value each and every employee, their growth and their contribution - every day in every way” (McDonald's,

2009). McDonald's managers recognize and respect each employee; each employee is empowered and coached. This organizational practice is found in every McDonald's around the world, for this reason, McDonald's prides itself on offering " more than a pay check to our employees.

Our Crew members enjoy flexible schedules, paid training and the chance to have fun working with friends while learning valuable life skills" (McDonald's, 2009). Synopsis of Arbor E&T by Eduardo Mata Arbor Education and Training (Arbor E & T) is a company with offices throughout the United States and have a very diverse workforce that demonstrates a unique demographic factor. Arbor Education and Training is a leading provider of workforce development services to job-seekers, workers, employers and communities nationwide (Arbor E & T, 2009).

Arbor employees come from many different walks of life, employees of all ages, religions, and other factors and these employees are treated equally within the organization when it comes to decisions concerning rewards and performance. Founded in 1968, Arbor E&T is now the largest single supplier of job-related education, counseling and employment assistance under federally funded programs such as the Workforce Investment Act and the Temporary Assistance for Needy Families programs (Arbor E & T, 2009).

Management planning for many of its customers receiving federally funded assistance requires that certain guidelines are followed and because of being federally funded and services provided must meet the customer's requirements and expectations along with the government regulations. Arbor E & T provides services to a wide variety of customers seeking employment,

education or training and also provide excellent services to migrant and seasonal farm workers and United States Veterans seeking employment and other services. Training is provided to the entire workforce in providing the best services possible to each group.

Arbor management is committed to providing the leadership, training, and resources required to enable our employees to consistently adhere to regulatory requirements, to tirelessly seek improvement of our processes, and to continue to provide world-class services to all of our customers. We are dedicated and caring people who form a company providing excellent human services that enhance the lives of individuals. The company rewards its employees based on employee performance and whether their goals were met for the preceding year. As found in Arbor E & T (2009): Our goal is to be known by our clients and by the workforce development community as the leading provider of services in the markets we serve, i. e. , One-Stops, TANF, youth, early childhood education, and vocational training programs. Our quality management system is a critical element of our effort to achieve this goal. " References Arbor. (2009). Arbor education and training. Retrieved October 17, 2009 from <http://www.arboret.com/> Hanft, Adam. (April 1, 2005). What you can learn from starbucks. Retrieved October 13, 2009 from <http://www.inc.com/resources/marketing/articles/20050401/starbucks.html>.

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October 16). | | MMPBL/560 Demographic Factors Research Rubric | | Week 2

| | | | | | Criterion | Unsatisfactory | Satisfactory | Exceptional | Score | |

Knowledge of Course Concepts (40%) | | Describe the Effects of

Demographic| Demonstrates a level of knowledge| Demonstrates a level of

knowledge | Demonstrates a level of knowledge that | 2.00 | | Factors on

Management Planning. that is below the requirement | that meets the

requirement | meets or exceeds the requirement and is | | | | | well

supported | | | Analyze the Role Demographic | Demonstrates a level of

knowledge| Demonstrates a level of knowledge | Demonstrates a level of

knowledge that | 1.33 | | Factors Play in Contributing to | that is below the

requirement | that meets the requirement | meets or exceeds the

requirement and is | | | Organizational Conflict. | | well supported | | |

Examine the Influence of | Demonstrates a level of knowledge| Demonstrates

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a level of knowledge | Demonstrates a level of knowledge that | 1. 33 | |
 Demographic Factors on Individual | that is below the requirement | that
 meets the requirement | meets or exceeds the requirement and is | | |
 Rewards and Recognition. | | | well supported | | | Research (20%) | | Provide
 Benchmark Research on | The benchmarked companies' | The benchmarked
 companies' | In addition to meeting the requirements of | 2. 0 | |
 Organizational Applications of | situations do not relate to the | situations
 relate to the course | satisfactory, the benchmarked companies' | | | Course
 Objectives | course concepts, or are not | concepts and are researched from | |
 situations provide a thorough coverage of | | | | researched from academic or
 trade | academic or trade publication | course objectives | | | | publication
 sources | sources. The score is ranged | | | | | between satisfactory and | | | |
 | | | | | exceptional. | | | | Critical Thinking(15%) | | Demonstrate Critical Thought
 in | Does not demonstrate critical | Demonstrates critical thought in | In
 addition to meeting requirements of | 1. 0 | | Analyzing Information | thought
 in the analysis of the | analyzing the information by | satisfactory,
 synthesizes information | | | | information, or analysis is | presenting various
 perspectives on | across concepts effectively | | | | disjointed | the concepts | |
 | | Written Communication(15%) | | Demonstrate Quality and | Written
 communication is | Written communication is effective | In addition to
 meeting requirements of | 2. 5 | | Effectiveness in Written | ineffective, with
 numerous | | satisfactory, the paper is engaging to the | | | Communication |
 spelling and grammatical errors | | reader with concise and clear | | | | or
 poorly constructed sentences | | communication | | | Format, Style & Citation
 Standards (10%) | | Adhere to University of Phoenix | Numerous errors in
 format, style, | Few errors in format, style, or | Virtually no errors in format,

style, or | 1. 25 | | Writing Style (APA) Requirements | or reference citation |
reference citation | reference citation | | | Final Score==> | 12. 1 | | | | Team
B, | | | | The overall submission was interesting and well written. The concept
of management planning was thoroughly researched and discussed. All of
the companies clearly | | described the organizational conflict except for
Arbor and Starbucks omitted the section on research and recognition. All of
the companies were demonstrated as | | benchmarked companies that
addressed the concepts; however, in some instances a piece was omitted.

The score was reduced under critical thought because only | | comparisons
were addressed and not all concepts were covered. The written
communication was well done and only a minor APA formatting issue was
noted. Your research | | section as the instructor's plagiarism checker noted
consisted of an 13% plagiarism rate. The instructor's plagiarism checker also
checks past student papers, as well| | as a more thorough Internet search.
Not everyone turned in their team evaluation; however, by the way it looks
everyone participated equally in the group. Good | | work! | | |