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McDonald's Analysis

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History

McDonald's was started in 1940 by brothers Maurice and Richard McDonald. Their initial aim was to fine tune the operations of fast food. "White Castle" were the creators of the "fast-food" concept which McDonald's then expanded on. In,1955 Ray Kroc took over the company with a global mindset. The company soon became known around the world. Kroc had a much more aggressive business strategy which led the company to great success. With globalization as a top priority their typical business strategies needed to be altered.

Strategy

When the company is interested in opening a restaurant in a new area with different cultural practices than other restaurants they engage in extensive research. The company analyzes the average income, average body type, type of food which is popular in the area, and the general interest level in eating in a "fast-food" restaurant. With this information, they then decide on what to price the items on the menu, how high or low to make door frames and types of seating. The type of food can be a major influence on their customer attendance. For example, in India, where beef is not consumed as much as in the United States, there are much less items on the menu containing beef. The interest level of dining at a "fast-food" restaurant of the potential customers will influence the company's choices in designing the structure of the restaurant. They are able to install more expensive and comfortable furniture, better flooring, and often times wall decorations to make customers feel more welcomed in the restaurant.

McDonald's mission statement is the best description of what has made them successful in the past and will continue to do so. "McDonald's brand mission is to be our customers' favorite place and way to eat and drink. Our worldwide operations are aligned around a global strategy called the Plan to Win, which center on an exceptional customer experience – People, Products, Place, Price and Promotion. We are committed to continuously improving our operations and enhancing our customers' experience." With a constant focus on people, products, place, price, and promotion, the only room for failure is poor performance which maintained by commitment to always improving. McDonald's global strategy "Plan to Win" drives the company to expand. Over the next year, they are planning on opening 1,600 more restaurants, renovate 1,000 restaurants, and increase sales by 5%. This is a focus that is nothing but beneficial.

Planning Process

The planning process is what a firm will use in order to achieve their goals. By doing so the firm needs to figure out and plan to minimize that todays beneficial decision will cause long term problems. In planning there are three different types; they are strategic, intermediate, and operational. Strategic planning is the where a firm develops their basic strategy and how they are going to pursue that strategy. Strategic planning is typically a long term goal such last about 3 to 5 years yet some company's extend their strategy to as long as 20 years. In strategic planning there are three questions a firm needs to answer. They are;

- "What do we do?"
- "For whom do we do it?"
- "How do we excel?"

Once these questions are answered a firm has their basic strategy completed. The next type of planning is the intermediate planning process. Intermediate planning is basically the plans of a company that range in between the next year to 5 years. This type of planning helps business managers to foresee future changes in the economic market along with helping them to make decisions to increase their revenue. Lastly, the third type of planning is called, operational planning which build off the the strategy that a firm builds during the strategic planning process. The operational planning process can from about 1 to 3 years and answers the questions such as;

- Where are we now?
- Where do we want to be?
- How do we get there?
- How do we measure our progress?

In order for the planning process to be a success a company like McDonalds must first establish their goals. The company expresses that their main goal is to not be the biggest fast food chain restaurant in the world, but to be the best fast food chain in the world. As stated in their mission, McDonalds main focus is their customer value experience and their strategic Plan to Win, which focuses on the 5 P's. The 5 P's are people, product, place, promotion and price. As a multinational business needs to change their business strategy according to their geographic location. For example, in China, McDonalds offers different food items such as taro stuffed pies in order honor the cultural tastes and preferences of the people. Establishing goals is very important to a firm because it helps a firm to stay focused on what the best opportunities are available for them, it helps to find tools to gain a competitive advantage over the competition in the field, and it takes the companies vision and mission statements and puts them into step by step actions as shown in a company's marketing strategy.

After a company establishes their goals, they then set up a SWOT analysis, to analyze their strengths, weaknesses, opportunities and threats in order to develop their strategy. Below is a SWOT analysis of the McDonalds corporation as stated by Strategic Management Insight

Situation Analysis

Situation analysis is the technique for matching organizational strengths and weaknesses with environmental opportunities and threats to determine the rich niche for the organization, such as a SWOT analysis. McDonald's is an international food outlet for every age group. Even though it is a very successful company McDonalds still has to evaluate its strengths, weaknesses, opportunities, and threats.

McDonalds has many strengths when looking at the company; it is the largest food market share in the world with a brand recognition valued at around forty (40) billion dollars. This company is widely known by its advertising, you can see their advertisements from billboards, to magazines, to social network. McDonalds has a planned advertising budget of around two (2) million dollars to help their company grow, maintain and attract new customers. To make a company successful you need to not only look at the strengths of your company you need to know your weakness. McDonald's is very aware of their weakness, for example negative publicity. McDonalds is heavily criticized for offering unhealthy food to its customers, stimulating obesity and strong marketing on very young children. This is due to their so called "unhealthy food menu." Although McDonald's tries to introduce healthier choices in its menu, the menu is largely formed of unhealthy meals and drinks. Another weakness is McDonald's high employee turnover. The employee's are paid minimum wage and have a low skilled job, which is often seen negatively by it employees. This results in lower performance and high employee turnover.

After a company has evaluated their strengths and weaknesses, they need to focus on new opportunities and threats. McDonald's is a growing industry and has many new opportunities ahead of them, for example there is an increasing demand for healthier food. So while the demand for healthier food increases, McDonald's should introduce more healthy food choices in its menu and reverse its weakness into a strength. One way they are trying expand and take these new opportunities is by planning to open an only vegetarian restaurant in India. They also are look to possibly exploit an opportunity of delivery food to households and increase its reach to customers. They also could use full adaptation of their new practices; in 2006 McDonald's redesigned its logo and restaurant design. The result of this rebranding; the remodeled restaurants have seen about and eight to nine percent higher than average market growth. To take the opportunity of remodeling if not all, most of their establishments to increase their growth.

The last thing when analyzing a company you should look at possible threats to your organization. The fast food industry is very popular nowadays, and with their being many different food chains McDonalds must be aware of the competition. McDonald's also need to look at the trend towards healthy eating. Due to the government and various organizations attempts to fight obesity people are becoming more conscious of eating healthier food, rather than what McDonald's has to offer on its menu. Lastly, the lawsuits against McDonalds. This company has already been sued various times and have lost quite a few. For example, controversy is still brewing over their hot coffee; many people have sued McDonald's for spilling their coffee and getting, up to, third degree burns. Joan Fine is the latest to sue Mcdonald' after she argues that they did not secure the lid on tight enough, and ended up with third degree burn after spilling the coffee in her lap.

Decision Making Process

Decision making process is one of the most crucial for a firm. It will always come back to trying to choose between two or more alternatives – some are chance, while some have much evidence to help make a firm choice. With any business decision, it's important to understand the steps in which they come up with a final decision. This is more commonly referred to as the Five-Step Decision Making Process.

- Step 1 Identifying/clarifying the decision to be made. If the decision has not yet been isolated, it should be identified as a first step. Sometimes the decision to be made will have been presented to the decision maker. In those situations, Step 1 calls for the clarification of what the decision actually entails.
- Step 2 Identifying possible decision options. The next step requires the decision maker to spell out, as clearly as possible, just what the decision alternatives really are.
- Step 3 Gathering/processing information. Next, the decision maker collects or processes information that can help guide the decision. If such information is already at hand, then it simply needs to be processed; that is, studied and understood by the decision maker. If there is no relevant information available, or if there is insufficient information, then such information must be collected so it can be processed. The more significant the decision, the more rigorous the information-gathering process.
- Step 4 Making/implementing the decision. After the information has been considered according to its relevance and significance, a decision based on that information should be made and, thereafter, implemented.
- Step 5 Evaluating the decision. In recognition of the fact that not all of one's decisions are likely to be defensible, the final step in the five-step decision making process is to determine whether the decision was appropriate. Ordinarily, this will be done by ascertaining the decision's consequences.

There are many Complex streams we have discussed in class. However, Ihere are two that seem most important.

Interdisciplinary Input -

• Increases the number of persons to be consulted before a decision is made.

There are so many franchises that this process is one of the most crucial. Every source of management should be appointed with updates and input.

Long term Implications

• The effects of particular alternatives chosen.

This is important in a sense that it is not that important. Things are rapidly changing in this business and long term alternatives die quick with the birth of new ideas for marketing and sales.

Information Process Styles

The most apparent is the Intuitive Style – McDonalds constantly has promotions keeping up with the latest trends. For example, the happy meals for children are constantly being updated with toys and treats fitting the latest movies, toys or games that arrive unto the market. This is possibly one of the most important things when running a business and making decisions. These types of decisions are programmed decisions – They are repetitive and routine – there are new toys, movies and trends in the market, so they must periodically update their promotions, and strategies. These decisions can make or break the season they have one trend for. For example, offering a prize for a movie no one wants to see that does terribly in the box office will really set the under another franchise, let's say burger king that promotes a successful movie. That is a risk. There is also the factor of collaborative computing, which is making changes internationally. The world needs computers to constantly be connected especially with franchises all over the world.

These are a few points that are crucial in decision making. These important steps make for a more smoothly flowing company. Sometimes it seems that even through all the planning and strategizing, your best decision could turn out to be your worst, but companies usually have plans for picking themselves back up and making new decisions for alternatives.

Conclusion

With a well thought out strategy, planning process, and decision making process, McDonald's is a franchise that has nothing but an expanding future. Every aspect is important and they have nearly perfected each one.

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McDonald's Marketing Strategy

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Management

McDonalds marketing strategy is aimed at the fact that their focus is not so much on being the biggest fast-food restaurant chain. It is more focused on being the best fast-food restaurant chain. Their biggest marketing factor is the promise of being "fast and convenient." Marketing in its most general terms are the tactics and methods for attracting customer attention. All the images we see with this brand is a reflection of exactly what is happening behind closed doors. Using the clown icon, red and yellow, trademark names, and famous slogan, "I'm lovin' it" it has become one of the most easily recognizable brands n the world. Though there are always economic, legal and social technological changes, their true value has always remained.

Having an effective marketing mix is essential. That means evaluating the four P's: product, price, place through which products are sold, and promotion. Analyzing those four important points will help to make a better basis for attracting more consumers. Which products are well received? What prices consumers are willing to pay? What TV programs, newspapers and advertising consumers read and view? Which restaurants are visited? These are all questions which help to make for a grand marketing plan. According to the McDonald's corporate website,

> "Accurate research is essential in creating the right marketing mix which will help to win customer loyalty and increase sales. As the economy and social attitudes change, so do buying patterns. McDonald's needs to identify whether the number of target customers is growing or shrinking and whether their buying habits will change in the future. "

This block quote in itself is a direct explanation for marketing habits of McDonalds. When consumers feel a certain way about the ads they see, that is the psychological factor. For a company, this app be even more important that the product's physical benefits. Customers are all different.

The product aspect is to know what you are selling to potential customers – emphasis on developing a memorable menu. From that, McDonald's is able to track consumer preferences. However, customer requirements change over time. What is attractive today will be discarded another. The type of marketing undertaken and the resources invested will be different depending on the stage a product has reached. For example, the launch of a new product will typically involve television and other advertising support.

As far as price goes a product is more than a physical item; it also has psychological connotations for the customer. The danger of using low price as a marketing tool is that the consumer may feel that a low price is suggestive of bargained value. It is important when deciding on the price to be fully aware of the brand and its integrity.

The promotions aspect of the marketing mix covers all types of marketing communications. Advertising is conducted on TV, radio, in cinema, online, using poster sites and in the press for example in newspapers and magazines.

The place where the exchange takes place – this is crucial in determining where most people would buy your product. For example, no one purchase an air conditioning system in a cold climate. It must be appropriate with promotions involving the region. The situation in certain areas must be up to speed with the rate at which things for the company changes. There is one sure-fire effective communication method. The steps are

1. Establish the right message
2. Establish the right medium – the channel in which the information is sent and received through.

3. Reach the correct target market.

The target market is the specific group of people that the marketing team hopes to speak to. The more McDonald's knows about the people it is serving, the more it is able to communicate messages which appeal to them. For example, if the promotion of the month is surrounding a new My Little Pony brand toy, their target market is little girls with interest in ponies. The medium in which these little girls find out about what McDonald's is offering is through promotional activity

While, some promises and traditions remain classic, there are systems being put into place to acquire market feedback to measure success against short-term targets. McDonald's ensures that this is done within the limitations of a tightly organized, restricted marketing budget.

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Operations Management and Plan of McDonald's

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Operations Management and Plan of McDonald's

While the process of planning, decision making, and forming strategy are all important to a successful business, the actual plan of operations management needs to be well thought out and clear in order to attain their ultimate goal. McDonald's, a company started in 1940, has gone through a few changes in plans yet each one was successful.

Operations management is defined as developing tools and procedures to efficiently transform raw materials, technology, and human talent into useful goods and services. McDonald's original plan was to operate a successful burger restaurant which delivered consistently good food at a low price. From there, after Ray Kroc took over, the scope was more along the lines of serving people around the world consistently good food at low prices. There are many operational managing tactics which have brought the company to where it is today. McDonald's focuses on QSCV, or quality, service, cleanliness, and value.

One important aspect of their operations management plan is maintaining quality management and food within their restaurants all the way to up their offices. Maintaining a well trained staff to serve a high amount of customers per day is critical to having a good reputation. This can become difficult when the staff may feel underpaid for what they do. However, they are sure to treat the staff to free or discounted meals, benefits, and free uniforms. Keeping the employees happy to work and dedicated ensures good customer service.

While the quality of managing employees is important it is also necessary to keep the quality of food above par at all times. With federal and state laws regulating many a lot of the food industries operations, McDonald's assures its customers that they are using only 100%

pure beef with no additives or preservatives. They also use vegetables from local farms to make certain they are fresh when they are served to the customer. These standards of food keep the customers coming back.

Keeping the floors, tables, kitchen, counters and bathrooms clean at all times is another key operation that is critical to the success of a company. McDonald's makes sure to check the bathrooms at least once every hour and always keeps the restaurant looking clean and well kept. Such cleanliness makes any existing or new customer feel welcomed when just walking or even driving by.

Pricing is a major concern of operations management. McDonald's has the "fast-food" mindset, it is not necessary to pay the staff extensive wages. Paying low wages enables the company to rely on volume and product movement. Relying on a high volume of sales on a day to day basis helps keep the prices of their products low. Low pricing is another thing most customers like. The convenience and readiness of McDonald's "fast-food" is something that is closely monitored by management. To maintain one of their biggest selling points, administration must be on top of things making sure the orders are correct and that every customer has a pleasant timely experience.

When entering a market that they have not yet been in, such as a new geographic location, they have research teams examine the area and perform studies. The teams look in to the interest level of the average person eating "fast-food", the average income level, the average body type, and other miscellaneous things. Management uses the information collected to determine, what type of food to serve, how to decorate and/or design the restaurant, how high or low to make door frames, seats, counters, etc. This is a huge help when opening in a place that may totally reject the idea and not yield any customers.

The “Kids Meal” was a huge success in getting people of all ages to eat at McDonalds. They decided that offering a smaller portion, drink, and toy is something every kid wants and would sell because of the easiness for parents. This was an excellent decision by management and sales began increasing rapidly. Not only was this good for parents and the company in the short-term, but the children were/are likely to enjoy the taste of their products, and be future customers when they become old enough and go out to eat on their own (possibly with friends).

Recently McDonald’s has raised the prices of some of their most famous “dollar menu” items. Customers were not pleased with this decision (which was anticipated by management) so in return, McDonalds has added new items to the “dollar menu” such as the BBQ Ranch Burger and the Grilled Onion Cheddar Burger. Changing items on the menu is perhaps one of the most difficult things operations management has to deal with.

Satisfying customers in terms of quality, service, cleanliness, and value helps attain the ultimate goal of the company: expand. Each operations management action requires a skill in areas of decision making and planning to keep the strategy working.

Clearly McDonald’s has succeeded and continues to do so. Their operations management is one of the best which many other corporations idolize. While some ambiguous risks are taken, they are important to leaning and helping the company expand.

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McDonald’s Financial Analysis

By:

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Lia Matz

Management

Financial planning, or the financial forecast of a business, is the yearly estimate of income and expenses; it normally refers primarily to the financial statements such as the balance sheet, income statement, and cash flow statement. It is a company's estimation of cash needs and how they decide to raise the money such as through borrowing or adding additional share into the company. The financial plan is often referred to as the series of steps that a company uses to the layout of their income and expenses.

Recently our economy has been facing a downfall, yet the McDonald's Corporation has been booming. In 2011 McDonald's had the second-best performing stock in the Dow. In the past three years McDonald's stock has gone up 63 percent in the last three years and sales are still continuing to climb. This is mainly due to McDonald's mission and values which are associated with their global strategy called the Plan to Win which centers around the 5 P's. The 5 P's are people, products, place, price and promotion.

As a publicly traded company, McDonald's is able to grow their business profitably. They offer their securitiesto the general public, typically through a stock exchange. They are able to raise assets and capital through the sale of either debt or equity instruments. On the New York Stock Exchange website, you can currently purchase a share of McDonald's for $95.43.

In order to keep their financial plan in order, McDonald's is doing a lot domestically and global to stay ahead of their competition. They have developed a few strategies to keep their company number one, when it comes increasing their revenue, other than relying on their powerful brand name and company size.

First, McDonald's is focusing heavily on emerging markets. For anyone who has traveled outside of the country, it may seem like McDonald's is everywhere, but McDonald's has not entered many over-seas markets just yet. For example in China, which is the company's strongest international market, McDonald's is planning to increase their number of stores to 2,000. Yes, the company focuses heavily on advertising and selling in booming markets such as in China and India, but they are also expanding the company to some African nations. This strategy also seems to be doing the company well because sales have increased 8.1% from last year in those African nations

Second, in order to increase revenue, McDonald's has introduced the McCafé and they have been offering a wider variety of food in order to attract more customers. McCafé was introduced in 2002 where it offered a variety of coffee items and recently has expanded to adding non-coffee items such as smoothies. With the recent health concerns in our company, McDonald's has offered certain items that make the menu healthy. Also in other countries in order to appeal to the markets McDonald's offers foods that fit the culture.

According to the McDonald's 6-year summary, which was released at the beginning of 2013, it shows that these improvements to the company have proven to be helpful and to increase revenue and cut costs expense. The summary is as follows:

McDonald's 6-year Summary						
Dollars in millions, except per share data	***2012***	*2011*	*2010*	*2009*	*2008*	*2007*
Company-operated sales	$ 18,603	18,293	16,233	15,459	16,561	16,611
Franchised revenues	$ 8,964	8,713	7,842	7,286	6,961	6,176
Total revenues	**$ 27,567**	27,006	24,075	22,745	23,522	22,787
Operating income	**$ 8,605**	8,530	7,473	6,841 (1)	6,443	3,879 (4)
Income from continuing operations	**$ 5,465**	5,503	4,946	4,551 (1, 2)	4,313 (3)	2,335 (4,5)
Net income	**$ 5,465**	5,503	4,946	4,551 (1, 2)	4,313 (3)	2,395 (4,5, 6)
Cash provided by operations	**$ 6,966**	7,150	6,342	5,751	5,917	4,876
Cash used for investing activities	**$ 3,167**	2,571	2,056	1,655	1,625	1,150
Capital expenditures	**$ 3,049**	2,730	2,135	1,952	2,136	1,947
Cash used for financing activities	**$ 3,850**	4,533	3,729	4,421	4,115	3,996
Treasury stock purchases[7]	**$ 2,605**	3,373	2,648	2,854	3,981	3,949
Common stock cash dividends	**$ 2,897**	2,610	2,408	2,235	1,823	1,766
Financial position at year end:						
Total assets	**$ 35,386**	32,990	31,975	30,225	28,462	29,392
Total debt	**$ 13,633**	12,500	11,505	10,578	10,218	9,301
Total shareholders' equity	**$ 15,294**	14,390	14,634	14,034	13,383	15,280
Shares outstanding *in millions*	**1,003**	1,021	1,054	1,077	1,115	1,165
Per common share:						
Income from continuing operations-diluted	**$ 5.36**	5.27	4.58	4.11 (1, 2)	3.76 (3)	1.93 (4,5)
Earnings-diluted	**$ 5.36**	5.27	4.58	4.11 (1, 2)	3.76 (3)	1.98 (4,5, 6)
Dividends declared	**$ 2.87**	2.53	2.26	2.05	1.63	1.50
Market price at year end	**$ 88.21**	100.33	76.76	62.44	62.19	58.91
Company-operated restaurants	**6,598**	6,435	6,399	6,262	6,50	6,906

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Franchised restaurants	**27,882**	27,075	26,338	26,216	25,465	24,471
Total Systemwide restaurants	**34,480**	33,510	32,737	32,478	31,967	31,377
Franchised sales[(8)]	**$ 69,687**	67,648	61,147	56,928	54,132	46,943

(1) Includes pretax income due to Impairment and other charges (credits), net of $61.1 million ($91.4 million after tax or $0.08 per share) primarily related to the resolution of certain liabilities retained in connection with the 2007 Latin America developmental license transaction.

(2) Includes income of $58.8 million ($0.05 per share) for gain on sale of investment related to the sale of the Company's minority ownership interest in Redbox Automated Retail, LLC.

(3) Includes income of $109.0 million ($0.09 per share) for gain on sale of investment from the sale of the Company's minority ownership interest in U.K.- based Pret A Manger.

(4) Includes pretax operating charges of $1.7 billion ($1.32 per share) due to Impairment and other charges (credits), net primarily as a result of the Company's sale of its businesses in 18 Latin American and Caribbean markets to a developmental licensee.

(5) Includes a tax benefit of $316.4 million ($0.26 per share) resulting from the completion of an Internal Revenue Service examination of the Company's 2003-2004 U.S. federal tax returns.

(6) Includes income of $60.1 million ($0.05 per share) related to discontinued operations primarily from the sale of the Company's investment in Boston Market.

(7) Represents treasury stock purchases as reflected in Shareholders' equity.

(8) While franchised sales are not recorded as revenues by the Company, management believes they are important in understanding the Company's financial performance because these sales are the basis on which the Company calculates and records franchised revenues and are indicative of the financial health of the franchisee base. Franchised restaurants represent more than 80% of the McDonald's restaurants worldwide.

Recently McDonald's has published a financial plan, for their employees, which have been criticized, because it shows that in order to have a stable living situation they must have a second job in addition to working at McDonald's. It has been criticized. because it shows that the low wages that McDonald's pays its employees is not sufficient enough to live on without a second income. Below is an example of the plan:

Sample Monthly Budget

Monthly Net Income	
Income (1st job)	$ 1,105
Income (2nd job)	$ 955
Other Income	$ 0
Monthly Net Income Total	$ 2,060
Monthly Expenses	
Savings	$ 100
Mortgage/Rent	$ 600
Car Payment	$ 150
Car/Home Insurance	$ 100
Health Insurance	$ 20
Heating	$ 0
Cable/Phone	$ 100
Electric	$ 90
Other	$ 100
Monthly Expenses Total	$ 1,260
Monthly Spending Money (*Monthly Net Income Total* minus *Monthly Expenses Total*)	$ 800
Daily Spending Money Goal (*Monthly Spending Money* divided by 30)*	$ 27

**the average of 30 days in a month is used to simplify your budget*

Finance is the way a firm can assess their performance according to their strategy. A firm's goals are based on benchmarking the "best in industry" and it includes strategic goals such as free cash flow, asset management, and profitability ratios. Free cash flow is how a firm measures its financial stability and shows how proficiently its financial resources are being utilized to produce extra cash for future investments. Asset Management helps a company manage their current assets such as cash, account receivable and inventory. Companies utilize this strategy when their operating systems fall behind the industry benchmarks. Profitability ratios measure the operational efficiency of a firm. Companies set profitability ratio goals when they need to function more successfully and pursue developments in their value-chain activities.

Overall, McDonald's financial planning is a very strong plan from the core. The company follows their mission and vision in order to achieve their goals, while enhancing their strategy through financial planning.

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McDonald's Human Resource Management

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McDonalds: Human Resource Management

In 1937, the McDonald's brother Richard and Maurice opened the first McDonald's restraints in America. Their restaurants were set up differently than most; they had an open kitchen so the customers could see right through, and had a counters with more than one operational cash register. It started from a one small restaurant, and McDonald's has over 30,000 restaurants in over one hundred (100) countries, and has maintained the top position in the fast food industry for the past fifty (50) years, but how has McDonalds become so successful (Our History)? How do they continue to be one of the top fast food industries in the business? It is because of their strategic planning and analyzing.

Human resource management is the basis of all management activity; it is the "process of managing people in organizations in a structured and thorough manner" (Human Resource Managment (HRM)- Definition and Concept). The function of most human resources is to maintain the high standards of the organization, and to ensure high equality performance in dealing with issues between the employees and the company (Tiwari). Every business should have a well thought out human resources management system. McDonalds strives to be as successful as possible, and to make sure they are efficient that follow a strategic orientation: recruiting, selection, performance appraisal, and training. Without this strategic orientation, the management McDonalds can become hazardously inefficient and ineffective (Kreitner and Cassidy).

The ultimate goal of recruitment and selection is to generate a pool of qualified applicants for new and existing positions. This is a very important step in the human resource management process; because you want to make sure you have found the best possible candidate for the hiring position. You cannot run a successful, without motivated and hardworking employees. When McDonalds recruits employees anyone can apply for the opening position. The recruitment process of McDonalds consists of two steps. You must first fill out an application, which will consist of filling out personal details, previous work experiences, qualifications. If the candidate has successfully passed the first step, and met their qualifications, then the applicant will undergo structured a structured interview with job related questions, and possibly an on job evaluation (OJE). With on the job evaluation, the manager will give the applicant specific tasks to do so he/she can see how the applicant will perform in real life on the job situations (Working Here).

Next the company will look at employee's performance appraisal, which is the process of evaluating individual job performance as a basis for making objective personnel decisions. Performance appraisal generally has a massive effect on the level of employee motivation and satisfaction, so therefore it will usually result in a higher level productivity. When looking at performance appraisal, McDonalds looks at the criteria that involve employee traits, such as honesty, dependability, ad time completion of tasks. Managers, supervisors, and non-managerial employees in McDonalds's receive a formal performance appraisal regularly, at least once a year. The results of the performance appraisal are used to improve their performance and to provide feedback to the company (Performanc Appraisal).

Last is the step of training. The founder of McDonalds said,' If we are going to go anywhere, we've got to have talent. And, I'm going to put my money in talent."

McDonalds focuses and puts emphasis on the training and development of its employees. The company aims to provide career opportunities for people to achieve their potential. McDonalds' has offered Hamburger University, since 1961, which offers graduates a management curriculum, and where you can also earn some college credits. It is the only restaurant organization that awards college credits from the American Council on Education. McDonald's uses this to their advantage. With giving the employees as much training as they do, they can be sure that they are fully prepared for work. (Training & Education).

In conclusion, McDonald's business is both effective and efficient because of its strategic planning and analyzing. Human resources management is just a portion of how McDonald's gets its success, but without it they would lack employee motivation, and if the employees are not motivated to do their job the production line would crumble. Recruitment, selection, performance appraisal, and training are four (4) of the major things that McDonald looks at for human resources management, and with these well thought out plans McDonald's will continue to thrive for success.

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