

BUSINESS STUDIES

Business Report and Case Study: Evaluate (determine the benefits of) how effective employment relations may assist a business in developing two of its marketing strategies.

Executive Summary

Effective employment relations are beneficial to the successful implementation of marketing strategies. This report determines how valuable a cooperative relationship between employees and employers is within MCDONALDS. It also evaluates how this contributes to successful product and distribution marketing.

Role of employment relations and Training & Development

Employment relations incorporate the total relationship between employees and employers. MCDONALDS manage staff effectively through People Resource Managers, line managers and team managers, who productive work ethics. Important components of employment relations are the acquisition of staff, development of skills and maintenance of highly qualified and motivated staff members. MCDONALDS executes an induction program called “MeTime”. The online system provides training modules for new employees by providing knowledge and skills necessary to ensure they are familiar with day-to-day operations of the business. This program is beneficial to the business as there is less costly time face to face for training and the employee can work at their own time and pace.

Rewards and Flexible Working Conditions

MCDONALDS are aware that by acknowledging and rewarding staff work gives motivation for continued strong work ethics. An example is the ‘employee of the month’ scheme, where all employees are eligible for the “outstanding performer” status. MCDONALDS has a large emphasis on internal promotion. Types of financial rewards include bonuses and additional superannuation. Flexible working hours, family-friendly work arrangements and rotation of staff and duties are offered as alternative non-financial rewards. Full time and casual workers can select shifts that suit their lifestyles. Human resources are valuable assets to businesses and MCDONALDS shows that rewards and flexible working conditions benefit and assist in the maintenance of high quality staff member.

Communications systems and Measures of Effectiveness

Communication systems are vital to ensure a cooperative environment for all staff members. Firstly MCDONALDS have effective grievance procedures and policies in place so that in the event of an incident, staff can deal with problems in the workplace. Employees are able to voice their thoughts on policies in the workplace and are encouraged to attend team briefings where staff members are acknowledged as capable of making decisions to analyse and resolve specific issues in the workplace. Worker participation leads to a shared identity and sense of purpose, a concept valuable to MCDONALDS’s employment relations.

Secondly, the means for measuring the effectiveness of employment relations include; levels of staff turnover and absenteeism which is reduced by allowing staff to select shifts. Rostering systems allow employees have flexible arrangements which contribute to higher staff morale. Also disputation is the number of case where employees are unhappy in the workplace. Based on the fact that disputes are not publicised, employment relations can be deemed effective at MCDONALDS. Quality refers to employees who are willing to work efficiently and effectively. Within MCDONALDS staff members interact with team mangers that monitor their quality of work. Finally MCDONALDS do both daily and quarterly benchmarking to ensure all operations and human resource are at the correct standard.

An effectively run business such as MCDONALDS demonstrates that good employment relations between employee and employer are beneficial for all operational tasks.

Effective Employment Relations and Development of Marketing Strategies

As MCDONALDS shows marketing strategies are series of actions taken by a business over a period of time to achieve its marketing objectives. Effective and successful employment relations contribute to the smooth operating of the business.

Marketing Strategy: Product and service

MCDONALDS is a business that offers both a tangible product and a service. With a large market share they promote their products with positioning, branding and packaging strategies. Positioning of their products and services refers to the development of their products image. MCDONALDS take pride of the fact that every 'Big Mac' tastes the same anywhere in the world. The brand and packaging awareness of MCDONALDS is one of the most recognised images in western society which means they have a high reputation and standard to meet.

To continue positioning the MCDONALDS products, effective employment relations are vital. With 75,000 employees, relationships must be nurtured to uphold the business values of "Quality, Service, Cleanliness and Value". With a commitment to 'green and growing' initiatives, MCDONALDS strives to continually improve their products and support all employees. The benefits of these ideals are that all stores, whether one of the 70% franchisees or 30% company owned, MCDONALDS do not 'give up' on employees/managers. Evidently the success of Australian stores is a result of effective and consistent employment relations.

Marketing Strategy: Place and Distribution

MCDONALDS's distribution is done through an external company. The intermediary 'Key Stones' supply products from different producers and oversee support services to control supply chain management. MCDONALDS use indirect channels to source supplies and ensure that their distribution intensity is selective, if not exclusive. Intermediaries are used because MCDONALDS supply a large variety of products which are sourced from many locations. When consumer demand rises MCDONALDS must coordinate with their intermediaries.

To continue efficient physical distribution of quality MCDONALDS supplies, each stage must work cooperatively. The process of getting the right products to the right place at the right time is important part of any customer service. The ordering process, handling of materials, control of inventories and transportation methods are a complicated series of chain management controls which requires good communication between MCDONALDS employees and 'Key Stones'. Retention and maintenance of quality staff members is important so the staff turnover is low and less time and money is spent on training new employees. MCDONALDS understands employees who feel valued are more likely to work harder and diligently. Thus effective management of staff and relationships within the workplace and with intermediaries are vital for efficient and beneficial distribution processes.

Conclusion

Having effective employment relations depends on communications systems, regards, training and development and flexible working conditions. Based on the criteria, MCDONALDS can be deemed to have good employment relations. In regards to the implementation of marketing strategies, effective employment relations are beneficial to the success and cooperative business operations.