Individual Report

[Name of the Writer]

[Name of the Institution]

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**Introduction**

#### The first Australian McDonald opened in Sydney in the suburbs of Yagoons. The first outlet opened after the 16 years of the inauguration of McDonald in the United States of America. The building was demolished in 2016. However, the first outlet of McDonald can be traced back to 1971 in December, which was one of the largest outlets of fast food. The opening of McDonald in Australia was described as “a man in a clown suit”, whereby Ronal McDonald used to handle yo-yos to the children who visited the outlet *(McDonald’s*. 2019). There was a great difference in prices as compared to the outlet in America with a mouthwatering combination of fish and chips one of the traditional fast food in Australia. Today, there are over 970 McDonald restaurants across Australia and about 100,000 people are employed across the restaurants and in the management offices *(McDonald’s*. 2019). Another important point is, McDonald is an unlisted Australian public company that works in coordination and divided work with franchise businesses that are run by 80% of the Australians in the form of self-owned and individual businessmen and women. The purpose of the report is to highlight how penalty rate changes in McDonald is applied because the penalty rates are changed in a different department of life in 2017 by Fair Work Ombudsman Australian Government *(McDonald’s*. 2019). This paper will address how this change has led to the HR planning, quality of work and the job design in McDonald. In the end, some recommendations will be given in order to promote negotiations with the concerned parties.

**Impact of Change Fair Work Ombudsman Australian Government on McDonald**

#### Penalty rates are one of the important and the outstanding part of the Australian workplace relationships, taking into account a mechanism that can help people ensure that employees are adequately compensated for their works and services they provide to a company. Particularly, penalty rates address the requirements of the employees who work during the unsociable hours or times that are considered or counted as leisure time such as holidays, weekend times, early morning shifts and the night shifts *(Fair Work Ombudsman website*, 2019). It also includes workers who work during the days off such as public holidays and Sundays because such working hours can have an impact on the families of the workers as well as their communities. Penalty rates assert that such employees should be given some compensation for the sacrifices that they made *(Fair Work Ombudsman website*, 2019). According to Patty (2019), McDonald was one of the major brands who entered into a Compliance Partnership with the FWO in April 2011. As there are more than 900 restaurants, fortunately, each of the restaurants accepted and positively reacted to the instruction and the changes that have been imposed and implanted by Fair Work Ombudsman by the Australian Government (Alsabieh, 2019). As a result of the partnership due to which about 8500 pay packets were self-audited and 100% compliance was made for the wages that were paid in 2009 and in the 97% wages paid in 2010. In accordance with that second compliance partnership that commenced in 2014, McDonald continued to review and make a change to its system along with exploring ways that can manage workplace relationships (Alsabieh, 2019).

**HR planning**

#### HR planning of McDonald is similar to that of the other food chains, in which company tries to hire those employees who can benefit company in the long run and address the needs of the customers at the prime end. As per the changes in the Fair Work Ombudsman penalty, HR planning has changed frequently and collectively (Emond, 2019).

**HRM Theory**

#### The theory that can be applied to the human resource management of McDonald is Maslow Motivation Theory. The psychologist Abraham Maslow suggested that human beings have a hierarchy of needs and all the human will work in a way that can address the needs. It is necessary for the employer to motivate an employee to chase the hierarchy of needs and make him capable of achieving the complex needs. In orders to achieve those needs, an employee will serve his all competencies to achieve the goals, that will ultimately empower the organization and the employers (Lengnick-Hall, et al. 2019). McDonald appears to be a practical approach to this theory of motivation, taking into account the actions that are taken by the company in order to facilitate the employees.

#### As per this theory, employees are motivated to work by different types of incentives that are meant to increase the output of the company, there are three types of motivation that are offered to the employees, from financial incentives, social policies and the non-financial motivations. All these motivations can be seen practised in the realms of the company and found in different departments. The financial incentives are seen in the agreements to abide by the financial penalty changes that are incorporated by the Fair Work Regulations (Veth, et al.2019). In terms of the non-financial policies, it is observed that McDonald tries to facilitate its employees by adhering to the code of conduct that position human force superior to all other dimensions of the work environment such as sick leaves, maternity leaves and the treats and meals that are offered to the employees. Medical examination is one of the major aspects as the company is a food chain, so employees are given free medical and health opportunities along with training of the employees that are included in the non-financial opportunities and incentives. Social policies are one of the reasons that there is a maximum workforce in the organization.

#### Incorporating of organizational culture and acceptance of other culture is something that is one of the most positive aspects of the social policies applied in McDonalds. An amalgamation of the three dimensions highlight that McDonald is adhering to both, legal and manual approaches so that positive results can be achieved and organizational goals can be met. *(McDonald’s*. 2019).

**Penalties and Compensations**

#### Similar to past, the current aspects of Human Resource Planning assert and signifies the importance of having a satisfactory customer service. It is the reason that the company has hired different people of different ages along with setting plans and compensation. In the context of compensation plans, McDonald agreed to all the terms and conditions of paying its employees on priority. As per government orders, the ppc of full-time worker would 225% of their basic pay rate when they work on a public holiday (Taylor, 2015).

#### In contrast, casual employees get paid 250% of the basic pay rate of their work when they will work on a public holiday. In terms of Sunday activities, the full-time employees will get paid b 135% of their basic pay by June 2019 and now it is 125% as per changes (Schmid, 2018). In the context of casual employees, currently they are paid, 150% of their basic pay. However, trainees would be getting paid at 150% of their basic pay on Sunday which was rejected by McDonald. After a lot of complications and a series of conversations, McDonald starts paying its employees out of ten million dollars higher wages to the employees (Schmid, 2018).

#### Maccas, one of the Australian biggest employer asserts that still, the company is not paying its employees. Although there is a minimum appraisal in the penalty rates of the weekend at an ordinary hourly rate still young workers are paid as less as $8.64 per hour (Emond, 2019). After the investigation by the Fair Work Commission it was found that, McDonald, along with other famous fast-food chains such as KFC are not paying their employees as regulation set by the legislation

#### Currently, McDonald is trying to negotiate with the legal bodies so that a new strong agreement can be formulated, including weekend penalty rates as well as additional allowances that can facilitate employees. One of the retailer Union member Xzavier Kelly, he is trying to eliminate the McDonald agreement in the Fair Work Commission and the return of workers to the awards of minimum standards *(McDonald’s*. 2019). According to another information source, it is highlighted that now, as the company is planning to abide by the penalty rates, parallel to it, McDonald has rejected to pay the basic salary or to meet the changes that would be made by the employees such as compulsory working with children or cheques for managers and other franchise owners. In accordance to the statement, it is proposed by McDonald that if the company would adhere to the policy of weekend penalties then the company will become $1000 million worse than last year because it would be a huge financial loss (Ben Schneiders, et al. 2019).

**Job Design**

#### The job design of the company seemed to be affected a little because of the changes in the money that is paid to the employees. As per the changes in the penalty, the company has started to curtail its dimensions of employment. There are less new hiring’s and more stress is given to the old employees. It is asserted that the company appears to be facing some hard situations in the future *(McDonald’s*. 2019). As a result, there is a change in the job design, instead of hiring, departmentalized workforce and collective jobs are offered where employees have to switch their job every now and then so that job requirements can be fulfilled (Ben Schneiders, et al. 2019).

**Staffing and manpower planning**

#### Staffing is one of the major human resource management concepts. McDonald has a systematic plan of staffing. Staffing is usually a product of manpower requirement but now McDonald's has compromised the stance of the workforce by minimizing the demands and managing internal resources for the fulfilment of the requirements. Almost all the employees in the McDonald in Australia are the result of promotion from the job of a crew *(McDonald’s*. 2019). There are rare positions that are filled by the external resources and the direct job descriptions that are offered. It is highlighted that McDonald is using the external sources as one of the positive approaches that can help the company to grow in terms of its business, taking into account diverse education or experience of the individual who is hired. So, there is no defined and significant effect of the penalty changes on the hiring of the employees as such.

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**Quality of the work practices**

#### Taking into account the changes in the penalty rates, it is asserted that there is a change in the quality of the work practices. Firstly, the company is reluctant to hire more employees so the approaching requirement of the workplace appears to be at risk. It is also highlighted that the company after the denial of the Fair Work regulations is at risk because employees are becoming aware of their rights and when employees are not supported they hamper the quality of work *(McDonalds Australia Hourly Pay in Australia* 2019). So, it is assumed and it is expected that the company would be at risk in the future at any cost because of the lack of penalty charges or the cut-off, of the other incentives as proposed by the employers.

**Recommendations**

There are a lot of recommendations that are well suited as well as, required by the company so that the set goals of the company can be achieved.

**Respecting human rights**

It is recommended that the company should pay significant attention to human rights. In other words, the company should abide by the state regulation by the Fair Work regulations because employees are working at the best of their abilities so they should be appreciated for that. Also, the employers should take this regulation as a serious commitment because dangling statements are hampering the outlet’s reputations (Lengnick-Hall, et al. 2019).

**Modifying policy framework**

#### It is asserted as well as recommended that the company should play a central role in modifying the policy framework because negating all the other incentive will outrage employees. It will do more harm than good to the employees. So, the company should modify the policies or reduce aspects rather than complete denying the opportunities that are given to the employees. It is evident that employees will be disappointed if they will directly come to know about the policies that might have facilitated them in the past and now they are completely denied instead modifying policies is a better option (Schmid, 2018).

**Relative Thinking**

#### It is recommended that the company needs to develop relative thinking in accordance with the approach that is employee-friendly because a stubborn approach to the employees might reduce public choice. in fact, the company should try to balance workload with the set standard of employability. It will add to the planning skills of the company, also the employees will feel valued because they will be considered by the employees and many of the concerns that they want to get resolved by the change in penalty will be resolved (Emond, 2019).

**Inclusive decisions**

McDonald needs to address and include employees in its decisions because the data quoted above assert variant statements from different people and stakeholders of the company which incorporates a negative impact on the workers or the employees. It would be better if the company will have a determined statement with the inclusion of employees will because if the company fails to abide by the regulations of Fair Work, there would be a positive impression on the employees which will keep them working and have positive expectations from the company as well (Veth, et al.2019).

**Positive Employability**

It is recommended that McDonald should incorporate positive employability rather than forced internal promotions that suppress employees. Instead, the company should open vacancies and jobs for all the positions so that employees can be given a choice in terms of their promotions. Also, it will positively add to the working environment because new employees will bring with them cultural values and learnings that will help the company to grow (Lengnick-Hall, et al. 2019).

**Inclusive employability**

#### Adhering to the negative outcomes of the failure of the company to address the compensation plans as directed by the legislation, firstly, the company should try to address the requirement as incorporated by the legislation. If not, the company should become diverse and versatile enough to absorb all the attributes of a good company such as equal opportunities for women, positive approach to workforce and the incorporation of culture that can keep the employees and the employers in a positive relationship (Patty, et al. 2019).

**Customer-oriented approach**

#### Addressing customer requirements is one of the approaches that can be used by McDonald to address the changes in penalty because there would be a positive approach to the customer, in terms of customer satisfaction. It is evident that if customers will be satisfied, there would be more customers as people will prefer to visit the outlet and it will add to the overall budget or economy of the company and there is a possibility that justification of “the inability of economic resources” can be recovered (Patty, et al. 2019). Also, it would indirectly help the employees who would be working on weekends in the form of tips that they will have from the customers.

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