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Authors: Lovewell, Debbie

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Abstract: The article presents a case study on employee motivation programs created by the fast-food retailer McDonald's Corp. The firm offers two schemes to motivate different staff groups at its franchise restaurants. All employees in the top 10 percent of restaurants receive bonuses. Restaurant managers can earn a bonus based on factors such as sales growth and profitability. The article presents the views of the firm's benefits and compensation manager Neal Blackshire.

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McDonald's Restaurants built on motivation

Case studies

Fast-food chain offers a wide range of schemes to motivate different staff groups.

Thanks to the nature of its business, fast-food giant McDonald's Restaurants has employee motivation built into its DNA. With each of its restaurants operating as a separate profit unit, employees have a vested interest in engaging with the concept of teamwork and collaborating to ensure their restaurant is as successful as possible.

McDonald's incentivises and supports these desired behaviours through two bonus schemes for its 400 company-owned restaurants.

Each month, all employees in the top 10% of restaurants, based on mystery shopper scores, receive a bonus. In addition, restaurant managers are eligible for a quarterly bonus based on three equally weighted measures: mystery shopper scores, sales growth and profitability.

Neal Blackshire, benefits and compensation manager, says: "The entire management team is being aligned as a team to be motivated to, and rewarded for, achieving those business metrics. And the entire team is being challenged to deliver the best customer service they can because they are never exactly sure when they're going to be visited [by mystery shoppers]."

Both company-owned restaurants and franchises are also eligible for the titles Restaurant of the Quarter and Restaurant of the Year, which can earn them a day or night out, funded by their employer.

Motivation scheme portfolio

These initiatives are part of a wider portfolio of motivation and incentive schemes that operate across McDonald's in the UK as well as its global business.

One of the newest of these is the Ray Kroc Awards, which recognise the best business managers across Europe. Named after the founder of McDonald's Corporation in the US, the programme replicates initiatives previously available in the US and across Asia Pacific, the Middle East and Africa (APMEA).

For the latest awards, 12 UK winners were selected from nominations by McDonald's operations managers and directors of franchising, across both company-owned and franchised restaurants, representing the top 1% of performers at this level.

The winners attended a two-day event in Barcelona in June, during which they were presented with trophies at a gala awards ceremony. "It was a full-on production, like a mini Oscars [ceremony]," says Blackshire. "There was a red carpet for them all to walk up, they all had their names printed on stars lining that red carpet, and a specially shot video opened the evening with some of the winners in their usual restaurant.

"All those 12 UK managers came back to their restaurants and will have been talking to their peers about what a fantastic time they had. Undoubtedly, we'll have 1,200 managers keen to be nominated next year."

Appealing recognition schemes

Blackshire believes that keeping recognition schemes fresh and exciting is key to maximising staff motivation, which is why, as well as introducing new programmes, McDonald's also reinvents existing schemes to ensure they continue to appeal to employees.

One of the highest-profile examples in the last couple of years was the evolution of McDonald's employee of the month scheme into its Olympic Champion Crew (OCC) initiative, for which it won 'Most motivational benefits' at the Employee Benefits Awards 2013.

Launched in January 2011 to 1,200 UK restaurants, the programme linked employee motivation to the business need to identify top performers to staff McDonald's four restaurants at the 2012 Olympic and

Paralympic Games.

In the following 10 months, each restaurant selected an Olympic champion of the month, before nominating their top five champions to proceed to the next stage of the programme. Each monthly champion received an Olympic-themed gift box containing a personalised congratulations card, plus Olympic-themed gifts.

In November 2011, 100 regional skills assessments were held to identify the top 2,500 employees, who were given the opportunity to work at the Olympic Park restaurants during the Games.

The selected staff were given accommodation at a London hotel, where they could enjoy facilities such as a wellbeing zone comprising a beach-themed area and a lounge zone, which included ping pong, pool tables, football tables and large plasma television screens for staff to watch coverage of the Games. A programme of activities was organised to generate a sense of fun and team spirit, and to enable staff to see more of London. "That really gave it an impetus and breathed new life into a programme that had been around for a number of years and perhaps had been taken a little bit for granted," says Blackshire. "It took the Olympic element to really inject that extra enthusiasm. Obviously, the ability to have those ambassadors to come back from the Olympic Park, being able to talk about the hotel set-up and all the other things we did to look after them away from actually working in the restaurant, really is more powerful than any number of booklets, videos and face-to-face meetings."

But the programme did not end with the Paralympic Games closing ceremony. Instead, McDonald's built on its legacy, evolving and relaunching its champion of the month programme for all hourly-paid employees. This is used as the basis for a much wider recognition programme.

After each restaurant elects a champion of the month, from this group an employee of the quarter is chosen for each restaurant, then an employee of the quarter for each consulting group or operating management group. Finally, each February, an employee of the year for the UK is selected, receiving a cash prize and a week at the company villa in Portugal.

Global awards scheme

Company support department staff, meanwhile, are eligible for McDonald's global President's Award scheme. Five winners are chosen each year from nominations made by the organisation's executive team. Winning staff receive an all-expenses-paid trip to Chicago to collect their prize from the global chief executive officer at a banquet event.

In view of the vast range of recognition and incentive schemes in operation at McDonald's, Blackshire now aims to streamline the portfolio to create a more cohesive offering. "One of my plans over the next 12 to 18 months is to get each of those plans to be a little more connected to each other," he says. "Like anything, when things [are introduced] over a period of time, some of the interconnectivity and value we can derive can be lost. I think we can improve on our current position."

"Also, for various historical reasons, some of these programmes are run by different parts of the people team, and there is some sense in bringing these together. So, my team will become responsible for

managing some of these other ones that we don't already manage in the coming year or so. We just need to have a planned transition to bring that together."

Communicating motivation plans

Blackshire is also keen to collate details of, and criteria for, all of these schemes into a single place so staff can easily identify which they are eligible for.

"I want to have that a little bit better defined and better communicated," he says. "Because of the culture of the organisation, I don't think we're going to see a sudden uplift in motivation or productivity because suddenly it's all there together. In many cases, [employees] aren't doing what they're doing because they think they're going to get an award out of it, but it's important for us as a business to recognise our people for what they do."

But measuring the true effectiveness of such schemes, and employees' engagement with them, can be tricky. "Because we've got an awful lot going on in our restaurants at any one time, it is quite hard to distinguish exactly what impact one programme or one activity had in among everything else," says Blackshire.

But he believes there is a strong business rationale for an employee motivation and recognition strategy. "There is no doubt that happy and motivated employees do a better job," he says. "If people have done very good work for you, it's absolutely right and proper they should be recognised for it."

Neal Blackshire's top tips for motivational success

- * Ensure the right employee behaviours are recognised.
- * Ensure the frequency of recognition and reward is right for the workforce. Blackshire explains: "Some of our reward and recognitions are annual, some are monthly. If you only recognise the champion of the year in a restaurant, frankly it wouldn't gain a lot of traction because you would have had a lot of good people doing a lot of good stuff during that year."
- * Understand what employees want and value. "About 20 years ago, we had a service award programme in place, which operated a points system for catalogue [based items]," says Blackshire. "That catalogue had lots of garden furniture and home furnishings, but 40-50% of our employees were under the age of 21. Not surprisingly, they didn't really want these as they still lived at home [for example], so wanted something a bit more useful. That led us to ditching that programme and reinventing it with vouchers for a high-street retailer, which was much more popular because people could find more things they valued with their service awards."

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By Debbie Lovewell

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