

Planning and leading management concepts report

[Business](#), [Company](#)



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Executive Summary

In today's world, innovativeness is what will assist the company to survive and thrive in the market place. Looking at McDonalds which is the largest fast food company in the world, there are concepts from the management concepts of planning and leading that can greatly assist the company to be innovative. The company needs to keep re-inventing itself to deal with the changing economic, legal, competitive, socio-cultural and technological environments. This will be done through the joint effort of the employees and management. In leading, the management should strive to have motivated employees who are empowered to take the company forward.

Introduction

In this report, I will highlight how the management of a company can ensure there are innovative values and practices in the organization. I will look at the McDonalds Company that is the largest fast food restaurant in the world. It is a company that keeps going to new markets with different values and cultures. Being in the restaurant business, the people should be a source of competitive advantage as they interact highly with the customers. I will look at the concepts in the management functions of planning and leading or directing that the management can use to ensure there is continuous innovation in the organization.

An organization that is not innovative will not survive in the market place. The external market has become highly turbulent and changing. When it comes to planning, the management should practice planning that is

strategic in order for the company to be sustainable in the long run. The employees are also a precious asset. Through brainstorming sessions the management and employees can work together to make processes better and remove any bottlenecks.

The employees however may not fully participate in innovative practices if they are highly discouraged or demotivated.

Planning

Planning is one of the management processes where the management can bring innovative practices in the organization. In planning, the management lays out where the company is going. It then comes up with a plan of what needs to be done to reach the targeted location. The goal may be to secure a certain market share. Planning lays out the groundwork of what the company needs to do to reach the target. It is a systematic process that requires focus and attention for it to be successful.

Planning is the process of coming up with the organization's vision, mission and organizational objectives. The objectives show the organization the direction to which their efforts need to be directed. The management is charged with the task of ensuring that the objectives are practical, realistic, achievable or workable. There should be sufficient resources in the organization to assist it achieve its objectives. The objectives should be stated in quantitative and where possible qualitative terms.

There are assumptions used in the planning process and they may change.

Planning should not be rigid. It should consider the happening of unlikely

events. When certain events occur, the management needs to sit down and determine the alternate courses of action. This is the point where management can be innovative in their leadership. There are things that are controllable in the organization such as capital, human resource and organizational culture.

However there are things that are beyond the control of management. These are events that occur in the external environment. The management will continuously look at their alternative sources of action and weigh the pros and cons. The resources available in the company should be analyzed to determine whether they are adequate to support the chosen courses of action.

Once the management is through with the objectives, there has to be the formulation of derivative plans. These sub plans are the time and financial budgets, procedures, policies and programmes. The management should be strategic and encourage creative ideas from the staff on the derivative plans of profit maximization, cost minimization and product maximization.

Beyond providing alternate sources of action, the management needs to work with the external environment to provide to them a source of competitive advantage.

The management should train employees to be innovative and creative. The management should analyze the external environment critically. When it comes to the socio-cultural environment, the company should tailor or customize its product for the target population. Restaurant companies

should put into consideration the religion of the people. Meat and pork products will not do well in some regions where the people are Islamic. The values and norms of a society greatly affect the eating habits of the people. It affects their buying preferences (Bala, 2001). The McDonalds Company should aim to be always in the list of preferences.

An innovative company actually researches the target market before launching its products. The competitive environment is also a critical area. The management should use the porter's five forces model in order to know the way forward. In a particular market, the management should ask itself five major questions. Do the suppliers in the market have the ability to affect the prices? Suppliers are powerful where they are few or the different suppliers provide unique kind of products.

The buyers in the market can also have a huge influence on the prices. It is also dependent on the number of buyers or the importance of an individual buyer to the company. If the company has a few critical buyers and switching from the company's products to others would affect the company greatly, then the company needs to know the strategies to put in place to ensure that the customers are loyal to the company.

The management has to consider the number of competitors in the market and the kind of products they are offering. The company should consider the substitute products in the market place. The company should strive to offer differentiated products so as to get customer loyalty and market strength. The company should find out the consumer needs and wants and work to

fulfill the customer needs with its products. If the market is one where it is easy for competitors to enter then the company should be highly innovative and creative (Kotler, 2001, p 338).

The management should also consider the legal or regulatory environment. The company should be assessing the level of customer complaints and concerns concerning their products, advertising, product packaging and other product features so as to plan ahead and not be caught unawares. The economic situation in the market should also be considered. In times of a slump in the economy the company should come up with a different plan from the norm on how they can still make a certain level of profit and weather the storm. Finally, the plans of the organization should incorporate changes in technologies. The company should continuously monitor the market so as to take advantage of new technologies.

All these strategic plans will not kick off unless the management secures the cooperation of the staff. The staff should be told the plans that the management has so that their loyalty is also secured. The staff should be motivated to actually use all the resources and capabilities to ensure the company arrives at the target destination. Finally there should be a continuous monitoring of the accomplishments of the organization. The company after every particular period for example quarterly needs to check whether it has accomplished the set objectives. Any variances should be noted. The management and staff will have to sit down, know the causes of the variances and engage in problem solving in order to avoid similar adverse variances in the future.

There are several advantages in engaging in strategic planning. First of all, there is management with strategy. The employees know what is expected of them. Secondly, there is contingency planning. The management recognizes there will be moments of uncertainties in the market and tries to see what course of action should be taken by analyzing the external environment. Planning brings order and focus as all the staff's efforts are geared towards accomplishing the organizational objectives. It helps in coordination and increasing the employee morale. Strategic planning empowers employees to be creative and innovative in the turbulent external environment.

Leading

In leading or directing, the management is concerned with ensuring that the employees accomplish their goals and objectives. The leading function of management is concerned with motivating or influencing employees to accomplish their goals. The management of a company can use the principles of motivation to ensure that the employees are engaged in giving new ideas and processes that will help the company better to accomplish its goals and objectives (Manso, 2011). It is about recognizing the worth of employees in the organization and choosing to appreciate them and cause them to be a strategic competitive advantage. In the restaurant business, the employees are the interface between the company and the customers. If the level of customer service given by the employees is high then the customers are pleased and they will keep coming back to the restaurant.

Employees that are not motivated are generally gloomy to the customers or they convey fake smiles.

An important area that works to motivate or demotivate the employees is the working environment. What is the organizational culture? What are the compensation policies of the company? There are several things that work towards causing employees to be excited. First of all, in order for the staff to be motivated, they need to pay competitively in the market. The employees should feel they are being adequately paid for the services they offer the company. Most restaurants are facing high employee turnover due to low pay. People will always compare themselves with others who work in other similar companies doing the kind of work that they are doing.

There should be a great recognition policy in the company. There should be awards and other kinds of rewards for the employees who excel in their duties. They can even be taken for motivational retreats. The appraisal system in the organization should be transparent and clear. The employee should understand how it works and what causes high and low scores. As mentioned, after appraisal rewards should be given. Are there salary increases regularly and what is the eligibility criterion? There are other forms of compensation such as share ownership employee plans that will also motivate employees.

The environment should also be a safe environment with the people having insurance against injuries in the workplace. Once an employee feels

appreciated and cared for, he will be loyal to the company and work with all his heart.

The company should have values that are ethical and are enforced. Secondly since the managers are the leaders in the organizations they should exhibit the values of the organization. There is a need in employees to feel included in the organization they work for. The management should communicate to the employees well concerning any major decisions or major projects that are coming. Otherwise the staff will not take ownership of their given responsibilities. The organizational culture should be empowering to the employees. This is allowing the employee to have accountability and responsibility of the work they have been placed in charge of. It is involving the employees in decision making and problem solving with minimal intervention from their supervisors.

The management of the company should realize that employees have so much to give. Empowerment causes the dormant ideas to be reactivated and used in the organization. The work that the employees are doing should also be challenging so that they are not bored. Even as the employees are empowered they need to know their role. Factors that lead to job dissatisfaction are role ambiguity or goals and expectations that are not realistic. The supervisor or manager should not give targets that discourage the employees as they are not achievable.

The employees should ensure that the culture in the organization is one of cultural diversity. The values of the organization should be all inclusive when

it comes to the diverse kinds of people who work in the organization. In the primary level of diversity there are differences in race, age, gender and ethnicity. The secondary dimension of diversity refers to educational backgrounds, economic class and occupational differences. There should be no hints at all of discrimination, racism or ethnocentrism. Moreover being an organization that embraces cultural diversity can be a great source of competitive advantage.

These diverse employees will help the company know how to deal with different cultures in the global market place. Fast food companies should involve the Chinese employees when they are investing in more restaurants in China. These vices arise where certain members of a group feel that they are superior to another sub group. The organizational values, policies, actions and decision making should support a great organizational culture, empowering and cultural diversity. Minorities in the organization should also be represented in all the job roles in all the functionalities of the organization. The employees should know that in order to be considered for a job it is only their professional competence that is considered. One cannot be prevented from getting a particular position simply because they are of a different race or gender.

Another motivating factor in the organization for the employees would be the provision of job security. Employees should feel safe that they cannot just lose their jobs easily. There should be processes set for disciplinary and hearing employee disputes. The employees know that their case can be heard. In an organization there is bound to be conflict between the

employees or intergroup conflicts. The organization should have a dedicated committee that takes care of employee disputes. The causes of employee conflict should be addressed fully. The organization should have an open door policy and transparency. This way the employees know they cannot be victimized by their bosses for questioning the system in place and suggesting ways of improvement. In fact there is no pressure to stick to the status quo or the norm. The employees know that the management is looking for ways to make the system better and flexible to incorporate impromptu changes that are necessary. If the management ensures that the employees are satisfied with communication, supervision and motivation practices in the organization the staff will speak out more and work together to make the company reach the targeted heights.

Conclusion

The managers of the McDonald Company therefore have several tools within their reach to assist them in ensuring the company is innovative. In deciding the yearly strategies, they should carry out an analysis of the external environment and plan for adverse changes in the environment. They should confirm they have the resources required to achieve the targets. The managers should also ensure that the employees are motivated. They should have a great working environment. The company should have great reward systems, performance appraisal systems and conflict resolution systems. The company should have an open door policy at all times. Employees should be empowered so that they can be motivated to be innovative. The organizational culture should embrace ethics and multiculturalism.

A company that observes these management concepts will be prepared to meet challenges from its competitors with any substitute products. It will simply differentiate its products with efforts from the management and employees.

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