

**Efficiency Issue and Its Relation to Labour/Worker**

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**ABSTRACT**

The purpose of the research to illustrate the relationship between efficiency issues and labour/worker in McDonalds. This research would be using quantitative and qualitative research method together. For the qualitative method is interview. The interview would be collected via email that been using to communicate with the company and individual interviews with a small number of respondents such as McDonalds manager to explore their perspectives on labour/worker efficiency. Second, quantitative method is questionnaires would distribute to targeted segment about their view on productivity. The collected data would be analysing and finalize the result of the research. Labour is part of main factor that might influence the movement of productivity in the company and it is also depends on labour efficiency.

Poor productivity happened in McDonald is because of poor labour management. In this research, we will also debunk the factor that leads problems of labour productivity. Listed below are some factor might affect labour productivity or efficiency on their works. The factors are such as Overtime, Morale and attitude, Absenteeism and Turnover, Errors and Omission and Reassignment of Manpower.

The factor that have been listed are not finalised yet and would be review and analyse whether it is some others factor that happen at McDonald's labour. The data that we will collect will be present by graph. From the graph the data can be interpret and present easier. In conclusion, company must gather the factor that affecting labour productivity, so they can immerse their employee in efficient working environment and contribute in economic growth of the company.

**1.2 SUMMARY**

McDonalds human resource department have been tremendously increasing in number of workers/labour perpendicular to the growth of economy and manufacturing sector inside the McDonald's. Although, challenges such as new competitor of the same industry are now entering food and beverage market. This does not stop McDonalds from increasing their production. However, efficiency of production may be affected by the numbers of labour/worker that are available. This can be proven by McDonalds that are constantly hiring new workers despite that they already have enough worker available in each store. This event generates a question whether McDonald's productivity is running at an optimum or minimum level of efficiency of productivity. Through this research, we are going to emphasize on crucial particular that might lead to problems of labour efficiency on productivity such as overtime, morale, attitude, absenteeism, turnover, error, omission and reassignment of manpower.

## 1.3 COMPANY PROFILE

McDonald's Malaysia is a major fast food chain in Malaysia that was first introduced in April 1982 at Jalan Bukit Bintang, Kuala Lumpur. All McDonald chain in Malaysia was under Gerbang Alaf Restaurants Sdn Bhd and the parent company is Lionhorn Pte Ltd, food industry company from Saudi Arabia. This company has operated for 37 years in Malaysia and commonly known as McD between locals. For the current time, McDonald's Malaysia has 12,000 employee and up to 95% of the employee was Malaysian citizen. This conglomerate has 260 restaurants in Malaysia and this figure planned to grow up to 450 by 2025

Before Lionhorn Pte Ltd took over Malaysian market the franchise was governed directly by the main company, McDonald's Corporation in United States. After it was bought by Lionhorn Pte Ltd they exercise franchise system that known as "Developmental Licensee" (DL).



McDonald's Bukit Bintang in 37 years different

As they operated in Muslim populated country, McDonald's was very sensitive with this environment and became the first fast food chain that get the Halal certificate from JAKIM (Jabatan Kemajuan Islam Malaysia). They also established a supervisory department (Jawatankuasa Halal Dalaman McDonald's) in March 2013 to examine and confirm that all Halal standard by JAKIM is strictly followed and two Sharia experts had been appointed to become the Sharia Advisor to supervisory department.

Since McDonald's was originated from US, McDonald's Malaysia encountered a lot of Islamic related boycott because McDonald's accused of sponsoring Israel government. However, McDonald's handled this issue professionally by releasing statement that said they did not have any relation to world politics and did not support any side.

## NOTIS DARIPADA McDONALD'S<sup>®</sup> MALAYSIA

Rakyat Malaysia yang dihormati sekalian,

Seperti yang anda sedia maklum, terdapat pihak tertentu yang membuat dakwaan bahawa McDonald's<sup>®</sup> menyalurkan bantuan kepada rejim Israel. Kami ingin menjelaskan bahawa DAKWAAN TERSEBUT ADALAH TIDAK BENAR SAMA SEKALI. McDonald's<sup>®</sup> Malaysia tidak pernah dan tidak akan menyokong apa jua bentuk peperangan yang berlaku di mana sahaja, menerusi jualan atau keuntungan yang diperolehi dari restoran - restoran kami.

Ini kerana:

- McDonald's<sup>®</sup> Malaysia merupakan sebuah organisasi yang ditubuhkan di bawah rang undang-undang Malaysia.
- Pihak pengurusan serta lebih 8,000 pekerja kami adalah warganegara Malaysia dari pelbagai kaum.
- Kami menyediakan makanan serta minuman khusus untuk rakyat Malaysia dan bekerjasama dengan para pembekal yang juga merupakan warga Malaysia.
- Kami membayar cukai setiap tahun kepada kerajaan Malaysia.
- Kami turut menyokong dan menjalankan pelbagai program komuniti dan kebajikan untuk rakyat Malaysia, terutamanya kanak-kanak yang kurang bernasib baik menerusi badan kebajikan kami, Persatuan Kebajikan Kanak-Kanak Ronald McDonald (Ronald McDonald House Charities<sup>™</sup> Malaysia).

Sekiranya terdapat sebarang kemusykilan, sila tujukan soalan anda kepada [justtells@my.mcd.com](mailto:justtells@my.mcd.com) atau hubungi Jabatan Komunikasi Korporat kami di talian 03-7843 3233.

Yang benar,  
(McDonald's<sup>®</sup> Malaysia)



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Sample of Boycott Programme and statement released by McDonald's

During their business time in Malaysia McDonald's had received various award like Aon Hewitt Best Employees for 3 years in row and Putra Brand Awards for 5 years in a row. In conclusion, McDonald's has contributed a lot in Malaysia development in term of unemployment and has special place in every Malaysian heart.

## 2.1 ANALYSIS OF QUESTIONNAIRE

Every employee is responsible to their work station to keep the product running. Based on survey's conduct by Team 40 on McDonald's employee graph 3 – appendix.



### **Had you ever come late to work?**

From the survey, we received the response that 87% of person had come late to work when working with McDonald's. This amount of negative attitude and environment can seriously affect the company performance as the delay in production and inefficiency can result in cost and also idle time in working hour due to the inoperation of the machine. On the other hand, 13% of the good employee that showing positive attitude should be congratulate and praised for their commitment. This can lead to healthy competition among the worker in McDonald's and creating a positive working environment.

### **How many minutes is acceptable for being late?**

From the graph, there are 2 different perspective we can conclude, the first one is there is a worrying amount of worker that came late to work less than 15 minutes. When the employee answered this question there is a high probability that they are thinking they are acceptable if they are being late for less than 15 minutes. So, the store will suffer from this a lot when most of their worker thinks that is it acceptable if they came late by 15 minutes. However, for being extremely late (30 minutes) only a very tiny amount thinks that is acceptable for being late by that period. We can summarize that McDonald's has to create a system and training that create a perspective from the worker that being late at any minute is not acceptable and the worker must be punctual at their work.

### **Do you usually leave your work station?**

79.3% of 29 respondents answer "yes" means they left their work station and 20.7% answer "no". In McDonald, if the employee wants to leave work station for any circumstances they need to ask permission to manager on duty. Some reason employee leaves work station because of job rotation or replace other employee in other station. For example, when to refill and change syrup, milk, cooking oil and fries need to do manually, Employee need to leave their work station to do these tasks.

### **Would you prefer a flexible break or a fixed time to break?**

From graph 4, 75.9% of respondent prefer flexible time break rather than 24.1% respondent prefer fixed time. Flexible time break is when employee want to break at their own time and it would affect productivity efficiency. In contrast fixed time is time break set by manager. In our opinion, having fixed time is better than having flexible time to employee since McDonald product order keep enter time by time, it is important to employee are in their station to keep product running.

### **How many days can be received without a warning letters of absence within a year?**

From the survey that we carry out, McDonald's employees are not sure how many days will they receive the warning letters when there are absent without any solid reason or medical letter to support them at appendix graph 5. We can see there is 69% who voted 1-5 days, 21% voted 6-10 days, 4% voted 11-15 days, 3% voted 16-20 days and 3% voted 0 days absent before they will receive the warning letter. This shows that the employees do not get proper briefing regarding this problem.

### **Have you ever made a mistake that causes wastage to supply?**

Moreover, in every workplace there will be a mistake when performing the task assign because employees are human. We prone to do mistakes. From the survey graph 6, 69% have experience in making mistakes at workplaces while 31% never experience making mistakes. This problem can result in high expenses because waste will be record as expenses and store need to bear the costs> McDonald's should train the employees to perform the task well in order to reduce the mistakes in workplaces.

### **Every time you face an emergency. Are you looking for a replacement or leave it to management?**

Lastly, in graph 7, when employees face emergency and need replacement of employees to cover the place. 58.6% employees will find replacement to cover their jobs and 41.4% will let management find the replacement behalf of them. Employees need to take their own initiative to find the replacement because management have set the timetables and allocate the jobs.

## 2.2 FINDINGS

In the research, we have found 5 main factor that affect the productivity of labour in McDonald's. All these factors happened in daily basis during the operation hour and affect the efficiency of the franchise.

### 1. Morale and Attitude

We found that there is some negative work ethics practised by some of their employee while working. Since McDonald's has a system whereby their employee cannot leave their station in operation, when there is shortage of input for example raw burger patties, they have to request help from the runner to get the raw materials from the storage. However, in some case the runner rejected the request making the operation at the station to be on hold and affect the production. Next, there was a case whereby the senior employee denied the order from the manager because they think the job should be settled by junior staff for example preparing input at production line. When the employee denied the higher authority orders, it will affect the flow of command and affect the daily target of the company because the management become stagnant.

### 2. Time Management

This issue is very synonym for coming to work late and in this scenario in one the franchise, we have found that the employee is not late by 15 minutes, but he was purposely being late for 3 hours. This issue is very serious because other employee had to cover their work for 3 hours and working in 2 station in the same time. This resulting in lack of efficiency in employee performance. Employee who smoke also give low productivity to the company because they are having cigarette break. This break is not recorded in the system like lunch break, so, it will burden the employee that is not smoking because they were taking long cigarette break. The last one related to time management is that employee having long lunch break because they dine in outside of the store. Every franchise will provide meal for each employee, this is to make sure that the employees will have enough lunch break and can resume their work on time but when employee who dine in outside the store will take longer time. This happened usually to the senior staff because they think that junior staff can cover them while they are not around.

### 3. Absenteeism and Turnover

In absenteeism, there is case where employee did not turn up in their working hour without any excuse or letter. When this happened, other employee needs to cover them for the entire shift making it and in the peak hour even manager need to help in the production line. When the franchise has more turnover it will result in low productivity. The experience employee who have resign will give big problem to the store because there will be lack of experience employee in the store. New employee that enter need at least 1 month to become expert in doing their task. This long time will be challenge for the management where they need to maintain and increase the store performance.

## 2.3 ANALYSIS OF ARTICLES

In the findings we have covered the factor that affect the productivity and, in this section, we going to discuss why the issue happen and supported by related article to make it become not rhetoric.

Morale and attitude problem occur because employee is lacking Job Satisfaction, Career Satisfaction and Organizational Commitment. (Hasmi, Nasina and Asri, 2017). Job satisfaction relates to the attitude of the person and in Locke (1976) he defines Job Satisfaction as a fun or emotional state resulting from the positive valuation of a work or work experience (Asaari,2012). Citation above tells us that is the employee have a job satisfaction automatically he will become responsible to the task given and does not commit any attitude problem. Here we can conclude that McDonald's employee did not loyal to their company and did not give the commitment in their job thus, creating many attitude issues.

In the book of "7 habits of highly effective people" by Stephen Covey he has created a Pickle Jar Theory. In this theory he said that task is divided into three part which is, 1) Sand: Small, less important tasks, 2) Pebbles: Task with average importance, 3) Rocks: Big, important tasks. The

jar is analogy to us which time is limited for us and we need to deal with our most important task (Rocks) before moving on to the average (Peebles) and less important task (Sand). In the theory also stated if we settled the most important task first, we will find time to concentrate on other works, so, other task will consume less time than it should be because we doing it in total concentration. In the case of McDonald's employee, they failed to distinguish between tasks in their daily life resulting they came late to work because of settling other tasks first.

Based on journal "Factors Impacting Job Satisfaction of Employees in the Fast Food Industry in Cape Town" (Nnenna E. Ukandu and Wilfred I). Ukpere stated employee turnover in the fast food industry is at a record high due to job dissatisfaction. Absenteeism has also multiplied owing to work related stress, as jobs in the industry are monotonous and not often rotated to develop their skills and performance, could bring about ultimate job satisfaction (Ukpere, 2007: 461). Furthermore, unsatisfied workers will result in high absenteeism, low quality outputs and high rate of employee turnover (Ivancevich, 2007:12). Poor satisfaction of worker may be because of poor working conditions, less fringe benefits, autocratic management style, and etcetera. Such vices have adverse implications on employee performance in the workplace, particularly in the fast food industry. Based on this journal, turnover and absenteeism is one of the factors affect job satisfaction of employees in the fast food industry. We can relate to McDonald as fast food restaurant as we known. The outcome for this journal reveals that employees are not very satisfied with their jobs. It was observed that the work environments of fast food outlets were not attractive, which ultimately affects the overall output of workers. Additionally, some interviewees stated that their work is not at all challenging.

From journal "Understanding the Factors that Effect Information Overload and Miscommunication within the Workplace" (Dr. Thomas W. Jackson and Dr. Bart van den Hooff). Insufficient attention for the recipient's needs, customs and capabilities is likely to lead to miscommunication. The findings support the claim that an increased focus on one's own needs, customs and capabilities, leads to increased miscommunication in e-mail communication, both in sending and receiving messages. It seems to be a self-enforcing process, sending insufficiently clear messages leads to receiving insufficiently clear messages, creating a "vicious cycle" of miscommunication, in which misunderstandings can easily get out of hand. In all of workplace, these kind of problem like miscommunication, error and omission would still exist. Email is the medium in this journal but what we want to emphasize are the information's that missed that lead to job dissatisfaction among employees. We can relate to McDonald worker would have miscommunication among them in producing product and changing information from station to station.

In business employee reassignment is a common method in order to close gap or personal conflicts. In organization, transfer at work is one of the promotion ways. This promotion not involve increase in salary but can develop new knowledge for the employee. This can overcome boredom and dissatisfaction from the employee towards their current job. When employee be transfer to other department it will create new challenge and this can motivate the employee to work hard. However, it has negativity when the employee needs to learn a whole new job. This require a lot of investment and energy. Moreover, employee need to develop new network of coworker to work. This new network has different ways to perform their work. This is a difficulty for the employee when he needs to learn their way in order to have a successful work. (Susan M. Heathfield,2019)

### **3.1 RECOMMENDATIONS**

As presented in the summary above, we are looking at an issue whether McDonald's productivity is running at an optimum or minimum level of efficiency of productivity. Based on the findings, a few of actual Malaysian McD's worker/labor respondent on our questionnaire. We are going to emphasize on recommendation that we think that it is suitable for the company to take note on crucial things that might lead to problems of labor efficiency on productivity such as overtime, morale, attitude, absenteeism, turnover, error, omission and reassignment of manpower that can be related by our findings.

1. A short brief on personal leave and sick leave.

Based on the findings, we found that majority of the worker not sure how many days will they receive the warning letters when there are absent without any solid reason or medical letter to support them. This shows that the worker doesn't get enough or a proper information regarding on personal or sick leave. McD's should take this matter seriously since the profitability of a company does not fully depends on their productivity.

2. A proper training for all of the workers.  
Unlike machine, worker have the tendency to make mistake. As in Food and Beverage preparation, cost will tend to increase as result of waste of raw material. McD's should apply or regularly monitor on their standard of procedure of production.
3. A systematic schedule system.  
Schedule can be a headache sometime when it comes to workers to arrange it in a balanced or proper manner to avoid bias. However, with a systematic schedule system, workers will more likely to have a comfortable environment when they come to work. For example, management can ask everyone to make a request of their favorable off's day in case they have an important occasion or an emergency during that particular day. Some worker will find this system very helpful to arrange between their lifestyle and work.

#### 4.0 BENEFITS

From the research we carried out, McDonalds need to select their employees properly because with good qualities' employee they can perform well in work. Good qualities were crucial criteria that need because they can obey with instruction that manager give to them. This is important to make sure that the work can be done in time and there is 100% commitment from the employee. With good qualities also, employee will have a good time management. This can prevent the employee from coming late to work. When employee have a good time management this can make sure that the employee is ready to perform his work and there is no delay in changing shift with others employee. This can help in smoothing the shifting process of employee from one shift to another shift. Moreover, McDonalds need to make sure that the employee happy with their work. This is to make sure that the employee from resign from the work. McDonalds can improve in making the employee comfortable in workplace and also keep motivate the employee. Manager can appreciate the employee by saying well done when they have achieved the target that the store has set. This can make the employee feels appreciate with their works and make them happy in workplace. Finally, with this improvement that McDonalds need to do will solve the problems that majority stores that they have.

#### 5.0 DISCUSSION

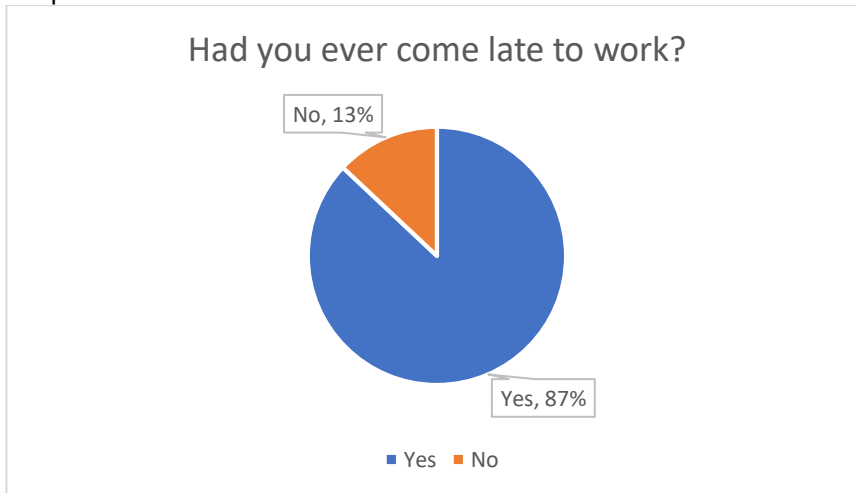
The problems that arise from our observation in one of McDonald's franchise in Malaysia might be settled if our humble opinion is applied. From our observation we can conclude that McDonald's has provide excellent benefits to their employee and the problem is solely from the employee itself. One of the factors that caused this issue is the education level of the employee. To justify this, employee is lack of responsibilities in doing their job, so, result in low commitment on the job.

We hope that, our research can provide McDonald's little insight towards this problem and take a serious action because in long term this problem can grow bigger and effect the profitability of McDonald's

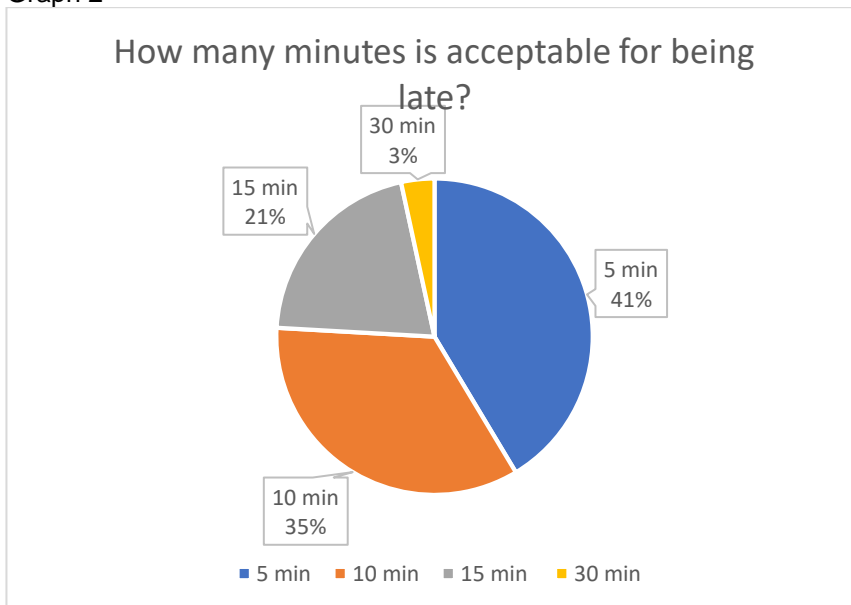
However, changes that McDonald's want to be implied must be done in phases. This is because implying drastically can cause shock to employee and might cause dissatisfaction that can result in huge turnover of worker.

APPENDICES

Graph 1



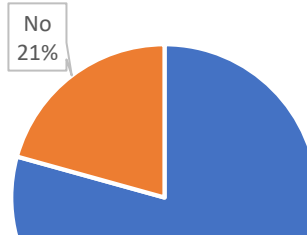
Graph 2





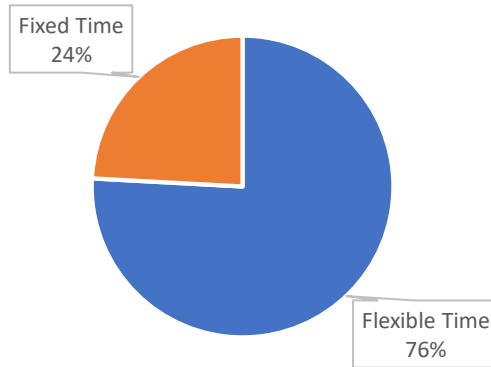
Graph 3 h

Do you usually leave your work station?



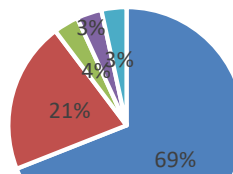
Graph 4

Would you prefer a flexible break or a fixed time to break?



Graph 5

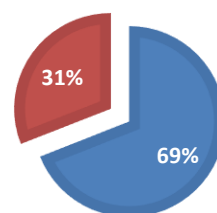
How many days can be received without a warning letters of absence within a year?



Graph 6

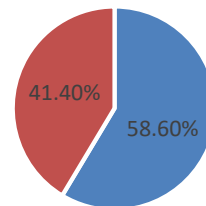
HAVE YOU EVER MADE A MISTAKE THAT CAUSES WASTAGE TO SUPPLY?

■ Mistakes ■ Never making mistakes



Graph 7

Every time you faces an emergency. Are you looking for a replacement or leave it to management?



■ Find replacement ■ Let manager find the replacement

Articles:

1. Dr. ALOUMEDJO ZAM Thierry: Punctuality, Attendance Policy and Organizational Performance
2. Muhammad Hasmi Abu Hassan Asaari, Nasina Mat Desa, Mohamed Asri Mohd Ali: Leadership and Work-Related Attitude Among Bank Employees in Northern Region Of Malaysia
3. Factors Impacting Job Satisfaction of Employees in the Fast Food Industry in Cape Town” (NnennaE. Ukandu and Wilfred I)
4. Understanding the Factors that Effect Information Overload and Miscommunication within the Workplace” by Dr. Thomas W. Jackson and Dr. Bart van den Hooff
5. A transfer at work is a career opportunity by Susan M.Heathfield