

Organizational Behavior After Pandemic COVID-19 (Study Case McDonald's)

Martina Martina¹, Jovie Palos², Fadhya Putri¹, and Khairiyah Kamilah^{1*}

¹ *IPB University, Business School, Bogor, Indonesia*

² *Mariano Marcos State University, College of Business, Economics and Accountancy, Business Administration Department, Ilocos Norte, Philippines.*

* *Corresponding author. Email: khairiyah-kamilah@apps.ipb.ac.id*

ABSTRACT

Organizational behavior is one of the key points to running a business that can make the operation more effective because it studies human behavior and how people interact with the organization itself. The massive spread of the COVID-19 pandemic has influenced all business industries, and it's also impacting fast-food organizational behavior. By taking McDonald as an example, it found how McDonald decided to handle the pandemic COVID-19 by changing the disadvantage of the pandemic COVID-19 into their strength. This paper also contains the changes of the fast-food industry so it can be an example to another fast-food business to make their decision in furthermore.

Keywords: *COVID-19, Fast-food organizational Behavior, Organization Behavior*

1. INTRODUCTION

1.1 Organizational Behavior

First of all, Organizational behavior is the academic study of how people interact within groups. The principles of the study of organizational behavior are applied primarily in attempts to make businesses operate more effectively. Organizational behavior is important because organizational behavior describes how people interact with one another inside of an organization, such as a business. These interactions subsequently influence how the organization itself behaves and how well it performs. For businesses, organizational behavior is used to streamline efficiency, improve productivity, and spark innovation in order to give firms a competitive edge.

There are four elements and three levels of organization. The four elements are people, structure, technology, and external environment. By understanding how these elements interact with one another, improvements can be made. While some factors are more easily controlled by the organization—such as its structure or people hired—it still must be able to respond to external factors and changes in the economic environment. And for the three levels of organization, the first is the individual level, which involves organizational psychology and understanding human behavior and

incentives. The second level is groups. This involves social psychology and sociological insights into human interaction and group dynamics. The top level is the organizational level. Here, organization theory and sociology come into play to undertake systems-level analyses and the study of how firms engage with one another in the marketplace.

Organizational behavior can be used by managers and consultants to improve the performance of an organization and to address certain key issues that commonly arise. These may include a lack of direction or strategic vision for a company, difficulty getting employees on board with that vision, pacifying workplace conflict or creating a more amenable work environment, issues with training employees, poor communication or feedback, and so on.

1.2 Pandemic COVID-19

Coronavirus disease (COVID-19) is a newly found coronavirus that causes an infectious disease. Coronaviruses are named for their appearance: “corona” means “crown.” The virus's outer layers are encased in spike proteins, which act as a crown [1]. The coronavirus is thought to have originated in bats or pangolins, according to many health specialists. The first human transmission occurred at Wuhan, a Chinese city in the Hubei province. COVID-19 is a dangerous virus that has

killed millions of people around the world and left others with long-term health problems. The coronavirus is contagious and can be passed from person to person.



Fig. 1. Number of Covid-19 Cases, Deaths, and Doses Administered around the Globe [3].

The majority of patients infected with the COVID-19 virus will have mild to moderate respiratory symptoms and will recover without needing any specific therapy. People over the age of 65, as well as those with underlying medical conditions such as cardiovascular disease, diabetes, chronic respiratory disease, and cancer, are at a higher risk of developing serious illness. When an infected individual coughs or sneezes, the COVID-19 virus transmits predominantly through droplets of saliva or discharge from the nose, therefore respiratory etiquette is particularly vital (for example, by coughing into a flexed elbow) [2].

2. RESULTS AND DISCUSSION

2.1 Study Case McDonald

McDonald’s Corporation operates in nearly 120 countries around the world. As a large global restaurant chain founded in 1955, it has extensive experience in adjusting to changing business conditions. While a potential pandemic was already in the organization’s risk preparation program, COVID-19 has impacted every community in ways no one could have fully forecast, and its rapid acceleration pushed the company to move quickly. McDonald’s level of risk preparedness, experience in managing health and safety concerns, and supply chain planning all came into play. “Covid-19 became part of everyone’s job,” said Bill Garrett, senior vice president and head of the U.S. Covid-19 response team at McDonald’s. “We pushed ourselves to think differently about many things including menu, operating procedures, and how to serve our customers and employees (in both restaurants and corporate offices) in new and different ways that prioritized their safety [6].

2.2 The Pandemic Impact to McDonald

The ongoing pandemic has a major impact on fast-food outlets around the world, but many restaurateurs are doing their best to keep things running as usual.

Social distancing rules have changed the fast-food restaurant layout. Using easily removable temporary plastic protection shields on counters. Visual cues, such

as warning tapes on the floor, can also be used to establish the proper space between clients. Utilizing tape rather than paint is that it can be readily removed if and when the requirements change in the future. Restaurants have had to adjust their cleaning schedules to include daily deep cleanings as well as frequent spot cleanings of high-touch surfaces and high-traffic areas. Fast-food restaurants started installing hand sanitizer stations and stocking up on sanitizer solutions throughout their kitchen, dining area, and restrooms [4]. According to Crunchtime, by April 2020, US fast-casual same-store sales had fallen to 56% of pre-pandemic levels, with social distancing and indoor capacity restrictions particularly hurting fast-casual restaurants, whose business models rely more heavily on larger dine-in crowds than their quick service restaurant (QSR) counterparts[5].

COVID-19 has had a wide-ranging influence on the business world, but the fast-food restaurant industry has been hit particularly hard by the pandemic's rapid shift in customer behavior. Though many fast-food businesses immediately evolved to stay afloat during their industry's most challenging moment, one in particular, McDonald's, not only reacted to the pandemic's short-term obstacles, but also positioned itself to emerge as the true winner in the post-pandemic future [5]. Kempczinski, president and chief executive officer of McDonald’s Corp. described the past year as one of the most difficult in McDonald's history, citing the pandemic, economic slowdown, and societal difficulties.

The pandemic hit McDonald's hard, preventing customers from dining in most of their restaurants for the majority of the year[5], McDonald's Corp. reported a larger-than-expected loss in worldwide same-store sales, as the burger chain's locations throughout the world were closed due to the COVID-19 outbreak, leaving just drive-thru and delivery operations open. For the second quarter ended June 30, global same-store sales dropped 23.9 percent, dragged down by major international markets such as the United Kingdom, France, and Latin America. Same-restaurant sales declined 8.7% in the United States, but were better than the expected 9.97% drop, as most locations were able to stay open with drive-thru and delivery alternatives [9].

Many fast-food restaurants are engaging in online delivery, and online payment to reduce person-to-person contact and once again, one of them is McDonald’s. Despite the pandemic's many challenges, McDonald's was able to leverage its business fundamentals of a safe operating culture, strong brand, and community involvement, reinforcing its support for its people (employees and customers), and fortifying strategic investments prior to 2020.

McDonald's continued to focus on relevant technologies and product offers that would help customers to have a safer and more convenient

experience [7]. 65 percent of McDonald's restaurants around the world have a drive-thru, while nearly 95 percent of the approximately 14,000 outlets in the United States have one [6]. McDonald's strengthened its Drive Thru section and championed consumer inclusivity with initiatives like Ride-Thru and Park-Order-Pay, which allow customers in all types of cars to enjoy McDonald's on-the-go. McDonald's Delivery and Drive-Thru services grew dramatically, accounting for 60% of total sales, thanks to these innovations and increased cashless payment alternatives in these categories. Cashless transactions are set to climb by 28.6% in 2020, according to the business [7].

How did McDonald's manage to bounce back so quickly? McDonald's success, according to CEO Chris Kempczinski, may be credited to the company's new growth plan, "Accelerating the Arches," which encompasses all elements of the company. The "Accelerating the Arches" plan is about "leveraging our competitive advantages," offering additional value to present customers, and ensuring their loyalty. Strategically, this meant putting a lot of money and effort into what McDonald's saw as their major competitive advantages with its core customers, or the "three D's: digital, drive-thru, and delivery. McDonald's found itself in a good position to draw on its previous digital innovations to produce a user experience that was well-suited to the pandemic's limits. The creation of the McDonald's mobile app, the acquisition of customization technology vendor Dynamic Yield, Mobile Order and Pay, and self-order kiosks have all transformed customer experiences in and around McDonald's restaurants, giving customers more ways to securely pay and personalize their orders to meet their needs [5].

McDonald's is experimenting with new tactics to capitalize on this edge. It is testing a mobile ordering and pickup rapid lane. A conveyor belt could be installed in this lane, transporting food to the third lane. McDonald's is also experimenting with an "on-the-go restaurant concept," which would feature a drive-thru, takeaway, and delivery with few or no indoor seats. McDonald's is working on a new digital growth engine called My McDonald's that would combine digital and customer-facing technology such as in-store kiosks, outdoor digital menu boards, and flexible payment methods that the business has built in recent years. McDonald's is also experimenting with mobile order pick-up at the front of the restaurant. ID at COD, or identification at customer order display, is a mechanism for allowing customers to identify themselves when ordering, whether at a kiosk, through a mobile app, or at a drive-thru.

3. CONCLUSION

3.1 Possible Solution

Nowadays, technology is all around us. Technology can help us do anything, and with technology, work can

be easier than without technology. In this pandemic era, technology affects our lives and gives a significant aspect in our daily life. Especially in the fast-food industry, technology has an impact on the process of the fast-food industry.

During the pandemic COVID-19 era, people have to reduce physical contact in carrying out their lives. So with the development of technology in the food industry, it will help the business to keep running during the pandemic.

In this paper, we suggest the fast-food industry utilizes technology in the process by changing the ordering of food and how to pay at dine-in. The fast-food organization can start implementing orders and payments at the table using technology, so the customer can order and pay the bills without the need to interact with workers. That process can be done by using a tablet at the table or application. We can also give a QR-code to the customer by using that the customer doesn't need too much interaction with employees.

Another benefit the organization gets is the customer doesn't feel afraid to leave the table if they want to order or make payments. The customer can feel more assured in the fast-food place because they don't need to leave their table.

3.2 Conclusion

In general, this paper discussed organizational behavior and how the pandemic affects the business process and behavior at McDonald's. Based on the above analysis, the conclusions are:

1. There is some McDonald's organizational behavior that changes after the breakout of pandemic COVID-19.
2. The pandemic COVID-19 gives some disadvantages to the fast-food industry.
3. The fast significant alteration that McDonald's does makes McDonald's can adapt and survive in the pandemic COVID-19 era.

Based on the points we can conclude that if the organizational behavior can change all the time and if the organization can adapt and take the best action in the short time, the organization can survive in different situations. The organization also should make the disadvantage into an opportunity the organization can stand for a long time.

REFERENCES

- [1] L. Sauer What Is Coronavirus? [Internet]. Johns Hopkins Medicine. (2021). [:https://www.hopkinsmedicine.org/health/conditions-and-diseases/coronavirus](https://www.hopkinsmedicine.org/health/conditions-and-diseases/coronavirus)

- [2] World Health Organization. Coronavirus [Internet]. World Health Organization. WHO; (2021). https://www.who.int/health-topics/coronavirus#tab=tab_1
- [3] Dong E, Du H, Gardner L. An interactive web-based dashboard to track COVID-19 in real time. *Lancet Inf Dis.* 20(5):533-534. doi: 10.1016/S1473-3099(20)30120-1
- [4] A. Jones Restaurant Safety: How to Respond to the Impacts of COVID-19 [Internet]. QSR magazine.(2020).<https://www.qsrmagazine.com/outside-insights/restaurant-safety-how-respond-impacts-covid-19>
- [5] D. Campos Committing to the Core: How McDonald's Innovated to Survive (and Thrive) During the COVID-19 Pandemic [Internet]. Digital Innovation and Transformation. (2021). <https://digital.hbs.edu/platform-digit/submission/committing-to-the-core-how-mcdonalds-innovated-to-survive-and-thrive-during-the-covid-19-pandemic/>
- [6] 6. Unknown. Case study: McDonalds responds to the COVID-19 crisis [Internet]. The One Brief. (2021). <https://theonebrief.com/case-study-mcdonalds-responds-to-the-covid-19-crisis-nb/>.
- [7] 7. Manila Standard Business. McDonald's PH resilient amid pandemic. Manila Standard [Internet]. (2021 May 8). <https://manilastandard.net/mobile/article/353908>
- [8] J. Maze Inside McDonald's digitally-focused future [Internet]. Restaurant Business.(2020).<https://www.restaurantbusinessonline.com/financing/inside-mcdonalds-digitally-focused-future>
- [9] 9. Reuters. McDonald's global sales suffer as COVID-19 lockdowns limit operations. The Economic Times [Internet]. (2020) Jul 28;<https://economictimes.indiatimes.com/news/international/business/mcdonalds-global-sales-suffer-as-covid-19-lockdowns-limit-operations/articleshow/77220068.cm>