

This report will be analysing how an organisational structure, culture, and cooperation with stakeholders can enhance organisational performance. Understanding these key elements can bring a smooth and efficient operation of a business. Firstly, what is organisational culture. Organisational culture is understood as all of a company's beliefs, values and attitudes, and how these influence the behavior of its employees. The organisational culture affects how employees and customers experience the business. 'Culture shapes what behavior is acceptable or unacceptable. Culture may help define values and core principles that guide organisational behavior' (BDC, 2023).

An important asset to any business would be their stakeholders. It is important that organisation's look after their stakeholders. A stakeholder is a party that has an interest in a business and can either affect or be affected by the business. The primary stakeholders in a typical corporation are its investors, employees, customers, and suppliers (Chen, 2021). Examples of stakeholders include Customers, vendor, government, creditors, and investors.

Moving on, what is organisational structure. An organisational structure is 'how a business organises its staff to represent the different layers of management' (BBC Bitesize, 2023). This structure is often shown as a chain of command and how information moves within the company. Within an organisation employees need to understand their job responsibilities. Employees have to understand what decisions they can and should make as well as how they interact with other employees and teams in the company. 'This structure creates a framework and can be centralised, decentralised, hierarchical, circular, vertical or flat (Forbes, 2023).

Centralised leadership shows a transparent chain of command, and each role would have well defined responsibilities, the centralised structure involves a hierarchical decision-making structure where employees are restricted from making decisions. A decentralised organisational structure is where teams have more freedom to make decisions when business owners or top managers are away from work. Decentralised structure can help businesses remain agile and adapt to changing needs. Moving on to a hierarchical organisational structure, this is often referred to as a 'Tall' organisational structure. This structure uses a 'top-down approach' with a long chain of command. 'In a hierarchical structure, managers will have a narrow span of control and a relatively small number of staff. With a circular model of structure, the organisation flows with company leadership in the center of the circle. The circular structure is a form of hierarchical structure where 'senior-level employees occupy the inner rings of a circle and lower-level employees the outer rings' (Cuofano, 2023). Looking at a vertical structure, this provides employees with a path to grow within the organisation. This approach has a clear chain of command with a small group of leaders at the top, each subsequent tier has less authority and leadership. In a vertical organization, your business has a 'pyramidal top-down structure, with a CEO, president or owner at the top, a middle section of managers and supervisors, and a bottom section of regular

employees' (Chron, 2022). With a flat organisational structure, 'a person may report to more than one person and there may be cross-department responsibilities and decision-making authority' (Forbes, 2023). Overall, the benefits of creating an organisational structure would include efficiency, designating a decision-making authority, providing accountability, as well as documents criteria for promotion. Along with the following factors, the clear components that any organisational structure that is chosen would be:

- Decision-making authority
- Roles and responsibilities
- Chain of command
- Departments or teams within the organisation
- Scope of control

An example of a successful business that is continually growing would be Mcdonalds. Mcdonalds is the largest fast-food chain in the world. This organisation uses a hierarchical structure, this is to ensure that everyone within this organisation understands their role and who they report to. The benefits of using this organisational structure would be that employees have a clearer understanding of roles and responsibilities, clear lines of authority within the business and clear career paths and development prospects which can motivate employees. This structure is divided into different levels, each with its specific functions and responsibilities. At the top of the pyramid is the Board of Directors, which oversees the entire company's operations. 'Beneath the board, there are levels of management, including the CEO, Division leaders, and Regional Vice Managers, who oversee operations in different regions of the world' (Insider, 2023).



(Edrawsoft, 2023)

In McDonalds organisational structure, communication is key, and each level has clear lines of communication with levels above. This structure helps to ensure that all employees are working towards the same goals and objectives. 'As the fast-food chain has a total of 40,031 restaurants across 119 countries' (Globaldata, 2022) this structure allows the company to quickly respond to changes in the market. One of the key benefits of this hierarchical organisational structure used by McDonalds is a clear chain of command. By having these roles and responsibilities defined at each level, makes it easier for their employees to understand their expectations and position within the company. With this clear chain of command, it is much more efficient to monitor performance, find areas of improvement as well as ensuring that things are being completed to the highest quality. The structure also promotes consistency and standardisation across the board, because of the clearly defined roles and responsibilities, all employees would be following the same procedures and processes in every chain. This would help maintain customer satisfaction and maintain quality throughout the organisation, therefore enhancing performance. McDonalds also has a decentralised structure. As there are many franchises with independent businesses owners, this decentralised structure allows more flexibility as well as decision-making. This is important for a business that operates in lots of countries/ cultures.

Every organisation has a personality called culture. The culture of a company influences the way employees are. McDonalds are very committed to their culture. The fast food chain believes that 'happy employees help to make happy customers' also stating on their website that 'In our workplace, we promote flexibility, opportunity, equality and development (McDonald, 2018). As the biggest fast food chain restaurant in the world, McDonalds uses their culture to attract both employees and customers. This organisational culture emphasises human resource development as well as efficiency. Looking into this McDonalds human resource management policy, they state that diversity and inclusion are key factors in their culture. By promoting diversity creates a safe and comfortable environment for gaining more attraction from employees and customers. The organisation states that as the world's leading fast-food retailer, they believe that it is their responsibility to make the company's impact on this world a positive one. The business states 'We believe in using our influence, size and reach, and engaging with McDonald's customers, Company staff, Franchisees, suppliers and partners, as a responsible business with a positive impact on communities globally' (corporate, 2021). The positivity that they are doing for their culture includes, making it their purpose to feed and foster communities, working to take climate change action and 'accelerating solutions that reduce waste while also transitioning to more sustainable materials in their packaging and toys.' This organisational structure is not only increasing the number of employees and customers attracted to them but also enhancing their reputation along the way.

Cooperation from stakeholders within the business is also important for organisational performance. Customers, suppliers, and employees are McDonalds' main stakeholders. These main stakeholders have day-to-day impacts on their operations and are also affected by it as well. Internal stakeholders within the business include, employees, shareholders, and leadership teams. McDonalds is one of the biggest employers in the world which means they employ a huge number of people worldwide. Last year 2022, McDonalds employed over 150000 people worldwide (Statista, 2022). Employees are very crucial to the organisation, these employees are the front page of McDonalds and are expected to deliver exceptional customer service and satisfaction to increase organisational performance. The services the employees provide include cooking, serving, cleaning and many more. McDonalds shareholders are also very important to the business. The shareholders are a group of people who invest in the organisation in return for some ownership rights. There are about '92% of McDonalds restaurants worldwide' (Corporate, 2021) that are operated as franchises and owned by local business owners. These Franchises have invested a lot of money to help grow and gain a good return on their investments.

External shareholders of the organisation include local communities, suppliers, and customers. Customers are very important for increasing the organisational performance of any business. McDonalds serves around 3.8 million customers in the UK and over 69 million worldwide every day (McDonald, 2018). Suppliers, also being an important asset to McDonalds, they work with a lot of suppliers to guarantee both food and non-food items to run its operations. Suppliers are very important as they help the business thrive by providing it with their business essentials. The restaurant has to keep a positive and trustworthy relationship with their supplier. Any delays or wrong supplies can significantly damage the business's reputation and send customers satisfaction down, which is why working well with stakeholders is essential.

Overall, McDonalds has proven that success comes from maintaining a well-structured organisation. Creating a workplace that is consistent with keeping customers and employees happy enhances an organisations performance. The combination of structure, culture and stakeholders used within this organisation shows that there is a reason why McDonalds is one of the most successful business in the world. By having a long line of stakeholders supporting and promoting the brand ensures that the organisation can continue to keep going and get better as time goes on. McDonald's upholds a global hierarchy to carry out global operations. 'This hierarchical aspect of the organisational structure, which is typical in various international commercial organisations, has helped McDonald in proficiently managing its global business' (Edrawsoft, 2023). The positive culture within the business makes the reputation and environment seem attractive to potential customers, employees, and investors, boosting the overall performance of the organisation. To conclude, organisational structure, culture, and cooperations from stakeholders maximise success, efficiency, reputation, and growth of an organisation.

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