McDonald's Uses an AI Solution to Make Recruiting Quicker Than Quick Service

The World's Largest Restaurant Chain: Over 2.1 Million People Hired Per Year

McDonald's, the American quick-service restaurant company, is the world's largest restaurant chain by revenue and undisputedly one of the most well-known brands worldwide. Headquartered in Chicago, Illinois, McDonald's serves nearly 70 million customers daily in 100 countries across 39,000 outlets, including both corporate-owned and franchise-owned locations. The restaurants lean heavily on hourly workers for operations, with hiring volumes to the tune of over 1 million hourly employees per year in the U.S. alone, and over 2.1 million globally between McDonald's corporate and franchise-owned restaurants.

High-Volume Hiring in a Recruiterless World

Most restaurant, retail, and franchise-operated businesses typically do not have a designated recruiter or a recruiting function. This is true for McDonald's-owned restaurants where the restaurant managers don the hats of recruiters as well as hiring managers to support high-volume hiring requirements. It is believed that many franchisees choose to operate similarly. Any time spent by restaurant managers on recruiting likely impacts time with customers and supporting crew.

The hiring tools used by McDonald's corporate-owned restaurants relied on multiple platforms, which added complexity for managers. Employment tools are also completely optional for franchisees. Given the independent nature of franchised operations (and that 5% of restaurants in the United States are corporate-owned while 95% are franchise-owned), it is critical for the corporate office to identify strong solutions that offer maximum value to franchisees.

Summary

Challenge

- Hiring over 1 million hourly employees per year in the U.S. alone.
- Supporting high-volume hiring requirements by restaurant managers donning the hats of both recruiters and hiring managers (likely impacting their time with customers and supporting crew).
- Relying on multiple platforms for hiring tools, which adds complexity.

Solution

- McDonald's sought to identify a recruiting solution that provides a hiring experience like its customer experience of consistency and speed.
- Launched McHire, powered by Paradox's Olivia, an AI-enabled recruiting assistant.
- Olivia delivered a personalized candidate experience by radically simplifying the application process through a "text to apply" functionality.

Results

- McHire has completely replaced the ATS and serves as a unified channel supporting all of McDonald's Corporate recruiting and hiring needs.
- McDonald's corporate U.S. restaurants have delivered a 95% positive candidate experience through McHire and a 60%+ reduction in time to hire.
- McHire has been adopted by 90% franchises globally, despite being optional for franchises to deploy.

This presented a challenge as well as an opportunity for the company, making it extremely important to find efficient tools the corporate office could present for both mandated use in corporate-owned restaurants and elective use in franchise-owned restaurants. These tools were meant to not only assist in hiring processes but also provide the technology to enable better and faster hiring experiences for candidates and hiring managers. Ultimately, identifying an optional, high-volume hiring solution that is simple and fast while also offering a highly differentiated end-user experience was key to optimizing hiring in McDonald's restaurants.

McHire: An AI-Enabled, Human-centric Approach to Recruiting

McDonald's has strong brand values that resonate both for customers and for restaurant crew and managers who are critical to running great restaurants. Considering these values, the company sought to identify a solution that could provide an elevated and more efficient hiring experience, akin to its customer experience of consistency and speed.

The solution needed to be simple and scalable for the various sizes of the organizations that might elect to implement it, while also creating personalized "human-centric" experiences for candidates—enabling them to experience fast, consistent engagement and have their hiring questions answered at any time. The solution also needed to be digital to mirror the broader digital transformation happening across McDonald's U.S. restaurants.

To implement such a solution, McDonald's Corporate partnered with Paradox to develop McHire—a fully customized candidate management system built specifically for use in restaurants, both corporate-owned and franchise locations (where owner/operator(s) elected to use McHire). McHire is powered by Paradox's Olivia, an AI-enabled recruiting assistant who helps answer questions, screen candidates for basic requirements, coordinate interviews, and share information during recruitment and onboarding—all without the risk of inadvertent bias toward candidates. See Figure 1.

Meet Your New Assistant

Through McHire, Olivia delivers a personalized candidate experience by simplifying the application process through a "text to apply" functionality. Candidates can scan a QR code at a participating restaurant location, which starts a direct text message with Olivia for that location.

Olivia engages with candidates by providing real-time responses to applicants' text messages. Olivia also validates

Figure 1: McHire—McDonald's Candidate Management System
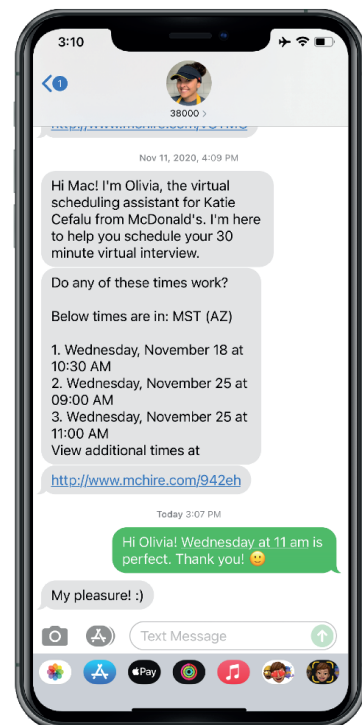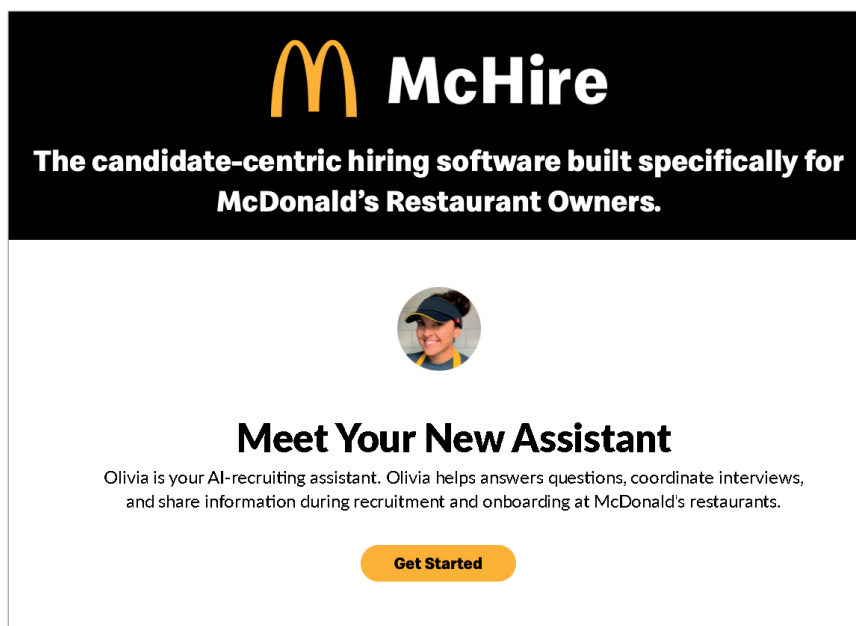
Source: McHire by Paradox

basic information such as location and role of interest, does the initial screening on prerequisites such as work authorization and minimum age requirements, and schedules interviews based on the mutual availability of hiring managers as well as candidates. Olivia auto-schedules these interviews, as well as provides the option for candidates to answer prerecorded interview questions. Olivia also helps to mitigate human bias in the hiring process.

The AI assistant can expedite the application process and may also alleviate the time and administrative effort previously spent by hiring managers on screening candidates and scheduling interviews in corporate stores, and in franchise stores where the owner/operator chooses not to have an HR function.

After interviews, Olivia assists with follow-ups, paperwork, and onboarding, which can be customized for each McDonald's owner/operator that chooses to have its franchise locations use the tool.

Integrating Recruiting and Customer Experience

Olivia integrates across multiple channels, including McDonald's career website, and provides the "text to apply" experience on outdoor digital menu boards, synchronizing the customer and candidate experience. This encourages potential candidates to apply instantly in a fast, seamless fashion— offering the opportunity to start an application in the drive-through with a simple text conversation and potentially be scheduled for an interview before leaving the parking lot.

The average time a candidate spends completing an initial application through McHire is close to the average time a customer spends going through the drive-through to order a meal. The ability to hire faster can be a huge competitive advantage for any business sector that relies heavily on hourly workers, and the ROI of a scalable and personalized approach like McHire and Olivia is clear.

> " *Olivia answers candidates' questions throughout the hiring process, ensuring that candidates are constantly engaged rather than having to wait for a hiring manager to respond, or wait for an interview to get scheduled. For hiring managers, it gives them hours back in the week to be able to focus on restaurant operations, employees, and customers.* "
>
> *Alexa Morse*
> *Director, Workforce Planning & Talent Acquisition*
> *McDonald's*

Implementation and Rollout: A Cocreative and Collaborative Approach

The adoption rate of McHire is unprecedented, with nearly all franchisees electing to use the tool, which is quite significant, in less than two years. This is especially noteworthy considering McDonald's does not mandate adoption of technology or any other procedures or policies related to employment practices for franchises. McDonald's Corporate attributes the successful adoption of McHire to the unique capabilities of Olivia, as well as to the strategic implementation and rollout. The launch of McHire was guided by four key tenets:

1 Collaboration and Cocreation

McDonald's partnered with a nominated group of leaders representing the franchisee community from the inception of the new approach to hiring. Early buy-in was likely achieved by calibrating input from the owner/operator network at each stage, including vendor selection, considering owner/operator needs, and receiving feedback throughout the process of customizing and designing the platform. The partnership exemplified the power of the three-legged stool: the framework of McDonald's Corporate, owner/operators, and suppliers working collaboratively to achieve success.

2 Messaging and Marketing

McDonald's Corporate was intentional in drafting and communicating the messaging around the business case and value proposition of McHire, while simultaneously designing the solution. An essential element of the messaging was to create transparency around the iterative nature of the rollout and reinforcing that, like any other technology rollout, there may be challenges and learnings along the way. This transparent messaging was instrumental in driving interest and openness to the product, even across broader groups that weren't involved in the initial design or pilot.

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3 Real-Time Change Management

McDonald's Corporate started the process of managing change from the very beginning, rather than waiting to go through the stages of designing, piloting, deployment, and then managing change at the end. This required communicating regularly and ensuring alignment on the new approach at every stage of designing the solution, not just at the time of rollout.

4 Education and Training

McDonald's field HR teams—teams that provide consulting to restaurants on HR tools and solutions—trained on the tool seven to eight months ahead of the launch. Closer to the launch, Paradox partnered with McDonald's Corporate to provide extensive education on the product across multiple sessions, which were optional for owner/operators. McDonald's Corporate continues to expand on the education and training with guides, webcasts, and videos, which have been very well received by corporate stores and the franchisees who have opted into McHire.

McDonald's Corporate launched McHire in Fall 2019. Shortly after deployment, McDonald's People Team and Paradox held postdeployment calls with the regional corporate field HR teams in the United States to gather information ahead of time on what was working well, and what wasn't.

McDonald's continues to gather feedback from across the regions and uses this input to inform the prioritization of ongoing product enhancements. Working collaboratively throughout the build of the platform through the design and launch, and designing with the end user in mind, were driving forces in amplifying the success of the new approach. By March 2020, the tool had been adopted by 64% of restaurants, including both corporate and franchise locations.

Replacing the ATS: Business Impact and Next Steps

McHire serves as a unified channel supporting all of McDonald's Corporate recruiting and hiring needs and has fully replaced their ATS. It has done the same for the franchisees who have chosen to opt in to McHire. The new platform is an intuitive and lightweight solution, compared to the complex and hard-to-integrate ATS.

McHire provides a cohesive and integrated candidate and hiring experience across locations and meets employees where they are via mobile. It captures qualified candidates quickly, alleviates administrative efforts, and provides the company and independent franchisees access to their respective consolidated data and analytics, all in one place. The intuitive and lightweight nature of the solution has been a key factor in the success of the new platform.

With McHire and Paradox's Olivia, McDonald's Corporate has established a hiring process that aligns with the holistic employee experience it strives to create—personalized, elevated, and infused with digital capabilities.

> " We're down to a time to hire of about seven and a half days, which is 60 percent of what it took a year ago, and well under the industry average of 21 days. "
>
> *Alexa Morse*

McDonald's Corporate continues to evolve and optimize McHire by adding new features and functionalities. Currently in its pilot phase, McDonald's corporate-owned restaurants are using an integration with Traitify as a screening tool within McHire. Traitify is a picture-based personality assessment, in which candidates click through pictures to indicate whether they can relate to them. The assessment is another way that McDonald's Corporate is removing bias in the hiring process and can be completed via mobile in 90 seconds. McDonald's uses the decision-support tool to help analyze candidates' personality traits, gauge potential and fit for the job, and measure impact on retention.

With numerous industries facing uncertainty with staffing—which has been exacerbated in 2021 with rapid changes in the labor market—McHire's ability to capture candidates with speed and simplicity helped stabilize the restaurants despite very volatile conditions in the broader industry. In fact, the company achieved its highest hiring volumes ever compared to previous years, and it attributes much of this to McHire's ability to facilitate a seamless process. The launch of McHire has been an inventive experience for restaurant hiring managers and candidates, providing an elevated employee experience across corporate-owned and franchise restaurants.

Since rollout in 2019, McDonald's corporate U.S. restaurants have experienced:

- **89%** of candidates captured
- **83%** of interviews completed
- **95%** positive candidate experience
- **60%+** reduction in time to hire
- **90%** adoption across franchises globally

Source: The Josh Bersin Company, 2021

About Josh Bersin

Josh founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. He expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership and became a recognized expert in the talent market. Josh sold the company to Deloitte in 2012 and was a partner in Bersin by Deloitte up until 2018.

In 2019, Josh founded the Josh Bersin Academy, a professional development academy that has become the "home for HR." In 2020, he put together a team of analysts and advisors who are now working with him to support and guide HR organizations from around the world under the umbrella of The Josh Bersin Company. Recently published research covers topics such as hybrid work; HR technology market trends; employee experience; and diversity, equity, and inclusion. He is frequently featured in publications such as Forbes, Harvard Business Review, HR Executive, The Wall Street Journal, *and* CLO Magazine. *He is a popular blogger and has more than 800,000 followers on LinkedIn.*

About Nehal Nangia

Nehal is the senior manager for research at The Josh Bersin Company. In this role, Nehal drives empirical research on key workforce-related topics and the development of actionable insights and powerful stories for today's talent executives. Nehal has almost 15 years of professional experience in human capital, with a focus on performance management; employment value proposition; workforce transformation; and diversity, equity, and inclusion (DEI). Prior to joining The Josh Bersin Company, Nehal was a global advisor for clients at Deloitte and published several studies on pertinent topics such as DEI, performance management, and bias. Nehal lives and works in India and has a master's degree in psychology.