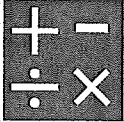


## Apply Your Learning



### Payroll Taxes

Taxes—they're inevitable. If you are an employee, you pay payroll taxes. And if you're an employer, you pay payroll taxes, too. Employees pay federal and state income taxes, which are based on how much they earn and how many exemptions they take. An exemption, in this case, refers to the amount that an employee can deduct from his or her tax liability for the employee, the employee's spouse and children, and the employee's other relatives under certain circumstances. This has the practical effect of increasing an employee's take-home pay. Employees also pay Social Security tax (6.2 percent of employee pay, up to an established earnings amount, which changes annually), Medicare tax (1.45 percent of employee pay), and any other state and local taxes. Employees may also pay voluntary deductions, such as health insurance premiums, through their payroll.

Employers are responsible for withholding all this money from employee paychecks and submitting it to the proper authorities. They must also pay Social Security and Medicare taxes—they pay the same amount as each employee, so if buser Karen pays \$18.60 each week in Social Security tax and \$4.35 in Medicare tax, then her employer must also pay \$18.60 and \$4.35 each week—plus federal and state unemployment taxes. They also pay salary or wages, overtime, bonuses, and any other contracted amounts.

Assume you work as a sous chef and earn \$43,000 per year. You are not eligible for overtime, and you have no voluntary deductions. You are not married and have no children, so you take no exemptions except one for yourself. What taxes must you pay in your current city and state? Current federal and state tax tables are available in your school library and online. What is your take-home pay?



### Hamburger University

Ever heard of Hamburger University? It's not a joke, and it's not in Germany. Instead, it's McDonald's training center in Illinois. Each year, over 5,000 students from around the world attend training programs for managers and franchise-holders. Hamburger University helps develop leadership by encouraging innovative and original thinking while simultaneously immersing students in the McDonald's corporate culture. The success of the program, which has operated continuously since 1961, has brought it global recognition and prestige.

Research Hamburger University and the role it plays in maintaining the company's success. Then think about a business you would like to own someday. First, identify the type of business you'll have, the number of employees you'll hire, and the services or products you will provide. Then develop a vision statement for your company. Now that you know what your company will do and why it will do it, plan a training program for your future employees. Will it be similar to the program at Hamburger University? Why or why not?



## What is Management Science?

Management science, also known as operations research, is the field of using scientific techniques to reach management goals. Management science isn't simply "how to manage;" instead, it turns management problems into mathematical equations or abstract models so that the most efficient, rational decisions can be made.

Research management science, then pick out a situation that you could imagine arising in a restaurant or foodservice establishment, such as managing the flow of perishable supplies or scheduling staff for a catering event. How can management science help you resolve this problem? Can you write an equation to fit the situation?

### Critical Thinking

#### Ethics

It has been said that when an ethical dilemma arises in the workplace and an individual must determine what to do, his or her own ethics usually come in third: the employee will first look to the example set by a direct supervisor, and then to the company's own ethics, before examining his or her own principles. Why might this be true or false? What are your personal ethics? What happens if they come into conflict with an employer's ethics?

## Exam Prep Questions

- ① Generalizations that individuals make about particular groups that assume all members of that group are the same are called
  - A. diversity.
  - B. principles.
  - C. prejudices.
  - D. stereotypes.
- ② The variety of people and their backgrounds, experiences, opinions, and abilities is known as
  - A. diversity.
  - B. principles.
  - C. prejudices.
  - D. modeling.
- ③ An operation's vision statement serves to communicate
  - A. why the organization exists.
  - B. who the organization is serving.
  - C. when the organization was created.
  - D. what key elements the organization has.
- ④ A set of moral values that a society holds is called
  - A. ethics.
  - B. values.
  - C. objectives.
  - D. motivation.
- ⑤ The ability to inspire and encourage employees to behave in agreement with the vision of an organization and to accomplish the organization's goals is
  - A. diversity.
  - B. teamwork.
  - C. leadership.
  - D. motivation.
- ⑥ What type of statement describes what an operation wants to become and why it exists?
  - A. Goal statement
  - B. Vision statement
  - C. Mission statement
  - D. Objective statement
- ⑦ The process that an operation uses to integrate new employees into an organization is called
  - A. training.
  - B. diversity.
  - C. orientation.
  - D. onboarding.
- ⑧ What type of training would you use if you needed to teach a new employee how to prepare menu items?
  - A. Role-playing
  - B. Cross-training
  - C. Group-training
  - D. On-the-job training

- 9 When an employee learns the functions of another job within the operation is it known as
- A. cross-training.
  - B. group-training.
  - C. on-the-job training.
  - D. onboarding-training.
- 10 What is the most effective way to rate employee performance?
- A. Employer feedback
  - B. Question and answer
  - C. Group evaluation meetings
  - D. Performance appraisal forms