

# [Kfc, led by brown and massey. kfc was](https://assignbuster.com/kfc-led-by-brown-and-massey-kfc-was/)

KFC, which until 1991   
was known as Kentucky Fried Chicken, is an American fast food restaurant chain that   
specializes in fried chicken products. KFC's headquarters is located   
at Louisville, Kentucky. It is the world's 2nd   
largest fast-food chain after McDonald's,   
with about 20, 000 locations globally in 123 countries as of end-2015, and about 60% of them are operated as franchises. KFC is a subsidiary of Yum Brands,   
a restaurant company that also owns the world famous Taco Bell and Pizza Hut chains.   
In addition to its direct franchising model and wholly owned operations, KFC also enters into joint venture arrangements   
in various countries. KFC continues to explore various options to gain market   
share in a competitive fast-food market.

KFC was founded by Colonel   
Harland Sanders during the great depression period. He was a businessman who   
initially began selling fried chicken from a street outlet in Kentucky.   
Sanders was quick to spot business potential in the restaurant franchising model,   
and in 1952, the 1st KFC franchise outlet was opened in Utah. KFC challenged   
the prevalent dominance of the hamburger by   
popularizing fried chicken as an alternate product in the fast food industry. Harland   
branded himself as " Colonel Sanders" and became an icon of American   
cultural history, and his image continues to be widely used in all of KFC's   
advertising. However, the aged Sanders could not manage KFC's rapid expansion and   
was compelled to sell KFC in 1964 to a group of investors led by Brown and Massey.

KFC was amongst the first American fast food chains   
to expand internationally. In the 1960's, it opened outlets in Canada, UK, Jamaica,   
and Mexico. All through the 1970's and 1980's, KFC underwent ups and downs   
in its business fortunes, as it changed hands with new owners who had little or   
no experience in the fast-food business. In the 1970's, KFC was bought over by Heublein Inc.,   
who later sold it off to R. J. Reynolds, tobacco and food company. Eventually,   
PepsiCo bought over KFC. All through this journey, KFC did not stop expanding   
overseas, and in 1987, it became the 1st western fast-food chain to   
open in China. China now remains KFC's single largest market with 4, 563 outlets in China alone. KFC   
was later spun off by PepsiCo to its restaurant division, known as Tricon   
Global Restaurants, which later was renamed as Yum! Brands.

KFC's   
MISSION statement is " To sell   
food in a fast, friendly environment that appeal to pride conscious, health   
minded consumers".

2. 0      ORGANIZATIONAL   
STRUCTURE

" Organizational   
structure" refers to the levels of management and division of responsibilities   
within an organisation.

Since incorporation, KFC has undergone several changes   
in its organization structure. This was primarily due to numerous change-in-ownership   
ever since Colonel Sanders first sold KFC in 1964. KFC was first sold in 1964 to   
a small group of investors that eventually got KFC listed publicly in the   
stock-exchange. KFC was sold to Heublein Inc. in 1971. Heublein preferred to   
have a hands-on approach with day-to-day involvement in KFC's management. KFC   
later changed hands to R. J. Reynolds in 1982, which had a laid back approach   
and allowed KFC to operate the way it was. Eventually in 1986, PepsiCo acquired   
KFC in its pursuit to grow its quick serve restaurant segment. Besides KFC, PepsiCo   
also owns and operates Taco Bell and Pizza Hut. PepsiCo typically is oriented   
towards consumer products, and their style of management and culture was quite   
different from KFC. In the 1990's, PepsiCo divested some of their non-core business   
and organized their remaining business along 3 lines - soft drinks, restaurants   
and snacks.

KFC   
has split its operations into 2 divisions, viz. a) Support Centre and b) Business   
Units. KFC's head-office is designated as the " Support Centre" where both management and non-management personnel   
are located. All of KFC's outlets are known as " Business Units" and the recruitment over here is conducted at the   
Support Centre. The Business Units personnel are categorised as front-end and   
back-end personnel.

Like many typical franchise operations   
world-wide, KFC operates as a decentralised business. While strategic business   
decisions are taken by senior managers, the day-to-day decisions on the   
operations of the KFC outlets are delegated to the outlet managers. KFC's top management lay down the company policies and   
procedures, whereas the middle / first-line managers and the franchises perform   
their own functions on the basis of these policies and procedures. The   
distribution of authority is appropriate given the size of KFC and its scope of   
activities.

A typical KFC restaurant adopts the below   
organizational structure (Charan, 2012).

The team at   
KFC outlets are led by a General Manager and followed by Restaurant Manager, Assistant   
Restaurant Manager and Shift Supervisor. There are other team members who are   
recruited at these outlets as counter workers and kitchen workers. The communication   
flows top-down in order of hierarchy from the general manager down to junior   
employees. In this structure, decision making is kept as high as possible and   
the top management have the authority to make key strategic and operational   
decisions. Therefore, this vertical form of communication between personnel at   
various levels helps improve the working relationship between senior management   
with the junior personnel at KFC. All KFC outlets around the world, including   
the franchisees follow the guidelines and policies laid down by the parent   
company.

KFC is known to   
adopt more of an autocratic style of   
leadership with a decent flavour of democratic   
leadership, where the manager is expected to be in charge of the business   
and to have his decisions followed by the rest of the team. Communication   
channels typically operate top-down. KFC currently   
has a wide structure and a short chain   
of command. This keeps the top management less distant from the lower hierarchy;   
communication channels are fewer, quicker and more accurate. Since the span of control at KFC is wide, each   
manger has responsibility for many more subordinates, and hence is more likely   
to delegate authority and followed a more decentralised management style.

Currently, KFC   
is structured with two divisions under PepsiCo. KFC is part of the 2 PepsiCo   
divisions - PepsiCo Worldwide Restaurants and PepsiCo Restaurants Intl. Both   
the divisions are based in Dallas, Houston.