

Managing people and organization in kfc



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KFC is popular world famous chicken chain restaurants, which serves 12 million peoples a day around the world. KFC is second in sale next to Mc Donald in foreign scale. In this paper I have done SWOT and PEST for KFC. I have also mentioned the recruitment and selection process of KFC in this paper.

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1. INTRODUCTION:

KFC Corporation has its headquarters in Louisville, Kentucky. It is the world's most popular chains of chicken restaurant. KFC specializes in several Original Recipes with home style side offerings; its competitors are not able to provide their customers.

Every day, nearly twelve million customers are served around the world. KFC functions more than 5, 200 restaurants in the US and more than 15, 000 restaurants around the world. KFC's famous for its original recipe chicken made with the same great taste Colonel Harland Sanders created with 11 herbs more than fifty years ago. Customers around the world enjoys over 300 other products from a chunky chicken pot pie in the United States to a fish fillet sandwich in Pakistan to a salmon sandwich in Japan (KFC Official Site, 2010). KFC is one the world's best known and loved brands today. KFC is ranked 239 in the fortune 500 list, with revenue excess \$11 billion, but this would not have been possible without its employees. KFC's HRM practices are the topic of discussion for this paper, and stress will be placed on the recruitment, selection and retention practices at KFC.

2. RESEARCH AND METHODOLOGY:

The secondary research is carried out by using secondary information.

Secondary information can be describes as the data's that has been already collected for various reasons and is instantly available for use (Allen Rubin and Earl Babbie, 2007). List of articles and books mentioned in the references section in this paper are my secondary resources. Primary search is a process of information collection that is inured to hold secondary research by gathering exact data. This data is straightly attained from the <https://assignbuster.com/managing-people-and-organization-in-kfc/>

resource by the investigating through surveys, interviews, questionnaire and center groups (Murray Thomas. R, 2003). I was able to understand the recruitment process in KFC from managerial view, by interviewing senior manager at KFC central Croydon store and from the non- managerial point of view, by interviewing other member of staffs in the same store. This served as a source for my primary resource.

3. MAIN FINDINGS:

3. 1 PEST ANALYSIS:

PEST stands for political, economic, social and technological. This analysis has a very important environmental impact on the business. Recognition is a very useful tool of pests, and helps us to look forward to the external environment of the commercial operation of the business. KFC's strategic use has always been demographic, the following factor are included in the demographical of the pest of KFC. The most important factor is age, as KFC focuses its business to all the age groups of the society. Its other business strategy following the age groups is to attract a whole family group other than only particular member of a family; this is also a important reason why KFC has been investing in renovation of its restaurants worldwide and the introduction of variety of family meals. Population is one other important part of KFC's strategy. [quick MBA , 2010]

3. 1. 1 POLITICAL FACTORS

Political is the first element of PEST, this influence the business in many ways. Politics can create many opportunities for the business. Certain political policies play a very important part of operating the business in the particular landscape, eg. There may be many factors such government

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subsidiaries and the tax regimes in place for profitable running of the organization. Also KFC being a Multinational company, it is very important for such a company to make sure they work as per the local authorities regulations. In particular with developing economies there are more important factors such as our location especially in labor intensive countries and capital intensive countries. A sharp look out is required in our research to the income per capita in the particular country. [Learn marketing, 2010]

3. 1. 2 ECONOMIC FACTORS

Economics is another integral part of our business. All organizations are affected by both the national and global economic factors. As described above Income is a very important factor, as it decides which class of the society to be targeted. This was also a very important factor during the period of KFC's expansion in the early days, its target was basically on the upper class of the society and thereby it paid its price by not making marginal profits where the operating cost was more than the revenue obtained.

The next economic factor is payment methods. KFC will do some research on what payment methods are more suitable for the customers, then only check whether collecting money in the form of Cash or plastic money i. e. credit and debit cards. [Learn marketing, 2010]

3. 1. 3 SOCIAL FACTORS

The other integral part of the PEST society is the social factors involved during projecting our business plans and implementing them. With the explanation provided in the above paragraph KFC has been targeting all the

classes of the society i. e. upper class, middle class and the lower class. As I said earlier which seems quite repeating, but since it is the most important decision it has undergone by making the products available and affordable for all the classes of the people.

The next two factors are the culture and the religion. Although the culture of KFC is different it always has been successful in adapting to the appropriate culture required for the specified location. For example, it has adapted the Persian and the Middle East requirements of using Halal meet.

3. 1. 4 TECHNOLOGICAL FACTORS

The last element of PEST is technological factors. This involves decisions on upgrading the technology which in recent years has changed the ways of the operating the business. This in turn has made the lives of people more comfortable. The hazards of taking decisions on upgrading technology are not long lasting since it is also fast paced with changes. So the decisions that are undergone should provide sufficient use for at least some period of time. There would be no reason if we keep changing equipments or upgrade them periodically. This would not provide sufficient returns and there wouldn't provide much time for the business to depreciate those investments in the balance sheets. The next two factors are research and development and capital formation. These two factors are the most important factors of technology. KFC support the work of research and development in order to introduce the new technology. KFC also has a stock of machinery to run their business activities.

3. 2 SWOT ANALYSIS:

SWOT analysis is a tactical planning method used to calculate the Strengths, Weakness, Opportunities, and Threats in an organization. It engages state the objective of the organization and classifying the external and internal factors that are positives and negatives to attain that objective.

3. 2. 1 STRENGTHS:

Goodwill, i. e. high reputation for its quality products and service in the market are the major strength for KFC.

KFC is the 2nd in the foreign sales next to Mc Donald's nearly about \$550M.

KFC generate revenue around \$ 1 billion each year. It has the high turnover among the other competitors to it.

KFC very strongly launched its chain of restaurants internationally in UK, Thailand, Middle East, China, Korea, Japan, and Mexico.

The franchise and License fee revenue increases the cash flows rapidly.

KFC produces its own trademark recipes which are more popular in the market.

KFC become very popular in the world's market by its interactive relationship marketing plans.

Menu variety and the convenience for the customers makes them the ranks highest among the chicken restaurant chains.

Largest multi-branded restaurant in the world.

Paying attention on restaurant opening in nontraditional places like shopping malls, universities, movie halls, airports.

Maintains a excellent database of city streets for their proficient home delivery system [Scribd, 2010]

3. 2. 2 WEAKNESSES:

Due to high level of competitiveness by small scale players in the particular market let to recent drops in sales

This led KFC to mark its position in the top 10 in growth listed companies categories for the second time in the decade. [mintel, 2010]

Lack of innovation and less investment in R&D.

The decision over incorporating many franchises is led to decline in the quality of services provided by KFC as per anonymous survey reports [Scribd, 2010]

The other major impact on its recent sales was it's under estimation on customer needs and satisfaction.

The other side of the coin was also the lack of relationship with the suppliers and employees.

3. 2. 3 OPPORTUNITIES:

Some of the most important strategies placed in order to capture the underlying opportunities in the world market was to make sure that the brand captures the growth of 18-24 age demographic.

The macro economic factors which should inflation subsidized by the high level of pay scales especially in the US market make lot of customers turn up to our restaurants.

The recent spread of disease from beef especially from mad-cow has boosted the other most consumed meat i. e. chicken to be more preferred by customers.

The recent additions and innovations in meal packages has just provided the right niche for the customers and it's expected to reach 577 billion mark in the year 2020. [Data monitor, 2010]

Culture migration and development of more western culture in the emerging markets such as Asian and Hispanic. [Scribd, 2010]

We have devoted more of our time in reaching people to accompany our survey reports and made sure we had the sufficient time to implement them in our wide scope business market. This was also a very important factor for our reach on customer focus.

With customers more in need of delivery services and with more corporate sectors in play , It is more important to develop our delivery services and make sure they reach hot enough for better satisfaction from customers.

There is also a more important need for our restaurants to be renovated to actually handle such capacity of customers, so there is never a reason for a second thought of leaving. [Slideshare, 2010]

3. 2. 4 THREATS:

Even after getting our feet tapping on the latest innovations and implementing them in the business, we are still far behind in competing with other players in the sector.

Increasing wage rates for our employers directly affects the price charged for our customers, to make sure our revenue exceeds operating cost to make some profit at the end of the day.

Since our global picture affects us to handle the macroeconomic factor i. e. International exchange rates.[Scribd, 2010]

The recent threat from the world health organization towards consuming fried foods plays a major threat to face in recent years.

Finally the most threat we have to face is to make sure our customers are made amply clear with the idea of consuming fried chicken as not a heart disease prone food. [Slideshare, 2010]

4. RECRUITMENT AND SELECTION PROCESS:

Recruitment and selecting process has four stages,

Defining Requirements – deciding terms and condition of employment, setting up person description and role profiles.

Planning recruitment operation

Attracting candidates – appraisal and evaluating choice sources of applicants, inside and outside the organization: consultants, e-recruiting, advertising, and agencies.

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Selecting candidates - filtering the applications, interviews, conducting test, candidate assessment, putting forward employment opportunity, verifying the references, preparing the contract. [M. Armstrong, 2009, page 515]

KFC's recruitment policy is to present employees high-class options such as prospective for advancement, benefits package, company reputation, and salary scale. When KFC was seeking for senior executives who can run a business, for two years it battered the management teams across a variety of industries and presented senior executives of corporations like Coca Cola striking profits and a improved salary range to obtain them on top of the team. These administrative were assured rapid progression on their profession, and it appears that given such inducements to join that the majority of the people obtained jobs, joined KFC although they were informed in advance that at instantaneous present, no senior position was available. Therefore, KFC's striking benefits package and salary is successful entice for prospective employees [Rigdon, 1991].

For example, amongst the benefits that KFC offers, prescription benefits and is a medical coverage, dental coverage, life and disability insurance, vision/hearing coverage, a 410000 plan , which aids employees save for their future, adoption assistance , a management inducement plan, supply options, tuition repayment plan, college-planning assistance, employee discount, paid vacation and a group legal plan. KFC also considers the promoting as of within, as it supports employees to carry out well on their jobs, impressive them that they can go from a person just a team member to the manager and afterward area or region coach [KFC, 2010].

To the extent that selection is worried, KFC management robustly believes that employing young people and afterward training them is the technique to a winning organization. For this reason, the age factor is definitely a problem of concern for recruiters at KFC. The company also stoutly consider in diversification. According to Kyle Craig, president of Kentucky Fried Chicken's U. S. operations, " We want to bring in the best people but if there are two equally qualified people, we'd clearly like to have diversity." As of this, we can securely declare that KFC trusts in reducing the glass ceiling, and employing and retaining female and minority-group administrative. This appear to be functioning for the company and is a valuable policy: anywhere in 1989, not even a company's 17 senior managers were female or minority, the condition has enhanced today, with present being several managers either part of a minority group or female. KFC admits that it actively tries to recruit and promote women and minority members in middle and top management ranks [Rigdon, 1991].

4. 1 JOB DESCRIPTION IN KFC:

Job description in KFC has three different layer top level, intermediate level, and lower level. Top level jobs are head office and administrative jobs, whose work is purely decision making on the business. They need to analyze the business and take decision on their business. Intermediate level jobs in KFC are senior managers and area managers, their job to look after the branches assigned to them and take those branches in profitable way towards their company goals. Lower level jobs in KFC are team leaders and team members, their duty to run the branch perfectly and facing customer

carefully and fulfill the customer needs and run the business profitable. [W. Hnoodam, 2009]

4. 2 CANDIDATE DESCRIPTION IN KFC:

A recruitment or job specification, defines the knowledge, skills, and abilities essential to attain the role and the teaching, training, qualifications and experience required to obtain the essential knowledge, skills and abilities.

[Amstrong M, 2009, page 516]

The candidate description can be done using Rodger's ' 7 point plan' [Alec Rodger, 1952] Physical make up , attainments, general intelligence, aptitude, disposition, interest, special circumstances. For examples, physical make up are good health, appearance, way of speaking. An attainment shows the education, qualification and experiences. Aptitude proves the numerical calculations, good knowledge of languages. Disposition helps to find the persons self confidence and reliability. Interest finds the social, work based and intellectual interests. Special circumstances help to know about their relocation and availability hours for work.

Candidate who applies for top level jobs in KFC should attain the minimum MBA qualification as his/her degree, minimum experience as a branch manager at least for 10 years. Aptitude, he should clear analytical and application knowledge test. Disposition are dependable, trust generating, steady and influential. The candidate should highly skilled in problem solving skills, IT skills, creativity skills and co-ordination skills.

Candidate who applies for intermediary jobs in KFC should attain minimum MBA qualification as his/her degree, minimum experience of 5-7 years.

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Analytical and application knowledge test should be cleared in the aptitude.

Dependable, influential, steady and trust generating in nature. Candidate should highly skilled in leadership skill, motivation and problem solving skills.

Candidate who applies for lower level jobs in KFC should attain good communication skills in the local language. They should clear numerical problem solving test as their aptitude. Disposition expected are co-operating, adaptability and dependable. They should highly skilled in listening, crowd management.

4.3 SELECTION METHODS:

There are many methods used for selection they are interviews, aptitude tests, performance test, group test, work preview.

Interview method is used for trying the way of state the candidate views, observing skills and technical knowledge. In aptitude test we can identify the candidate general knowledge and ability to think. Performance test is used to see the acquired skills in the candidate. Group test will reveal leadership skills, analytical skills, interpersonal skills and stamina for working under pressure.

These are the selection methods KFC follows for recruiting the members for their team.

5. CONCLUSIONS:

KFC is the second largest foreign sale and it serves around twelve million customers around the world. It was able to achieve this success by analyzing its own, strength, weakness, opportunity and threats and also by considering

other external factors around it political, economical etc. In this paper I have performed the SWOT and PEST analysis for KFC and also explains recruitment process at KFC and I have provided the job description for various vacancies that arise within the organization from top management level to the lower office. I also explain the various key factors that are expected from the employees of KFC at these different levels. I also briefly explained the selection tools used in selection process used by KFC.

6. RECOMMENDATIONS:

The recommendations that I would suggest KFC are to uphold its present low income rates and integrate even more carry out in its society which provide appreciation to employees and make them feel respected. As for selection and recruitment process, age should not be a partiality factor and the principle of endorsement from within should be stick to. This is for the reason that for companies like KFC, it is very important to encourage a certain employee culture. Hence, it is healthier to encourage older employees rather than hiring members from external sources.

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