

# [Impact of retention rate on kfc](https://assignbuster.com/impact-of-retention-rate-on-kfc/)

KFC is one of the busiest fast food industries in UK and it is based in USA. KFC has big market share in UK. KFC provides training and good career path to its employees. KFC faces problems to meet business objectives, increasing customer satisfaction. To overcome difficulties and increasing organizational performances KFC wants to finds out the impact of retention rate on organizational performance. This is one month survey conducting with KFC employees and various secondary resources. Various articles, journals, newspaper and magazines have been collected to find out the information on motivation and organizational performance. 30 employees have been communicated via email to collect primary data. The primary and secondary data show that motivation has major impact on organizational performance. If organization can motivated its employees then performance of employee’s with a high volume. Employee’s attitude towards motivation is very positive. Employees want motivation rather than any other things. From the research it is clear that if KFC can improves its motivational strategy it can increase its organization performance.

Impact of Retention Rate on Organizational Performance

## 2. INTRODUCTION

Employee retention is a process through which the organization can keep its employees with a certain period of time. Retention is good for both employee and organization. The objectives of the research are about employee’s retention and organizational performance.

Beginning of the research paper describes briefly about the research topic. It has three different parts.

The paper is started by pointing out the research topic and its impact. After that the main parts are discussed. Among the three main parts the initial one is “ Research Proposal.” The research proposal starts with the hypothesis. After selecting hypothesis the research proposal describe briefly about the organization. After that the research proposal describes about the context and rational, reason for research, aim, objectives, literature review, methodology, resources and action plan.

The next part of the research is “ Actual Research.” It has research design, data collection, and data analysis.

The ending part of the research is “ Presentation and Evaluation.” It is about the analysis of findings, methodology evaluation, conclusion and recommendation.

The references, bibliography and appendix are also included with the research.

## 3. RESEARCH PROPOSAL

## 3. 1 Hypothesis

If retention rate is related to organizational performance, than by increasing employee’s retention rate will increases organizational performance.

## 3. 2 Background Theory

Employee retention is the main concern of almost all of the organizations. Basically, small businesses suffer more because of employee’s high expectation. There are many firms; offer little benefits last 10 years or so. Now-a-days employees need and wants growing every day. Employees want more than their salary. As a result employee turnover is increasing. On the other side the importance of retention become very important for every organization. (Kim McLean, 2008). Employee retention always increases organizational performances. Retention also encourages current employees to remain with the organization. Long term service of employee’s means they are efficient and effective to their job duties. Again they know very well how to job done. On the other side retention can save several costs to the organization. Such as, hiring cost, training cost, productivity lost, replacement cost and efficiency cost. (Workforce Planning for Wisconsin State Government, 2005). Employee retention has several benefit but employee’s turnovers has several disadvantages. Some of the article shows that, “ turnover is a silent but significant profit killer.” (Kottolli, 2010).

## 3. 3 Brief Summary to the Organisation

KFC is one of the busiest fast food industries in UK and it is based in USA. KFC has big market share in UK. KFC provides training and good career path to its employees. The company was founded as Kentucky Fried Chicken by Colonel Harland Sanders in 1952. At present KFC have more than 24, 000 employees. KFC operates all over the world and its main business trend is Halal food.

## 3. 4 Context and Rational

## 3. 4. 1 Problems Faced by KFC

Today KFC faces some problem with its employee’s turnover. Employees do not paying attention to their job duties. They turn up late and try to go home early. They are not very active as they used to in 2008. Customers often complain to the manager that, employees are serving very late. They are more concentrated in gossiping with each others. Some of the KFC stores take 5 to 10 minute to serve customer even though there is only one customer. Some employees are giving resignation without having informed. Due to frequent change of employees, customer dissatisfaction is growing day by day. Lack of concentration of employees and their carelessness shows that employees are not loyal to KFC. Sometimes managers also support employees and careless about KFC code of conducts.

## 3. 4. 2 Reasons for the Research

KFC undertakes the research to find the ways retain its employee’s. Employee’s turnover is growing day by day. KFC wants to keeps its employees in order to provide high level of customer service. KFC also wants to reduce the cost of hiring, training and efficient cost. If employee’s turnover rate decreases KFC can increase its market share. Also it is possible for KFC to increase its customer satisfaction and bring back previous business reputation.

## 3. 5 Aim

The aim of the research is to discover the impact of employees’ retention rate on organizational performance.

## 3. 6 Objectives

A list of the objectives of the research has given below:

To reduce employee turnover

To increase customer satisfaction

To increase employee satisfaction

## 3. 7 Literature Review

According to Robert L. Mathis, John H. Jackson in their book, “ Retention of human resources must be viewed as a strategic business issue.” Retention of employees has several benefits and advantages. Employees are getting high level skills when they working same environment for long period of time. But, the result of employee’s turnover is vital for the company. If an efficient employee gives resign company need to appoint new people. The new employee is not efficient and cannot provide satisfactory level customer service. That cost higher for the company.

To support employee retention an article can help further. The world leading company shows high level of employee retention programme. As a result employees are providing high level service and working hard for the organization. Anne bruce (2006), described in his article, “  how to motivate every employee”. He also described, “ how Google manage its employees retain with its”. He described that, “ like at Google, one of the web’s most successful and growing search engines. Here employees play roller hockey during work hours, bring their dogs to work, and eat lunch and the company cafe. The result? Employees work long, hard hours and love their jobs.”

Again, survey and research on employee retention is an issue since the early age of industry revolution. A survey takes place in 1980. The focus of the survey was on the employee retention. The survey demonstrated that, “ people want more from work than money”. “ An early study of thousands of workers and managers” by the American Psychological Association clearly demonstrated this. While managers predicted the most important motivational aspect of work for people would be money, personal time and attention from the supervisor was cited by workers as most rewarding for them at work.

In a recent Workforce article, “ The Ten Ironies of Motivation,” reward and recognition guru, Bob Nelson, says, “ More than anything else, employees want to be valued for a job well done by those they hold in high esteem.” He adds that people want to be treated as if they are adult human beings.

Another article shows described that, “ We knew from past experience that Love2reward offered a great product and service (for our employee retention scheme). It’s all about giving our team what they want, and feedback tells us that we’ve got it right”  Pizza Express UK.

## 3. 8 Methodology

## 3. 8. 1 Chosen Methodology

It is easy and very reliable to use qualitative and quantitative methods together. There is a method that gives chance to use qualitative and quantitative methods together and it is, Triangulation of Positivistic and Phenomenological Paradigms. For this research the Triangulation of Positivistic and Phenomenological Paradigms is selected as methodology. Triangulation of Positivistic and Phenomenological Paradigms uses both quantitative and qualitative methods for this research.

## 3. 8. 2 Evaluation of Methodology

The methodology is very effective for the research as it uses both qualitative and quantitative methods at the same time. If the results of two methods are same, then the result of the research will consistent. Again the methodology of the research collects data from secondary sources and primary sources as well. It has no chance to gives a false result. Therefore the methodology is very effective for the research.

## 3. 8. 3 Limitations of Methodology

The methodology uses two methods at the same times. This is the main limitation of the research. Because, the variation of results of two methods make the whole research value less. Again, in case of different result from the two methods, the research needs to do again. It is very costly and time consuming. The methodology has other some other limitations two. It uses two methods. But it is very difficult to select two methods for one research.

## 3. 9 Resources

A short list of the resources has provided below:

Computer with the Internet connection

Internet for articles and journals

Books and articles

Library access for recent magazines and newspapers

## 3. 10 Action Plan

A Gantt chart has prepared for the action plan. The Gantt chart is included in the appendix section.

## 4. ACTUAL RESEARCH

## 4. 1 Research Design

## 4. 1. 1 Step-by-step Design

Stage 1: Define Research Topic and Describe Research ProposalThe step-by-step research design has shown below:

Stage 2: Extensive Research on Literature

Stage 3: Find out suitable methodology and creating research plan

Stage 4: Secondary and Primary Data Collection

Stage 5: Qualitative and Quantitative Data Analysis

## Stage 6: Evaluation and Presentation of findings

Fig: Flow Chart for research design

## 4. 1. 2 Step-by-step Explanation

## Stage 1: Research Proposal

Topic is the main subject of any research. Identify a suitable research topic is very difficult task. The topic needs to support by various secondary sources of data. After selecting topic a research proposal is essential. This two are the most important task for any research. It is assume that 6 days are enough for the first stage of the research.

## Stage 2: Extensive Research on Literature

It is the most important part as all the supported evidences are collected from Literature review. Among several literatures the most related 5 or seven literatures need to select and then make a research on the literature. It is assume that 3 days are enough for this stage.

## Stage 3: Find Suitable Research Methodology and Creating Research Plan

As the whole research is depend on the research design it is need to carefully create. All tasks follow the research methodology and the research plan. It is assume that 4 days are enough for this stage.

## Stage 4: Secondary and Primary Data Collection

Data collection is the most important part of the research. For this research primary and secondary data need to collect. It is assume that 7 days are enough for this stage.

## Stage 5: Qualitative and Quantitative Data Analysis

The result of the research depends on data analysis. Both qualitative and quantitative data need to analysis for the result of the research. It is assume that 4 days are enough for this stage.

## Stage 6: Presentation and evaluation of findings

Analysed data is very easy to evaluate and presented. It is assume that 5 days are enough for the presentation and evaluation of data.

## 4. 2 Data Collection

## 4. 2. 1 Secondary Data Collection

Secondary data is collected throughout the Internet research, using company record, articles, journals, books and web pages. In this section the topic related data is selected and summaries all of them.

## The data sources are given below:

“ Turnover is a silent but significant profit killer”. By Arun Kottolli (2010), Employee Turnover Kills Profits.

“ Keeping good employees is a challenge that all organizations share and it becomes even more difficult as labour markets tighten”, by Robert L. Mathis and John H. Jackson. (2008: 76), Human Resources Management

“ Retention of human resources must be viewed as a strategic business issue” by Anne Bruce, “ How to motivate every employee”

Nelson (2003) writes in The Ten Ironies of Motivation that, “ I have known for years–that money isn’t everything when it comes to employment”

“ Employee retention is most critical issue facing corporate leaders as a result of the shortage of skilled labour, economic growth and employee turnover” By www. retentionconnection. com

“ For service-oriented careers such as account management and customer service, high turnover can lead to customer dissatisfaction.” By Shelley Moore (2010)

The above resources give qualitative data about the retention and organizational performance. From the data it is found that retention can change trend of employee turnover form any company. Retention makes employees motivate. It also brings job satisfaction. It gives clear definition of job responsibilities. The motivated and satisfied employees provide high level customer service. The high level customer service increase organizational performance. On the other hand employee turnover show negative impact to company. The results are hiring cost, training cost, efficiency cost and much other cost.

The collection of secondary initially shows that there is a relationship between employee turnover and organizational performance. If employee’s retention increases then organizational performance also increases. If employee performance decreases then organizational performance also decreases.

## 4. 2. 2 Primary Data Collection

The questioner method has been used to collect primary data. The primary data is collected by sending e-mail to 30 employees who are working KFC. A total of 10 questions have been set for every employee. From their response and activeness it is found that employees are more concern about retention that any other thing. The primary data initially shows that retention play a major role in organizational performance. Organizational performance will increase if retention increases for the organization.

## 4. 3 Data Analysis

## 4. 3. 1 Qualitative Data Analysis

Quantitative data collection is very critical task. Here some basic criteria are essential to follow. The analysis of data need to be valid, reliable, fair and must be follows some ethical issues.

## Valid:

All the secondary data are valid. They have strong relationship with the subjects matter. They show the relation between employee retention and organizational performance. Again, all data shows the effect of employee performance. Some of the articles show the survey and research has been taking in order to decrease turnover. It is clear from the initial research that all secondary data are valid.

## Reliable:

Qualitative data has been taken from various reliable sources. Books, articles, journals, and web pages are used to collect qualitative data. Qualitative data also collected from a sample of 30 employees. They provide qualitative data by their question’s answer.

## Fair:

Data are directly taken from sources. No modification has occurred while taking data from its sources. No data has been taken in order to support the hypothesis.

## Ethical issues:

Qualitative data collection follows a set of agreed policies, such as literature review, secondary data collection, primary data collection. Data is not modified of misinterpret by any one. While collecting and using data permission from the authority has been taken carefully. In case of web based data, the sources are indicated very carefully. No influence has take place in order make the result of the research similar with qualitative and quantitative data.

## 4. 3. 2 Quantitative Data Analysis

Quantitative data analysis follows a set of ethical issue. It also uses the valid, reliable and fair policies.

## Valid:

All data are taken from current employer of KFC. Questioner has been set in a way that employees give answer along with their own feeling about retention and organizational performance. All the data related to the topic of the research.

## Reliable:

Data are taken from KFC employees. They are not influence to give the answer. No suggestion has been provided them regarding the questioner. Employees are actively replay their answer and express their free thinking. So, data is reliable.

## Fair:

No answer has been modified in order to get positive result. Participants are always free to replay the questioner. Answer from the questioner has been taken accurately.

## Ethical:

Data was confidential. Only the researcher saw the data. Participants are not influenced participate the research. Participant privacy policy got priority. Data is not affected by anyone. Participate did not get reminder to replay the questioner.

## 5. PRESENTATION AND EVALUATION

## Analysis of Findings

## What is your job position?

## Reasons:

Job position gives the overview about employee’s experience with the company. It also shows the time spent by employees within the organization.

## Majority Answer

The majority answer was Team Members

## Conclusion

Team members are can give the most recent experience about retention. They are worried about their job duties, getting promotion and other benefits. The sample group is the right one.

## Please indicate your work experience with KFC?

## Reasons:

Job experiences show that the employees working life experience. Higher the job experiences higher the knowledge about retention.

## Majority Answer:

The majority answer was 3 to 5 years experience

## Conclusion:

The sample of 30 people, with 3 to 5 years experiences show that all employees are aware about employee retention policies.

## 5. 1. 3 What is the level of your job satisfaction?

## Reasons:

Job satisfaction levels provide information about employee’s loyalty to the organization. Satisfied employees are happy with their retention and other policies.

## Majority Answer:

The majority answer was satisfied.

## Conclusion:

Satisfied employees are loyal to the company. They are happy with their retention and motivation policies. They can provide high level of performance in order increase organizational performance.

## How satisfied you with KFC?

## Reasons:

This is similar to the prevision one. But, it takes the answer critically and specifically about the KFC.

## Majority Answer:

The majority answer was Average.

## Conclusion:

It is very difficult to distinguish the previous answer and present answer. Employees are satisfied with their job but not to KFC. Possibly, job satisfaction of KFC is good but some other policies are not good.

## How satisfied you with your Payment and other Benefits?

## Reasons:

Payment and benefits is the indicators of employee satisfaction. If employees are satisfied with their payment and other benefits it will reduce employee turnover and increase organizational performances.

## Majority answer:

The majority answer was average.

## Conclusion:

KFC provides many benefits to its employees but the does not enough for employee’s satisfaction. The average level of job satisfaction shows that employee retention rate will decrease in KFC and its performance will decrease day by day.

## Do you satisfied with you promotion policy?

## Reasons:

Promotion policies are major indicators of employee retention. If company have suitable promotion policy, employees are very active to meet the criteria to get promotion, as a result organizational performance increase.

## Majority Answer:

The majority answer was average.

## Conclusion:

The answer shows that KFC promotion policy is not good enough to meet its employee satisfaction. If employees are not satisfied with their promotion policy they cannot provide high level of customer service. That will affect organizational performance.

## If you get better chance to other company what will you do?

## Reason:

This shows the loyalty to the organization. If employees are not loyal to the organization they not provide high level performance. As a result, organizational performance will decrease.

## Majority Answer:

The majority answer was Quite the Company

## Conclusion:

Employees want to quite the organization. KFC need to appoint new employees and level of its performance will decrease.

## What is your view about employee retention?

## Reason:

It will help to find out employees personal view about retention policy.

## Majority Answer:

The majority answer was very helpful

## Conclusion:

If KFC take better retention policy employees will satisfied. They can help to increase company performance.

## If you will be promoted as a manager of a new opening store, what is your plan for long term and constant success for your organization?

## Reason:

This question gives chance to employees to take decision about the improvement of company performance.

## Majority Answer:

The majority answer was Retention Policy

## Conclusion:

Most of the employees want to improve retention policy

## KFC has many employee employees’ development programmes for its business success. Which is most preferable to you?

## Reason:

Find out the most preferable methods to keep employees and increase organizational performances.

## Majority Answer:

The majority answer was Retention Policy

## Conclusion:

Among all the development programs employees are like retention policy for the improvement of KFC performance. The result of this question indicates that KFC need to improve its retention policy in order to increase its performance.

## 5. 2 Methodology Evaluation

The selected methodology for the research is Triangulation of Positivistic and Phenomenological Paradigms. The methodology is best suited for the research as it is used two methods at the same times. The methodology is effective to find out the impact of retention on organizational performance. The data is collected by following a set of ethical rules. All the data are valid, reliable and fair.

## 5. 3 Conclusions

The research proves that retention has major impacts on organizational performance. Thus, the hypothesis is supported by the research.

Finally it is found that if KFC develops better retention policies it can keep its employees. As a result KFC can increase it organizational performances.

## 5. 4 Recommendations

Although the sample of the research was only KFC employees, it can be used by any organization. Both qualitative and quantitative data shows that retention can increase organizational performance.

The methodology has some limitation to. The data is collected from a sample of 30 people. Again, only KFC employees provide data. There is no way to make sure that the target employees have replayed back the questioner. Employee may not give the right answer.

Though the limitation, this research can help further research in retention and organizational performance. All the resources have valid source identification.

The final result of the research is retention rate can help the organization improves its performances.

## This research is made independently. As the hypothesis of this research is proved and this research is made only on fast food company(KFC) so other fast food companies like MacDonald’s and Burger king, Subway can make use of the results of this report for the related featured problems and to improve their performances.

## Furthermore it is advised to KFC that it should focus on employee’s retention rate by using different tools for retention such as salary increase, bonuses, promotions and pension schemes. As this is identified that organizational performance is mostly depending on retention rate so company should take this matter seriously to enhance their organizational performance worldwide and to sustain their business profitability.

## Because of the limitation of methodology (qualitative and quantitative) in future they need to use one methodology so that they cannot find any conflicts by using two different methods and will research on more employees of KFC from different areas so that they can get more people point of view.

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