



## **How Organizational Management Affect Employees' Motivation and Service Quality: A Study of Kentucky Fried Chicken (KFC)**

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### **ABSTRACT**

This study aims to determine how organizational management affects organization's employees, their motivation and service quality they deliver to the customers. This research was conducted on a world-famous Restaurant Chain - Kentucky Fried Chicken. KFC is a subsidiary of Yum! Brands, the world's most popular chicken restaurant chain. KFC has been serving Finger Lickin' Good Chicken since 1930 and has settled itself in 118 countries all over the world with a total of 18,875 restaurants. KFC is recognized for its high customer satisfaction. It is proven that how management treats their workers can affect their worker's motivation and company's service quality. A positive attitude of management towards workers might result in higher motivation which contributes to greater performance along with high quality of service. The study comprises of both primary and secondary data to obtain the relevant information & findings.

**Keywords:** Customer Satisfaction, Greater Performance, Motivation, Organizational Management, Service Quality

### **INTRODUCTION**

KFC or Kentucky Fried Chicken is an American fast food restaurant chain specialized in fried chicken. Its headquarter is located at Louisville, Kentucky. Measured by their sales, KFC is the second world largest restaurant chain. It was founded by Colonel Harland Sanders, an entrepreneur who began selling fried chicken from a roadside restaurant in Corbin, Kentucky in 1930. For records, KFC was one of the first American first food chains to expand internationally, opening outlets in Canada, Mexico and the United Kingdom by the mid- 1960s. KFC is known for its slogans "It's Finger Lickin' Good!", "Nobody does chicken like KFC", and "So good". KFC's core product offering is pressure fried, on-the-bone chicken pieces seasoned with Colonel Harland Sanders' "Original Recipe" of 11 herbs and spices.

One of their key successes is the customers' high satisfaction in the customer service. The employees were indoctrinated that customers are their first priority. Every minute saved when serving the customer leads to less time waiting and customer will be happier. In addition, it also would encourage first time buyer to become regular customers. Furthermore, their franchise system is also one of their key successes.



This is because in a franchise system, everything is documented, and there are strict rules for running the business. Thus, the employees in a franchise system are more well-managed and somehow might increase their motivation to perform well and achieve the company's goal. Therefore, this research is conducted to determine how far actually the organizational management affects the employees' motivation and the service quality.

Organizational management is the management of company resources, assets, risks, and more to help the managers, such as owners and general managers, smoothly carrying out organizational activities. There are various strategies for organizational management, and the content and level will change depending on your position. (Amy Jo et.al.). In this research, we will also discuss some of the strategies for organizational management of KFC. Therefore, we will also discover how a good organizational management affect the company growth.

### **RESEARCH METHOD**

This study compromises of regions in India and Malaysia with KFC restaurants in both countries to gain insight into how management affects motivation and service quality.

The sample size refers to the number of individuals selected randomly in collecting responses. This study puts its focus on users of online hotel booking applications and websites within the two countries. The sample size for this study is 100.

This study used both primary and secondary data to collect information. Primary data are those which are originated by researcher for the specific purpose of addressing the problem. This study primary data was collected from questionnaires and observations to collect information from consumers. The questionnaires are to collect valid reliable and unbiased data from representative sample of respondents. This method is more accurate, specific, and flexible. Secondary data are those data which have already collected for purposes other than problem at hand. These comprise both internal data and published materials. This method considers the fastest and economical method. The other various sources to include are books, magazines, websites, social media, and articles on the web.

The primary data were collected directly from the sample group through an online questionnaire of Google Form. The data will be tabulated to ease the analysis process. The data is shown in frequency and percentage. Group discussions have been done to collect opinions based on the data collected. A more detailed explanation will be made based on the data presented in the tables and pie-chart.

### **Significance of the Study**

This study will bring significant benefits for the company and society especially in promoting good work environment of KFC and its employees' motivation. The employees' satisfaction will give chances to the unemployed person to consider applying job at the KFC Company. They can observe the review of KFC management team and the working environment there before applying for the job. It will encourage them to get employed in a good working environment of KFC, thus helping to reduce the unemployment rate in the country.



Moreover, KFC Company could benefit this study to understand what the employees feel about their job at KFC in general. The employees' review provides information on the management performance and the employees' job satisfaction. Further actions are possibly planned and taken to mitigate the low job satisfaction resulting in low service quality. Next, the KFC Company are able to observe their customers' satisfaction at a very low cost. The KFC customers are included as our respondents know how satisfied they are with KFC service. This study could enable them to observe the level of service quality received by the customers and their satisfactions. Therefore, they can continue to improve their service quality based on the results.

### **Limitations of the Study**

This study has some potential limitations. Firstly, there is lack of available data. As the Covid-19 outbreak continues to spread, we need to do research from home and have inadequate chances to go to the library and get the most relevant and latest journals or articles to study. Since limited related journals and articles are available online, the study findings might miss some important information.

Furthermore, difficulty in getting respondents and distributing questionnaires might lead to sampling bias. The sample of this study is almost self-selected since we distributed our questionnaire through 'WhatsApp Group' only and asked our friends to answer it. Unfortunately, the sample readiness in participating is not as expected. Some are inactive as so many questions to read and answer the questionnaires properly. As a result, responses were limitedly collected. Thus, we changed to a short and simple questionnaire to answer that might not present relevant information to this study.

Last but not least, slow internet connection was another problem. It requires high data speed to search on any webs. Some of our members have neither fast connection as the internet plan they use is slow, nor their house get good connection. It contributes to waste of time as they need to wait for a while for the article or journal to appear on the screen.

## **RESULTS AND DISCUSSION**

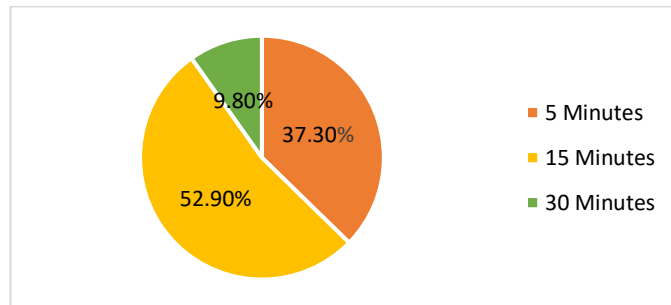
### **Analysis of Questionnaire**

Questionnaire 1, distributed among 51 respondents with an online form, was on how the organizational management affect their service quality at work. It is undeniable that a good service quality comes from a motivated employee. Majority of the respondents felt motivated at their work due to several reasons, such as the salary received, the environment and the good supervisor. Below are the analyses of the questionnaire:

**Table 1: Summary of Questionnaire 1 respondents' demographics (N=51)**

<b>Responses</b>	<b>Frequency</b>	<b>Percentages</b>
<b>Gender</b>		
Male	15	29%
Female	36	71%
<b>Age Group</b>		
18-29	46	90%
30-41	5	10%
42 and above	0	0%

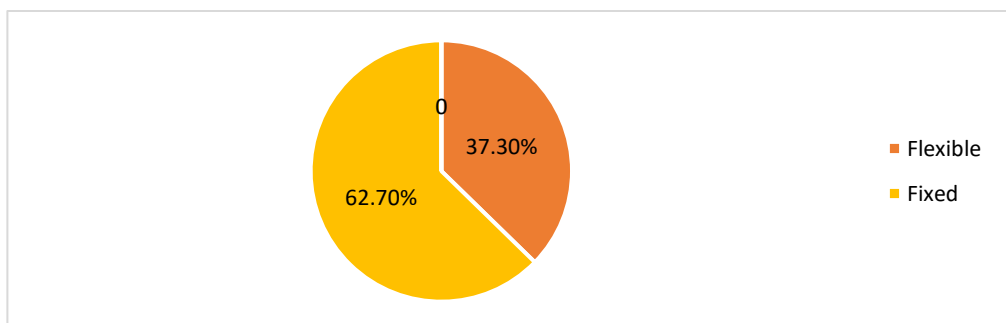
The demographic profiles of the respondents were directly displayed through the table. Table 1 shows, among the 51 respondents, 71% are female and 29% are male. Most of the respondents come from age group between 18 years old to 29 years old at 90%. The rest comes from age group of 30 years old to 41 years old at 10%.



*Figure 1.0*

How many minutes are acceptable for being late at workplaces?

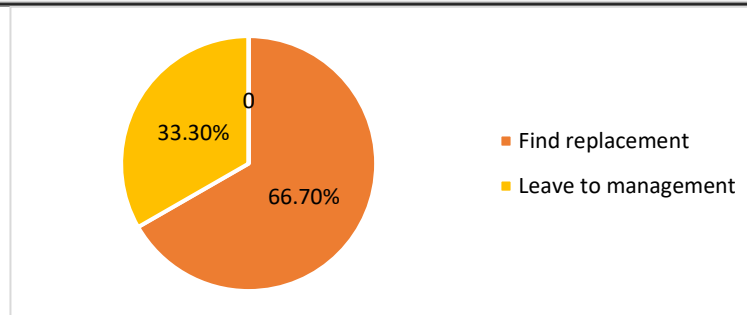
Figure 1.0 demonstrates that 52.9% of the respondents said that 15 minutes are acceptable for being late at their workplaces under their current management. 37.3% of the respondents said that 5 minutes are acceptable for being late at their workplaces while only 9.8% of the respondents said that 30 minutes are acceptable for being late at their workplaces.



*Figure 2.0*

Would you prefer fixed or flexible time to break?

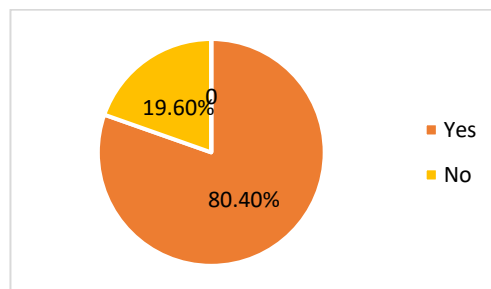
The pie chart of Figure 2.0 shows that 62.7% of the respondents prefer fixed time to break while the remaining 37.3% prefer flexible time. Therefore, there are majority of 62.7% that agreed on their management system to fixed time to break at their current workplaces.



*Figure 3.0*

Every time you face an emergency, are you looking for someone to replace or leave it to your management team?

The pie chart (Figure 3.0) shows that 66.7% of the respondents will voluntarily find replacement on their behalf if they have any emergency to go to work. The remaining 33.3% of the respondents stated that they will leave it to the management team. The majority of respondents are responsible for their job at their current workplaces since they will voluntarily find replacement. The remaining will leave the decision-making process to management to do the decision making when one of their employees' face emergency.



*Figure 4.0*

Do you feel motivated at work? Why?

Figure 4.0 depicts that a big majority of respondents of 80.4% said that they feel motivated at work, while 19.6% of the respondents said that they are not motivated at work. One of the reasons on why they felt motivated at work is that the employer gives good guidelines and always encourages them to do better. In addition, they also have nice colleagues and good friends working at the same workplaces. Additionally, they argued that they received good salary. Moreover, they like the working environment since their current workplace is a franchise system ensuring their jobs flow easier and effective. In contrast, minority of the respondents said that they did not feel motivated at work because the supervisor always bitterly criticizes them. They also did not like the monotonous duty assigned to them.

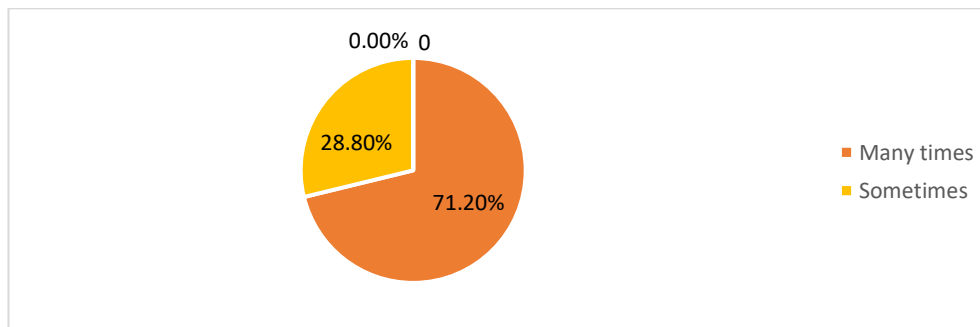
In addition, Questionnaire 2 was also distributed through online form to study the customers' satisfaction level on KFC service quality. We managed to acquire responses from a total of 73 respondents. It shows that current KFC employees have provided good service quality based on the good responses received from the respondents. Below are the analyses of the questionnaire:



**Table 2: Summary of Questionnaire 2 respondents' demographics (N=73)**

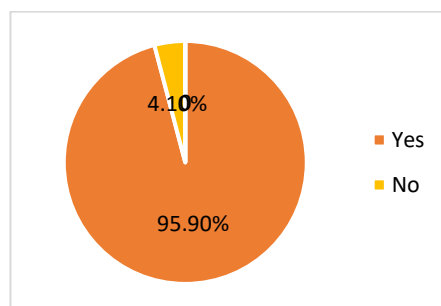
Responses	Frequency	Percentages
<b>Gender</b>		
Male	22	30%
Female	51	70%
<b>Age Group</b>		
15-25	64	88%
26-36	9	12%
37 and above	0	0%

The demographic profiles of the respondents were displayed through the table directly. Table 2 demonstrates that among the total of 73 respondents, 70% are female and 30% are male. 88% of respondents come from age group of between 15 years old to 25 years old. The remaining 12% comes from age group of 26 years old to 36 years old.



*Figure 5.0*  
How often do you eat KFC?

Figure 5.0 implies that majority of the respondents (71.2%) eat KFC many times while the remaining 28.8% sometimes eat KFC. This indicates that the background of all of our respondents is the customers of KFC.



*Figure 6.0*  
Are you satisfied with KFC customer service?



Figure 6.0 depicts that a big majority of the respondents of 95.9% are satisfied with KFC customer services. On the other hand, only 4.10% of the respondents are not satisfied with KFC customer services.

### **Analysis of Articles**

A management in an organisation plays an important role in ensuring the work performance of the employees. The organization itself brings an effect on the employee's motivation in term of their management quality. A quality management system shows that an organization is in control of its processes (Yassine, et al., 2019). This provides both assurance and confidence to the employees. A good quality service can be achieved when a quality management system, which is a mechanism to manage and continually improve quality of products and services, is integrated within business processes (Sukdeo, 2018).

According to Kamal (2012), there are several reasons on why some people choose to work at KFC. The most favourable reasons would be the opportunity to interact with different cultured people, followed by the best workplace and flexible working hours. Apparently, the non-financial reasons are the most rated by the respondents rather than the financial reasons. The financial factors, such as the salary and other fringe benefits, were ranked 4<sup>th</sup> and 10<sup>th</sup> relatively (Kamal, 2012). This indicates that KFC workers are not only driven by the pay benefits given to them but also other motivating factors that can affect their level of motivation as well which leads to increased work performance and higher service quality. One of the factors is the company itself.

Employees usually feel proud being part of a market leader and financially stable company like KFC. This makes them feel satisfied and possibly increase their motivation to work. The satisfaction usually comes from a sense of security in their job. However, according to Herzberg theory, company policy and administration are considered to be one of the hygienic factors. These factors will not encourage the employees to work harder but if they are absent, it will lead to employees becoming unmotivated as a result of dissatisfaction (Alshmemri, 2017). Therefore, KFC has been using recognition method as a measure to encourage employee engagement, performance and retention in their work. The company never forgets to award everyone for their work regardless of which country they are from and how long they have worked for KFC. It provides various schemes in such a way that all employees can enjoy a lot of bonuses. Besides, the performance of the staffs is assessed by managers using two measurements including customer satisfaction and operational basics. Star pin, reunification card, promotion, and high remuneration are awarded to the employees for their excellent job (Rahman, 2019).

Employees' performance is possibly assessed through their way of serving and helping the customers to satisfy their needs. Service quality is defined as an appraisal of how well the workers act to fulfil customer's desires (Baig, 2019). In a competitive market, it is important for the fast food restaurants to focus on improving their service quality to compete and survive in the industries (Namin, 2017). Service quality can be one of the most powerful competitive advantage tools that can benefit a company in many ways (Sukdeo, 2018). It is strongly related with customer satisfaction which can contribute to the profitability of the company. Since KFC is mainly a franchised business, the employees' service performance may depend on the franchisor management strategies (Ramaseshan, et al., 2017). However, each KFC franchise must have different culture and structure which determines how job tasks are formally divided, grouped and



coordinated within, able to affect workers' motivation as well as their service quality (Nene & Pillay, 2019).

To increase the skills and performance level of the employees, training and development are beneficial (Puleka & Kakade, 2018). Employers of KFC have always been concerned with the training and development of their employees. They always look for new and different way to develop their training programs. In Malaysia, KFC management always emphasizes on collaboration by building harmony in the relationship among the employees, and between employee and customer. Additionally, they focus on teaching employee something new to splendidly equip them with skills necessary at the current moment (Rahman, 2019). In addition, communication is a good tool to promote collaboration. The management of KFC continually gives and receives feedback from the employees on how to improve their skills. This will function as a great motivation for staff if it is communicated in a positive way.

## **RESULTS AND DISCUSSION**

The article analysis shows that organizational management is one of the most influential employees' motivations. Other independent variables, such as salary and other fringe benefits, do not profoundly affect to increase employees' motivation at KFC. Effective leadership strategy provides support and guidance to enhance the employees' job skills and increase their job performance. Modern markets are highly competitive, regardless of their sizes of organizations to face employee retention challenges. To beat these restraints, a robust and positive relationship should be created and maintained between employees and their organizations. Unless and until, the workers of a corporation are satisfied, motivated for the task's fulfilment and goals achievement, no organization can progress or achieve success (Adi, 2000, Anka, 1988, Rothberg, 2005). KFC conducts various leadership programs, such as Graduate Leadership Program (GLP), capstone for Above Restaurant Leader (ARLS) and etc. for improving time management and leadership skills. This program will enhance good relationship between employees and managers and imply the form of justice for the employees. This would lead to improve employees' motivation.

According to Tjiptono, Fandy, 2005, Total Quality Service (TQS) is a principle which focuses on addressing the needs and desires of customers as well as to offset the delivery accuracy and exceed the customers' wants, needs and expectations. This involves all managers and employees and uses the qualitative and quantitative methods to improve continuous processes of an organization, to meet, even exceed the customer's needs, desires, and expectations. TQS effect on university customer satisfaction is shown by implementing integrated quality good service which will boost satisfaction of university customer (Tjahjono, 2009). The questionnaire analysis shows that majority of the respondents were satisfied with KFC's customer service. This implies customer satisfaction with the KFC worker's service quality. It draws to a conclusion that organization management have positive relation towards employees' motivation and improve service qualities which lead to customer satisfaction.

## **CONCLUSIONS**

Management in an organisation plays an important role in ensuring the work performance of the employees. The organization has an effect on the employee's motivation in term of its management quality. Motivation is a complex concept able to





help or harm an organization depending on how it is used within an organization. KFC has implemented good organizational management. This was the key of their success. Next, their franchise system is also one of their key successes. This system allows everything is documented and strict rules are feasible for running the business. Thus, the employees are more well-managed and somehow might increase their motivation to perform well and achieve the company's goal. Therefore, this study concludes that the organizational management affect the both employees' motivation, and the service quality. There are various strategies for organizational management, and the content and level will change depending on your position (Amy Jo et. al.). This study showed some of the strategies for organizational management of KFC. Therefore, good organizational management affect the company growth.

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