The Handling of Current Issues by the Senior Management of KFC

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KFC is a restaurant chain famously known for its fast food. It specializes in fried chicken, and it was known as Kentucky Fried Chicken till 1991. Eighty-eight years ago, on March 20, 1930, it was founded by Harland Sanders; till then, it has been running more than 10 thousand outlets around the world. With this huge figure of outlets, it stands second in the world after McDonald's. This paper aims to explore the handling of current issues or crises by the senior management of KFC. The company has always left marks of smart handling of issues and crises by its very talented senior management. (Yum! Brands, Inc., 2020)

At KFC, the senior managers have their special perks and reward, and a great influence in the company affairs. The decisions of senior management at KFC have always been considered to have benefited the company on a large scale. Normally, in most organizations, being in a management role means to good have a good salary package with other benefits. However, the managers at KFC, apart from enjoying the good compensation packages, also have a great influence on designing strategies. The managers here pay the price for all the benefits and status of their input in resolving tougher issues and crises. Different issues have been confronted by the managers at different points in time. The senior management at KFC is analyzing their current handling of the issue. This paper attempts to explore some of those issues currently faced by the senior management.

Supply Chain Issue

Among the latest issues or crises that KFC faced and found a way to resolve is the supply chain issue. At the start of this year, 2018, KFC fell short on chicken inside the UK. The issue was initially noted by its senior management, and they tried to respond to this issue, considering it a temporary and minor issue, but the problem could not be solved on an immediate basis. The severity rose with the passage of time as their supplier, Bidvest Logistics, was constantly failing. The situation seemed to have gone out of control as many KFC outlets in the United Kingdom closed their operations. The senior management decided to change their supplier. On February 14, 2018, the supplier contract was taken from Bidvest Logistics and given to DHL. This step somehow helped the company overcome the problem of a shortage and chicken, but gravy fell short after this. The company has 900 outlets in the UK and Ireland, and this market share of KFC is very crucial because huge revenue is coming from this region for the company.

Employees’ Performance Problem

One of the major issues for any organization is maintaining employees’ performance up to the mark. It takes the management to apply different ideas in different situations. At KFC, it has always been a tradition that the senior management does not compromise on the selection of the right resource. They, at the very first palace, select the right candidates. The employees’ performance is measured by the set standards which are clearly communicated to them. Upon identification of a problem, the management immediately engages in constructive feedback to avoid prolonging the problem and causing more problems. Employees at KFC are encouraged to share their ideas with peers and their bosses. This culture of encouraging communication in both top-down and horizontal ways makes it easy for the company to spot any problem on time and take remedial action without delay. If the behavior of an employee needs to change, they first do it with immediate constructive feedback. If it does not change with that, management has more options at their disposal. The senior management has always recommended conducting clear and time-framed progressive disciplines that are believed to be more effective at KFC. (Coombs, 2007)

Termination Of An Employee

Termination of any employee is always gut-wrenching for any manager in any organization. When you dismiss an employee, you cannot fill that gap perfectly. Losing a human resource at a position can cause more damage as a newly selected employee would take a great deal of time to get the same level of experience and expertise to fill the deficiency. Dismissing an employee is a problem, and managers in most companies do not find it comfortable to do at all. The company has its policies clearly defined and training patterns that employees have to comply with. Sever conduct violation is dealt with according to the policies. The HR team at KFC is well trained to conduct a discussion with the employee in a respectful way. The use of a consistent and fair process and satisfactory outplacement packages makes it easy for the company to smoothly carry out termination decisions.

Team Conflicts

Collaboration is all a company could want to achieve its goals and strategic objectives. As long as there is team collaboration in a company, it will reap the benefits of teamwork by getting optimal levels of outcomes. 1+1 can be equal to 2, but in the presence of a good collaborative team, the result could be three instead of 2. Employees add more value working in teams than they do working individually. A rise of conflict in a team will destroy the team’s performance and the overall company performance. At KFC, team values are clearly shared with all the employees at the very initial stage of the formation. The management of KFC stresses that such conflict should not rise at all, if they do, the individuals involved in a conflict should be called on to engage in frank discussion. This way, they believe a conflict can be eliminated at the very early stages before it causes any major loss for the company.

Task conflict and personal conflict are two different conflicts, the farmer being in the betterment of an organization and the latter causing loss. The senior managers at KFC believe that task conflict should be encouraged as it is healthier than personal conflict and leads to the development of new ideas and alternatives. Task conflict makes the employees disagree with each other and present their own ideas or alternatives against what they reject. This way, the managers get to know about new ideas and the capabilities of their workers. Managers get to choose any of those ideas presented, and of course, the best is evaluated and adopted by the managers. This is how conflicts are dealt with at KFC according to the direction of their senior managers.

Recommendations

KFC, being the second largest fast food restaurant chain in the world, needs to consider a few changes that could be manageable for KFC, not on very hard terms. These change decisions will give the company sustainable advantages. The company has prospects to grow at a higher rate than the current rate.

Integration

The company should go for the integration option. Backward integration is ideal because the company will have control over its suppliers. A shortfall in supply could damage the firms in the industry where there are other powerful and giant companies ready to take the market share if seen uncaptured. The company does not want to experience any shortfall like the one it faced in the United Kingdom at the beginning of this year.

Employees Wellbeing

A satisfied customer is a walking advertisement for the company, and one satisfied employee makes more happy customers. The employees who are working at touch points are the ones who actually deal with the customers. These employees are the front liners and should be given more benefits and career opportunities. If these employees move up the ladder, their contribution will be vital in designing better strategies. The culture of open communication at KFC is vital in letting the key information travel to the top management, where decision-making could be done on the basis of this information.

Product Development

KFC offers a range of products already, but it is recommended to increase the variety by adding a new product line. This way it will increase both its market share and volume of revenue. The employees who interact with the customers can sense their taste and their expectations. Developing new products will greatly require inputs from the front liners.

References

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