

1 Cultural Differences, Strengths, Weaknesses and Challenges of  
2 Kentucky Fried Chicken (KFC) -A Comparison between United  
3 Kingdom (UK) and Malaysia

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7 **Abstract**

8 This research presents the impact of cross-cultural interaction on KFC corporate culture in  
9 different countries. It is mainly designed to assess the KFC cultural differences, strengths,  
10 weaknesses and challenges in perspective of Malaysian and the United Kingdom culture.  
11 Fundamentally in this study, only secondary sources of data have been used to gather the  
12 necessary information for the analysis of the study. Researcher has collected and used all the  
13 secondary data from several sources such as books, journals, news and articles related to KFC  
14 and from several websites. In this study, exploratory research has undertaken to understand  
15 the insights and impact of the United Kingdom and Malaysian national culture in KFC's  
16 corporate culture. Hofstede and Trompeneures Culture analysis method had been followed in  
17 findings and analysis part to understand the national cultural differences between UK and  
18 Malaysia. KFC corporate cultural differences have been shown by several measurement scales.  
19 As a final point, a compact summary of all findings is given.

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21 **Index terms**— cultural differences, KFC, malaysian, united kingdom, global business, national cultures.

22 **1 Introduction a) Organizational Part**

23 **2 i. History**

24 In the mid of 1930, Harland Sanders opened his first restaurant in the front of a gas station. Sanders serves  
25 as a station operator, chief cook, and cashier and name the dining area as "Sanders Court & Cafe." The brand  
26 "KFC" has been established for over 45 years in the United Kingdom. KFC opened its first restaurant in Preston,  
27 Lancashire in 1965. Today there are more than 842 outlets in the United Kingdom, and the company employs  
28 24,000 people. KFC opened its first restaurant in Malaysia, in 1973. Today, there are more than 700 restaurants  
29 nationwide in Malaysia. KFC is the synonym of great tasting chicken. KFC accomplished "Great place to eat,  
30 Great place to work" award in 2010.

31 As the dominant chicken retailer in the fast food segment, KFC has accepted the challenge. They are adapting  
32 their consumer offerings by targeting the large and growing market for family meals, broadening their menu and  
33 offering attractive meal bundles a compelling value.

34 **3 b) Introduction to the study i. Problem Statement**

35 In this research, the core focus is the impact of cross-cultural interaction on KFC corporate culture in different  
36 countries. Key focus for KFC is, what type of potential challenges it faces for doing their business in abroad  
37 with a new culture? What strategies KFC implement to solve these problems? How can KFC deal with different  
38 barriers when it operates business in a different country? Here, researcher has tried to show the cultural difference  
39 of UK and Malaysia and its effects in KFC's corporate culture.

### 40 4 ii. Scope and limitations of the research

41 The scope of this research is limited to the overall description of the culture of two countries (UK & Malaysia)  
42 and KFC operations of those two countries and their corporate structure. The study is limited to organizational  
43 setup based on different culture functions and performances. By measuring the outcomes of this article, KFC  
44 and several multinational firms can understand the cultural impact of UK and Malaysia and the activity and  
45 effectiveness of their corporate culture from the perspective of national culture.

### 46 5 iii. Limitations of the research

47 ? Secondary data sources mostly used in this study.  
48 ? The research only covers the cultural impact of Malaysia and the United Kingdom. ? Up to date information  
49 was not published in several cases.  
50 FC is known as the world's second-largest popular fried chicken restaurant chain after McDonald's. Kentucky  
51 fried chicken (KFC) was an extraordinary achievement for a concept of fried chicken as fast food (restaurant  
52 chain) and it was started in a remote rural town in Kentucky, the USA in the 1950s. There are more than 21,000  
53 KFC outlets in 130 countries and territories around the world serving more or less 15 million customers each day.  
54 ? Derived information was incredibly limited.  
55 ? Satisfactory relevant papers and documents were not available.

### 56 6 iv. Objective of the study

### 57 7 General Objective

58 The broad-spectrum objective of this research is to understand the impact of cross-cultural interaction on KFC's  
59 corporate culture in different countries.

### 60 8 Specific Objective

61 1. What is the role of culture in making the business a successful one in the different country? 2. What type of  
62 challenges do KFC face to run their business in a new culture? 3. How KFC overcome the cultural barriers in  
63 global business?  
64 v. Methodology of the report Several types of research-based study have conducted to achieve the optimal  
65 results from this study. Each face of the research work will incorporate a different approach and methodology.

### 66 9 ? Type of research

67 In this study, the researcher tried to conduct exploratory research to gain insights and understanding of the  
68 overall cross-cultural functions of corporate culture and also to determine some of the significant factors of the  
69 Malaysian and United Kingdom culture. After that, a comprehensive conclusive research was taken to fulfill the  
70 focal purpose of the study.

### 71 10 ? Exploratory research

72 Exploratory research was conducted to explore through the various aspects of national and corporate culture  
73 and to provide insights and understandings of the overall global business environment. In this phase of research,  
74 several journals on cultures and cross-cultural interactions in corporate culture were inspected to determine the  
75 significant cultural factors. Then several journals on KFC corporate operations and article were scrutinized to  
76 understand the overall situation.

### 77 11 vi. Sources of information Secondary data:

78 Understanding and analysis of the data from secondary sources is the base for the whole research work. For  
79 this reason, the researcher elaborated different types of secondary data in this research work. All the secondary  
80 sources of information can be defined as follows:

### 81 12 c) Literature Review

82 Objective: Reaffirming the impact of national culture on corporate culture is the purpose of this review, despite  
83 apparent trends towards globalization. If truth be told, studies noted that globalization succeeded in making  
84 individuals more aware of their own national culture.

85 Defining Culture: Culture needs to be delineated and put into perspective with the current management  
86 literature, with the intention of drawing implications for the field of management. To define "culture", it is  
87 still noticed that the terms "values," and "assumptions," are sometimes used interchangeably ??Schein, 2001).  
88 Culture is also what can be termed, "practices," "conventions," "habits," "mores," "traditions," and "usages"  
89 ??Hofstede, 1990). Schein (2001, p.45) suggested a model that would define culture at three levels: "(1) Manifest,  
90 visible, feel able artifacts that are easy to experience but hard to decipher; (2) espoused values and ideologies  
91 that are put forth as the explicit reasons why things are done the way they are; and (3) shared, tacit assumptions  
92 about how things are and should be" (p. 45). Thus, culture is understood as encompassing concepts.

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### 93 13 i. Cross-cultural impact on organizational culture

94 This research mainly focused on the crosscultural interaction of world's most recognized restaurant KFC in two  
95 different countries and for this, researcher has gone through Hofstede and trompenuers cross-cultural analysis  
96 and discussed cross-cultural interaction theory.

97 ii. Cross-Cultural interaction Situational Issues: Situational cues determine the extent to which the situation  
98 evokes a pre-existing behavioral sequence q script. If a screenplay does not exist for the state, the person will  
99 give more thought as to how to behave and how such behavior might be perceived. Behavior: Behavior may vary  
100 from country to country through cultural characters and expectations. Malaysia has different cultural plays band  
101 expectations. Whereas the UK also has some different cultural scripts and expectations as well, this may differ  
102 from time to time. Expectations categorize behavior automatically. Identification of Behavior: Cross-cultural  
103 interaction is based on selective perception and also another part of it. Culturally based expectations influenced  
104 the attribution of the behavior that the perceiver has for members of the other culture.

105 Attributed Behavior: Finally the perceiver's attitude and behavioral response depend on how the behavior  
106 was attributed. To the extent the behavior is ascribed to a familiar cause, the response behavior itself can be  
107 scripted. If the existing behavior is not accepted, the person may invent a new one to communicate and this  
108 starts another interaction sequence.

109 Market opportunities: Both the United Kingdom and Malaysia have a lot of market opportunities. The UK is  
110 a developed country with a large population of different cultures and religions. Whereas Malaysia is a developing  
111 country with a large population of and a large portion of the population is Muslim. But still, there is a lot of  
112 market opportunity.

113 National Cultural Differences: National culture always differs from country to country. There are a lot of  
114 differences in a national culture like in the UK, most of the people have no time to cook at home, and they  
115 always manage their food from different restaurants. But in Malaysia the foremost people of the population is  
116 religious, and they handle their food at home, and occasionally they visit the restaurants.

117 iii. Diffuseness-Oriented cultures different activities take place in shared settings in Malaysia.

118 Achievement vs. Ascription: A person's status depends on their individual accomplishments. In the UK the  
119 culture of achieved status, social position is seen as a reward for one's successes, while in ascribed status cultures,  
120 social position depends on external factors.

## 121 14 II.

## 122 15 Discussion

## 123 16 Corporate Culture Difference

124 Corporate culture is the field to do something with the people of the organization, their relations, their activities,  
125 and views. So when an MNC wants to establish a business in a new region, they need to bring some changes  
126 in their corporate culture. In the study, researcher has focused on how the corporate culture of KFC differs in  
127 the UK and Malaysia. ?? In Britain, we usually experience a very diverse staff mix in every organization. They  
128 are different in style, language, literacy level, ethnicity, so it is really complicated to make them understand  
129 everything in English. And that's why, ? In Britain management has developed a unique poster system to  
130 transfer all significant information through visual means instead of text-heavy documents. ? Notice boards were  
131 also used to display messages in a purpose-designed format.

132 Masculinity is significantly low in the United Kingdom. So in all KFC, is nearly the same percentage of male  
133 and female staffs. Female are taking part in the different section of the organization as well as male.

134 In the UK the employees are bound to do their service. So they are less motivated and not inspired enough  
135 to do their work happily. The minimum salary starts at 17,433 pounds per annum while a minimum wage start  
136 at 6.30 pound per hour.

137 In the UK the work uniform for every employee is the same in design and color. Both the male and female  
138 staffs are using caps with the KFC logo as a part of their homogeneous.

139 Because of multi-nationality of employees the cultural conflict is more in the UK, and for this, the employees  
140 couldn't rely on each other and the understanding, and loyalty is comparatively low.

141 The multicultural employees always follow to the mix cultural conflict and so they have more opportunity to  
142 learn from the management, and they can gain more skills.

143 Christianity is the main religion in the UK. So especially for Christmas, the company provides a bonus to an  
144 employee in the form of a retail voucher. Additionally, company also arranges a exceptional Christmas party  
145 every year for all staffs.

146 Employers of KFC are always looking at a new and innovative way of developing training for employees. They  
147 named the training program as 'Star System' the word STAR stands for Store, Training, and Reading. This  
148 system consists of several consecutive attention-grabbing parts. (KFC EMPLOYEE TRAINING, 2010). These  
149 parts are:? Orientation ? Skill training ? Operation menu ? Study guide ? Voucher book ? Films stripe ? Star  
150 track ? Customer service series ? Operation series ? Food service series ? Sanitation series b) Corporate culture  
151 of KFC, Malaysia

## 19 CONCLUSION

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152 KFC is the first multinational fast food chain in Malaysia. To manage a business in a new environment as  
153 well as with new workforce, KFC brought significant changes in their corporate culture. (KFC HOLDINGS  
154 (MALAYSIA) BHD). That's why they became a very successful company in Malaysia.

155 In the place of work, management always has an emphasis on collaboration. ? Maintain the diversity within  
156 the organization. ? Continue to keep focusing on teaching employee something new. ? Organized the unity  
157 in the place of work. ? Emphasis on building harmony in the relationship between employee and customer.  
158 Communication is a way of promoting good collaborative relationship between management and employees. KFC  
159 in Malaysia operates a cascade process to reach its worker in the organization. It involves information being  
160 passed down from upper management to area manager to restaurant managers, who pass on messages to team  
161 members.

162 Performance assessment of employees is more than a nice thing to do for them. It works as a great mental  
163 motivation for staffs. Appreciation of doing a good job is also very essential to be a successful organization. ?  
164 In Malaysia, KFC uses straight ranking method through which the staffs are positioned from best to the poorest  
165 by senior employees. Because according to Malay culture, managerial authority determines by patronage or age  
166 seniority. ? On the base of unique performance, the company provides future promotion to employees. Malaysia  
167 is predominantly an Islamic country. Other religions are practiced there like Buddhism, Christian and that's why  
168 KFC had to bring some changes in their corporate sector and in operation.

169 Employees get extended break times on Friday which is the "Jumma" day for the Muslim world. Break times  
170 are relaxed for prayers.

171 In Malaysia, mechanical slaughter is strictly not allowed. They can only use Halal chicken for production,  
172 which means all the chickens are slaughtered by personal certified by Jabatan Agama Islam.

173 In Malaysia, all KFC employees achieve a monthly remuneration regardless of their position within the  
174 organization. In a year, a casual staff paid average 9500 pound which is quite a bit less than the United  
175 Kingdom.

176 In Malaysia, there is more loyalty to employees and managers. Because most of them are from their local  
177 staff and so the understanding and devotion is more than the UK.

178 In Malaysia, there are slightly different between male and female employee uniforms.

179 Male's dress code is the same as the UK wearing shirt, trouser, and shoe but for there as conservativeness in  
180 dress code for female. Most of the female worker also uses a scarf to cover their head as a part of their pious  
181 values.

182 The gender difference is comparatively high in Malaysia. Though Females are significantly working in the  
183 deferent sector in Malaysia, however in KFC still now the number of female workers is less than the male worker.

## 184 17 Product Differentiation:

185 UK MALAYSIA

## 186 18 Summary of Findings

187 In the United Kingdom, the employees get performance award no matter how senior they are and which country  
188 they are from. ? All employees enjoyed a bonus through a range of schemes. ? Masculinity significantly low in the  
189 United Kingdom. ? In the UK the work uniform for every employee is same in design and in color. ? Christianity  
190 is the main religion in the UK. So especially for Christmas Company provide a bonus to an employee in the form  
191 of a retail voucher. ? Almost 10163 talent employees are working in different KFC at the United Kingdom.  
192 Maintain the diversity within the organization. Continue to keep focusing on teaching employee something new.  
193 In Malaysia, there is more emphasis on building harmony in the relationship between employee and customer. ?  
194 The management of KFC in Malaysia communicates staffs to know what they can do to improve talent. ? KFC  
195 in Malaysia operates a cascade process to reach its worker in the organization. ? Performance assessment of  
196 employees is more than a nice thing to do for them. ? In Malaysia, KFC uses straight ranking method through  
197 which the staffs are graded from the best to the poorest by senior employees.

198 ? In Malaysia, all KFC employees achieve a monthly remuneration despite their position within the  
199 organization. ? In Malaysia, there are somewhat differences between male and female employee uniforms.

200 IV.

## 201 19 Conclusion

202 There are lots of differences and similarities between KFC in the United Kingdom, and in Malaysia regarding  
203 national Culture, corporate culture, operations, strengths, weaknesses, and challenges have presented in this  
204 research. KFC has overcome all the barriers and managed the cross-cultural issues and not only but also  
205 operating their business in the abovementioned countries smoothly with good profit and maintaining steady  
206 growth in international company. (Word Count: 3161) Bibliography

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Training included:

1. Work book.
2. Quizzes.
3. On the job competency based training.
  - ? All the employees are encouraged to work as a team member by the leaders.
  - ? Try to develop potentiality of staffs to maintain brand name.
  - ? Management is committed of making the job enjoyable and easy for the worker.

Figure 1:



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