Volume 19 Issue 4
Originally issued as E1



Global Journal of Management and Business Research: E Marketing
Volume 19 Issue 1 Version 1.0 Year 2019
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

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

By Md. Mahmudur Rahman

Abstract- This research presents the impact of cross-cultural interaction on KFC corporate culture in different countries. It is mainly designed to assess the KFC cultural differences, strengths, weaknesses and challenges in perspective of Malaysian and the United Kingdom culture. Fundamentally in this study, only secondary sources of data have been used to gather the necessary information for the analysis of the study. Researcher has collected and used all the secondary data from several sources such as books, journals, news and articles related to KFC and from several websites. In this study, exploratory research has undertaken to understand the insights and impact of the United Kingdom and Malaysian national culture in KFC's corporate culture.

Hofstede and Trompeneures Culture analysis method had been followed in findings and analysis part to understand the national cultural differences between UK and Malaysia. KFC corporate cultural differences have been shown by several measurement scales. As a final point, a compact summary of all findings is given.

Keywords: *cultural differences, KFC, malaysia, united kingdom, global business, national cultures.*

GJMBR-E Classification: *JEL Code: M36*



Strictly as per the compliance and regulations of:



© 2019. Md. Mahmudur Rahman. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License http://creativecommons.org/licenses/by-nc/3.0/), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

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

Md. Mahmudur Rahman

Abstract- This research presents the impact of cross-cultural interaction on KFC corporate culture in different countries. It is mainly designed to assess the KFC cultural differences, strengths, weaknesses and challenges in perspective of Malaysian and the United Kingdom culture. Fundamentally in this study, only secondary sources of data have been used to gather the necessary information for the analysis of the study. Researcher has collected and used all the secondary data from several sources such as books, journals, news and articles related to KFC and from several websites. In this study, exploratory research has undertaken to understand the insights and impact of the United Kingdom and Malaysian national culture in KFC's corporate culture.

Hofstede and Trompeneures Culture analysis method had been followed in findings and analysis part to understand the national cultural differences between UK and Malaysia. KFC corporate cultural differences have been shown by several measurement scales. As a final point, a compact summary of all findings is given.

This outstanding outcome is undoubtedly baked for some reasons. The reasons are outlined thoroughly followed by some recommendations, and finally, a conclusion is drawn to complete the overall study.

Keywords: cultural differences, KFC, malaysia, united kingdom, global business, national cultures.

I. Introduction

a) Organizational Part

i. History

KFC is known as the world's second-largest popular fried chicken restaurant chain after McDonald's. Kentucky fried chicken (KFC) was an extraordinary achievement for a concept of fried chicken as fast food (restaurant chain) and it was started in a remote rural town in Kentucky, the USA in the 1950s. There are more than 21,000 KFC outlets in 130 countries and territories around the world serving more or less 15 million customers each day.

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

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

b) Introduction to the study

i. Problem Statement

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

ii. Scope and limitations of the research

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

iii. Limitations of the research

- Secondary data sources mostly used in this study.
- The research only covers the cultural impact of Malaysia and the United Kingdom.
- Up to date information was not published in several cases.

Author: e-mail: mahmud_848@yahoo.com

© 2019 Global Journals

- Derived information was incredibly limited.
- Satisfactory relevant papers and documents were not available.

iv. *Objective of the study*

General Objective

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

Specific Objective

1. What is the role of culture in making the business a successful one in the different country?
2. What type of challenges do KFC face to run their business in a new culture?
3. How KFC overcome the cultural barriers in global business?

v. *Methodology of the report*

Several types of research-based study have conducted to achieve the optimal results from this study. Each face of the research work will incorporate a different approach and methodology.

- Type of research

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

- Exploratory research

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

vi. *Sources of information*

Secondary data:

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

1. International sources

– Journals based on cross-cultural interaction.
– Journals based on KFC culture and its operations in Malaysia and UK.
– Journals based on Malaysia and UK culture.
– Previous research report work based on culture.

2. External Sources

– Different books and periodicals related to culture.
– Newspapers and articles.
– Internet

vii. *Study Center*

Only the United Kingdom and Malaysian national culture and KFC corporate culture based on Malaysia and the United Kingdom have been analyzed in this research study. The fundamental of this study is based on understanding both countries national culture, and KFC corporate culture in those countries.

c) Literature Review

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

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

i. *Cross-cultural impact on organizational culture*

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

ii. *Cross-Cultural interaction*

Situational Issues: Situational cues determine the extent to which the situation evokes a pre-existing behavioral sequence q script. If a screenplay does not exist for the state, the person will give more thought as to how to behave and how such behavior might be perceived.

Behavior: Behavior may vary from country to country through cultural characters and expectations. Malaysia has different cultural plays band expectations. Whereas the UK also has some different cultural scripts and expectations as well, this may differ from time to time. Expectations categorize behavior automatically.

© 2019 Global Journals

Identification of Behavior: Cross-cultural interaction is based on selective perception and also another part of it. Culturally based expectations influenced the attribution of the behavior that the perceiver has for members of the other culture.

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

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

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

iii. Hofstede Analysis

Power Distance: Power distance for the UK is low, but it is high in Malaysia.

Masculinity: For the UK, Masculinity is advanced, and it is degraded for Malaysia.

Uncertainty avoidance: It is very low in the UK, while it is comparatively high in Malaysia.

Individualism: From the point of Individualism, the UK is individualistic and Malaysia is collectivistic.

Orientation: The UK Orientation is short term, and Malaysia Orientation is long term.

iv. *Trompenaars Analysis*

Universalism vs. Particularism: There is universalism in the UK and Particularism in Malaysia. Universalism looks for broad and general rules. Particularism sets about finding exceptions

Individualism vs. Collectivism: The UK is individualistic, and Malaysia is collectivistic. Individualism favors the rights of the individual while collectivism looks to the interest of the group.

Neutrality vs. Emotionalism: Feelings should not be publicly displayed. In the UK there is neutrality, and In Malaysia, there is emotionalism as emotionalism prefers the display of one's emotions

Specificity vs. Diffuseness: Different areas of life bleed over into each other.

Specificity- Oriented cultures have separate spheres of activity in the UK.

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

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

II. Discussion

Corporate Culture Difference

Corporate culture is the field to do something with the people of the organization, their relations, their activities, and views. So when an MNC wants to establish a business in a new region, they need to bring some changes in their corporate culture. In the study, researcher has focused on how the corporate culture of KFC differs in the UK and Malaysia. (Ethics at KFC, 2010)

a) Organizational culture of KFC in the United Kingdom

Work environment: The United Kingdom KFC was one of the companies among the fifty companies who achieved the best work place award 2010. (Great Place to work, 2010) The reasons behind this great achievement were:

- In the United Kingdom people of different ethnic origin working in the organization, so employee gets chance to meet with different cultural people.
- They enjoy a friendly, supportive and family type atmosphere.
- There is no differentiation by race, gender, and disability.
- Get protection from the detrimental hazard in the place of work.
- Employees also face elevated level of accountability.

KFC never forget the importance of recognition because it is an influence motivation tools that help to enhance the employee engagement, performance, and retention. (MERRY_Weaver, 2009).

- They give performance award to everyone no matter what country they are from & how senior they are. All employees enjoyed a bonus through a range of schemes.
- Managers always judge the performance of staffs against two measures –customer satisfaction and operational basics. Employees are awarded with star pin, reunification card, promotion, and high remuneration for excellent result.

In Britain, we usually experience a very diverse staff mix in every organization. They are different in style, language, literacy level, ethnicity, so it is really

© 2019 Global Journals

complicated to make them understand everything in English. And that's why,

- In Britain management has developed a unique poster system to transfer all significant information through visual means instead of text-heavy documents.
- Notice boards were also used to display messages in a purpose-designed format.

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

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

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

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

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

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

Employers of KFC are always looking at a new and innovative way of developing training for employees. They named the training program as 'Star System' the word STAR stands for Store, Training, and Reading. This system consists of several consecutive attention-grabbing parts. (KFC Employee Training, 2010). These parts are:

- Orientation
- Skill training
  - Operation menu
  - Study guide
  - Voucher book
  - Films stripe
- Star track
  - Customer service series
  - Operation series
  - Food service series
  - Sanitation series

b) Corporate culture of KFC, Malaysia

KFC is the first multinational first food chain in Malaysia. To manage a business in a new environment as well as with new workforce, KFC brought significant changes in their corporate culture. (KFC Holdings (Malaysia) Bhd). That's why they become a very successful company in Malaysia.

In the place of work, management always has an emphasis on collaboration.

- Maintain the diversity within the organization.
- Continue to keep focusing on teaching employee something new.
- Organized the unity in the place of work.
- Emphasis on building harmony in the relationship between employee and customer.

The management of KFC in Malaysia communicates staffs to know what they can do to improve talent. Based on the feedback from employees they organized an excellent training package.

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.

Communication is a way of promoting good collaborate relationship between management and employees. KFC in Malaysia operates a cascade process to reach its worker in the organization. It involves information being passed down from upper management to area manager to restaurant managers, who pass on messages to team members.

Performance assessment of employees is more than a nice thing to do for them. It works as a great mental motivation for staffs. Appreciation of doing a good job is also very essential to be a successful organization.

- In Malaysia, KFC uses straight ranking method through which the staffs are positioned from best to the poorest by senior employees. Because according to Malay culture, managerial authority determines by patronage or age seniority.
- On the base of unique performance, the company provides future promotion to employees.

Malaysia is predominantly an Islamic country. Other religions are practiced there like Buddhism, Christian and that's why KFC had to bring some changes in their corporate sector and in operation.

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

© 2019 Global Journals

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

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

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

In Malaysia, there are slightly different between male and female employee uniforms. Male's dress code is the same as the UK wearing shirt, trouser, and shoe but for there as conservativeness in dress code for female. Most of the female worker also uses a scarf to cover their head as a part of their pious values.

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

Product Differentiation:

UK	MALAYSIA
Non spicy More chips Boneless chicken Original recipe chicken Burger box meal Drinks(Fanta, pepsi, diet, coke,7up)	Flora roast Royal biryani Chicken rice As a side dish they offer steam rice Whipped potato Separate meal for breakfast, evening and late night. potato wedges

III. Summary of Findings

In the United Kingdom, the employees get performance award no matter how senior they are and which country they are from.

- All employees enjoyed a bonus through a range of schemes.
- Masculinity significantly low in the United Kingdom.
- In the UK the work uniform for every employee is same in design and in color.
- Christianity is the main religion in the UK. So especially for Christmas Company provide a bonus to an employee in the form of a retail voucher.
- Almost 10163 talent employees are working in different KFC at the United Kingdom.

Maintain the diversity within the organization. Continue to keep focusing on teaching employee something new. In Malaysia, there is more emphasis on building harmony in the relationship between employee and customer.

- The management of KFC in Malaysia communicates staffs to know what they can do to improve talent.
- KFC in Malaysia operates a cascade process to reach its worker in the organization.
- Performance assessment of employees is more than a nice thing to do for them.
- In Malaysia, KFC uses straight ranking method through which the staffs are graded from the best to the poorest by senior employees.
- In Malaysia, all KFC employees achieve a monthly remuneration despite their position within the organization.
- In Malaysia, there are somewhat differences between male and female employee uniforms.

IV. Conclusion

There are lots of differences and similarities between KFC in the United Kingdom, and in Malaysia regarding national Culture, corporate culture, operations, strengths, weaknesses, and challenges have presented in this research. KFC has overcome all the barriers and managed the cross-cultural issues and not only but also operating their business in the above-mentioned countries smoothly with good profit and maintaining steady growth in international company.

(Word Count: 3161)

Bibliography

1. Greatplacetowork.co.uk. (2019). What is a great workplace? » Great Place to Work UK. [online] Available at: https://www.greatplacetowork.co.uk/about/what-is-a-great-workplace/ [Accessed 12 Jan. 2019].
2. Anon, (2019). [online] Available at: https://www.kfc.com/about [Accessed 12 Jan. 2019].
3. Leo Paul Dana, (1999) "Kentucky Fried Chicken", British Food Journal, Vol. 101 Issue: 5/6, pp.493-496, https://doi.org/10.1108/00070709910278505

© 2019 Global Journals

4. Terrence H. Witkowski, Yulong Ma, Dan Zheng, (2003) "Cross-cultural influences on brand identity impressions: KFC in China and the United States", Asia Pacific Journal of Marketing and Logistics, Vol. 15 Issue: 1/2, pp.74-88, https://doi.org/10.1108/13555850310765088
5. Anon, (2019). [online] Available at: https://www.kfc.com/about [Accessed 12 Jan. 2019].
6. Merry Weaver (a.n.d.) How to show appreciation at work [Internet] Available at <http://www.helium.com/items/495255-how-to-show-appreciation-at-work> []
7. Anon, (2019). [online] Available at: https://www.kfc.com/about [Accessed 12 Jan. 2019].
8. KFC Employee Traning (2010). Soundboard [Internet] Available at <http://www.soundboard.com/sb/KFC_Employee_Training.aspx> [Accessed 30 November. 2018].
9. Ethics at KFC (2010). Articlebase [Internet] Available at<http://www.articlesbase.com/ethicsarticles/ethics-at-kfc-1924425.html> [Accessed 23 November, 2010]
10. Careers at KFC (n.d.) KFC UK [Internet] Available at <http://careers.kfc.co.uk/> [Accessed 22 November, 2010]
11. KFC Holdings (Malaysia) Bhd (n.d.) KFC Malayasia [Internet] Available at <http://www.kfc.com.my/about-kfc-malaysia.html> [Accessed 3 December, 2010]
12. William B. Gudykunst (2003) Cross-cultural and intercultural communication. Second Edition. London: SAGE Publications.
13. Agarwal, M. and Mirsa, G. (1993), Socio-cultural values and relative deprivation in work organizations, Indian journal of industrial relations, 28, 327-340
14. Black, J., & Mendenhall, M. (1990), Xross-cultural training effectiveness: A review and a theoretical framework for future research." Academy of Management Review, 73(1), 113-136.
15. Breiden, O., Mirza, H. and Mohr, A. (2004), "Coping with the Job Abroad", International Studies of Management & Organization, 34(3): 5-26.
16. French, R. (2007), Cross-Cultural Management in Work Organisations. CIPD: London.
17. Herzberg, F. (1968), One more time: How do you motivate employees? Harvard Business Review, 46(1), 53-62.
18. Hofstede G. (1980), Culture's consequences: International differences in work-related values, Newbury park, CA: Sage.
19. Hofstede G. (1991), Cultures and organizations: software of the mind, London: McGraw-Hill.
20. Hofstede G. (1984), Culture Consequences: International Differences in Work-Related Values, abridged edn. Thousands Oaks CA: Sage Publication Inc. McGraw Hill.
21. Schuster, C. & Copeland, M.(2008), "Cultural theory in use: the intersection of structure, process and communication in business practice", Journal of Public Affairs,8: 261-280
22. Senge, P. (1997), The Fifth Discipline: The Art and Practice of the Learning Organisation,. London: Century Business.
23. Trompenaars (1993), Riding the waves of culture. London: Nicholas Brealy.
24. Tu, H. and Sullivan, S. (1994), "Preparing Yourself for an International Assignment", Business Horizons, 37 (1): 67-70
25. Urban Ministry (2009), Geert Hofstede Cultural Dimension, Available at: http://nl.urbanministry.org/wiki/geert-hofstede-cultural-dimensions (accessed: 26 December, 2009)

© 2019 Global Journals