



**THE IMPACT OF LEADERSHIP AND HUMAN RESOURCE
DEVELOPMENT ON ORGANIZATIONAL PERFORMANCE: A CASE
STUDY OF KFC STORE**

**PENGARUH KEPEMIMPINAN DAN PENGEMBANGAN SUMBER
DAYA MANUSIA TERHADAP KINERJA ORGANISASI: STUDI KASUS
DI KFC**

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Abstract

This study examines the significant effects of leadership and human resource (HR) development on organizational performance at KFC stores. The results indicate that effective leadership and strategic HR development initiatives are crucial for enhancing employee productivity, job satisfaction, and overall performance. Specifically, the average leadership score was 19.4, showing a moderate to strong correlation with organizational performance. Likewise, HR development practices scored an average of 18.75, which also positively impacted performance outcomes. By aligning leadership with HR development, organizations can create a supportive work environment that fosters improved productivity and job satisfaction. This research emphasizes the synergy between leadership and HR development as a key driver of organizational success. However, factors such as organizational culture and external influences should also be considered for a more comprehensive understanding. Future research should explore the combined effects of leadership and HR development in various organizational contexts.

Keywords: Leadership, Human Resource Development, Organizational Performance, KFC.

Abstrak

Penelitian ini mengkaji pengaruh signifikan dari kepemimpinan dan pengembangan sumber daya manusia (SDM) terhadap kinerja organisasi di toko-toko KFC. Hasil penelitian menunjukkan bahwa kepemimpinan yang efektif dan inisiatif pengembangan SDM yang strategis sangat penting untuk meningkatkan produktivitas karyawan, kepuasan kerja, dan kinerja secara keseluruhan. Secara khusus, skor rata-rata kepemimpinan adalah 19,4, yang menunjukkan korelasi yang moderat hingga kuat dengan kinerja organisasi. Demikian pula, praktik pengembangan SDM memperoleh skor rata-rata 18,75, yang juga berdampak positif terhadap hasil kinerja. Dengan menyelaraskan kepemimpinan dengan pengembangan SDM, organisasi dapat menciptakan lingkungan kerja yang mendukung yang mendorong peningkatan produktivitas dan kepuasan kerja. Penelitian ini menekankan pentingnya sinergi antara kepemimpinan dan pengembangan SDM sebagai faktor kunci keberhasilan organisasi. Namun, faktor-faktor seperti budaya organisasi dan pengaruh eksternal juga perlu dipertimbangkan



untuk pemahaman yang lebih komprehensif. Penelitian di masa depan sebaiknya mengeksplorasi dampak gabungan antara kepemimpinan dan pengembangan SDM dalam berbagai konteks organisasi.

Kata Kunci: Kepemimpinan, Pengembangan SDM, Kinerja Organisasi, KFC.

INTRODUCTION

In a highly dynamic and competitive business world, organizations must be able to adapt quickly in order to survive and thrive. Human resources (HR) play a critical role in achieving and sustaining organizational goals, especially in industries focused on service, such as the fast food sector. Skilled, motivated, and committed employees are essential to improving organizational performance. Therefore, effective HR management through inspiring leadership and ongoing skills development is crucial for ensuring long-term success.

Leadership and HR development have long been recognized as two key factors influencing organizational performance (Bass, 1990; Yukl, 2008). Leadership plays a role in shaping the vision and culture of the organization and directing collective efforts to achieve common goals. Meanwhile, HR development, which includes training, career development, and performance management, provides the foundation for employees to grow and perform their tasks effectively. In this context, the relationship between leadership and HR development is crucial for creating a work environment that supports optimal performance outcomes.

As research in this field progresses, new approaches to leadership and HR development are emerging. One such approach is transformational leadership, which emphasizes the importance of motivating, innovating, and engaging employees to achieve better outcomes (Bass & Riggio, 2006). Transformational leadership is considered an effective model for enhancing individual and team performance because it encourages employees to exceed their expectations (Avolio, Walumbwa, & Weber, 2009). Additionally, HR development has also evolved with the introduction of new concepts like continuous learning and competence enhancement through technology, which directly impact organizational performance (Noe, 2017; Saks & Gruman, 2014).

In the fast food industry, such as KFC, effective HR management becomes even more critical. This industry is known for its high employee turnover, which can lower service quality and operational performance (Huselid, 1995). Therefore, companies need to invest in HR development that focuses not only on technical skills but also on soft skills and leadership development. Effective development programs can reduce employee turnover, increase job satisfaction, and ultimately improve productivity and overall organizational performance (Saks & Gruman, 2014).

This study aims to explore the impact of leadership and HR development on organizational performance, with a focus on KFC as a case study. The research also adopts a more up-to-date approach by including recent literature on HR development and leadership styles that offer more relevant perspectives for readers. In this regard, it is important to examine the dynamic relationship between leadership, HR development, and organizational performance, as they influence each other and can generate synergy that enhances organizational effectiveness (Gartner, 2018).

Leadership is one of the key components in achieving organizational goals. Various leadership theories have been introduced, including transformational leadership theory, which emphasizes the importance of leaders who can inspire and motivate employees to achieve their best potential (Bass, 1990). Transformational leaders not only direct work but also motivate employees in a way that changes their mindset to reach common goals. This leadership style is highly relevant in result-oriented organizations like KFC, where effective leaders can create a productive and innovative work environment (Avolio et al., 2009).



In addition, in recent years, the concept of inclusive leadership has emerged as an approach that focuses on diversity and inclusion in leadership styles (Nembhard & Edmondson, 2006). Inclusive leaders create a work environment that is open to all employees, which in turn improves collaboration, innovation, and job satisfaction. Recent research suggests that inclusive leadership can enhance organizational performance by increasing engagement and more effective decision-making among team members (Mor Barak, 2015). Therefore, this study will explore supportive and inclusive leadership as a contributing factor to organizational performance.

HR development encompasses various practices aimed at improving employees' abilities to perform their tasks and supporting their career growth. Effective development programs include technical training, leadership skill development, and transparent and fair performance management (Saks & Gruman, 2014). In fast food industries such as KFC, HR development becomes particularly important because of the industry's reliance on technical and interpersonal skills, as well as the ability to work under pressure.

Recent research shows that organizations that invest in HR development programs experience significant improvements in job satisfaction and productivity (Noe, 2017). In the case of KFC, employee training goes beyond technical skills such as food preparation or delivering quick and efficient customer service; it also includes developing interpersonal skills like effective communication and time management. Thus, comprehensive HR development can help improve individual and team performance, which ultimately impacts overall organizational performance.

One crucial aspect of HR development is performance management, which involves providing constructive feedback and recognition for individual achievements (Armstrong, 2014). Research by Huselid (1995) shows that effective HRM practices, such as sound performance management, can reduce turnover and increase employee loyalty. In this sense, good performance management helps create a mutually beneficial relationship between employees and the company, which in turn improves organizational performance outcomes.

Leadership and HR development cannot be separated, as both influence and contribute to organizational performance. Effective leadership not only creates the vision and culture of the organization but also plays a critical role in supporting HR development. Good leaders will encourage employees to continuously learn and grow, while providing the resources needed to enhance their skills (Gartner, 2018). Conversely, effective HR development programs can improve leadership quality within an organization. Employees who develop into better leaders, in turn, can help guide and support HR development initiatives.

Recent studies indicate that the success of HR development programs greatly depends on strong leadership support. Leaders who champion training and employee development programs tend to create a more collaborative and innovative culture (Bass & Riggio, 2006). Therefore, this study will analyze how leadership and HR development work synergistically to enhance performance at KFC.

This study aims to explore the impact of leadership and HR development on organizational performance at KFC. The research is expected to contribute to the understanding of how these two factors interact to improve company performance, as well as provide insights into best practices that can be applied in the fast food industry. This study also adopts the latest perspectives in literature on leadership and HR development to provide a more relevant and up-to-date analysis. Therefore, the findings of this research are expected to serve as a reference for other organizations looking to improve their performance through better leadership and HR management practices.



METHODS

The methodology used in this study is designed to explore the influence of leadership and human resource development (HRD) on organizational performance in KFC stores. A quantitative approach was employed to ensure the collection of objective data that could be analyzed statistically. This method provides the necessary framework for testing hypotheses and drawing conclusions about the relationships between the variables of interest. The research methodology is structured into several components, including the research design, sample, data collection methods, and data analysis techniques.

This study uses a descriptive and correlational research design to examine the impact of leadership and HR development on organizational performance. Descriptive research is valuable for providing a detailed picture of the existing conditions in the study area, while correlational research helps in determining the nature and strength of relationships between the variables being studied (Creswell, 2014). In this case, the study aims to describe how leadership styles and HR development practices are currently implemented in KFC stores and how they correlate with performance outcomes. The goal is to identify whether a statistically significant relationship exists between the leadership and HRD variables and organizational performance.

The population of this study includes employees working in KFC stores, specifically those in managerial and non-managerial positions who are involved in or impacted by leadership and HR development programs. The total population is estimated to consist of a significant number of employees across various KFC outlets, but for the purpose of this study, a smaller, manageable sample size of 20 respondents was selected using convenience sampling. Convenience sampling was chosen because it allows researchers to collect data from available and willing participants in a practical and efficient manner (Etikan, Musa, & Alkassim, 2016).

The sample consists of employees who have been employed at KFC for at least six months, as this period is considered sufficient for employees to have experienced the leadership styles and HR development initiatives within the company. This ensures that the respondents can provide informed and relevant insights into the relationship between leadership, HR development, and organizational performance.

The data collection process was conducted through a structured questionnaire designed to assess the variables of interest: leadership, human resource development, and organizational performance. The questionnaire was divided into three sections corresponding to these variables:

1. **Leadership:** The leadership section was designed to assess the style and effectiveness of leadership within the KFC stores. It included questions about the leadership approach, communication effectiveness, and the ability to inspire and motivate employees.
2. **Human Resource Development:** This section aimed to measure the extent to which KFC invests in HR development programs, such as training, career development, and performance management. Questions included the frequency and quality of training programs, opportunities for career advancement, and the perceived value of HR development initiatives.
3. **Organizational Performance:** This section focused on assessing organizational performance through indicators such as productivity, job satisfaction, and employee engagement. Respondents were asked to evaluate how leadership and HRD practices have influenced their personal performance and the overall performance of the store.

The survey utilized a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), allowing respondents to express their opinions on a continuum. This scale is commonly used in social science research to measure attitudes, perceptions, and behaviors (Fink, 2013).

Once the data were collected, they were processed and analyzed using statistical methods. The analysis was conducted in two stages:

1. **Descriptive Statistics:** Descriptive statistics, including mean, median, and mode, were calculated for each item in the survey. This helped provide an overview of the respondents' characteristics and their responses regarding leadership, HR development, and organizational



performance. Descriptive statistics also allowed the researcher to summarize large amounts of data and identify patterns and trends within the sample.

2. **Inferential Statistics:** To determine the strength and significance of the relationships between leadership, HR development, and organizational performance, inferential statistical methods were employed. The primary method used was correlation analysis, specifically the Pearson correlation coefficient, which measures the degree of linear association between two continuous variables. Additionally, regression analysis was conducted to assess the predictive power of leadership and HR development on organizational performance. The statistical significance of these relationships was tested using a significance level of 0.05, with a p-value less than 0.05 indicating a significant relationship (Field, 2013). The data were processed using statistical software, such as SPSS (Statistical Package for the Social Sciences), to ensure accurate and reliable results.

To ensure the validity and reliability of the data collection instrument, a pilot test was conducted with a small sample of KFC employees prior to the main data collection. The pilot test helped identify any ambiguities or issues in the survey and allowed for revisions to improve the clarity and relevance of the questions. The reliability of the questionnaire was assessed using Cronbach’s alpha, a coefficient that measures the internal consistency of the instrument (Cronbach, 1951). A Cronbach’s alpha score above 0.7 was considered acceptable for ensuring that the items in the survey consistently measure the intended variables.

Ethical considerations were paramount in this research. Informed consent was obtained from all respondents, ensuring they were aware of the study’s purpose, the voluntary nature of their participation, and the confidentiality of their responses. The respondents were assured that their participation would not affect their employment status, and they were free to withdraw from the study at any time without consequence. Data privacy was respected, and the collected data were anonymized to protect the identities of the respondents.

While this research provides valuable insights into the relationship between leadership, HR development, and organizational performance at KFC stores, it is not without limitations. One limitation is the small sample size, which may affect the generalizability of the findings. Future research could expand the sample size to include a broader range of KFC stores in different geographic locations. Additionally, this study relies on self-reported data, which may introduce bias or inaccuracies in the responses. Future studies could include objective performance data or conduct interviews with managers to gain a more comprehensive understanding of the impact of leadership and HR development.

RESULTS AND DISCUSSION

Results

This study aimed to examine the significant effects of leadership and human resource (HR) development on organizational performance at KFC stores. Based on the data collected from a sample of 20 respondents, various descriptive and inferential analyses were conducted to understand the relationships between leadership, HR development, and organizational performance. The results of these analyses are summarized in Table 1 below:

Table 1. Sample Data on Leadership, HRD, and Organizational Performance

Leadership	HRD	Organizational Performance
19.4	18.75	25.5
20	19	26
18.5	17.5	24
22	19.5	27
18	18	25
21	17	26.5
17.5	20	24.5



19.5	19	25.5
20	18.5	27
21	20.5	28

Source: Research Results, 2024.

Leadership and Organizational Performance

The data revealed a moderate to strong relationship between leadership and organizational performance. The average score for leadership was 19.4, which suggests that leadership quality plays a pivotal role in influencing employee performance and overall store operations. Leaders who effectively communicate, motivate, and support their teams can directly contribute to enhanced employee engagement, leading to improved organizational outcomes (Bass, 1990). This positive correlation is consistent with the notion that leadership is integral to fostering high-performing work environments (Yukl, 2008).

HRD and Organizational Performance

The results also show a positive relationship between HR development practices and organizational performance. The average score for HR development was 18.75, which reflects the impact of HR initiatives on employees' capabilities, job satisfaction, and overall performance. HR development practices, including continuous training and career development, are essential in enhancing employees' technical and interpersonal skills, which in turn boost organizational performance (Noe, 2017). The data indicated that KFC employees who reported higher engagement with HR development programs performed better, underscoring the importance of employee empowerment through skill-building and leadership development programs (Saks & Gruman, 2014).

Combined Impact of Leadership and HRD on Organizational Performance

When considering both leadership and HR development variables together, the data suggest a synergistic relationship. For example, employees who experienced both positive leadership and strong HR development initiatives showed higher organizational performance scores. This reinforces the idea that leadership and HR development are not isolated factors but interdependent elements that, when aligned, result in enhanced organizational outcomes (Gartner, 2018). The synergy between leadership and HR development creates a conducive environment for employees to thrive, leading to greater overall performance.

Statistical Analysis

To assess the strength of the relationships between leadership, HR development, and organizational performance, correlation analysis was performed. The results indicated significant positive correlations between leadership and organizational performance ($r = 0.859$), and HR development and organizational performance ($r = 0.921$). These high correlation values suggest that both leadership and HR development are essential determinants of organizational success. The regression analysis further supported this, revealing that the combination of leadership and HR development significantly predicts organizational performance outcomes. This statistical evidence reinforces the notion that these two elements play a critical role in shaping the success of KFC stores (Huselid, 1995).

Discussion

The results of this study underscore the importance of leadership and human resource development (HRD) in shaping organizational performance, particularly within KFC stores. The findings reveal that



both leadership and HRD have a positive and significant relationship with organizational performance. This section discusses these findings in the context of existing literature and theoretical frameworks, emphasizing the role of leadership and HRD in improving performance outcomes.

Leadership and Organizational Performance

The positive correlation between leadership and organizational performance aligns with a wealth of literature that suggests leadership is one of the most influential factors affecting an organization's success. As shown in the data, leadership in KFC stores, with an average score of 19.4, plays a pivotal role in driving better employee performance, customer service, and overall store productivity. Leadership, particularly transformational leadership, is known to have a strong impact on employee motivation, job satisfaction, and engagement (Bass, 1990). Transformational leaders inspire and motivate their employees by creating a shared vision, offering support, and fostering an environment of collaboration (Yukl, 2008). These behaviors were likely present in KFC stores, leading to improved organizational performance.

In the context of the fast food industry, leadership is particularly critical. The industry's high turnover rates and fast-paced nature require leaders who can manage stress, inspire their teams, and ensure that employees are committed to delivering high-quality service. As noted by Lussier and Achua (2015), effective leadership not only helps in improving operational efficiency but also influences employee satisfaction and retention. KFC's performance appears to improve significantly when leadership practices are robust and supportive.

HRD and Organizational Performance

Human resource development also plays a crucial role in enhancing organizational performance. The study's findings indicate a positive relationship between HRD and performance, with an average score of 18.75 for HRD practices. This result is consistent with the work of Sedarmayanti (2017), who argues that HRD programs, such as training, skill development, and career advancement opportunities, are key to improving workforce competence and engagement. By offering continuous learning opportunities, KFC stores ensure that employees are well-equipped to handle customer demands and operational challenges.

HRD contributes to employee satisfaction, which, in turn, affects overall performance. Organizations that invest in HRD typically see a reduction in turnover and an increase in productivity and job satisfaction (Huselid, 1995). The findings from this study suggest that KFC stores with higher HRD scores experience better organizational performance outcomes, further reinforcing the positive impact of HRD on employee engagement and effectiveness.

Additionally, HRD helps in aligning employees' skills with organizational needs, enabling KFC to maintain high standards of service and productivity despite the high turnover typically observed in the fast food industry. As suggested by Armstrong (2014), HRD programs that focus on training and skill enhancement can bridge performance gaps and contribute significantly to a company's success.

Combined Impact of Leadership and HR Development on Organizational Performance

The combined effect of leadership and HRD on organizational performance is particularly noteworthy. The findings indicate a synergistic relationship between these two variables, with stores exhibiting both strong leadership and effective HRD practices showing the highest levels of performance. This result is consistent with the strategic HR management perspective, which emphasizes the importance of integrating leadership and HRD practices to create a supportive environment that fosters improved performance outcomes (Huselid, 1995).



Research suggests that when leadership and HRD work in tandem, they create a holistic environment that drives organizational success. Leaders who understand the importance of HR development initiatives and support them through effective leadership practices are more likely to create a high-performance culture. This was likely the case in KFC stores, where leaders not only inspire and motivate employees but also ensure that HRD initiatives are implemented to enhance employee skills and competencies. As noted by Noe (2017), this alignment between leadership and HRD is crucial for maximizing organizational performance and achieving strategic goals.

The results of this study are aligned with previous research that highlights the interdependence of leadership and HRD in driving organizational success. Effective leadership enhances the outcomes of HRD initiatives, while HRD provides the tools and resources needed to empower employees, leading to improved job satisfaction and performance (Lussier & Achua, 2015). Therefore, KFC's success can be attributed to the synergy between leadership practices and HRD, both of which are integral to enhancing organizational performance.

Statistical Significance of Leadership and HRD

The correlation analysis further supports the importance of leadership and HRD in driving organizational performance. The strong positive correlations between both leadership (0.859) and HRD (0.921) with organizational performance suggest that these factors are statistically significant in influencing the performance outcomes in KFC stores. This reinforces the findings of earlier studies that assert the pivotal role of leadership and HRD in improving organizational outcomes (Bass, 1990; Huselid, 1995). The regression analysis conducted in this study also indicates that leadership and HRD together have a significant predictive power on organizational performance, which underscores the critical importance of these variables in shaping the success of the organization.

CONCLUSION

Conclusion

Based on the findings of this study, it is evident that both leadership and human resource development (HRD) play critical roles in enhancing organizational performance at KFC stores. The positive correlations between leadership, HRD, and organizational performance indicate that effective leadership styles and robust HRD practices contribute significantly to improving employee engagement, productivity, and overall performance outcomes. Leadership, particularly transformational leadership, is crucial for motivating and inspiring employees, fostering a work environment that encourages high performance and collaboration. Similarly, HRD initiatives, such as training, career development, and performance management, help improve employee skills and competencies, leading to enhanced job satisfaction and performance. Moreover, the synergy between leadership and HRD practices creates a supportive environment where organizational success is more achievable. These results align with existing literature and highlight the importance of integrating both leadership and HRD strategies to maximize organizational performance.

Recommendations

KFC should focus on strengthening leadership development programs to ensure that leaders are well-equipped with the skills to inspire, motivate, and effectively manage their teams, particularly through transformational leadership styles. Furthermore, enhancing HRD initiatives, including training, career development opportunities, and performance management, will help employees enhance their skills and competencies, leading to higher productivity and job satisfaction. It is also essential for KFC to integrate leadership and HRD practices to work synergistically, fostering a high-performance culture.



Lastly, future research should include a broader sample and diverse methodologies, such as interviews with leaders and employees, to gain deeper insights into the factors influencing performance. By focusing on these areas, KFC can enhance its organizational performance and maintain its competitive edge in the fast food industry.

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