

**THE EXTENT TO WHICH KENYA POWER AND LIGHTING  
COMPANY PRACTICES INTERNAL MARKETING**



**BY  
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**A Management Research Project Submitted in Partial Fulfillment of the  
requirements of the Master Degree in Business Administration (MBA),  
Faculty of Commerce, Nairobi University**

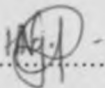
November, 2004.

## DEDICATION

To my Dad and Mom who encouraged me on when I felt like giving up and for teaching me the value of education in life

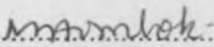
## DECLARATION

This Management Research Project is my original work and has not been submitted for a degree in any other University.

Signed.....  ..... Date 14/01/05 .....

Nganga , Hellen Wanjiku

This Management Research Project has been submitted for examination with my approval as the University supervisor:

Signed  ..... Date 17-01-2005 .....

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Lecturer


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## ABSTRACT

The importance of the human resources in the achievement of strategy objectives in the service driven economy worldwide has brought dramatic changes in the way organization relate with their employees. The operating environment for the energy sector has seen drastic changes characterized by higher expectation across all stakeholders groups. Compared to the past the government and donors are less willing to inject funds in loss making parastatals and customers are also more demanding. Internal marketing has been identified as key to addressing this challenge. However, there was no known research on internal marketing practices in Kenya. This study sought to determine the extent to which KPLC practices internal marketing. Further it sought to establish the challenges faced by KPLC in the practice of internal marketing.

This was a descriptive study and the population of interest included all the 2772 KPLC staff in Nairobi region. The researcher sampled 100 employees using proportionate stratified random sampling. Data was collected using a semi structured questionnaire which was administered using the drop and pick later method Seventy-seven of the sampled employees completed the questionnaire.. Data was analyzed using descriptive statistics such as mean scores, frequencies and standard deviation and presented in tables and charts.

The study found out that employees at KPLC generally feel that they understand what is expected of them at work, and there is a well-defined reporting system. These were the only two aspects that were practiced to a 'large extent' at KPLC. This study also found that KPLC is generally an average company in the practice of internal marketing. Most of the internal marketing elements were only practiced to some extent. KPLC has fairly excelled in internal marketing by job description, training, planning and control and management methods for employee empowerment. It performed poorly in the areas of reward system, motivation, organization culture and recruitment among other areas.

The main challenges faced by management while practicing internal marketing include; insufficient resources, poor communication, bureaucracy, juniors not being consulted on their needs, lack of ownership among staff, irregular training and lack of appraisal systems to boost staff morale among others.

The researcher recommended the need for KPLC to improve its overall internal marketing programs to increase the employee's confidence in the same. She also recommended communicating to the employees of intended changes and continually consulting with the employees on their needs before implementation may help improve the current rating. Training needs assessment and systems modification were also recommended.

## CHAPTER ONE

### INTRODUCTION

#### 1.1. Background

Organizations are operating in a dynamic and rapidly changing environment. The powerful forces of globalization are fundamentally changing the nature and the general way of doing things (Eisenhardt, 2002). According to Johnson and Scholes (2002), the impact of globalization, information technology and rapid changes in the business environment can no longer be ignored. In the recent past and with the advent growth in information technology the way of doing things has had to change, as liberalization and increasing customer demand pose a major challenge to businesses. Future survival of any organization is no longer guaranteed as change rather than stability is the order of the day (Eisenhardt, 2002). To survive in such an environment, organizations need to focus on strategies that deal with the emerging environmental challenges (Ansoff and McDonnell, 1990).

Strategy according to Johnson and Scholes (2001) can be seen as the matching of the resources and activities of an organization to the environment in which it operates. Strategy is used to give direction on how organizations leverage their resources to meet their objectives and how they eventually execute the strategy. A strategy is therefore said to be a good strategy when its execution is successful, otherwise the strategy is useless. Bartlett and Ghoshal (2002), emphasize this point

when they say that people are at the heart of strategy and that the knowledge, experience and the general attitude of people are the key factors in enabling the success of any strategy.

The importance of the human resources in the achievement of strategy objectives in the service driven economy worldwide has brought dramatic change in the way organizations relate with their employees. A lot of organizations have found a new meaning in the term competitive strategy as they compete for the hearts, minds and dreams of exceptional people (Bartlett and Ghoshal, 2002). For many service industries, the quality of services delivered to customers is closely related to the performance of the employees. This is more so because the two are intertwined-, in most cases it's not possible to separate the service from the service provider (Payne, 1993). As such, the human factor cannot be overemphasized in a service industry. Most service production processes require the service organization's own personnel to provide significant inputs to the service production for the transaction to be satisfying.

High contact services involve numerous encounters between the customers and the service provider. The term "moment of truth" is used to highlight the importance of encounters between customers and the service provider. Lovelock (1996, Pg. 62) says

*"...We could say that the perceived quality is realized at the "moment of truth", when the service provider and the service customer confront one another. It is the skill, the motivation and the tools employed by the firm's representative and the expectations and behavior of the client which together will create the service delivery process."*

This quotation immediately makes apparent the link between services marketing and the service provider. With its own people as part of the product no service business can afford to divorce its customer contact employees from the firms marketing strategy. Managers have the responsibility to communicate to the employees on what the firm is trying to achieve in the market place and to orient them toward the needs of customers in the different market segments it has chosen to serve (Lovelock, 1996).

According to Lovelock (1996), the effort of the organization to sell its vision and mission to its employees, giving service employees the training, authority and support required for the success of the organization goals is what is referred to as internal marketing. Instead of striving to control employees' behavior, managers should be working to support employees in their tasks, acting as coaches and role models to help the latter be effective and efficient.

### **1.1.1 Internal marketing**

A customer-oriented environment often results from an internal marketing endeavor. Internal marketing is more than a strategy; it represents efforts to change the values and beliefs of an organization by promoting the firm and its services to the employees (George, 1990). The importance of integrating the internal marketing concepts into the organization is based upon the customer-oriented perspective inherent in the concept of internal marketing. An enhanced sense of customer orientation within the firm is a key element leading to successful external marketing, enhanced customer satisfaction, and increased overall performance of the firm, especially service firms (Greene, et al, 1994).

Internal marketing has been described as the implementation of a human resource management philosophy based on a marketing perspective (George and Gronroos, 1989). The internal marketing states that the internal market is best motivated for service mindedness where "marketing like" activities are used internally. Greene, et al (1994), discuss these marketing activities in terms of promotion of both the firm and its service offerings. Management in service industries therefore need to market customer orientation to its employees as a means of impacting the quality of the firm and its service outputs. This is especially important in the service firms since they cannot easily differentiate their services on the basis of mere technical quality of the outcome rendered to the customers (Gronroos, 1983). They recognize that as

the intangibility of the service offering increases, there is greater need to pay attention to the details of service delivery (Bowen and Schneider, 1988).

Given the intangibility of services, management in service industries has a more limited span of control over the services being provided. An internal marketing philosophy, which stresses the importance of customer orientation, can help employees to recognize that in many instances, their output is key in perceived quality. In other words the human performance of the employees materially shapes the service outcome and hence becomes part of the firm's product (Greene, et al, 1994).

The assumption of an internal marketing philosophy is that internal exchanges between the organization and its employee groups must be operating effectively before the organization can be successful in achieving goals regarding the external markets (George, 1990). To be more specific, Gronroos (1983) states internal marketing is now considered a prerequisite for successful external marketing to take place. A customer-oriented philosophy could have a more significant impact on a firm's external marketing if that philosophy were permeated throughout the organization.

Internal marketing is based on the notion of employees as customers. It aims at suggesting to the managers how to adopt marketing tools and strategies to

communicate more effectively with employees, research their concerns and ideas, win their loyalty and obtain their commitment to excellent service to external customers (Palmer, 2001). He defines internal marketing as "the means of applying the philosophy and practices of marketing to people who serve external customers so that the best possible people can be retained and will do the best work possible. It's a relatively new concept based on a research that concluded that 'if employees are not happy with their jobs, external customers will not be uppermost in their minds'. Researchers have tended to agree that satisfied internal customers are a critical prerequisite to the satisfaction of the external customer (Lovelock, 1996).

According to Johnson and Seymour (1985), the concept of internal marketing is based on the belief that the employees need the organization as much as the organization needs them and that the management understand that the employees are most valuable asset in the firm. Mwanjala (2002), states that without productive employees, the organization is nothing and can do nothing. The most crucial success factor is to recognize the importance of living up to the customers' expectations. It is also important to understand that there is a positive correlation between satisfying internal customers and meeting external customer's needs. Employees who are not happy with their jobs are not expected to treat external customers differently (Palmer 2001). This implies a link between a firm's success in the market and the firm's internal marketing practices.

### **1.1.2 Brief History of Kenya Power and Lighting Company**

The Kenya Power and lighting company (KPLC) was incorporated in 1922 as the East African Power and Lighting Company (EAP&L). It became the Kenya Power and Lighting Company in 1983. The majority shareholder of KPLC is the Government of Kenya and its institutions while the rest is owned by the Private shareholders through the Nairobi stock exchange. Before the major restructuring of the Power sector in 1997, KPLC managed all the country's power generating stations on behalf of the government.

In 1997, the restructuring process separated the functions of generation from those of transmission and distribution. The Electric Power Act 1997 created the regulatory environment for the restructuring of the sector. KPLC, which owns all transmission and distribution assets, buys electricity in bulk from the generating companies for transmission, distribution and retail to customers. The KPLC's responsibilities are to ensure sufficient transmission capacity to meet forecast demand, operate and maintain distribution network and to ensure satisfactory delivery of services to the customers.

The business of KPLC is guided by the vision 'to achieve the World class status as a quality service business enterprise so as to be the first choice supplier of electrical energy in a competitive world' (Kenya Power & Lighting Financial Statement, 2001). The vision describes the desired future focus of the company. It is meant to

stimulate motivation and enthusiasm throughout the organization by guiding activities, behavior and providing a sense of common destiny. The business of KPLC therefore is defined by its mission, which is to efficiently transmit and distribute high quality electricity throughout Kenya at Cost effective tariffs, to achieve the highest standards of customer service and to ensure the company's long term technical and financial viability.

To achieve the objectives of the vision and mission, the organization embarked on a business re-engineering process through the Integrated Strengthening Project. This involved radical re-thinking and re-designing of the company's processes to achieve dramatic improvements in critical contemporary measures of performance such as cost, quality service and speed. A lot of effort was geared towards improving the systems, processes and organizational structure, but little attention was given to the staff aspect.

Over time however, it has become apparent that it is not enough merely to re-engineer the system, process and structure without focusing on the people who do the work itself. According to Argyris (1999), a business plan that does not incorporate the means for achieving it, is incomplete and may be useless. KPLC as a service sector is faced with this challenge. The quality of the service offered by this very essential service provider has been questioned by the customers who have become more sophisticated and demanding. Customer complaints have increased

and the pressure to improve the quality of the service offered to them can no longer be ignored (Stima Newsletter, April 2003). On the other hand economic and political changes have continued to pose a major challenge to the procurement processes which has resulted to demotivated staff who are made to provide a service without the required equipment (East Africa Standard, 18-05-04). These are the issues that would call for KPLC to consider internal marketing as a way of cultivating a team of well-motivated staff who have the right attitude towards their work. One of the most important challenges facing managers is the creation of a context within which employees feel motivated and willing to act in order to achieve the goals of the organization (Mwanjala, 2002).

## **1.2 The Research problem**

For a long time, KPLC operated in a relatively stable environment. As a monopoly in the energy sector, it has enjoyed both the government and the donor community support. Customers have also been less demanding, and the organization had not felt the need to provide quality services. There was no significant demand for a measure of the quality of the services provided nor for the level of efficiency in the delivery of the service.

In the recent past however, a lot of changes have taken place in the environment, serving as a major wake up call for this very essential service provider. The political forces are up in arms indicating that the Government will not continue to inject

money into parastatals that will not sustain themselves (Daily Nation Newspaper, 12-01 03). The donor community who, for a long time has been the biggest supporter of the energy sector has given very onerous conditionalities if they are to continue to fund the sector.

On the other hand customers have become more discerning and demanding. They not only expect excellent, high quality and affordable services, they also expect high levels of services (Kenya power and Lighting Financial Statement,2001). For example they want their bills to be sent in time, and incase of complaints, then prompt and efficient response should be offered (Njoroge, 2003). Energy being a very important infrastructure in the economic growth of any nation, the need to provide affordable, consistent and safe power supply is no longer an option.

In the service sector, quality is closely related to employee performance. An essential feature of any successful organization is motivated employees. Therefore, the attitude of an employee towards her/his place of work and the extent to which an employer is able to motivate employees may have a direct effect on the quality of service offered to customers. One of the most important challenges facing managers is therefore the creation of a context within which employees feel motivated and will act in order to achieve the goals of the organization (Mwanjala, 2002).

Considering the strong relationship between the internal marketing and external marketing, and also noting that it is almost impossible to separate a service from its provider, internal marketing is one of the strategies that an organization can use to acquire and retain a competitive edge. This is more so because it is one of the things that are not easily copied by another organization making the competitive edge sustainable (Argyris, 1999).

Several studies have been conducted on marketing in reference to the customers in different organizations (e.g Mwaura, 2002, Maina, 2001 and Njoroge, 2003). Njoroge (2003), did his research on customer's perception of service quality with the focus on the external customer. In his study Njoroge (2003), recommended the need to focus on internal marketing as a way to enhance customer satisfaction. Given that internal customers have to be satisfied in order to effectively meet the need of external customers, KPLC needs to focus its attention to this end. It is however not known through any previous research studies whether companies in Kenya and particularly KPLC, practice internal marketing. This study therefore sought to fill the gap by seeking the answers to the following research questions

- i. To what extent does KPLC practice internal marketing?
- ii. What challenges does KPLC face in the practice of Internal Marketing?

### **1.3 Objectives of the Study**

The objectives of this study were

1. To determine the extent to which KPLC practices internal marketing.
2. To establish the challenges faced by KPLC in the practice of Internal marketing.

### **1.4 Importance of the Study**

The result of this study is expected to be useful to the following:

1. The KPLC - in understanding the importance of internal marketing in the improvement of its performance.
2. The stakeholders – Who will be interested in the performance of the firm especially when making investment decisions.
3. The Government and other financial institutions who have financial interests in the firm
4. Other firms in the service industry when considering internal marketing as a major competitive edge tool
5. Other scholars and researchers who may use it for reference.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

In this chapter the definitions and components of internal marketing have been discussed. The conceptual framework of internal marketing is also presented and discussed. This review of the literature seeks to examine the existing literature about internal marketing and identify information gaps

#### 2.2 Internal marketing

The internal marketing concept emerged from service marketing and its main concern was to get everyone who was involved in service encounters – the front line or contact staff – to perform better in the interaction with customer (Gummesson, 2000). The usage of the concept has extended beyond its traditional field and is now acceptable in all kinds of organizations. In internal marketing, the internal market consists of the employees in the organization and according to theories of quality management, employees are internal customers to one another. Gummesson (2000) summarizes this

*“An employee’s ability to influence and satisfy the needs of others inside the organization is considered an antecedent to external customer satisfaction. Only if internal customer relationships work, can the quality of the outcome be excellent, thus creating satisfied, or even better, delighted external customers”.*

One of the most basic definitions of internal marketing is according to Cahill (1991) as cited by Berry and Parasuraman (1996), internal marketing is attracting, developing, motivating and retaining qualified employees through job-products that satisfy their needs. Internal marketing is the philosophy of treating employees as customers-indeed, "wooing" employees..." and is the strategy of shaping job products to fit human needs". This definition emphasizes the importance of satisfying employees' needs in order to attract, develop, motivate and retain the best qualified personnel and it has a strong influx of human resource thinking.

Some definitions of the concept emphasize customer-consciousness among the employees such as the one given by Gronroos (1994), which says that "internal market of employees is best motivated for service mindedness and customer-oriented performance by an active, marketing like approach, where a variety of activities are used internally in an active, marketing like and coordinated way".

Other definitions emphasize on the understanding of the firm's mission and objectives among employees. Johnson, et al (1986), who define it as "service firm's efforts to provide all members of the organization with a clear understanding of the corporate mission and objectives and with the training, motivation and evaluation to achieve the desired objectives".

Recent definitions of the concept stress the purpose of enhancing service quality. "It is a strategy for developing relationships between staff across internal organizational boundaries. This is done so that staff autonomy and know-how may combine in

opening up knowledge generating processes that challenge any internal activities that need to be changed. The purpose of this activity is to enhance quality of external marketing relationships (Ballantyne, 2000). In sum, these definitions indicate that internal marketing is a philosophy for the management of comparatively large service organizations, where employees are viewed as a customer market and with the overall objective of enhancing the service quality.

## **2.2 The Need For Internal Marketing**

Employees in service industries, especially the front-line personnel, have an immediate effect on customer satisfaction. It is in this context that the concept has been introduced. Based on this view, Gronroos (1983) suggests that organizations should adopt internal marketing in order to attract, retain and make employees behave in a desired manner. He claims that internal marketing should be viewed as a managerial philosophy that has strategic as well as tactical implications throughout the firm and its various functions. The process of internal marketing is not, according to Cahill (1996), an end in itself. The overall purpose of this philosophy is to become better at marketing on external markets. Kiriri (2004), emphasizes the service triangle which includes three pillars; the company, service providers and customers. Internal marketing involves the company and the staff who are the service providers and it's aimed at enabling promises. Interactive marketing involves the staff who are the service providers and the customers and it's aimed at keeping

promises. Whereas external marketing involves external customers and the company and it is aimed at making promises. (Kiriri, 2004)

Payne (1999), suggest that the purpose of internal marketing activities is "to create, at least, a stable workforce, with reduced absenteeism and labor turnover and, at best, a workforce with high levels of morale, initiative and responsibility, committed to customer service". In order to attain the overall objective of internal marketing, the firm needs to create an internal environment in which the employees behave in a desired way facilitated by active and inter-functional activities (Gronroos, 1983). There is no simple answer to the questions of how to enhance productivity and quality and how to obtain committed employees. However, it is important to obtain a basic understanding of what motivates and what satisfies employees at their places of work in order to alter or influence employee behavior (Wright and Molander, 1989).

#### **2.4 The Strategic and tactical Levels of Internal Marketing**

The internal marketing process can be realized at two different levels: at strategic and at a tactical level. The objective of internal marketing process is, at a strategic level to pave the way for an internal milieu, which enhance customer-consciousness, sales mindedness and work motivation among employees. This is accomplished through supportive management methods, personnel policy, internal training policy, planning and control procedures and the organizational culture.

The objective of internal marketing process at a tactical level is the single marketing efforts to the employees. This objective is based on the following principles "That the personnel are the first market of Service Company, an understanding among the employees why they are expected to perform in a certain way, an acceptance among the employees of the service and activities of the company, a fully developed and internally accepted service and working information channels (Gronroos, 1983).

### **Management Methods**

The objective of management methods is to create an internal relationship, which enhances customer consciousness and work motivation among employees (Gronroos 1996). The importance being to create and communicate the company spirit to all employees for the good of the customer. The management methods have to be those that motivate employees and demand a decentralization of the decision making process through empowerment. This is needed in order for front line personnel to be able to make their own decisions during the service encounter. Management method in this respect should be such that the management is understanding of the employees working situation and takes an active interest in supporting employees in their work (Gronroos, 1996).

The management should be able to lead the employees to be motivated and committed to their work through empowerment and a career system that provides

commitment and growth. According to Finnigan (1983), the hallmark of the career system is its flow policies i.e., the movement of people up and out of the organization. People are recruited for positions that are spelled out with explicit, detailed attention to duties and rights. Every position is linked to a career ladder, so that every worker has the opportunity for some upward mobility. Thus the firm is in effect offering an employees not just a job but a career as well.

### **Personnel Policy**

A motivating personnel policy needs to be logical and just in nature. If there is an absence of such a policy, it is likely that internal marketing efforts become fruitless. This starts with job descriptions which are customer-oriented as opposed to structural rigid ones, which have a negative outcome on the flexibility of the front-line personnel (Gronroos, 1996). According to Argyris (1999), job description describes the tasks and duties performed, materials used and the machinery operated, the formal interactions with others required and the supervision given and received. Finnigan (1983), cites that in job description they must be clear about the job requirements and also about the sort of person they are looking for. So in trying to match the person and the job, the job description must consider the knowledge based on education, skills related to a specific job, experience which is familiarity acquired from having done something repeatedly or atleast once before and finally the personality. Personality is the foundation for developing interest and growth and will strongly influence the motivating factors (Argyris, 1999).

Service encounters between front-line personnel and the customers are a natural part of everyday life in the service industry. In these encounters, front line personnel have an extra ordinary opportunity to obtain information regarding the needs of the customers, the quality of delivery process and the customer experienced product quality. The key issues here are the recruitment and reward systems of the organization. Recruitment includes those practices and activities carried on by the organization with the primary purpose of identifying and attracting potential employees (Argyris, 1999). The nature and extent of a recruiting effort depends on a multitude of factors, including skill levels required, state of labor market and general economic condition and the image of the employer to the outside community. The goal is to select and hire people who will most effectively implement strategies successfully (Finnigan, 1983).

## **Training**

In every firm there is need for internal training policy, which aims to motivate the employees in their work. Continuing professional development is needed, and should not only cover technicalities of the work itself, but more importantly the cultivation of customer relations (Cahill, 1996). Rarely are the front-line personnel aware of their importance as marketers and their impact on the long term benefits of an organization. However, it should be noted that a successful internal training

policy is not the only answer to an organization's problems, the systems and management methods should also supplement it.

John and Crane (1994), cite that training is specific to the needs of the organization. It helps people to perform better in a job either through improving their fit with job requirements or through creating a better fit with the overall strategies, philosophies and culture of the organization as a whole. Training and development processes are concerned with influencing people to contribute more to the organization. Training should be applicable to performance in a current or anticipated job, relatively complete in its coverage of various job requirements and efficient in a cost/benefit sense (Argyris, 1999).

### **Planning and Control Procedures**

Service encounters between front line personnel and customers are a natural part of everyday life in the service industry. In these service encounters the frontline personnel have the great opportunity to obtain information regarding the needs of the customers and the desirable level of quality. Motivating, planning and control procedures should aim at enabling this knowledge. However, all too often these natural rendezvous between the organization and the customers are damaged by defective organizational systems (Gronroos 1983).

## **2.5 Internal Marketing at tactical Level**

The objective of internal marketing on the tactical level is “to sell services, supporting services (used as a means of competition), campaigns and single marketing efforts to the employees. This objective is based on the following principles: that the personnel are the first market of the service company, an understanding among the employees why they are expected to perform in a certain way, an acceptance among the employees of the services and activities of the company, a fully developed and internally accepted service and working information channels (Gonroos, 1983).

In the service sector, quality is closely related to employee performance. An essential feature of any successful organization is motivated employees. Therefore, the attitude of an employee towards her/his place of work and the extent to which an employer is able to motivate employees may have a direct effect on the quality of the services offered to the customers. One of the most important challenges facing managers is the creation of a context within which employees feel motivated and will act in order to achieve the goals of the organization (Mwanjala, 2002).

## **2.6 Internal Marketing and Organizational Culture**

The topic of organizational culture is important to the study of internal marketing and vice versa. For service firms, in particular, the existence of an appropriate culture is a key element (Webster, 1992). A customer oriented environment offer

results from the internal marketing endeavor. Internal marketing is more than a strategy, it represents efforts to change the values and beliefs of an organization by promoting the firm and its products and services to employees (George, 1990).

The marketing literature on culture provides a definition similar to that available in organizational behavior. Organizational culture has been defined as the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them norms for behavior in the organization (Deshpande and Webster, 1989). To successfully integrate any management philosophy into the organizational culture, management must show it is aware that the health of the enterprise depends on the degree to which core groups of employees subscribe to and share a common set of belief: and values and are served by the company's activities. The integrative elements of such an inner-directed vision include positioning of a service concept, which it is hoped will lead to low turnover, low training costs and the opportunity to develop shared goals and values (George, 1990).

The Chief Executive Officer (CEO), as the leader of the organization, has the responsibility of integrating the management philosophy of internal marketing into the overall culture of the organization. In between the CEO and the service provider there are a wide variety of employees, both management and non- management, that impact, and are impacted by, the organizational culture. The employee's rank within the organization notwithstanding, it is critical that top management is successful in making everyone in the organization a customer in his/her relations to

others either inside or outside the firm (George, 1990). It is still important that each of these individuals recognize that they have a 'partial customer' beyond the ultimate consumer as is the philosophy of internal marketing. ( Gummesson, 1987 pg. 27) suggest that:

*"...everybody should see himself as a customer of colleagues, receiving products, documents, messages, etc. from them, and he should see himself as a supplier to other internal customers. Only when the customers are satisfied whether external or internal – has a job been properly executed".* In addition it is as important to deliver high quality services to the internal customer as it is to deliver them to the external customer (Gummesson, 1987). Again, it is the responsibility of the CEO to establish this cultural value.

## **2.7 Service Marketing as a Strategy**

Early in the development of services marketing and management most of the interest and impetus came from service industries such as banking and health care. As traditional service industries continue to evolve and become more competitive, the need for effective services management and marketing strategies is still there .Now, however, manufacturing and technology industries such as automobile, computers and software are also recognizing the need to provide quality service in order to compete effectively. These companies are also realizing that a large percentage of their revenues and profits are coming from the services (Palmer 2001).

In most industries, providing quality services is no longer simply an option. The quick pace of developing technologies and increasing competition make it difficult to gain strategic competitive advantage through physical products alone. Plus customers are more and more demanding; they not only expect excellent high quality goods but also expect high levels of service along with them (Johnson and Scholes,2000).

Considerable disagreement and debate as to what constitutes a service and whether services' marketing is a distinctive subject area have accompanied the increasing interest in the services sector. Many others have sought to develop definitive descriptions of services yet no adequate agreed definition has emerged. Palmer (2001) argues that in reality there is a goods-service continuum, with tangible goods on one end, where after the purchase the owner owns an object as evidence of purchase. On the other end of the continuum we have the intangible services where after the purchase the buyer leaves with only an experience and a feeling.

According to (Palmer, 2001), services can be defined as the production of an essentially intangible benefit, either in its own right or as a significant element of a tangible product, which through some form of exchange satisfies an identified need (Palmer, 2001). Services being benefits or activities cannot be seen, felt tasted, or touched like products can (Gronroos, 1990).

Payne (1993), defines services as an activity which has some element of intangibility associated with it, which involves some interactions with customers or with

property in their possession and does not result in a transfer of ownership. Marketing on the other hand is a process of perceiving understanding stimulating and satisfying the needs of especially selected target markets by channeling an organization's resources to meet those needs. Marketing is thus a process of matching organization resources to the needs of the market. Marketing is concerned with the dynamic interrelationships between a company's products, services, the consumer's wants and needs and the activities of the competitors.

According to Lovelock (1996), the willingness and the ability of managers in the service firms to respond to the dramatic changes affecting the service economy will determine whether their own organizations survive and prosper or go down to defeat at the hands of more agile and adaptive competitors. Among the key issues to competing effectively in this new and challenging environment are skills in marketing strategy and execution – areas in which many service firms have traditionally been weak in. Marketing can be seen as a strategic thrust pursued by top management as a set of functional activities performed by line managers or a customer driven orientation of an entire organization (Lovelock, 1996).

Strategy making brings into play the critical managerial issue of how to achieve the targeted results in the light of the organizations situations and prospects. The task of crafting a strategy starts with a solid diagnosis of the company's internal and external situation. According to Thompson and Strickland (1996), an organization strategy consists of the actions and business approaches management employs to achieve the targeted organizational performance. Indeed, the essence of good

strategy making is to build a market position strong enough and an organization capable enough to produce successful performance despite unforeseeable events, competition and internal problems.

The service sector of the economy is going through a period of almost revolutionary proportions in which established ways of doing business continue to be shunted aside. Around the world innovative newcomers offering new standard of service have succeeded in markets where established competitors have failed to please today's demanding customers (Lovelock, 1996).

## **2.8 Strategic Management and Capabilities**

Different scholars have defined strategic management differently. Ansoff and MacDonnell (1990), define strategic management as a systematic approach to a major and increasingly important responsibility of general management, position and relate the firm to its environment in a way which assures its continued success and make it secure from surprises.

According to Pearce and Robinson (1997), Strategic management is defined as the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives. Johnson and Scholes (2002) defines strategic management as the direction and scope of an organization over the

long term, which achieves advantage for the organization through its configuration of resources within a changing environment within which it operates.

The external environment in which an organization is operating can influence its strategic development by creating both opportunities and threats (Johnson and Scholes, 2002). But successful strategies are also dependent on the organization having the strategic capability to perform at the level that is required to perform for success. This is important because it assists in establishing if the organization's strategy continues to fit the environment in which it is operating and the opportunities and threats that exist. Many of the issues of strategy development are concerned with changing strategic capability better to fit a changing environment.

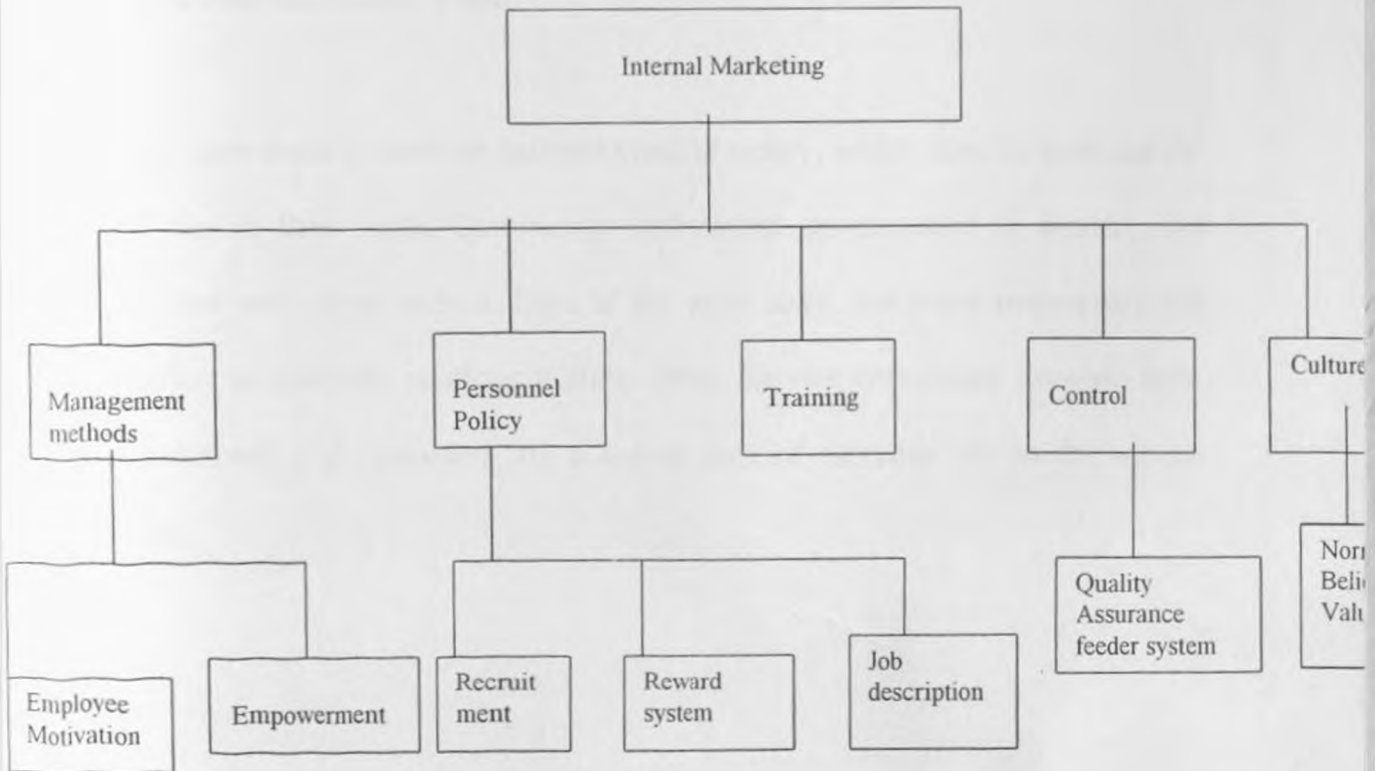
As the environment changes, the firms must change their strategies so as to survive. With each new strategy, new capabilities are developed. The adoption of a dynamic perspective on strategic alignment necessitates a shift in emphasis towards dynamic capabilities. Bartlette and Ghoshal (2002) argue that the organizational routines play a major role in creating dynamic capabilities. According to them, routines provide the ability to build internal and external competencies in order to face rapidly changing environments. Capabilities are embedded in the routines of the organization and are not easily documented as procedures and thus are difficult for competitors to replicate.

According to Pearce and Robinson (2002), even if an organization has no outstanding competencies and capabilities, managers still must tailor strategy to fit the firm's particular resources and capabilities. They identify three levels of strategy namely the corporate level, business level and functional level. One of the key issues in the corporate level is to give a clear understanding of what business the organization is in and a clear picture of the future of the organization. This is what is referred to as the business mission and strategic vision. By developing and communicating a business mission and strategic vision, management infuses the workforce with a sense of purpose and a persuasive rationale for the company's future direction (Thompson and Strickland, 1996).

According to Thompson and Strickland (1996), the functional level involves the implementation and execution of the company's strategic plans. One make or break determinant of successful strategy implementation is how well the employees understand it and whether or not they are willing and equipped for it. This emphasizes the importance of the people aspect in the success of any strategy. They argue that "companies don't implement strategies people do" (Thompson and Strickland 1996). Capable personnel are very important in giving the firm a competitive edge over rivals in performing on or more critical activities in the value chain. Building core competencies and organizational capabilities that rivals cannot match is one of the best ways to out maneuver competition (Johnson and Scholes 2002).

The organizations capability can be the leading edge of strategic developments in the sense that new opportunities maybe created by stretching and exploiting the organizations capability in ways in which competitors find difficult to match or to copy (Johnson and Scholes 2002). This requires the organization to be innovative in the way they develop and exploit capability. Strategic capability is about providing products or services to customers that are valued. An understanding of what customers' value is the starting point. Competitive advantage would be achieved by organizations that are able to do this better than their competitors and in the ways that are difficult to imitate.

**Figure 1 CONCEPTUAL FRAMEWORK OF INTERNAL MARKETING**



The conceptual framework above shows the various dimensions of internal marketing as discussed earlier in this chapter. The four dimensions include management methods, personnel policy, training, control and culture. Management methods encompass employee motivation and empowerment. The objective of management methods is to create an internal relationship, which enhances customer consciousness and work motivation among employees (Gronroos 1996).

The management methods have to be those that motivate employees and demand a decentralization of the decision making process through empowerment. A motivating personnel policy needs to be logical and just in nature. If there is an absence of such a policy, it is likely that internal marketing efforts become fruitless. This starts with job descriptions which are customer-oriented as opposed to structural rigid ones, which have a negative outcome on the flexibility of the front-line personnel (Gronroos, 1996).

In every firm there is need for internal training policy, which aims to motivate the employees in their work. Continuing professional development is needed, and should not only cover technicalities of the work itself, but more importantly the cultivation of customer relations (Cahill, 1996). Service encounters between front line personnel and customers are a natural part of everyday life in the service industry.

In these service encounters the frontline personnel have the great opportunity to obtain information regarding the needs of the customers and the desirable level of quality. Control procedures should aim at enabling this knowledge. However, all too often these natural rendezvous between the organization and the customers are damaged by defective organizational systems (Gronroos 1983).

Organizational culture is important to the study of internal marketing and vice versa. For service firms, in particular, the existence of an appropriate culture is a key element (Webster, 1992). A customer oriented environment offer results from the internal marketing endeavor.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

This was a descriptive survey aimed at determining the extent to which internal marketing is practiced by KPLC. According to Cooper and Schindler (1998), a study concerned with finding out what, where and how of a phenomenon is a descriptive study, which is the concern of the current study. Njoroge (2003) and Mwaura (2001) have used the design in related studies successfully.

#### **3.2 Population**

The population of interest in this study included all the employees of KPLC in Nairobi Region. The complete list of all employees in KPLC in Nairobi region was obtained from the company's human resources database as at June 2004. From these records there were 80 employees in top management, 776 in middle management and 1,916 in operations, giving a total of 2,772 employees.

#### **3.3 Sample and Sampling Design**

A sample 100 employees was studied. Given that members each station are homogenous this sample was considered to be representative of the total population. The sample size depends on the degree of confidence required for the

study. At 95% confidence level the statistical sample required was 83. The sample of 100 was based on the understanding that given the method of questionnaire administration 100% response rate was going to be impossible given absentees, abstainers, and those who may not have completed the questionnaire at the end of the time allocated for data collection. Using the formula below (Cooper and Schindler, 2003), the researcher was able to arrive at a statistical sample given the 95% confidence level:

$$N = pq / \sigma^2$$

Where:

**N = the sample size**

**Pq = a measure of the sample dispersion** (0.32 and 0.68 was used to reflect the proportions of **management** and **operational staff** in the population)

**$\sigma$  = standard error of estimate indicating the desired level of accuracy** (using a confidence level of 95% and interval range of ± 10%)

At a confidence level of 95%, the standard error is multiplied by 1.96 to get the sampling error - i.e. **+/-1.96 = 95% confidence level of population**

**Thus,  $\sigma = 0.10/1.96$  or  $0.051$**

The equation for the sample size is therefore:

**$N = (0.32)(0.68) / (0.051)^2 = 0.2176 / 0.02601 = 83$  (increased to 100 to take care of non responses)**

Proportionate stratified sampling design was used to ensure proper representation of the population as follows:

	<b>N</b>	<b>Proportion (%)</b>	<b>n</b>
Top Management	80	3.0	3
Middle Management	776	28	28
Operational staff	1,916	69	69
Total	2,772	100	100

Simple random sampling method was used to select the sample members. A computer was used for the random selection of respondents.

### **3.4 Data Collection**

Primary data was collected using a semi-structured questionnaire (Appendix 1). This was dispatched to the operational staff through their sectional heads. For the top and middle management the questionnaire was dropped and picked later by the researcher. Pre-testing of the questionnaire was done to determine the clarity of the questions. The questionnaire was divided into three parts. Part A consisted of general information questions or bio data, part B had 5-point Likert Scale questions aimed at identifying the extent to which internal marketing was practiced at KPLC. Part C consisted of questions on the challenges that KPLC face in practicing internal marketing. Only top and middle management were required to respond to part C questions as they are in charge of policy implementation (See Appendix 2).

### 3.5 Operationalizing Internal Marketing dimensions

In order to operationalize the internal marketing variables, the determinants were defined as shown in the table below. The questionnaire used the 5-point Likert scale to measure the extent to which the variables were used by the firm. Njoroge (2003) Mwaura (2002) had used the Likert scale successfully in related studies.

**Operationalizing the Internal marketing Dimensions**

Dimensions of Internal Marketing	Expanded Dimension	Relevant Issues	Relevant Questions
Management Methods	Empowerment	-Delegate -Decision making -Employees take responsibility of their Actions -Participatory decision making	1,2,3, 24, 40 and 41
	Motivation	-Recognize effort and merit -Enhance employee self-esteem -Recognize accomplishments -Fringe Benefits -Physical working conditions	4,5,6,7, 8, 9, 10, 11, and 35
2. Personnel Policy	Job Description	-Reporting system is clear -Understand what is expected of each employee -When to report/finish work -Provision of tools and equipment -Well understood tasks -What happens when you work odd hours -Job environment - Match task with skills	12, 13, 14, and 16
	Recruitment of Personnel	-Do you feel right for your job -Are right procedure used to fill positions -Are the jobs advertised -Do all people get equal opportunities? -Match task with personality -Open and positive Personality -Team Players -Previous experience in relevant field	17, 18 and 19

Dimensions of Internal Marketing	Expanded Dimension	Relevant Issues	Relevant Questions
2. Personnel Policy (continued)	Reward System	-Performance based -Appraisal Interview -Achievement Based -Promotion -Job Enrichment	20, 21,22, 23 and 24
3. Training		-Is the training relevant -Does it enhance performance -Does it enable me to work in any part of the company -Does it help in me serve the customer better -Does it assist in understanding the organization well	29, 30, 31, 32, 33 and 34.
4. Planning and Control Procedures		-Quality Assurance -Customer Satisfaction -Complaint Management -Feedback System -Frequent Meetings -How to tell good work from bad work Corrective measures Preventive measure	36, 37,38 and 39
5. Organizational Culture		-Values and Beliefs -Development of shared goals -Leadership Style -Are staff valued by the system -Does bottom up communication exists. - Benchmarking both within and without	25,26,27 and 28

### 3.6 Data Analysis

This being a descriptive study, descriptive statistics were used to analyze the data. Frequency tables were used to analyze part A while data in part B was analyzed by use of mean scores tabulations, standard deviation and Pearson correlation. The data is presented in charts and tables. Data on part C has been analyzed using frequency distribution. The researcher used SPSS statistical package and MS Excel tools to analyze the data.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND FINDINGS**

#### **4.1 Introduction**

This chapter deals with data analysis, findings and discussion of the research findings. The data for parts A & B is summarized in descriptive statistics like mean-scores, percentages, and frequencies and presented in tables where appropriate. Open-ended questions for part C have been analyzed and reported as narratives. A correlation matrix was constructed using Pearson correlation coefficients to test the significance of differences across demographics at 0.05 significance level.

##### **4.1.1 Response Rate**

Out of the 100 respondents selected randomly to participate in the study, 77 completed and returned the questionnaires. This is a response rate of 77%. It is comparable to other response rates of between 30% and 85% that several researchers have reported in their work (Matseshe, 1999; Njoroge, 2003).

#### **4.2 Demographic Profile of Respondents**

This section presents the analysis of the demographic profiles of the respondents. This includes; job level, terms of service, level of education, length of service and gender. The researcher feels that all employee groups have been adequately

represented in the sample. Table 1 below shows the distribution of respondents by demographic profiles.

**Table 1: Respondents Demographic Profile**

<b>Job Level</b>	<b>Count</b>	<b>%</b>
Top management	3	4%
Middle management	26	34%
Operation staff	48	62%
<b>Total</b>	<b>77</b>	<b>100%</b>
<b>Terms of Employment</b>	<b>Count</b>	<b>%</b>
Permanent	54	70%
Contract	23	30%
<b>Total</b>	<b>77</b>	<b>100%</b>
<b>Period of Service</b>	<b>Count</b>	<b>%</b>
Less than 5 years	2	3%
5-15 years	56	73%
16-39 yrs	18	23%
Over 30 yrs	1	1%
<b>Total</b>	<b>77</b>	<b>100%</b>
<b>Period of Service</b>	<b>Count</b>	<b>%</b>
Less than 5 years	2	3%
5-15 years	56	73%
16-39 yrs	18	23%
Over 30 yrs	1	1%
<b>Total</b>	<b>77</b>	<b>100%</b>
<b>Level of Education</b>	<b>Count</b>	<b>%</b>
Secondary	5	6%
College	43	56%
University	29	38%
<b>Total</b>	<b>77</b>	<b>100%</b>
<b>Gender</b>	<b>Count</b>	<b>%</b>
Male	49	64%
Female	28	36%
<b>Total</b>	<b>77</b>	<b>100%</b>

This table shows that the top management consisted of 4% of the sample this is in comparison to population proportion of 3%. Middle management consisted of

34% of the sample compared to 28% population proportion. Operational staff constituted 62% of the sample compared to a 68% of the population proportion. The response rate was higher in the top and middle management compared to the operational level. Generally, all the job levels were adequately represented in the sample and thus the study results portray representative opinions of KPLC staff in Nairobi region. The findings also show that proportion of permanent employees to contract employees participating in the study was 70:30. The findings were therefore representative of the both employee types as the bulk of the employees at KPLC are permanent. Table 3 shows that only 3% had worked with KPLC for less than 5 years. Majority 73% had worked for the company for between 5 and 15 years, while only 1% had worked for over 30years. The summary establishes that all the respondents were educated to at least secondary school level, with 56% having college education while 38% had university level of education. This means that all were literate and could relate to the study instruments. The results show that there were (64%) male respondents as compared to 36% female employees. This clearly indicated the gender distribution of the respondents in the company.

### **4.3 Internal Marketing Practices**

This section presents the core findings of the study. It has three sub sections. The first sub-section presents the internal marketing practices that were practiced to a 'large extent' based on the mean scores. This is followed by the practices that were

practiced to 'some extent' and to 'a small extent'. A rank out of forty is provided in each case. The second sub-section presents the findings by various dimensions of internal marketing including; management methods, personnel policy, training, planning and control procedure, and organization culture as outlined in chapter two. The third sub-section outlines the findings by demographics based on the overall mean scores by terms of service, management level, period of service, level of education and gender of the respondent.

A mean score of 4.5 would be interpreted as indicating that the particular element is practiced to a very large extent. A mean score that is 3.5 or more but less than 4.5 would indicate that the element is practiced to a great extent. A mean score that is 2.5 or more but less than 3.5 would indicate that the element is practiced to some extent. A mean score that is 1.5 or more but less than 2.5 would indicate that the element is practiced to a small extent. A mean score that is less than 1.5 would indicate that the element is practiced almost to no extent at all.

The aim of this section is to establish the extent to which the various internal marketing practices were practiced based on the mean score. The extent has been outlined on the basis of 'great extent', 'some extent' and 'small extent'.

Table 2 shows the internal marketing elements that are practiced to a 'great extent'. Only two variables qualified for this category namely: An understanding of what is expected of one at work and Well defined reporting system. They are ranked number one (1) and two (2) respectfully.

**Table 2: Internal Marketing Elements Practiced to a Great Extent**

Internal Marketing Elements	Mean	Std. Deviation	Rank
An understanding of what is expected of one at work	3.58	0.89	1
Well defined reporting system	3.51	0.82	2

Source: Research data

The data in table 2 indicate that employees at KPLC generally feel that they understand what is expected of them at work, (3.58) and there is a well-defined reporting system, (3.51). There was more agreement about the well-defined reporting system as indicated by the lower standard deviation (0.82) as compared to that of understanding what is expected at work (0.89).

Next on the ranking were those elements of internal marketing that were practiced to 'some extent'. Most of the variables under the study were placed in this category; they ranked number three (3) up to thirty-one (31). See table 7 below.

**Table 3: Internal Marketing Elements Practiced to a Some Extent**

Internal Marketing Elements	Mean	Standard Deviation	Rank
Possession of skills required to perform a task	3.35	0.89	3
Knowledge of employees on the service they offer	3.27	0.93	4
Delegating duties	3.21	0.94	5
Good coordination between departments	3.18	0.84	6
Training that helps staff perform better	3.1	1.02	7
Supervision that creates an environment that encourages quality work	3.1	0.98	8
Hiring the right people for the job	3	0.9	9
System that allows corrective measures when a mistake is done	2.97	0.9	10
Provision of equipments and materials	2.95	0.87	11
Following the right procedure	2.91	1.02	12
Training that helps staff understand the goals of the organization	2.91	0.96	13
System that provides preventive measures to avoid mistakes	2.91	0.81	14
Building team work	2.86	0.91	15
Provision of good working conditions	2.79	0.91	16
A reliable feedback system	2.79	0.99	17
Training that keep staff updated	2.78	1	18
System that recognizes good work and bad work	2.78	0.9	19
Regular meetings to develop good communication and trust	2.77	0.94	20
System where staff reports directly to only one person	2.75	0.96	21
Recognize accomplishments	2.7	1	22
Easy access to managers	2.64	1.07	23
System that aims at retaining the best staff	2.61	1.08	24
Recognition of job well done	2.58	1	25
Empowering staff in their jobs	2.57	0.86	26
Managers who walk the talk	2.57	1.12	27
Training that enables staff to be multi skilled	2.56	0.85	28
Staff development	2.55	0.97	29
Management methods that value employees satisfaction	2.51	0.7	30
Attach value to each job	2.51	0.95	31

Source: Research data

At the top of this category were possession of skilled required to perform a task (3.35), knowledge of the service the firm offers (3.27), delegating of duties (3.21 and good coordination between departments (3.18). On the lower end we had staff

development (2.55), management methods that value employee satisfaction (2.55) and value attached to a job with (2.51) mean scores respectively.

There was more agreement among the staff on the extent to which some elements were practiced than others as indicated by the standard deviations. The variables with the lowest standard deviation indicated more agreement e.g. Management methods that value employee satisfaction, (0.7). Others with low standard deviation include, training that enabled staff to be multi skilled (0.85), empowering staff at their jobs (0.86) Those with high standard deviation included managers who walk the talk(1.12), systems that aim at retaining the best staff (1.08) and easy access to managers (1.07). Overall, the bulk of internal marketing variables fell in this category of being practiced to 'some extent'. Table 4 shows the internal marketing elements that are practiced to a 'small extent' at KPLC.

**Table 4: KPLC Internal Marketing Practiced to a 'small extent'**

<b>Internal Marketing Elements</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Rank</b>
Giving all persons equal opportunity while hiring	2.49	1.07	32
Pegging promotion to performance	2.47	1.1	33
Development of culture of shared values	2.45	0.94	34
Encourage bottom up communication	2.45	0.84	35
Treat employees as customers	2.42	1	36
Allow room to learn from mistakes	2.34	0.85	37
Involve staff in decision making	2.27	0.85	38
Enhance employee self esteem	2.23	0.94	39
Having salary and reward systems that attracts, retains and motivate staff	2.21	0.82	40

Source: Research data

The data in table 4 establishes the internal marketing practices least practiced at KPLC. Having salary and reward systems that attracts and retains staff was ranging the lowest with a mean score of (2.21) followed by enhancing employee self esteem (2.23) and involving staff in decision making (2.27). This means that employees are not satisfied with the current state of internal marketing in terms of these elements.

It is also interesting to note that the variable that was ranked last 'having salary and reward systems that attracts, retains and motivate staff' also had the lowest standard deviation (0.82) in these group of variables indicating more agreement among employees. Others with low standard deviations include, encourage bottom up communication (0.84), allow room to learn from mistakes (0.85) and involve staff in decision-making (0.85).

This may imply that KPLC is practicing more traditional than modern management methods in relation to internal marketing. These are the elements that need more attention in the future improvement endeavors.

#### **4.4 Internal Marketing Practice Dimensions**

This section presents the data by the various internal marketing dimensions as outlined in chapter two. These dimensions include: Management methods, personnel policy, training, planning and control procedures, organizational culture and a summary of all these dimensions.

#### 4.4.1 Management methods

The aim of this section was to cross tabulate the different internal marketing practices with the different categories of the respondents. Management method was viewed on two levels, namely empowerment and motivation.

##### 4.4.1a Empowerment

Table 5 below shows the extent to which management methods that are geared towards empowering employees are practiced at KPLC from the viewpoint of different management levels.

**Table 5: Management methods-Empowerment**

Empowerment Elements	Top Management	Middle Management	Operation Staff
Delegating duties	4.3	3.5	2.8
Good coordination between departments	2.86	3.07	3.36
Supervision that creates an environment that encourages quality work	3.43	3.07	3.11
Easy access to managers	4.0	2.63	2.39
Empowering staff in their jobs	2.43	2.74	2.55
Treat employees as customers	2.14	2.81	2.18
Group Mean	3.2	2.97	2.7

Source: Research data

According to table 5 both the top management and the middle management respondents felt that delegation of duties was used to a large extent with mean scores of (4.3) and (3.5) respectively, while the operation felt it is only used to some extent (2.8). On the issue of easy access to managers the top management responded by saying it was practiced to a large extent (4.0) while the middle management felt it as practiced to some extent (2.63) and operations responded by saying it was practiced only to a small extent (2.39).

Middle management felt that employees are treated as customers to some extent (2.8) while top management and operational staff felt that this is practiced to a 'small extent' with mean scores of 2.14 and 2.18 respectively. It can be concluded that management methods for empowering staff are at least practiced to some extent at KPLC.

#### 4.4.1b Motivation

Table 6 below shows how management methods that are geared towards motivating employees are practiced from the viewpoint of various management levels.

**Table 6: Management Methods-Motivation**

Motivation Elements	Top Management	Middle Management	Operation Staff
Provision of good working conditions	2.86	2.93	2.7
Recognize accomplishments	3.14	2.44	2.8
Recognition of job well done	2.86	2.52	2.58
Managers who walk the talk	3.71	2.41	2.45
Management methods that value employees satisfaction	2.43	2.59	2.44
Attach value to each job	2.86	2.7	2.29
Allow room to learn from mistakes	2.86	2.26	1.86
Involve staff in decision making	3.54	2.41	2.05
Enhance employee self esteem	3.0	2.41	1.98

Source: Research data

The results in table 6 establish that most of the motivation practices are used only to some extent as most of them range between (3.5) and (2.5) mean score respectively among the different levels of management. It is important to note however that there were differing feelings between top management and operations on the issue of

managers who walk the talk, the top management felt it was practiced to a great extent (3.71) while the middle management and operations felt it was practiced to a small extent with mean scores of (2.41) and (2.43) respectively.

Top management felt that involving staff in decision making was practiced to a large extent (3.54) while middle management and operations felt it was practiced to a small extent each with a mean score of (2.41) and (2.05) respectively. Top management felt that enhancement of employee self esteem was practiced to some extent (3.0) while the operations felt it was practiced to a small extent (1.98). It can be concluded that management methods for motivation are practiced only to some extent.

#### **4.4.2 Personnel Policy**

Personnel Policy dimension of internal marketing was viewed on three levels namely, job description, recruitment and reward system. The tabulation for the above were as follows

##### **4.4.2a Job Description**

Table 7 below shows the extent to which various personnel policy elements of internal marketing related to job description are practiced at the different management levels.

**Table 7: Personnel Policy -Job Description**

<b>Job Description Elements</b>	<b>Top Management</b>	<b>Middle Management</b>	<b>Operation Staff</b>
An understanding of what is expected of one at work	3.71	3.26	3.77
Well defined reporting system	3.57	3.41	3.62
Provision of equipments and materials	2.71	3.07	2.97
System where staff reports directly to only one person	3.0	2.52	2.85
<b>Personnel Policy -job description mean</b>	<b>3.24</b>	<b>3.22</b>	<b>3.30</b>

*Source: Research data*

The findings of table 7 show that generally job description practice in KPLC is practiced to a large extent. Top management had a mean score of (3.71) on the issue of an understanding of what is expected of one at the place of work indicating that it was practiced to a great extent Operation staff also ranged it as being practiced at a large extent with a mean score of (3.77) while middle management had a score of (3.26) indicating practice to some extent.

It can be concluded that all the management levels staff felt that KPLC practiced job description as an internal marketing aspect under personnel policy was practiced to some extent leaning towards almost to a large extent with average mean scores of 3.24, 3.22 and 3.30 respectively as shown on table 7.

#### 4.4.2b Recruitment of Personnel

The data in table 8 establishes the different mean scores of the respondents at the various levels of management on the aspect of recruitment of personnel.

**Table 8: Personnel Policy: Recruitment of Personnel**

Personnel Policy Elements	Top Management	Middle Management	Operation Staff
Hiring the right people for the job	3.43	3.15	2.17
Following the right procedure	3.86	2.96	2.46
Giving all persons equal opportunity while hiring	3.57	2.48	2.23
Group mean	3.62	2.8	2.28

Source: Research data

The top management had a mean score of (3.43), middle management (3.15) in the aspect of hiring the right people for the job indicating practice to some extent while operations had a score of (2.17) indicating only a small extent practice. Top management felt that following the right procedure during hiring was practiced to a large extent while middle management felt it was practiced to some extent (2.96) and operations to a small extent (2.46). Giving all persons equal opportunity was practiced to a large extent as was expressed by the top management (3.57), while middle management and operations felt it was practiced to a small extent, (2.48) and (2.23) respectively.

The employee rating on the recruitment policy was declining with decreasing level of management across all the three variables under study. Generally, internal marketing practices related to recruitment of personnel were practiced to a large extent (3.62) according to top management to some extent (2.8) according to middle

management and to a small extent (2.28) according to the operations as indicated by the group mean in table 8.

#### 4.4.2c Reward System

Table 9 below shows the extent to which various personnel policy elements of internal marketing related to reward system are practiced at KPLC.

**Table 9: Personnel Policy: Reward System**

Reward System Elements	Top Management	Middle Management	Operations Staff
System that aims at retaining the best staf	2.86	2.33	2.67
Empowering staff in their jobs	2.43	2.74	2.55
Staff development	3.14	2.56	2.42
Pegging promotion to performance	3.1	2.3	2.4
Having salary and reward systems	2.29	2.11	2.24
<b>Group mean</b>	<b>2.76</b>	<b>2.40</b>	<b>2.45</b>

Source: Research data

From table 9 top management felt that staff development was practiced to some extent (3.14) together with middle management with mean score of (2.56) while operations felt it was practiced to a small extent (2.42). Generally it can be concluded that top management felt that reward system as an internal marketing dimension was practiced to some extent (2.76) while middle management and operations felt it was practiced only to a small extent (2.40) and (2.45) respectively.

#### 4.4.3 Training

Table 10 establishes the way different levels of management viewed the extent to which training as an internal marketing element was practiced.

**Table 10: Training**

Training Elements	Top Management	Middle Management	Operations
Possession of skills required to perform a task	3.86	3.07	3.52
Knowledge of employees on the service they offer	3.43	3.11	3.33
Training that helps staff understand the goals of the organization	3.57	2.74	3.03
Training that keep staff updated	3.53	2.59	2.82
Training that enables staff to be multi skilled	3.14	2.33	2.62
Group mean	3.51	2.76	3.08

Source: Research data

Table 10 above show the extent to which internal marketing elements related to training are practiced as per the respondents of different levels of management. The top management felt that some of the practices were practiced to a large extent e.g. possession of skills required to perform a task (3.86), training that helps staff understand the goals of the organization (3.57) and training that keeps staff updated with technology (3.53).

Operations staff also felt that possession of kills required to perform a task was also practiced to a large extent (3.52). Majority of the other elements were practiced to some extent with the mean score ranging between (3.43) and (2.59) across the various levels of management. The middle management level however felt that training that enabled staff to be multi-skilled was practiced only to a small extent (2.33).

Generally, internal marketing in terms of training is practiced to a large extent (3.51) according to the top management and to some extent according to the middle management and operations, with a mean score of (2.76) and (3.08) respectively.

#### 4.4.4 Planning and Control Procedures

The data in table 11 shows how the different levels of management viewed internal marketing practices related to planning and control procedures are practiced at KPLC.

Table 11: Planning and Control Procedures

Planning and Control Elements	Top Management	Middle Management	Operation Staff
System that allows corrective measures when a mistake is done	3.29	2.85	2.95
System that provides preventive measures to avoid mistakes	3.14	2.78	2.92
A reliable feedback system	3.57	2.41	2.83
System that recognizes good work and bad work	3.00	2.67	2.85
Group mean	3.25	2.67	2.88

Source: Research data

From the findings in table 11 majority of the elements are practiced to some extent ranging from (3.29) to (2.67) across the three levels of management. Top management felt that a reliable feed back system was being practiced to a large extent (3.57) while the middle management felt that it was practiced only to a small extent (2.41). Therefore we can conclude that planning and control is practiced to some extent by KPLC.

#### 4.4.5 Organizational Culture

This section shows the extent to which various elements of internal marketing related to organization culture are practiced at KPLC.

Table 12: Organizational Culture

Organizational Culture Elements	Top Management	Middle Management	Operation Staff
Building team work	3.29	2.85	2.83
Regular meetings to develop good communication and trust	3.14	2.78	2.8
Encourage bottom up communication	2.43	2.56	2.45
Development of culture of shared values	3	2.48	2.39
Group mean	2.96	2.66	2.61

Source: Research data

All the elements of organizational culture were practiced to some extent with building team work being ranked highest (3.29) by the top management followed by the practice of regular meetings to develop good communication and trust with a mean score of (3.14) and development of shared value at (3.00) both by the top management.

Generally, internal marketing practices related to organization culture were practiced to “some extent” at KPLC.

#### 4.4.6 Summary of the Internal Marketing Dimensions Under Study

Table 13 below shows a summary of the extent to which various dimensions of internal marketing are practiced at KPLC. The table presents the group mean scores by internal marketing dimensions.

**Table 13: Summary of Internal Marketing Dimensions Under Study**

Internal Marketing Dimension	Mean	Standard Deviation
Personnel Policy -job description	3.20	0.89
Training	3.00	0.94
Planning and control	2.86	0.90
Management methods-Empowerment	2.85	0.94
Personnel Policy- recruitment	2.80	1.00
Organizational culture	2.63	0.91
Management methods-Motivation	2.50	0.92
Personnel policy-Reward systems	2.48	0.97
<b>Overall mean-score</b>	<b>2.8</b>	<b>0.93</b>

Source: Research data

Table 13 above shows that most of internal marketing dimensions are practiced at least to some extent at KPLC. The dimensions that were rated above average include: personnel policy on job description (3.20), training (3.00), planning and control (2.86), and management methods that enhance employee empowerment (2.85). The dimensions indicating average or below average performance include: organizational culture (2.63) and management methods on employee motivation (2.50) and personnel policy on reward systems (2.48).

It can be concluded that KPLC in general practices internal marketing only to some extent with an overall mean score of (2.8) with personnel policy (job description 3.20 and training 3.00 ranging the highest. Still, a lot of improvement is needed in the areas of organizational culture (2.63), motivation (2.50), and reward system (2.48).

#### **4.5 Internal Marketing Practices by Demographics**

This section presents graphically the differences in the practice of internal marketing at KPLC by demographics. The charts in this section are derived from the overall mean scores of all variables under study in the part B of the questionnaire. This section also provides a summary of the correlation between demographic variables and internal marketing variables (see appendix 4). The scale used for the construction of the correlation matrix was as follows:

Management level; top management (1) middle management (2) operational staff (3)

Terms of employment; permanent (1) Contract (2)

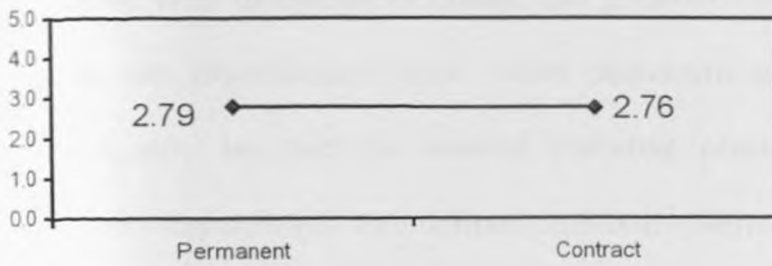
Level of education; secondary (1), College (2) University (3)

Gender; Male (1) Female (2)

##### **4.5.1 Internal Marketing Practices by Employees' Terms of service**

Figure 2 below shows the way permanent and contract employees viewed the practice of internal marketing variables under study

Figure 2: Employees' Terms of Service



There was no notable difference between the overall view of permanent and contract staff. This means that their views on internal marketing were rather similar. In terms of correlation (see appendix 4), terms of service were significantly and positively correlated to management level and gender. This means that the more senior an employee was in the management level the more likely they were to be permanent and the less likely they were to be female.

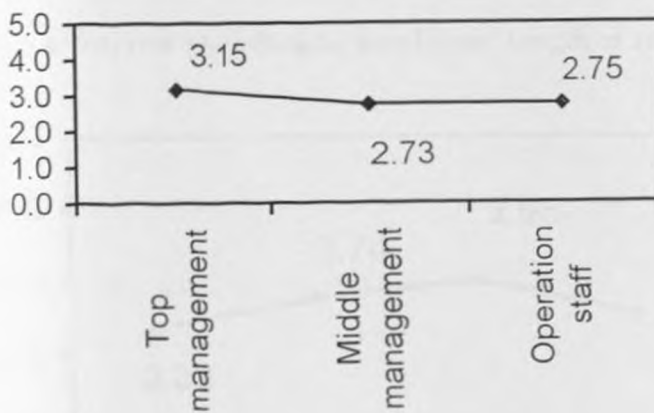
The correlation of terms of service with education level was negative but not significant at 0.05 levels. The internal marketing practice variables that were positively correlated to the terms of service at a significant level include: good coordination between departments, well defined reporting system and training that helps staff to understand organizational goals. The internal marketing practice variables that were negatively correlated to the terms of service at a significant level include: delegation of duties, hiring right people for the job, providing equal opportunity to all while hiring and systems that aims at retaining the best staff.

The implication of the negative correlation indicates that contractual staffs are less satisfied with delegation of duties, and personnel policy on recruitment of staff. They feel discriminated upon while permanent jobs become available. They significantly felt that the internal marketing practices related to coordination between departments, well defined reporting system and training that helps staff to understand organizational goals are practiced to a greater extent than the permanent staff did.

#### 4.5.2 KPLC Internal Marketing Practices by Employees' Management level

Figure 3 shows the way employees at the three different levels of management viewed the extent to which all the internal marketing variables were practiced.

Figure 3: Internal Marketing by Employees' Management level



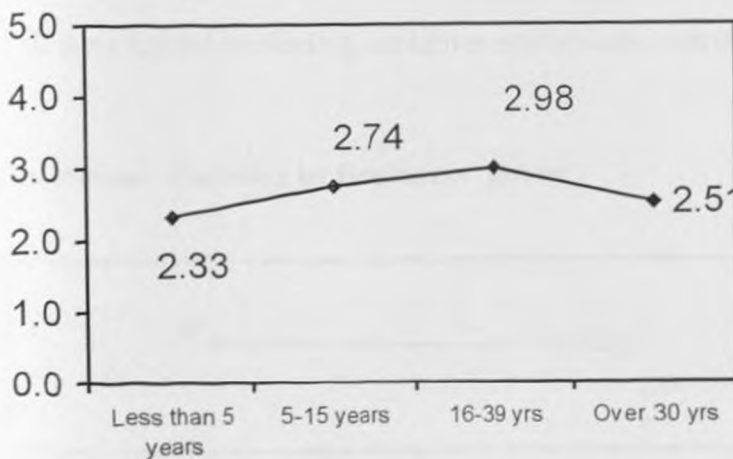
From Figure 3 we establish that top management were the most optimistic about the extent to which internal marketing variables under study were practiced at KPLC. Both middle management and operational staff indicated almost similar levels.

In terms of significant correlation only five internal marketing variables under study were significantly and negatively correlated to the management level. None of the variable under study was positively correlated to the management level at 0.05 level of significance. The five variables were: delegation of duties, enhancing employees self esteem, following the right procedure while hiring, giving all employees equal opportunity while hiring and ease of access to managers. This means that the staff in the lower cadres felt that these elements of internal marketing are practiced to a lesser extent than the way employees in the other management levels felt.

#### 4.5.3 Internal Marketing Practices by Employees' Length of service

The data in Figure 4 establishes the way employees who had served KPLC for varied periods viewed the extent to which all the internal marketing variables were practiced.

Figure 4: Internal Marketing by Employees' Length of service



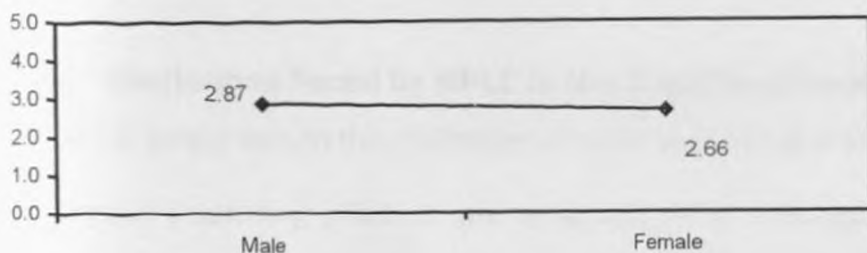
Generally attitude towards internal marketing practice at KPLC improves with increased length of service.

In terms of correlation (see appendix 4) eight internal marketing variables were significant and positively correlated to the length of service. These variables were: delegation of duties, attaching value to a job no matter how small, enhancing self esteem, giving all persons equal opportunity while hiring, systems that aim at retaining the best staff, pegging promotion to performance, a reliable feedback system and systems that allow corrective measures when a mistake is made. None of the variables under study registered significant negative correlation to length of service. This imply that longer serving employees were more likely to feel that internal marketing practices relating to control systems, personnel policy on recruitment and reward systems were practiced to greater extent at KPLC than the those who had served for shorter terms.

#### 4.5.4 Internal Marketing Practices by Employees' Gender

Figure 5 below shows the way employees of different sexes viewed the extent to which all the internal marketing variables under study were practiced at KPLC.

Figure 5: Internal Marketing by Employees' gender



Males rated the internal marketing practices at KPLC slightly better than the female staff members. This means that the females are more critical and sensitive to internal marketing practices. It may also imply that there are more males at management level than females.

In terms of correlation (see appendix 4), twelve variables were significantly and negatively correlated to gender, no variable indicated significant positive correlation to gender. This means that the females indicated these elements were practiced to a lesser extent than the male staff felt. These practices were: delegation of duties, attaching value to each job, enhancing employee self esteem, recognizing accomplishments, hiring the right people, following the right hiring procedure, giving equal opportunities while hiring, systems that aims at retaining the best staff, pegging promotion to performance, a reliable feedback system, systems that provides preventive measures to avoid mistakes and systems that allows corrective measures when a mistake is made. These indicate strong negative sentiments among females on internal marketing aspects related to empowerment, personnel policies on recruitment and reward, and planning and control procedures.

#### **4.6 Challenges Faced by KPLC in the Practice of Internal Marketing**

In the following section the challenges faced by management in the implementation of internal marketing practices are presented. The challenges are based on the responses to an open-ended question that was supposed to be answered by those in management only. Findings are summarized in the table below

**Table 14: Challenges Faced by KPLC while practising internal marketing**

Challenge	Top Management		Middle Management		Total	
	Count	Col %	Count	Col %	Count	Col %
Insufficient resources	0	0%	9	36%	9	28
Poor communication/inadequate communication	3	43%	5	20%	8	25
Bureaucracy (red tape)	1	14%	7	28%	8	25
Lack of effective consulting- juniors are assumed most of the times	2	29%	5	20%	7	22
Staff don't feel relieved to be owners of the company	2	29%	4	16%	6	19
Irregular training	0	0%	5	20%	5	16
Lack of appraisal systems (lack of promotion on merit)	0	0%	5	20%	5	16
Departmentalization reduce inter functional efficiency	2	29%	1	4%	3	9
Division/ don't easily share the available information	1	14%	2	8%	3	9
Little respect for each other	1	14%	2	8%	3	9
Budget allocation/ technology not friendly/poor IT technology	0	0%	3	12%	3	9
Cost constraints/high cost of electricity	0	0%	3	12%	3	9
Lack of cohesive top management teams	0	0%	3	12%	3	9
Purchasing/procurement involves longer chain	0	0%	2	8%	2	6
No company wide marketing orientation	0	0%	2	8%	2	6
Decision phobia/no planning	0	0%	2	8%	2	6
Lack of staff meetings	0	0%	2	8%	2	6
Efforts don't bear much fruits	1	14%	0	0%	1	3
Work independently from the government	1	14%	0	0%	1	3
Inadequate transport/non uniform distribution/bad infrastructure	0	0%	1	4%	1	3
Lack of proper exposure for the co-operatives to other power	0	0%	1	4%	1	3
Company's response to get new customers is low	0	0%	1	4%	1	3

Source: Research data

The main challenges faced by management while practicing internal marketing include; insufficient resources, poor communication, bureaucracy, juniors not being consulted on their needs, lack of ownership feeling among staff, irregular training and lack of appraisal systems to boost staff morale among others.

The challenges that faced a greater proportion of top management staff include:

Poor communication (43%), lack of effective consulting where juniors are assumed most of the times (29%), staff not feeling relieved to be owners of the company (29%), departments don't easily share the available information (14%), little respect

for each other (14%), efforts don't bear much fruits (14%) and working independently from the government (14%).

The challenges faced by a greater proportion of middle management than top management include; insufficient resources (36%), bureaucracy (red tape) (28%) irregular training (20%), lack of appraisal systems i.e. lack of promotion on merit (20%), budget allocation on technology leading to poor IT technology (12%), Cost constraints/high cost of electricity (12%) and lack of cohesive top management teams (12%). Other challenges that are unique to middle management but to a smaller proportion than 10% include: procurement involves longer chain, no company wide marketing orientation, decision phobia/no planning, lack of staff meetings, inadequate transport/non uniform distribution/bad infrastructure, lack of proper exposure for the co-operatives to other power company's and response to get new customers is low.

It can be concluded that most of the challenges are specific to management level that is either top or middle management. Other challenges relate to the operating environment that is not within the management control. Some of the challenges can also be attributed to blame shifting between the two management levels. Middle management blame top management for: bureaucracy (red tape), irregular training, lack of appraisal systems, budget allocation to IT, lack of cohesive top management teams, and decision phobia. Top management also seems to attribute some

challenges to the middle management. Such challenges include: poor communication, lack of effective consulting where juniors are assumed most of the times, staff not feeling relieved to be owners of the company and little respect for each other. It is important to note that top management did not consider resource insufficiency as a challenge.

## CHAPTER FIVE

### DISCUSSION, CONCLUSION AND RECOMMENDATION

#### 5.1 Introduction

This chapter addresses the objectives outlined in chapter one. The study sought to determine the extent to which KPLC practices internal marketing. Further it sought to establish the challenges faced by KPLC in the practice of internal marketing.

#### 5.2 Discussion

Bartlett and Ghoshal (2002), emphasize that people are at the heart of strategy and that the knowledge, experience and the general attitude of people are the key factors in enabling the success of any strategy. This research sought opinions from the employees of KPLC on the extent to which various internal marketing elements are practiced at KPLC and the challenges faced by management in practicing the same.

The study found out that employees at KPLC generally feel that they understand what is expected of them at work, and there is a well-defined reporting system. These were the only two aspects that were practiced to a 'great extent' at KPLC. An employee understanding of what is expected at work is highlighted in the literature in chapter two as one element that is necessary for the enhancement of customer orientation sense in a service firm (Green et al, 1994). According to Finnigan (1983), the hallmark of the career system is its flow policies i.e., people are recruited for positions that are spelled out with explicit, detailed attention to duties and rights. In

this aspect KPLC internal marketing a personnel policy with a well defined reporting system.

The study also found that KPLC is generally an average company in the practice of internal marketing. Most of the internal marketing elements were only practiced to some extent. However, among these some leaned towards being practiced to a great extent. The variables that were leaning more towards almost being practiced to a 'great extent' include; possession of skills required to perform a task, knowledge of employees on the service they offer, delegating duties, good coordination between departments, training that helps staff perform better, supervision that creates an environment that encourages quality work, hiring the right people for the job and a system that allows corrective measures when a mistake is done. They ranked number three up to ten. These aspects relate to training, empowerment, personnel policy on recruitment and control and planning procedures.

The practice of these aspects to a great extent is in agreement with basic definitions of internal marketing in the literature. According to Cahill (1991) as cited by Berry and Parasuraman (1996), internal marketing is attracting, developing, motivating and retaining qualified employees through job-products that satisfy their needs. However, the findings found out that operational staff and female staff indicated that various aspects of internal marketing were being practiced to a lesser extent compared to what those in other management levels indicated. This means that if

these employees are to play the role of promise enablers as suggested by (Kiriri 2004), there is need for improvement especially in the areas of empowerment, provision of equal opportunities in employment, hiring the right people and delegation of duties.

The internal marketing elements that were practiced to a small extent were; providing equal opportunity while hiring, pegging promotion to performance, development of culture of shared values, encouraging bottom up communication, treating employees as customers, allowing room to learn from mistakes, Involving staff in decision making, enhancing employee self esteem and having salary and reward systems that attracts, retains and motivate staff. This means that employees are not satisfied with the current state of internal marketing in terms of these elements. It also implies that KPLC is practicing more traditional than modern management methods in relation to internal marketing. This is in contradiction with the literature, which suggests that the purpose of internal marketing activities is to create a workforce with high levels of morale, initiative and responsibility with commitment to customer service (Payne, 1999). Employees at KPLC almost feel discriminated upon in matters of performance-based promotion, equal opportunity for all, involvement in decision making, treating employees as customers, and encouraging bottom up communication. According to the literature bottom up communication helps managers to obtain a basic understanding of what motivates

and what satisfies employees at work in order to alter or influence their behavior (Wright & Molander, 1989)

Generally, The dimensions that were rated above average include: personnel policy on job description, training, planning and control, and management methods that enhance employee empowerment. The dimensions indicating average or below average performance include: personnel policy on recruitment, organizational culture, and management methods on employee motivation and personnel policy on reward systems.

The main challenges faced by management while practicing internal marketing include; insufficient resources, poor communication, bureaucracy, juniors not being consulted on their needs, lack of ownership among staff, irregular training and lack of appraisal systems to boost staff morale among others.

### **5.3 Conclusion**

It can be concluded that KPLC has fairly excelled in Internal marketing by job description, training, planning and control and management methods for employee empowerment. Still, a lot of improvement is needed in the areas of reward system, motivation, organization culture and recruitment among other areas.

The challenges that faced management in the implementation of internal marketing programs are specific to management level that is either top or middle management.

Other challenges relate to the operating environment that is not within the management control. Some of the challenges can also be attributed to blame shifting between the two management levels. Middle management blamed top management for: bureaucracy (red tape), irregular training, lack of appraisal systems, budget allocation to IT, lack of cohesive top management teams, and decision phobia. Top management blamed middle management on issues such as: poor communication, lack of effective consulting where juniors are assumed most of the times, staff not feeling like owners of the company and little respect for each other. Top management did not consider resource insufficiency as a challenge.

The main challenges faced by management while practicing internal marketing include; insufficient resources, poor communication, bureaucracy, juniors not being consulted on their needs, lack of ownership among staff, irregular training and lack of appraisal systems to boost staff morale among others.

#### **5.4 Recommendation**

There is need for KPLC to improve its overall internal marketing programs to increase the employee's confidence in the same. Since, KPLC employees are also customers of the services of the company, their sentiments may also be indicative of or even form the general customer perspectives about the service offered by the company. On this front more resources should be applied to achieve the desired level of internal marketing.

Communicating to the employees of intended changes and continually consulting with the employees on their needs before implementation may help improve the current rating. This will also help create ownership of such programs by employees especially the junior ones who feel like most of the initiatives by management are 'imposed'. All employees also need to be trained on communication and team building skills in order to be able improve interpersonal relationships for effective communication.

There is need to conduct a training needs assessment in order to identify specific tasks which the employees may feel incompetent. Regular training that is tailored to the identified needs should follow this.

The company also needs to modify its systems in line with modern management thinking that calls for less structured approach that allows flexibility. This helps nurture the much-needed creativity in problem solving and innovation in addressing customer problems.

### **5.5 Limitations Of The Study**

This study faced several limitations. The first one was that the study was limited to KPLC only. It would have been more enriching if several organizations were taken under study. Related to the first limitation was that the study covered Nairobi Region only, it could have been richer if data was collected from across the country.

The other limitation was the unavailability of some of the target respondents. Some of the respondents were busy especially those in management while others were not willing to complete the study questionnaire especially those in lower cadres. The researcher addressed this challenge by consistent follow up.

The study relied heavily on self-reported feelings. Respondents may have been biased or dishonest and their attitudes may change with time. The nature of this study looked closely into internal marketing, which means employees may have given a 'wish list' expecting that the management may have access to the findings. This may have affected the objectivity of the study.

#### **5.6 Suggestion For Further Research**

Future research could cover organizations in other sectors; these may include the relatively new (emerging) industries like mobile telephony and Internet companies. There is also need for research to establish the strategies that organizations adopt in addressing the challenges identified by this research as barriers to the realizing the full potential of internal marketing.

Future research could also track on the progress made on various aspects after changes such as full privatization or other future strategic directions that the company may take.

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## Appendix 1: Introduction Letter

HELLEN NGANGA  
C/O UNIVERSITY OF NAIROBI  
LOWER KABETE CAMPUS  
P.O BOX 30197  
NAIROBI

13<sup>TH</sup> AUGUST, 2004.

Dear Sir/Madam,

### RE: REQUEST FOR RESEARCH DATA

I am a post graduate student in the Faculty of Commerce, University of Nairobi. I am conducting a Management Research on "The Extent to Which Kenya Power and Lighting Company Practices Internal marketing "

In order to undertake the research, you have been selected to form part of the study. This is therefore to request your assistance in filling the attached questionnaire as truthfully as you can. The information you give will be treated in confidence and is needed purely for academic purposes. Even where a name has been provided, it will not under any circumstances appear in the final report.

A copy of the final report will be made available to you upon request.

Your assistance and co-operation will be highly appreciated.

Yours sincerely,

.....  
Hellen Nganga  
(Student)

.....  
Margaret A. Ombok,  
Lecturer, Dept of Business  
Administration (Supervisor).

## Appendix 2: QUESTIONNAIRE

### PART A

#### General Information

1. Your name .....(optional)

2. Job Title .....

3. Indicate your job level

- Top Management( )
- Middle management ( )
- Operation Staff ( )

4. Terms Of Employment

- Permanent ( )
- Contract ( )

6. Level of Education

- Primary ( )
- Secondary ( )
- College ( )
- University ( )

7. Period of Service

- Less than 5years ( )
- 5 –15years ( )
- 16 –30years ( )
- Over 30years ( )

8. Gender of respondent

- Male ( )
- Female ( )

		To a very large Extent	To a large Extent	To some Extent	To a small Extent	To no Extent at all
		(5)	(4)	(3)	(2)	(1)
15	Well defined reporting system					
16	An understanding of what is expected of one at work					
17	Hiring the right people for the job					
18	Following the right procedure while hiring					
19	Giving all persons equal opportunity while hiring					
20	System that aims at retaining the best staff					
21	Pegging promotion to performance					
22	Staff development					
23	Having salary and reward systems that attract, retain and motivate staff					
24	Empowering staff in their jobs					
25	Development of culture of shared values					
26	Encourage bottom-up communication					
27	Regular meetings to develop good communication and trust					
28	Building team work					
29	Knowledge of employees on the service they offer					
30	Training that helps staff perform better					

**PART B**

Determine the extent to which KPLC undertakes the following on a scale of 1-5 as follows:

		To a very large Extent (5)	To a large Extent (4)	To some Extent (3)	To a small Extent (2)	To no Extent at all (1)
1	Delegating duties to enhance performance					
2	Treat employees as customers					
3	Good coordination between departments to enhance quality of service					
4	Management methods that values employee satisfaction					
5	Involve staff in decision making					
6	Allow room to learn from mistakes					
7	Attach value to each Job no matter how small					
8	Recognition of job well done					
9	Enhance employee self Esteem					
10	Recognize accomplishments					
11	Provision of good working conditions					
12	Well defined reporting system					
13	System where staff reports directly to only one person					
14	Provision of equipment and materials necessary for a task					

		To a very large Extent	To a large Extent	To some Extent	To a small Extent	To no Extent at all
		(5)	(4)	(3)	(2)	(1)
31	Training that enables staff to be multi skilled					
32	Training that keeps staff updated with technology					
33	Training that help staff understand the goals of the organization					
34	Possession of skills required to perform a task					
35	Managers who walk the talk					
36	A reliable feedback system					
37	System that recognizes good work and bad work					
38	System that provides preventive measures to avoid mistakes					
39	System that allows corrective measures when a mistake is made					
40	Supervision that creates an environment that encourages quality work					
41	Easy access to managers					

**PART C**

On the space provided below, indicate the challenges (e.g costs, resistance etc) you face while practising internal marketing.(To be filled by top and middle management staff only)

1. ....
2. ....
3. ....
4. ....
5. ....
6. ....
7. ....
8. ....
9. ....
10. ....
11. ....
12. ....
13. ....
14. ....
15. ....

**Thank you very much for your co-operation**

### Appendix 3

#### Mean Scores by Demographics

##### MANAGEMENT LEVEL

Q3A		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20
Top management	Mean	4.3	2.14	2.86	2.43	2.57	2.86	2.86	2.86	3	3.14	2.86	3	2.71	3.57	3.71	3.43	3.86	3.57	2.86
Middle management	Mean	3.5	2.81	3.07	2.59	2.41	2.26	2.7	2.52	2.41	2.44	2.93	2.52	3.07	3.41	3.26	3.15	2.96	2.48	2.33
Operation staff	Mean	2.8	2.18	3.36	2.44	2.15	2.29	2.29	2.58	1.98	2.8	2.7	2.85	2.97	3.62	3.77	2.76	2.64	2.23	2.67
Total	Mean	3.1	2.35	3.25	2.48	2.25	2.32	2.44	2.58	2.17	2.73	2.77	2.77	2.98	3.56	3.63	2.91	2.81	2.39	2.59

##### MANAGEMENT LEVEL(continued)

Q3A		Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Total
Top management	Mean	3.1	3.14	2.29	2.43	3	2.43	3.14	3.29	3.43	3.29	3.14	3.43	3.57	3.86	3.71	3.57	3	3.14	3.29	3.43	4	3.15
Middle management	Mean	2.3	2.56	2.11	2.74	2.48	2.56	2.78	2.85	3.11	2.81	2.33	2.59	2.74	3.07	2.41	2.41	2.67	2.78	2.85	3.07	2.63	2.73
Operation staff	Mean	2.4	2.42	2.24	2.55	2.39	2.45	2.8	2.83	3.33	3.27	2.62	2.82	3.03	3.52	2.45	2.83	2.85	2.92	2.95	3.11	2.39	2.75
Total	Mean	2.4	2.51	2.21	2.59	2.46	2.48	2.82	2.87	3.28	3.15	2.58	2.8	2.99	3.42	2.53	2.77	2.81	2.9	2.95	3.12	2.57	2.77

##### Terms of Service

Q4A		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21
Permanent	Mean	3.4	2.54	3.06	2.56	2.31	2.37	2.63	2.59	2.35	2.65	2.83	2.72	2.89	3.41	3.5	3.17	3.09	2.69	2.65	2.61
Contract	Mean	2.8	2.13	3.48	2.39	2.17	2.26	2.22	2.57	1.96	2.83	2.7	2.83	3.09	3.74	3.78	2.61	2.48	2.04	2.52	2.13
Total	Mean	3.1	2.35	3.25	2.48	2.25	2.32	2.44	2.58	2.17	2.73	2.77	2.77	2.98	3.56	3.63	2.91	2.81	2.39	2.59	2.39

##### Terms of Service (continued)

Q4A		Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Total
Permanent	Mean	2.6	2.2	2.54	2.44	2.41	2.67	2.83	3.26	3.02	2.52	2.74	2.76	3.22	2.65	2.83	2.72	2.93	3.02	3.07	2.76	2.79
Contract	Mean	2.4	2.22	2.65	2.48	2.57	3	2.91	3.3	3.3	2.65	2.87	3.26	3.65	2.39	2.7	2.91	2.87	2.87	3.17	2.35	2.76
Total	Mean	2.5	2.21	2.59	2.46	2.48	2.82	2.87	3.28	3.15	2.58	2.8	2.99	3.42	2.53	2.77	2.81	2.9	2.95	3.12	2.57	2.77

##### LEVEL OF EDUCATION

Q6A		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q13	Q14	Q15	Q16	Q17	Q18	Q19
Secondary	Mean	3.2	2	3	2.6	1.8	1.8	2.6	2	2.4	2.8	2.8	2.2	2.4	3.4	3.2	2.6	2.6	2.4
College	Mean	3	2.25	3.46	2.46	2.24	2.24	2.41	2.65	2.13	2.92	2.73	2.83	3	3.67	3.84	2.78	2.68	2.19
University	Mean	3.4	2.59	2.88	2.5	2.34	2.56	2.47	2.53	2.22	2.34	2.84	2.75	3.03	3.38	3.28	3.22	3.09	2.78
Total	Mean	3.1	2.35	3.25	2.48	2.25	2.32	2.44	2.58	2.17	2.73	2.77	2.77	2.98	3.56	3.63	2.91	2.81	2.39

LEVEL OF EDUCATION (continued)

Q6A		Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Total
Secondary	Mean	3	3	2.4	2.2	2	2	2.4	3	3.6	3.4	3.4	2.2	2.8	2.4	2.8	2.4	3.4	2.4	3.2	3.4	3.4	2	2.65
College	Mean	2.7	2.32	2.49	2.27	2.65	2.38	2.52	2.83	2.84	3.37	3.27	2.68	2.9	3.13	3.52	2.41	2.84	2.94	3	3	3.19	2.38	2.80
University	Mean	2.3	2.44	2.56	2.09	2.56	2.69	2.41	2.78	2.81	3.09	2.87	2.44	2.59	2.81	3.31	2.78	2.53	2.63	2.66	2.78	2.94	3.03	2.74
Total	Mean	2.6	2.39	2.51	2.21	2.59	2.46	2.48	2.82	2.87	3.28	3.15	2.58	2.8	2.99	3.42	2.53	2.77	2.81	2.9	2.95	3.12	2.57	2.77

YEARS OF SERVICE

Q7A		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20
Less than 5 years	Mean	4	3	3	2	1.67	1.67	2	1.67	2	2.33	2	3	3	2.67	3.67	2.67	2	1.33	2
5-15 years	Mean	2.9	2.24	3.31	2.42	2.22	2.31	2.29	2.55	2.04	2.71	2.74	2.78	3.03	3.63	3.62	2.82	2.74	2.27	2.49
16-39 yrs	Mean	3.8	2.72	3.06	2.83	2.5	2.5	3.17	2.83	2.78	2.89	3.06	2.72	2.83	3.44	3.78	3.39	3.22	3.06	3.11
Over 30 yrs	Mean	4	2	3	2	2	2	2	3	2	3	2	2	2	3	2	2	3	3	3
Total	Mean	3.1	2.35	3.25	2.48	2.25	2.32	2.44	2.58	2.17	2.73	2.77	2.77	2.98	3.56	3.63	2.91	2.81	2.39	2.59

YEARS OF SERVICE (CONTINUED)

Q7A		Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Total
Less than 5 years	Mean	2	1.33	1.67	2.33	1.67	2	2	2.67	3	2.67	2	1.67	3	3	2.33	2.33	3	2.33	1.67	2.33	2	2.33
5-15 years	Mean	2.3	2.54	2.21	2.62	2.44	2.51	2.87	2.82	3.27	3.17	2.58	2.83	3.06	3.47	2.46	2.64	2.81	2.85	2.91	3.05	2.51	2.74
16-39 yrs	Mean	2.9	2.56	2.33	2.56	2.72	2.44	2.78	3.11	3.39	3.22	2.72	2.89	2.67	3.28	2.89	3.44	2.78	3.22	3.33	3.61	2.83	2.98
Over 30 yrs	Mean	3	3	2	2	2	2	2	3	3	2	2	2	3	3	2	2	3	3	3	2	4	2.51
Total	Mean	2.4	2.51	2.21	2.59	2.46	2.48	2.82	2.87	3.28	3.15	2.58	2.8	2.99	3.42	2.53	2.77	2.81	2.9	2.95	3.12	2.57	2.77

GENDER

Q8A		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20
Male	Mean	3.3	2.43	3.17	2.53	2.3	2.47	2.68	2.62	2.49	2.94	2.79	2.81	2.94	3.62	3.68	3.15	3.06	2.64	2.85
Female	Mean	2.9	2.26	3.34	2.43	2.19	2.15	2.17	2.53	1.81	2.49	2.74	2.72	3.02	3.49	3.57	2.64	2.53	2.11	2.3
Total	Mean	3.1	2.35	3.25	2.48	2.25	2.32	2.44	2.58	2.17	2.73	2.77	2.77	2.98	3.56	3.63	2.91	2.81	2.39	2.59

GENDER (Continued)

Q8A		Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Total
Male	Mean	2.7	2.55	2.3	2.6	2.57	2.57	2.83	2.92	3.38	3.09	2.58	2.83	2.92	3.34	2.68	3.06	2.83	3.17	3.23	3.11	2.81	2.87
Female	Mean	2.1	2.47	2.11	2.57	2.34	2.38	2.81	2.81	3.17	3.21	2.57	2.77	3.06	3.51	2.36	2.45	2.79	2.6	2.64	3.13	2.3	2.66
Total	Mean	2.4	2.51	2.21	2.59	2.46	2.48	2.82	2.87	3.28	3.15	2.58	2.8	2.99	3.42	2.53	2.77	2.81	2.9	2.95	3.12	2.57	2.77

**Appendix 4:  
Correlations Matrices**

		Management Level	Terms of employment	Level of education	Period of Service	Gender
Management level <i>Top management=1 Operational staff=3</i>	Pearson Correlation	1	.473(**)	-.523(**)	-.298(**)	.310(**)
	Sig. (2-tailed)	.	0	0	0.008	0.006
Terms of employment <i>(Permanent=1 Contract= 2)</i>	Pearson Correlation	.473(**)	1	-0.202	-.357(**)	.627(**)
	Sig. (2-tailed)	0	.	0.079	0.001	0
Level of education <i>(Secondary=1 University=2)</i>	Pearson Correlation	-.523(**)	-0.202	1	-0.027	0.013
	Sig. (2-tailed)	0	0.079	.	0.818	0.914
Period of service <i>(Less than 5 yrs=1 Over 30 =4)</i>	Pearson Correlation	-.298(**)	-.357(**)	-0.027	1	-.349(**)
	Sig. (2-tailed)	0.008	0.001	0.818	.	0.002
Gender <i>(Male=1 Female=2)</i>	Pearson Correlation	.310(**)	.627(**)	0.013	-.349(**)	1
	Sig. (2-tailed)	0.006	0	0.914	0.002	.
Q1	Pearson Correlation	-.461(**)	-.268(*)	0.167	.310(**)	-.285(*)
	Sig. (2-tailed)	0	0.019	0.147	0.006	0.012
Q2	Pearson Correlation	-0.107	-0.186	0.111	0.09	-0.125
	Sig. (2-tailed)	0.357	0.104	0.335	0.435	0.277
Q3	Pearson Correlation	0.196	.232(*)	-.249(*)	-0.07	0.029
	Sig. (2-tailed)	0.087	0.042	0.029	0.546	0.799
Q4	Pearson Correlation	-0.021	-0.108	-0.037	0.217	-0.124
	Sig. (2-tailed)	0.856	0.349	0.751	0.058	0.285
Q5	Pearson Correlation	-0.165	-0.076	0.116	0.124	-0.148
	Sig. (2-tailed)	0.15	0.511	0.314	0.284	0.2
Q6	Pearson Correlation	-0.105	-0.059	.232(*)	0.088	-0.206
	Sig. (2-tailed)	0.364	0.609	0.042	0.445	0.073
Q7	Pearson Correlation	-0.161	-0.199	-0.004	.321(**)	-.318(**)
	Sig. (2-tailed)	0.161	0.083	0.975	0.004	0.005
Q8	Pearson Correlation	-0.032	-0.013	0.022	0.166	-0.091
	Sig. (2-tailed)	0.781	0.914	0.852	0.148	0.431

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

		Management Level	Terms of employment	Level of education	Period of Service	Gender
Q9	Pearson Correlation	-.288(*)	-0.193	0.009	.267(*)	-.361(**)
	Sig. (2-tailed)	0.011	0.093	0.937	0.019	0.001
Q10	Pearson Correlation	0.041	0.082	-0.219	0.113	-.234(*)
	Sig. (2-tailed)	0.725	0.479	0.056	0.329	0.04
Q11	Pearson Correlation	-0.094	-0.07	0.049	0.135	-0.035
	Sig. (2-tailed)	0.414	0.546	0.674	0.243	0.76
Q12	Pearson Correlation	0.16	.283(*)	-0.012	-0.155	0.038
	Sig. (2-tailed)	0.164	0.013	0.915	0.178	0.745
Q13	Pearson Correlation	0.023	0.05	0.021	-0.069	-0.059
	Sig. (2-tailed)	0.84	0.667	0.854	0.553	0.61
Q14	Pearson Correlation	0.021	0.105	0.108	-0.12	0.045
	Sig. (2-tailed)	0.856	0.365	0.348	0.298	0.695
Q15	Pearson Correlation	0.079	0.186	-0.14	-0.035	-0.138
	Sig. (2-tailed)	0.495	0.105	0.225	0.762	0.23
Q16	Pearson Correlation	0.187	0.146	-0.175	0.014	-0.133
	Sig. (2-tailed)	0.104	0.206	0.128	0.905	0.25
Q17	Pearson Correlation	-0.22	-.285(*)	0.197	0.171	-.301(**)
	Sig. (2-tailed)	0.054	0.012	0.085	0.136	0.008
Q18	Pearson Correlation	-.287(*)	-.279(*)	0.179	0.194	-.253(*)
Q19	Pearson Correlation	-.302(**)	-.276(*)	0.19	.316(**)	-.249(*)
	Sig. (2-tailed)	0.008	0.015	0.097	0.005	0.029
Q20	Pearson Correlation	0.063	-0.054	-0.22	.263(*)	-.305(**)
	Sig. (2-tailed)	0.586	0.641	0.054	0.021	0.007
Q21	Pearson Correlation	-0.096	-0.202	-0.066	.249(*)	-.300(**)
	Sig. (2-tailed)	0.405	0.078	0.571	0.029	0.008

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

		Management Level	Terms of employment	Level of education	Period of Service	Gender
Q22	Pearson Correlation	-0.148	-0.105	0.044	0.085	-0.092
	Sig. (2-tailed)	0.2	0.365	0.704	0.463	0.426
Q23	Pearson Correlation	0.056	0.008	-0.109	0.071	-0.16
	Sig. (2-tailed)	0.626	0.947	0.346	0.537	0.164
Q24	Pearson Correlation	-0.003	0.061	0.033	-0.038	-0.063
	Sig. (2-tailed)	0.977	0.596	0.775	0.741	0.587
Q25	Pearson Correlation	-0.123	0.017	0.144	0.132	-0.166
	Sig. (2-tailed)	0.286	0.886	0.21	0.252	0.15
Q26	Pearson Correlation	-0.019	0.087	-0.024	-0.006	-0.186
	Sig. (2-tailed)	0.866	0.452	0.834	0.961	0.105
Q27	Pearson Correlation	-0.071	0.163	-0.033	0.006	-0.071
	Sig. (2-tailed)	0.542	0.158	0.777	0.961	0.542
Q28	Pearson Correlation	-0.081	0.04	-0.16	0.157	-0.149
	Sig. (2-tailed)	0.484	0.729	0.164	0.172	0.197
Q29	Pearson Correlation	0.041	0.022	-0.157	0.058	-0.165
	Sig. (2-tailed)	0.723	0.847	0.172	0.615	0.151
Q30	Pearson Correlation	0.14	0.129	-0.207	0.029	-0.024
	Sig. (2-tailed)	0.226	0.263	0.071	0.805	0.834
Q31	Pearson Correlation	0.008	0.072	-0.037	0.089	-0.052
	Sig. (2-tailed)	0.946	0.532	0.751	0.44	0.652
Q32	Pearson Correlation	-0.037	0.06	-0.15	0.051	-0.077
	Sig. (2-tailed)	0.752	0.606	0.193	0.659	0.506
Q33	Pearson Correlation	-0.055	.240(*)	-0.042	-0.117	0.015
	Sig. (2-tailed)	0.638	0.035	0.716	0.311	0.894
Q34	Pearson Correlation	0.046	0.224	-0.01	-0.038	0.067
	Sig. (2-tailed)	0.694	0.05	0.928	0.741	0.563
Q35	Pearson Correlation	-0.216	-0.106	0.145	0.109	-0.195
	Sig. (2-tailed)	0.059	0.359	0.207	0.346	0.09

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Q36	Pearson Correlation	-0.026	-0.064	-.225(*)	.279(*)	-.389(**)
	Sig. (2-tailed)	0.82	0.58	0.049	0.014	0
Q37	Pearson Correlation	0.004	0.098	-0.067	-0.001	-0.116
	Sig. (2-tailed)	0.974	0.397	0.562	0.995	0.317
Q38	Pearson Correlation	0.009	-0.032	-.241(**)	0.21	-.416(**)
	Sig. (2-tailed)	0.939	0.783	0.035	0.067	0
Q39	Pearson Correlation	-0.023	-0.076	-0.182	.242(*)	-.369(**)
	Sig. (2-tailed)	0.843	0.511	0.113	0.034	0.001
Q40	Pearson Correlation	-0.037	0.047	-0.147	0.214	-0.053
	Sig. (2-tailed)	0.747	0.686	0.201	0.062	0.648
Q41	Pearson Correlation	-.362(**)	-0.176	.305(**)	0.157	-0.223
	Sig. (2-tailed)	0.001	0.125	0.007	0.173	0.051
<p>** Correlation is significant at the 0.01 level (2-tailed).</p> <p>* Correlation is significant at the 0.05 level (2-tailed).</p>						