

**REPUTATION RISK MANAGEMENT PRACTICES AND SERVICE  
DELIVERY IN KENYA POLICE SERVICE**

**BY**

**ANN WANJIRU MAINA: D61/66966/2011**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT  
OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF  
MASTER OF BUSINESS ADMINISTRATION (MBA), SCHOOL OF  
BUSINESS, UNIVERSITY OF NAIROBI.**

**OCTOBER, 2013**

## DECLARATION

This project is my original work and has not been presented for award of a degree in any university

Signed ..... Date

.....

Ann Wanjiru Maina: D61/66966/2011

This project has been submitted for examination with my approval as the University Supervisor.

Signed ..... Date

.....

Kariuki C. Ngugi,

Lecturer Department of Management Science

School of Business, University of Nairobi.

## **DEDICATION**

I dedicate this work to my husband Kevin Gachoka, my son Ewan Kimotho and my dear parents Lawrence and Grace Maina. Their continuous support, prayers and encouragement were a source of strength during my study.

## **ACKNOWLEDGEMENT**

First, I thank the Almighty God for giving me good health and strength to conduct this research project. Secondly, I wish to thank my supervisor Kariuki.C.Ngugi and moderators J.Lelei and M.Kariuki for their continuous guidance and assistance provided in helping me during the entire process of this project. I also wish to thank the academic and non-academic staff and my student colleagues who gave me their invaluable support in the course of my study.

Special thanks to my employer, the Kenya Police Service for the financial support and for allowing me to conduct my research project at Police headquarters. I would like to sincerely thank all those who availed their time to be interviewed, thus making it possible to complete my project.

# TABLE OF CONTENTS

<b>DECLARATION</b> .....	<b>ii</b>
<b>DEDICATION</b> .....	<b>iii</b>
<b>ACKNOWLEDGEMENT</b> .....	<b>iv</b>
<b>TABLE OF CONTENTS</b> .....	<b>v</b>
<b>LIST OF TABLES</b> .....	<b>vii</b>
<b>LIST OF FIGURES</b> .....	<b>viii</b>
<b>ABSTRACT</b> .....	<b>ix</b>
<b>CHAPTER ONE: INTRODUCTION</b> .....	<b>1</b>
1.1 General Background .....	1
1.2 Statement of the Problem.....	9
1.3 Objectives of the Study .....	11
1.4 Importance of the Study.....	12
<b>CHAPTER TWO: LITERATURE REVIEW</b> .....	<b>13</b>
2.1 Service Quality Delivery .....	13
2.2 Reputation Risk.....	15
2.3 Practices by Kenya Police Service in Managing Reputation Risk .....	19
2.4 Challenges in Managing Reputation Risk .....	22
2.5 Summary and Conceptual Framework .....	23
<b>CHAPTER THREE: RESEARCH METHODOLOGY</b> .....	<b>25</b>
3.1 Research Design .....	25
3.2 Population of Study .....	25
3.3 Sampling.....	26
3.4 Data Collection .....	27
3.5 Data Analysis.....	29
<b>CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION</b> .....	<b>30</b>
4.1 Response Rate.....	30
4.2 Background Information.....	31
4.3 Reputation Risk and Service Delivery.....	34
4.4 Reputation Risk Challenges.....	38

4.5 Practices in Managing Reputation Risks .....	40
4.6 Perception of the Civilians on the Police Service.....	41
4.7 Relationship between Reputation Risk and Service Delivery .....	45
4.8 Discussion.....	45
<b>CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>50</b>
5.1 Conclusions.....	50
5.2 Recommendations.....	51
5.3 Limitations of Study .....	52
5.4 Suggestions for Further Research.....	52
<b>REFERENCES.....</b>	<b>54</b>
<b>APPENDICES.....</b>	<b>59</b>
<b>Appendix 1: QUESTIONNAIRE FOR THE POLICE OFFICERS .....</b>	<b>59</b>
<b>Appendix II: QUESTIONNAIRE FOR THE CIVILIANS.....</b>	<b>63</b>

## **LIST OF TABLES**

Table 3.1 Sample Size.....	27
Table 4.1 Response Rate .....	30
Table 4.2 Gender of Respondents.....	31
Table 4.3 Age of the Respondents.....	32
Table 4.4 Level of Education.....	32
Table 4.5 Years of Work Experience.....	33
Table 4.6 Relationship between Reputation Risk and Service Delivery .....	45

## LIST OF FIGURES

Figure 4.1 Reputation risk and Operation Risk .....	34
Figure 4.2 Reputation and Development of Core Competency .....	35
Figure 4.3 Reputation Risk and Provision of Convenience Services to Customers .....	36
Figure 4.4 Reputation Risk and Effectiveness of the Police Service.....	37
Figure 4.5 Reputation Risk Discourages Citizens from Seeking Police Services .....	38
Figure 4.6 Reputation Risk Challenges .....	39
Figure 4.7 Practices in Managing Reputation Risks .....	40
Figure 4.8 Service availability .....	41
Figure 4.9 Services are of high Quality .....	42
Figure 4.10 Services are quickly accessible .....	43
Figure 4.11 Services can be accesses from anywhere .....	43
Figure 4.12 Services can be delivered quickly and timely .....	44

## **ABSTRACT**

The study sought to analyse reputation risk management practices and service delivery in Kenya Police Service (KPS). The objectives of the study were to evaluate how reputation risk affects service delivery and the practices used in managing reputation risk faced by the Police Service.

The target population included 100 police officers and all civilians who would seek some service at the police headquarters. The sample consisted of 30 police officers and 70 civilians who were sampled using stratified judgmental and convenience sampling methods respectively. The data was analyzed using descriptive statistics including frequencies, percentages and means. Microsoft Excel and SPSS were used to assist in the analysis. The study established that Reputation Risk has increased operational risk in Kenya Police Service and it hinders the police service from focusing and developing its core functions as well as reduces the effectiveness of the police service in performing its mandate.

The study further established that the KPS is faced with reputation risk challenges such as loss of faith by the public, loss of critical skills to other organizations and difficulty in obtaining organizational support from the public. Additionally it was revealed that the police force faces challenges of complaints from civil society about performance, perception by public that the service is incurably corrupt and poor service delivery. The study established that the Kenya Police Service can manage reputation risk through speedy and quality resolutions to customer complaints, developing a well understood customer service charter that will be shared with the public and having a resource capacity to handle customer complaints. Additionally it was established that there is a significant positive relationship between reputation risk and service delivery.

The study recommended that the police service needs to hold forums to educate customers (public) on police mandate and objectives so that they can appreciate police services more; engage in training of personnel on public relations and customer care; improve welfare of police officers; reform the service to build customer confidence; occasionally highlight the positive achievements by the police service; and enhance public private partnership to provide quality services and meet public expectations.

# CHAPTER ONE: INTRODUCTION

## 1.1 General Background

The success of any organization can be well determined with regard, to how it effectively handles its reputation to achieve the desired results. Human beings unlike any other resource pertinent to the organization, have different views. This means therefore that the management of any organization has a task of recognizing such views and satisfying them as well as developing the effective risk management systems. If an organization wants to remain competitive, it is imperative to continually improve the performance through creating a good repute in the minds of people. This can only be achieved by ensuring that the employees are highly motivated. Encarta (2009), defined reputation, as the views that are generally held about somebody or something. For an organization, this can naturally be both positive and negative. Positive in the sense that it can increase customer loyalty, financial performance, and the recruitment process.

Powers (2007), *Organized Uncertainty-Designing a World of Risk Management* is one of the most important contributions on reputation and reputation management concepts first introduced in academic texts from the mid-nineties. In this case it was Greenpeace, which advocated for a boycott of Shell's products that lead to severe financial losses for the company. According to Power (2007), this was a tipping point for a new understanding as well as fear about reputation and its influences on companies and management thereof. As a perception held by people, reputation is by nature socially constructed and an

intangible asset which becomes visible as the difference between the book and market value of the specific entity (Power, 2007).

Larkin (2002) argues that the reason why reputation was not included in the definition of operational risk for financial institutions was the fact that it was difficult to define. Power (2007), believes this is exactly the nature of reputation. It is potentially unmanageable, both as risk as well as the limits of conventional management control. Nevertheless, as an asset it has been “recognized, measured, and located within a management control infrastructure” (Power, 2007). Reputation goes beyond private corporations and is also used to rank public entities. “Reputation is a general image of an organization among the stakeholders enabling collaboration and leading to trust and other benefits” (Luomaaho 2007).

According to Rayner (2010), there is no such thing as reputation risk, only risk to reputation. Rayner’s defined reputation risk as any action, event or circumstance that could adversely or beneficially impact an organization’s reputation. Significant risks to reputation equal killer risks that can endanger the very existence of an organization. Power (2007) also suggests that risks should be considered as uncertainties. Honey (2009) argues that when measuring reputation risk it is necessary to remember that reputation has a value that is different from been in monetary terms. The only way to measure reputation risk is to identify the gap between expectations and performance for each stakeholder group.

### **1.1.1 Reputation Risk Management Practices**

In 2004, the World Economic Forum declared that brand reputation outranked financial performances, making this something for all managers to consider. In a survey done in 2005, covering 269 senior executives (36%) represented companies in the financial services sector responsible for risk management, reputation risk was the number one significant threat to business out of a choice of categories. Additionally 84% believed that risks to their company's reputation had increased significantly over the last five years. Managers, however, also saw reputation as a source of competitive advantage (The Economist Intelligence Unit 2005). The most crucial element of managing reputation risk is to identify the risks that may hurt an organization's reputation. Before one can manage the risks, they have to be recognized and understood in a proactive manner Rayner (2010).

These risks are both within the direct control of the organization as well as indirectly through clients, suppliers among other stakeholders. Among some of the many assumptions about differences between public and private organizations is the notion that public organizations in general are more risk averse than private ones. Although this may not have been conclusively determined, there is a point to the logic and rational way of thinking that public managers are more risk averse, simply due to the fact that there is less incentives in public organizations (Bozeman and Kingsley 1998). The police departments worldwide have envisaged several ways of managing their reputation to the citizens. To build citizens trust, it is incumbent on the chiefs of police and managing supervisors to foster an environment within their departments in which ethical behavior is

expected and each individual is responsible for meeting those expectations. Police executives who are transparent (that is clear, concise, and open about their department's Internal Affairs process) with their constituencies, acknowledge misconduct, appropriately deal with misconduct when it occurs, and include the public in the response to misconduct will not only obtain, but also sustain, the respect and confidence of the citizens in their jurisdictions. Police departments must adhere to the principles of integrity and professionalism as cornerstones of citizen trust-building because officers occupy a position of trust and confidence in their communities and are afforded awesome authority to carry out their duties, any excessive use of that authority, abuse of power, or failure to fulfill their duties can erode public trust and reduce or destroy their credibility within the communities they serve.

Culture-changing policies, programs, and training are meaningful and effective not only in preventing misconduct and corruption in the department but also in demonstrating the organization's values and principles. The police executive must ensure that the organization's core values and principles are expressed, communicated, and reinforced throughout all aspects of the department's operations, administration, and service. This can be achieved by adopting a clear, precise mission statement that directs the actions of the department. Departmental policies and procedures must support the department's mission, and must be written, clearly defined, and enforced and should be set forth in a manual for all personnel and should not only define acceptable standards of conduct, but identify conduct that is unacceptable. These values and principles must be understood and embraced by all executives, supervisors, officers, and civilian employees within the department (Police Integrity, 1997).

Creating a culture of integrity within a department is crucial to building and sustaining the citizen's trust, effective policing, and safe communities. A clearly defined standard that guides all actions of every member of a department lays the groundwork for a trusting relationship with the community. The chief must model the values and behaviors inherent in a culture of integrity, both internally (through hiring, training, and evaluation) and externally (through community outreach and dialogue). This culture must be modeled by the administration and reinforced by supervisors to be effective.

It is imperative to recruit and hire individuals who have a service orientation and the character necessary to uphold high standards of integrity, as well as the ability to withstand the temptation to deviate from these standards. The selection process first must screen out candidates who are not right for the profession, and then it must screen in those who exhibit the most favorable characteristics for the profession and who fit the needs and culture of the local department (Police Integrity, 1997). It is important that an organization's leadership determines the core competencies that they want their officers to possess, such as compassion and service orientation. Identifying people who will likely excel in a law enforcement career can be accomplished through a combination of medical and psychiatric testing, personal interviews, and background investigations (Delattre, 2006). Researchers have identified five personality characteristics that enable a police officer to perform well: extrovert, emotional stability, agreeable, conscientious, and open to experience.

Training in ethics, integrity, and discretion should begin in the police academy and continue on a regular basis until the officer retires. Continued ethics training should include exercises for the formation and maintenance of good habits and character, as well

as exercises in value choices, ethical dilemmas, and discretion in police work (Delattre, 2006: 52). A valuable and effective way for a police department to engage its community is by practicing community oriented policing. Organizational transformation, problem-solving, and community partnerships comprise the concept known as community oriented policing (Fisher-Stewart, 2007).

### **1.1.2 The Kenya Police Service Delivery**

Service quality has been found to have a profound input on reputation risk and as a whole and is defined as the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Chumpitaz et al., 2004). The KPS traces its origin to the late nineteenth century when it was associated with the Imperial British East Africa (IBEA) Company. It was formalized in 1920 as Kenya Police Force when Kenya became a British Protectorate. Since then it grew to include Regular Police, Criminal Investigation Department, General Service Unit, and other specialized units (Kenya police Strategic plan, 2004-2008). The Kenya Police Service is established under provisions in an act of parliament known as the police Act, Chapter 84 of the law of Kenya. The National Police Service Act 2011 provides for the functions, organization and discipline of the Kenya Police Service and Administration Police Service and it is headed by the Inspector General. The Police service is established in the Republic of Kenya to maintain law and order, preserve peace, protect life and property, prevent and detect crime, apprehend offenders as well as enforce all laws and regulations with which it is charged. The service is devolved in the various counties for ease of administration. The counties are

subdivided into Divisions, Stations and Posts. The service has an organization structure which includes the Directorate of Administration and Planning section.

The service delivery of Kenya police has been evaluated in terms of reduction of crime rates, number of arrests, clearance rate, responsiveness, reliability, fairness and even their manners as measures of police success. Crime incidents in the country reduced by 10 % between January and May 2013, partly due to the installation of high definition closed-circuit (CCTV) cameras. Arrest represents one of the most visible measures of police output on how many law breakers they are able to deal with. Currently the police have been able to arrest thugs, abductors, drug traffickers and even suspected Al-Shabab members across the country and solved most of the reported crimes.

Kenya police has been heavily blamed especially between 2002 and 2008 on the behaviors portrayed by the officers such as rude treatment, unfair treatment when arrested, physical mistreatment, a police officer covering up another officer's wrongdoing, a police officer taking sides in an argument between citizens, an officer not performing required duties and even extra judicial killings as reflected in the Truth, Justice and Reconciliation Commission report (TJRC). These ill treatments have been addressed in the police reforms that are currently ongoing in the police service. The reliability of services offered by Kenya police has improved in that they are more timely and error-free as well as an improved degree of responsiveness. This has been achieved by operationalizing police hotlines in the various counties.

The reputation of the Kenya Police Service to the public has been eroded overtime due to accusations of impunity, excessive use of force and brutality, disregard for human rights, abuse of due process and malignant corruption hence loss of public trust. The public has

been looking forward to a transformation in the police force whose nefarious reputation has eroded public trust (Ndungu, 2011). The promulgation of a new Constitution in August 2010 was designed to change the image of the service since it provided the bedrock for instituting extensive security sector reforms in Kenya hence the on-going reforms have brought some hope that the ‘force’ will transform into a ‘service’ that is accountable, professional, transparent and possessing a human rights sensitive approach as well as the operational capacity to deliver on its obligations to the Kenyan public. The government set up a National Task Force on Police Reforms in May 2009 to recommend proposals for police reforms in the country, where the task force was to take up recommendation from previous reports such as one on Extrajudicial, Summary or Arbitrary Executions that offered recommendations for the overhaul of the existing policing system (G.O.K, 2010).

Later, the President set up the Police Reform Implementation Committee (PRIC) to fast-track and coordinate the implementation of the 200 recommendations of the Ransley Task Force inline with the new Constitution. The PRIC prepared five Bills that were to provide a framework for the implementation of the reforms. The Bills are the National Police Service Bill, the National Police Service Commission Bill, the Independent Policing Oversight Authority (IPOA) Bill, the National Coroners Bill and the Private Security Industry Regulation Bill. The creation of the Independent Police Oversight Authority was aimed to provide much needed accountability and monitoring functions over the Police Service since one of the IPOA mandate is to receive public complaints regarding police conduct and it also has powers to conduct its own independent

investigations and eventually contribute in restoring public confidence in the police (G.O.K, 2011).

## **1.2 Statement of the Problem**

Service delivery being an operational objective can be essential to the reputation of the police service this is because according to Zeithaml (1990) the quality of service is a success key. According to him, superior service is both a winning and profit strategy, regardless of the market targeted. According to Kotler (2006), excellent service delivery is about doing things right so that quality services are delivered that are fit for their purpose. It encompasses both the quality of the service in terms of reliability and performance and the quality of the process that delivers the service. As such it is a major contributing factor to reputation risk as it enhances satisfaction or dissatisfaction.

In a business perspective poor quality of service is likely to put the customer off returning, leading to future lost sales. This is the reason why Bartley, *et al*, (2008) affirms that most public organizations seem to lack public goodwill systems as a result of poor service delivery. Unknown to them is that such goodwill has a major role to play as far as job reputation risk is concerned. According to Obongo (2008), most public organizations in Kenya are yet to match the pace of their counterparts in the private sector. This can only be attributable to poor service delivery and as such leading to possible reputation risks (Taljaard, 2002). An evaluation of reputation risk management is critical given that the Kenya Police Service and its performance are mainly pegged on customer satisfaction - the public (Kenya Police Service, 2011).

Lack of good reputation can impact negatively on job performance and this has led to the need to evaluate the effects of reputation risk on performance (Pratheepkanth 2011). All organizations around the world are striving to deliver quality services to its customers. In order to do this, it is important that organizations concentrate on their core business for maximum quality delivery to the customers due to increased competition on the market place. The police sector has not been left out. The Kenya Police Service is no exception in wanting to deliver exceptional service to the public. In order to improve the quality of service, it is important that the police service concentrates its efforts on their core business by ensuring that it manages reputation risk. This study therefore will be important in establishing the various ways of managing reputation risks. Motivated by the rapid increase of the need to enhance service quality this study will offer recommendations on the way forward for the police service as far as the management of reputation risk is concerned.

A study by the national institute of justice asked officers in 30 police agencies (2009) in the United States of America for their opinions about various hypothetical cases of police misconduct, thereby avoiding the resistance that direct inquiries about corrupt behavior would likely provoke. The survey measured how seriously officers regarded police corruption, how willing they were to report it, and how willing they were to support punishment. By analyzing officers' responses to the survey questions, researchers were able to rank the police agencies according to their environments of integrity. The capacity to measure integrity in this way is especially significant for police administrators, who, this research suggests (Institute of Justice, 2010). Another study Castro (2006), revealed that there inherent mistrust between the media and the police force in the United

Kingdom. The study proposes strategies to overcome the suspicion and build a partnership. The study recommends for best practices on providing timely and accurate information, educating and informing the public and improving communication and trust between the police and the media. The proposed police and media training curriculum breaks down the cultural barriers and develop mutual respect for each individual profession.

So far, no other study has been done on reputation risk management and service delivery in a public organization with a focus on the Kenya Police Service. The purpose of this study therefore is to analyse reputation risk management practices and service delivery in Kenya Police Service with an aim to fill the gap by answering the question as to what approaches Kenya police is employing in management of reputation risk.

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

The objectives of the study were:

- i. To evaluate how reputation risk affects service delivery
- ii. To establish the practices used in managing reputation risk faced by the Police Service
- iii. To establish challenges faced by the police service in management of reputation risk

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

The study will also be useful to the Inspector General of Police and the Management of Kenya Police Service in making more informed and risk sensitive decisions on how to avoid and mitigate reputation risk in the day to day running of the Service.

The Kenyan Government as well as other Public Institutions will benefit from the findings of this study on risk reputation issues and how to manage them within these institutions in Kenya.

The General public in Kenya will also benefit from the study findings and recommendations in that it will aid in restoring public confidence in the Kenya Police Service.

Future scholars of reputation risk management will benefit from the study as this will form a base for their research and study. This study will act as a source of reference.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Service Quality Delivery**

According to Kotler (2006) quality is about doing things right so that error-free goods and services are delivered that are fit for their purpose. It encompasses both the quality of the design of the product in terms of aesthetics, reliability and performance and the quality of the process that delivers the product or service. As such it is a major source of customer satisfaction or dissatisfaction. Poor quality products or poor quality of service are likely to put the customer off returning, leading to future lost sales. Ray (1994) articulates some of the important characteristics of service product, which are vital to its quality, the first one being responsive to calls.

Time is of essence in any service activity and it has been referred to by a number of authors as an important component in the quality of service (Saunders et al, 1992). It is a feature of service to be given high priority because the service has to be produced on demand and the interval in provision is an element of the actual product. A service function sets their own standards for service response and provides the most accurate means possible for calculating the costs associated with their function. This information gives the means for monitoring and improving standards.

Service quality incorporates the concepts of meeting and exceeding the expectations of the customer and is designed from the field of marketing which values the human interaction between a business and its customers (Antony et al, 2004). Thus, service quality is the extent to which a service meets customer's needs or expectations (Lewis and Mitchell, 1990) and hence the difference between customer expectation of service

and perceived quality of service. If expectations are greater than performance, then perceived quality is less than satisfactory leading to customer dissatisfaction. Knowles, (1998) in an effort to define quality in services states that the notion of quality in the service industry is largely tied to the understanding of the service phenomenon. The service phenomenon itself is best understood from a differentiation perspective, that is, the aspects, which differentiate service and manufacturing industries.

The major distinctions or characteristics that differentiate services from manufactured goods as articulated by a number of researchers (Saunders et al 1992, Lakhe et al 1995) commonly referred to as attributes of service are first and foremost the intangibility and inseparability nature of the product. The service product is produced and consumed simultaneously, making it difficult to place a quantifiable terms on the features that contribute to the quality of the product. This intangibility nature of the product gives credence to Lakhe et al (1995) proposition that the traditional definition of quality as a conformance to standards is usually not applicable to services since there are no specified standards and even if they are specified, they are difficult to measure. It is difficult to measure because of its subjective nature. Customers cannot evaluate service prior to consumption and during consumption, the challenge therefore lies in managing the appearances and perceptions (Harvey, 1998).

Quality in service delivery is very important especially for the reputation of the police service (Powell, 1995). It works as an antecedent of customer satisfaction (Ruyter and Bloemer, 1995). With the increase of the importance of service quality in the economies, the measurement of service quality became important. Research has indicated that service quality has been increasingly recognized as a critical factor in the success of any business

(Parasuraman et al, 1988) and the police service in this case is not exceptional. Service quality has been widely used to evaluate the performance of many organizations (Cowling and Newman, 1995). This is because most organization understand that customers will be loyal if they receive greater value than from competitors (Daves and Swailes, 1999) and on other hand, firms can earn high profits if they are able to position themselves better than competitors within a specific market (Davies et al, 1995). Therefore firms need focus on service quality as a core competitive strategy (Chaoprasert and Elsey, 2004). Moreover, organizations all over the world offer similar kinds of services, and try to quickly match their competitors' innovations. It can be noted that customers can perceive differences in the quality of service (Chaoprasert and Elsey, 2004). Moreover, customers evaluate firm's performance mainly on the basis of their personal contact and interaction (Gronroos, 1990).

## **2.2 Reputation Risk**

Reputation risk refers to the threat that a company will lose potential business because its character or quality has been called into question. A company's reputation is built upon the relationship it has with its stakeholders. This is supported by the fact that reputation is a collective representation of a company's past action and results which describes the company's ability to deliver valued outcomes to the stakeholders and how each stakeholder experiences the company's brand through its daily operations (Fombrun, 1996).

Reputation risk does not occur in isolation; instead it can arise from quality of management, social, ethical and environmental performance, employees and corporate

culture, customer relation, regulatory compliance and litigation. A weakness in one of these areas may be enough to significantly damage a reputation (Collins, 2002). According to Jacoby, Johar and Morrin (2008), reputation risk is one of the internal factors which influence information processing, attitudes and choice. In this regard therefore knowledge about risk sets the foundations for strategies on how to reduce risk. The decision maker reduces risk by intensively searching for information or by becoming loyal to a certain brand, product or store. According to one stream of literature much focus is on information search behavior to reduce reputation risk. Hence, the role of perceived risk in strategic purchases calls for the attention of researchers. There are a number of reasons why risk is an appropriate place to look at the manner in which traditional theories and propositions of marketers hold up in the Internet area.

First, perceived risk theory provides a comprehensive explanation of why consumers are more often motivated to avoid negative aspects than to seek positive aspects or payoffs in a given buying situation. Perceived risk theory postulates that buyers are inclined to minimize the perceived risk first, rather than to maximize the expected positive outcome or expected payoff. In this way, it has been possible to understand some of the consumer behaviors that are not comprehensible in a normative utility theory. Besides, it has been shown that once consumers' perceived risks have been identified in a buying situation, there seems to be some evidence to determine subsequent consumer behavior in accordance with such risks (Michael Powers, 2007). Second, perceived risk theory is expandable to almost all kinds of consumer products and services. That is, the previous perceived risk research demonstrates that the theory can be successfully applied to a wide

range of consumer product categories, including coffee, detergent, furniture, automobiles, and services (Michael Powers, 2007).

Third, perceived risk analysis increases marketing efficiency. Since a study of risk identifies consumers' preferred risk-reduction strategies, the focus on useful strategies brings about more efficient resource allocation into all marketing activities, including brand/image development, targeting, positioning, and segmentation (Michael Powers 2007). Fourth, the study of reputation risk leads consumers to more effective decision making. Davis and Olson argued that reputation risk is a significant source of psychological stress that results in impaired decision making. Thus, marketers' understanding of perceived risk structure and the provision of risk relievers give consumers a better environment for making buying decisions.

For all these reasons, investigating consumer risk perception and providing proper risk-reduction strategies within the internet shopping environment offers a great deal to potential internet marketing. But the investigation of risk perception in Internet shopping decisions goes beyond mere "help" for internet marketers (Michael Powers, 2007).

Risk-averse consumers who perceive even very small food safety risks from consuming a product will tend to avoid the product. Events that raise consumer concerns about food safety have resulted in comprehensive and long-lasting closures of specific international markets to particular food products. Understanding what factors drive consumer perceptions and attitudes regarding food safety is essential to designing public policy and industry strategies to effectively deal with food safety events (Kornelis et al., 2007).

Consumer risk perceptions and risk attitudes have been succinctly defined by Schroeder et al. (2007). Risk perceptions represent a person's views about the risk inherent in a particular situation. Perceptions about food safety risk are what the individual believes would be the amount of health risk, if any, they would face from consuming a food product. Risk attitudes person's overriding tendencies toward risk across different risky situations. Risk attitudes refer to how willing a person is to accept risk. Risk-averse people place a high premium on ventures that are assured safe, risk-neutral people are indifferent regarding choices with different levels of risk, and risk-seeking individuals pursue risky situations.

Several studies have demonstrated the importance of reputation risk. For instance Lusk and Coble (2005) found risk preferences significantly affect consumer preferences for genetically modified food. Mazzocchietal (2008) concluded that risk attitudes had a greater impact on poultry purchase decisions than risk perceptions for European (United Kingdom, Italy, Germany, the Netherlands, and France) consumers. However, the importance of reputation increased substantially in the event of a salmonella scare. Schroeder et al. (2007) found that reputation risk and risk attitudes had significant and varied impacts on beef consumption behavior among consumers in the United States, Canada, Mexico, and Japan. For instance, risk perceptions had approximately twice the impact of risk attitudes on consumers who reduced beef consumption in response to food safety concerns in the United States, Canada, and Japan.

Setbonet (2005) determined that reputation risk of French consumers regarding BSE risk was more related to emotion and value-based judgments than to socio-demographic variables. They also concluded that levels of reputation risk associated with consuming

beef during the BSE crisis in France were highly correlated with reduced beef consumption, suggesting that consumers were choosing “a level of self-protection beyond public measures taken to reduce it. Pennings, Wansink, and Meulenberg (2002) found that differences in reputation risk and attitudes about BSE led to different variations in beef consumption by consumers in the United States, the Netherlands, and Germany.

Risk attitude constructs are commonly considered to be rather insensitive to personal experiences and exposure to new information regarding risks (Weber, Blais, and Betz, 2002; MacCrimmon and Wehrung, 1990; Weber and Milliman, 1997). In contrast, risk perceptions are often viewed as varying across individuals because of differences in personal experiences and exposure to new information regarding underlying risks (Liu and Hsieh, 1995; Weber and Milliman, 1997; Viscusi, 1989), suggesting that reputation risks are more sensitive to factors such as trust and reliance.

### **2.3 Practices by Kenya Police Service in Managing Reputation Risk**

Michael Collins (2002) explains that a company’s reputation is a critical component of its value, and is monitored by customers, business partners, and investors, rating agencies, regulators, employees and legislators. Therefore the management of a firm has a fiduciary responsibility to protect the interest of shareholders and creditors: this is a responsibility that is at the heart of managing reputation of a firm (Rourke, 2004).

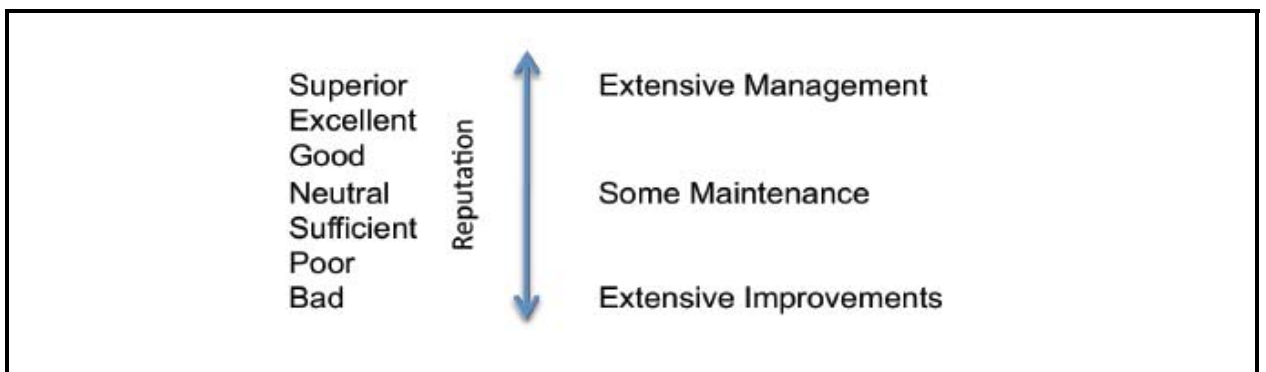
The public sector has in general shown little action to measuring intangible concepts. But due to the nature of having several objectives of non-financial nature, it has become more important to understand in public sector organizations. For a public sector organization, a good reputation can create a positive operating environment. Good

reputations, once achieved, allow no resting on one's laurels without a potential loss of reputation. A constant upkeep is necessary for a reputation to be good and this can be financially difficult for the public sector to allocate funds to. (Luoma-aho 2007). He also suggested that due to the constant risk of facing cuts in funding and interference by politicians, reputation may become a burden for public sector organizations.

The reputation of the Kenya police has been tarnished over years and worsened after the 2007 general elections where the officers were accused of brutality and inhuman behaviors to the citizens. The constitution that was passed in August 2010 provides for reforms in the security sector with a focus in reforming the Kenya police to aid restore public confidence. To manage the reputation of the police, the government has adopted some of the recommendations set forth in the Ransley report such as transformation from been a force into a service that is expected to reverse decades of police culture characterized by impunity, secrecy and brutality to one that is more transparent, humane and responsive. Further, the Kenya Police Service and the administration police, previously run separately, now have a single command structure of an independent Inspector General of police. The reforms also address issues of capacity through proper remuneration, housing, upgrading communication equipment and skills as well as training the police officers.

The Kenya Police Service has adopted internal practices of managing its reputation through instituting culture-changing policies, programs, and training to solidify the department's core values and ethical principles. It also provides continuous training in ethics, integrity, and discretion to every officer from the time he or she enters the police service through the time of retirement as well as conduct consistent evaluations and

review of all employees, and immediately address negative behavior and reward positive behavior. Also adopted is the use of Early Intervention System, not only in Internal Affairs, but to prevent behavior that may lead to an Internal Affairs complaint and investigation. External practices that have been adopted are the development of community oriented policing programs to better engage the community and the use of media to publicize positive programs and stories about the department. The service from time to time initiates and holds workshops on subjects of interest to the community as well as conduct community surveys to gauge and enhance public perception.



***Figure 2.1: Luom-aho, Vilma (2007): Neutral Reputation and Public Sector Organizations***

In the Figure above, the term of neutrality is understood as a cognitive attribute; it describes a stage of harmony but the term of neutrality also includes links to indifference or not caring. Although these risks do exist, neutrality as a level for reputation in public sector organization describes the ideal level. It does not aim too high and not too low. One of the reasons why this middle range theory should be accepted is the fact that organizations in the public sector only have few if any competitors. To not have a

reputation is not an option according to the author because such organizations are a part of the public sector, which is broad and well known.

## **2.4 Challenges in Managing Reputation Risk**

According to (Downes, 2001), management of reputation risk faces a number of obstacles, which face most companies. He points out internal company problems as well as external problems which are generated by outside forces in the industry, in which the particular company lies. Both internal and external issues are indeed affected by the extent to which companies are as far as the activities regarding the successful management of reputation risk initiatives are concerned.

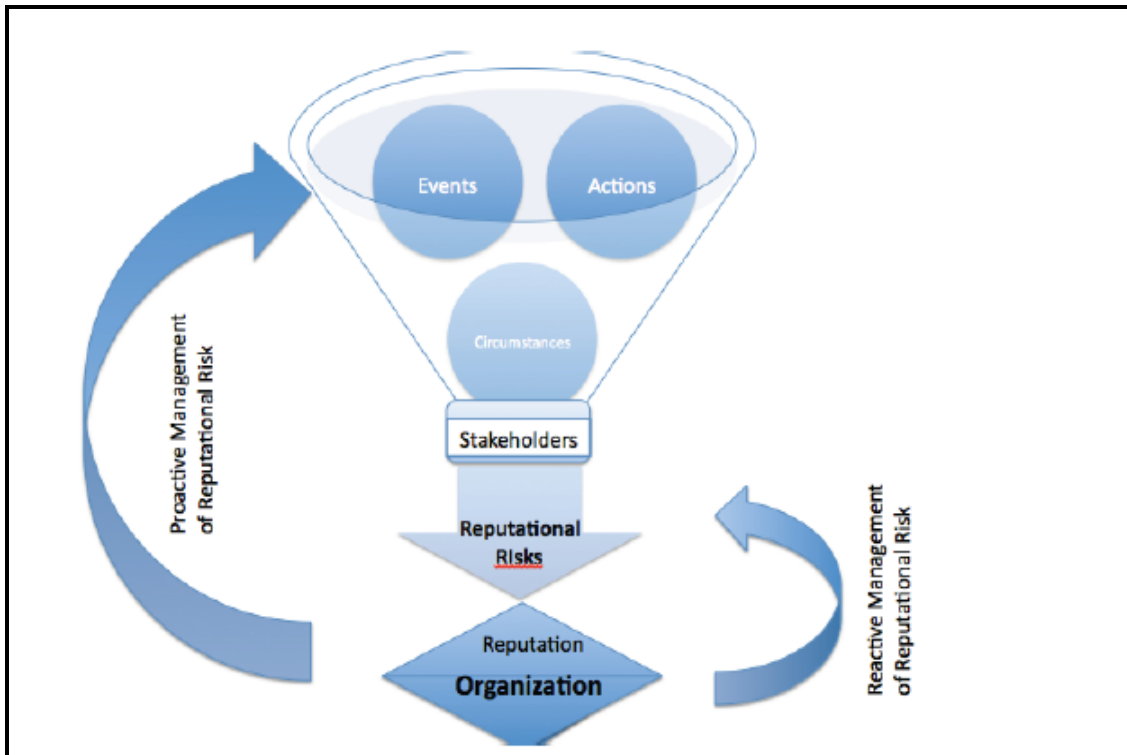
The current study acknowledges the internal and external forces that act as obstacles to successful management of reputation. As such the study specifically narrows down to the influence of people and organization operations. A study by (Johnson, 2002) established that the reasons as to why management of reputation risk fail is a result of organization operation failures and personal ownership, communications, lack of plan behind the idea, passive management, and leadership. The study by Johnson indeed outlines the organization structure, framework and organizational operations also affect successful management of reputation risk.

Additionally (Hrebiniak, 2005) asserted that there is a difficulty in reputation risk management as well as the execution of risk management strategies and the reward from doing that correctly. According to him there are a number of factors which can lead to incorrect execution of such strategies these included: Lack feelings of ownership of a strategy or execution plans among key employees, not having guidelines or a model to

guide strategy- execution efforts, lack of understanding of the role of organizational structure and design in the execution process, inability to generate buy-in or agreement on critical execution steps or actions, lack of incentives or inappropriate incentives to support execution objectives and insufficient financial resources to execute the strategy.

## **2.5 Summary and Conceptual Framework**

This section of the paper laid out the theoretical foundation for the research on reputation risk in public sector organizations. Reputation was defined as an intangible asset, which is measured as the difference between book and market value in corporations. In public sector organizations, reputation was defined as a general image of an organization among the stakeholders enabling collaboration and leading to trust and other benefits. Stakeholders are arguably crucial in identifying reputation risks in an organization. Studies show that there has been an increase in the importance for managers to focus on reputation across the organization, which has opened up for recommendations on reputation and reputation risk. Finally, it is suggested that a public sector organization should aim for a neutral reputation, which only needs some maintenance.



**Figure 2.2: Conceptual Framework**

The chart above shows the events, actions and circumstances that occur in the Kenya Police Service cause reputation risk which in return affects the stakeholders and consequently the reputation of the police service. Therefore, reputation risk needs to be managed since the daily actions of an organization affect its reputation. There are different ways of managing reputation risk. Proactive management is whereby the organization deals with the events and circumstances before they become a risk such as improved service delivery and addressing capacity issues while reactive management is where the organization waits until the risk occurs for it to put up its measures. The proactive management style is preferred for the Kenya Police Service.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Research Design**

Research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Chandran, 2004). According to Bryman (2001), there are three main types of study designs including: causal, exploratory and descriptive/diagnostic study designs. Bryman (2001) explains that the main emphasis of exploratory studies is to provide familiarity of new insights and discovery of new ideas to the researcher.

The exploratory design was appropriate, as it allows for the description, interpretation of existing relationships and comparison of variables under study. This design was adopted since it facilitated the collection of original data necessary to realize the research objectives. The design was also appropriate in collecting useful data that could be quantified and reported as a representation of the real situation or characteristic in the study population.

### **3.2 Population of Study**

The study worked with a target population of 100 police officers working at the Headquarters located in Nairobi, Kenya and all civilians who would seek some service in various sections at the police headquarters. The civilians in this study are referred to as customers of Kenya Police Service. The population for police staff was made up of 10 officers in front office, 24 officers in complaints, 15 officers from internal affairs, 26

officers from community policing and 26 officers from traffic section where the officers play different roles related to the functional areas. Characteristics such as gender, position, and education and professional qualifications or income level were not considered as they do not impact on the kind of study conducted. The customers were selected using convenient random sampling within the various sections of service. Despite the fact that there are various sections in police service, this did not affect the composition of the population as the type of responsibility and role an employee is involved in does not change the reputation risk. The population was heterogeneous and this aspect on variations in the composition of the workforce determined the responses to various issues in the study.

### **3.3 Sampling**

A stratified judgmental sampling technique was employed to select the sample for the police staff while convenient random sampling was used to select the customers. In this case, the various sections were used as the strata for selecting the sample size from the population of study. The stratified random sampling method was chosen because it increases the sample's statistical efficiency; provides adequate data for analyzing the various subpopulations and enables different research methods and procedures to be used in different strata (Cooper and Schindler, 2001). The study worked with 30 percent of 100 police officers as the sample population of police staff which was indeed 30 respondents, made up of 3 officers in front office, 7 officers in complaints, 6 officers from internal affairs, 7 officers from community policing and 7 officers from traffic section while 70 customers were selected to represent the general public. According to Mugenda and Mugenda (2003), a sample size of 30 percent of the population is suitable.

The respondents were stratified according to their sections of deployment in the organization where each section was represented by few respondents to form the stratum and then randomly selected in order to ensure that each respondent had an equal chance of being chosen.

**Table 3.1 Sample Size**

<b>Section</b>	<b>No. of Employees</b>	<b>Sample Size</b>
Front office	10	3
Complaints	24	7
Internal affairs	15	6
Community policing	26	7
Traffic	26	7
<b>Total</b>	100	30

Source: Kenya Police, 2013

### **3.4 Data Collection**

The study relied on primary data since it is accurate and reliable for decision making and it was collected using a self administered questionnaire for key respondents in various sections. Specifically, primary data was collected to facilitate the realization of the study objectives. These data was obtained from the respondents in terms of demographic as well as socio-economic variables. There are various reasons for the choice of

questionnaires as primary data collection instrument; they are not only versatile but also the most popular instruments and a relatively inexpensive way of getting information.

The questionnaire consisted of three main sections, the first section contained the respondent's general information, and the subsequent sections are on the three research objectives. The questionnaire is well structured and was conducted by the interviewer in order to guide the respondent on how to go about the questions as they appear. This assisted the interviewer to make the respondents understand the questions and therefore answer them accordingly. The first part of the questionnaire contained questions on the background information of the respondents while the second part had questions on the practices used in managing reputation risk. The third section had questions on how reputation risks affect service delivery. The final section had questions on the challenges faced by the by the police service in management of reputation risk

In order to test the validity of the questionnaire, a pilot test- adhering to the fundamentals attested by Cooper and Schindler (2008), who state its importance as being a tool that can be utilized so as to detect weaknesses in the research design and the instruments- only 5% of the sample size was conducted. In order to ensure higher response rate follow up calls were made, a cover letter addressing the respondents by name and title will also attached so as to elaborate the academic purpose of the research, the respondents were given the option of anonymity in their response and they was also assured of confidentiality. The researcher carried out the data collection at the office premises of the target population. A time frame of two weeks was given to the respondents to fill out the questionnaires in order to avoid putting the respondents under undue pressure to fill out the questionnaire despite their busy work schedule.

### **3.5 Data Analysis**

The data collected was organized, tabulated and analyzed using descriptive statistics in terms of percentages, means and mode and presented in form of charts and graphs to elicit the findings in light of the research questions.

The percentages were used to highlight and rank the most significant types of risk recognized in the police service and which of these are most prevalent. The percentages were also used to show the percentage of respondents that are aware of reputation risk. This will also help to show the extent of the challenges faced in managing reputation risks, as well as the practices in managing such risks.

The study made use of the Spearman correlation to establish this relationship. The correlation coefficient was two-tailed as the relationship outcome is expected to be either positive or negative and at 95% confidence level. The statistical package for social scientists (SPSS) computer programme version 18 for windows was used to assist in data analysis.

## CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

### Introduction

This chapter presents the results and findings of the study on the research questions with regards to the data collected from the respondents. The first section provides the background information with regards to the respondents; consequently the remaining sections provide the summary of findings with regards to specific objectives.

### 4.1 Response Rate

A total of 100 questionnaires were given out, and 85 of them were returned which is 85 percent of the sample size. Thirty (30) of the respondents were police officers and 55 were civilians. The response rate of 85% is considered adequate according to Mugenda and Mugenda (2002).

**Table 4.1 Response Rate**

Response Rate	DISTRIBUTION	
	Frequency	Percentage
Questionnaires Issued	100	100
Questionnaires Returned	85	85

As shown in the Table the response rate was high, this can be attributed to the follow ups made by the researcher on the questionnaires issued.

## 4.2 Background Information

The background information has been considered useful by the researcher. This is because of the role it plays in enabling the understanding of the logic of the responses given by the respondents.

### 4.2.1 Gender of Respondents

Table 4.2 presents a summary of findings with regard to respondents' gender.

**Table 4.2 Gender of Respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	49	58.0
Female	36	42.0
<b>Total</b>	<b>85</b>	<b>100.0</b>

Source: Survey Data, 2013

Majority of the respondents (58 percent) were male while the remaining 42 percent were female hence gender representation is adequate.

### 4.2.2 Age of the Respondents

Table 4.3 presents a summary of the findings with respect to the respondents' age.

**Table 4.3 Age of the Respondents**

<b>Age</b>	<b>Frequency</b>	<b>Percent</b>
26-30 Years	20	24.0
31-35 Years	16	19.0
Above 36 Years	16	19.0
<b>Total</b>	<b>85</b>	<b>100.0</b>

Source: Survey Data, 2013

As seen in Table 4.3, 39 percent of the respondents were aged between 20 -25 years, while 24 percent were aged between 26-30 years, 19 percent between 31-35 years while the remaining 19 percent were aged above 36 years.

#### **4.2.3 Level of Education**

Table 4.4 presents a summary of the findings on the level of education of the respondents involved in the study.

**Table 4.4 Level of Education**

<b>Level of Education of the Respondents</b>	<b>Frequency</b>	<b>Percent</b>
Primary	10	12
High School	39	46
University	18	21
Others	18	21
<b>Total</b>	<b>85</b>	<b>100.0</b>

Source: Survey Data, 2013

Table 4.4 reveals that whereas majority of the respondents had low levels of education, 78 percent of the respondents had post primary education, 46 percent had secondary and 21 percent university education. On the other hand, 12 percent and 21 percent of the respondents reported having acquired primary education and a broad category of education (referred to as others) respectively. This broad category of respondents included certificate, diploma holders including computer studies, industrial training, accountancy holders among others.

#### 4.2.4 Number of Working Years

Table 4.5 presents a summary of the findings with regards to respondents' years of work experience.

**Table 4.5 Years of Work Experience**

<b>Years of work experience</b>	<b>Frequency</b>	<b>Percent</b>
0-5 Years	12	30.0
6-10 Years	22	55.0
11-15 Years	3	8.0
16-20 Years	3	8.0
<b>Total</b>	<b>40</b>	<b>100.0</b>

Source: Survey Data, 2013

As shown in Table 4.5, majority of the respondents (85%), have 0 up to 10 years of work experience. Specifically 30 percent of the respondents have worked between 0 and 5 years, while 55 percent have worked for 5 to 10 years. On the other hand 8% percent have 11-15 years of work experience and 8% have 16-20 years respectively. This shows

that most people have few years of experience in their work places implying that most are the youth.

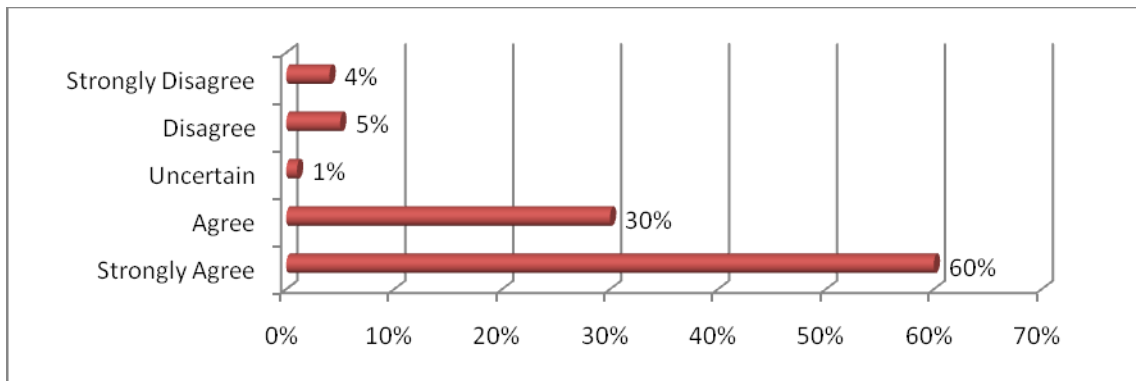
### 4.3 Reputation Risk and Service Delivery

The study sought to establish how reputation risks influences service delivery in the Kenya Police Service.

#### 4.3.1 Reputation Risk and operational risk.

The study sought the respondents view on how reputation risks influences operation risks. Figure 4.1 indicates the percentage of respondents at various levels of agreement that reputation risk has increased operation risk.

**Figure 4.1 Reputation risk and Operation Risk**



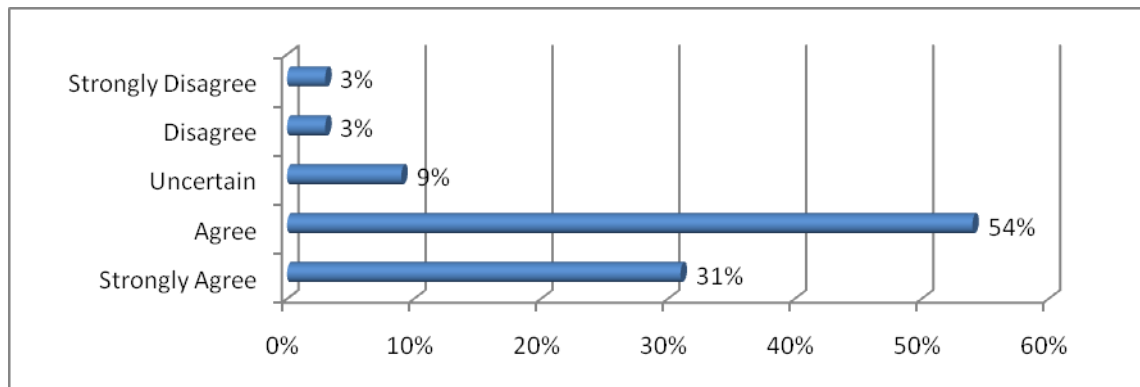
Source: Survey Data, 2013

As seen in the Figure 4.1, majority of the respondents (60%) strongly agree that indeed reputation risk has increased operational risk in Kenya Police Service. Further 30 percent agree, 5 percent disagree, 4 percent strongly disagree while the remaining 1 percent is uncertain about how reputation risk has increased operational risk in Kenya Police Service. From these findings, we can conclude that reputation risk highly affects the operation risk

### 4.3.2 Reputation and Development of Core Competency

Figure 4.2 presents a summary of the findings with regard to how reputation risk hinders the police service from focusing and/or developing core competencies. The Figure shows percentage of responses under each response indicator.

**Figure 4.2 Reputation and Development of Core Competency**



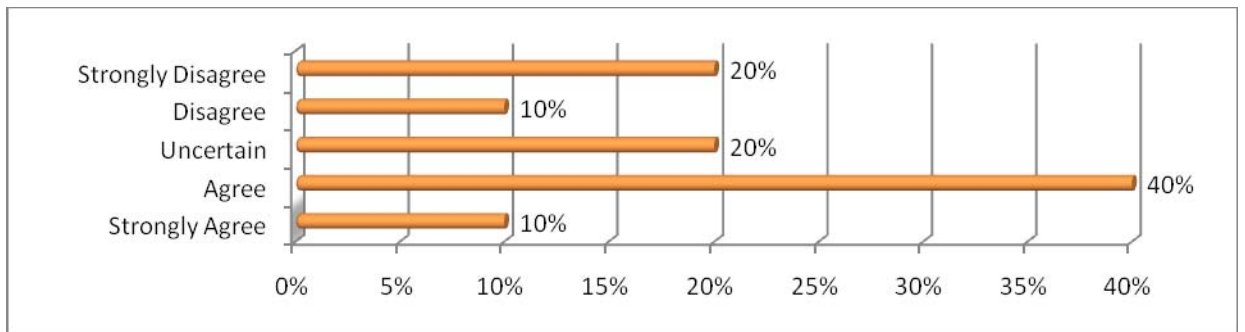
Source: Survey Data, 2013

As seen in Figure 4.2, majority of the respondents (54 percent), agree that reputation risk hinders the police service from focusing and/or developing core competencies. This was also the case for 31 percent of the respondents. On the contrary 6 percent of the respondents disagreed while 9 percent remained uncertain on how reputation risk hinders the police service from focusing and/or developing core competencies. The response pattern hence shows that reputation risk has a positive influence on the operations of the KPS in carrying out its main functions.

### 4.3.3 Reputation Risk and Provision of Convenience Services to Customers

Figure 4.3 presents a summary of the findings with regards to how reputation risk results in challenges to providing convenience services to customers. The figure shows level of agreement by the respondents on how reputation risk affects the provision of convenience services to the customers.

**Figure 4.3 Reputation Risk and Provision of Convenience Services to Customers**



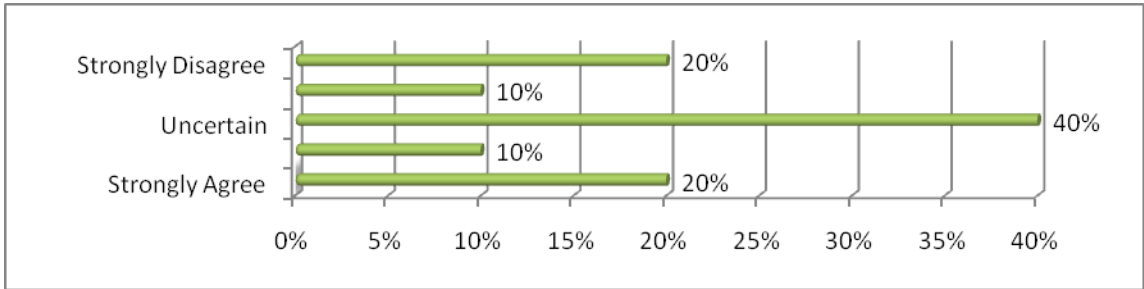
Source: Survey Data, 2013

As seen in Figure 4.3, 40 percent of the respondents claimed that reputation risk results in challenges to providing convenience services to customers. This was also the case for 10 percent who strongly agreed, while 30 percent disagreed. In the same regard 20 percent of the respondents remained uncertain. This implies that reputation risk results in challenges to providing convenience services to customers.

### 4.3.4 Reputation Risk and Effectiveness of Kenya Police Service

Figure 4.4 presents a summary of the findings with regard to how reputation risk reduces the effectiveness of the police service in performing its mandate.

**Figure 4.4 Reputation Risk and Effectiveness of the Police Service**



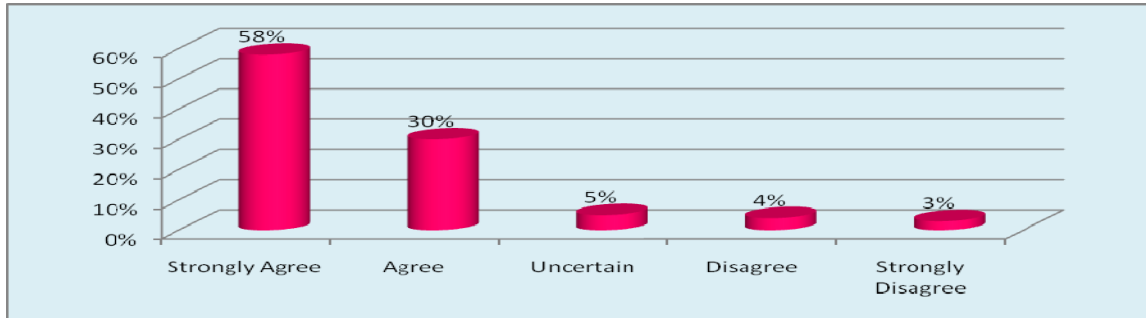
Source: Survey Data, 2013

As seen in Figure 4.4, 20 percent of the respondents strongly agree, 10 percent agree, while 40 percent are uncertain on how reputation risk reduces the effectiveness of the police service in performing its mandate. On the contrary 10 percent of the respondents disagree, while 20 percent strongly disagree. This shows that the effect of reputation risk on the effectiveness of the police service could not be accurately determined but it has some minimal effect

#### **4.3.5 Reputation Risk Discourages Citizens from Seeking Police Services**

Figure 4.5 presents a summary of the findings with regards to how reputation risk discourages citizens from seeking police services. It gives a summary of the respondents levels of agreement on whether reputation risk discourages citizens from seeking police services.

**Figure 4.5 Reputation Risk Discourages Citizens from Seeking Police Services**



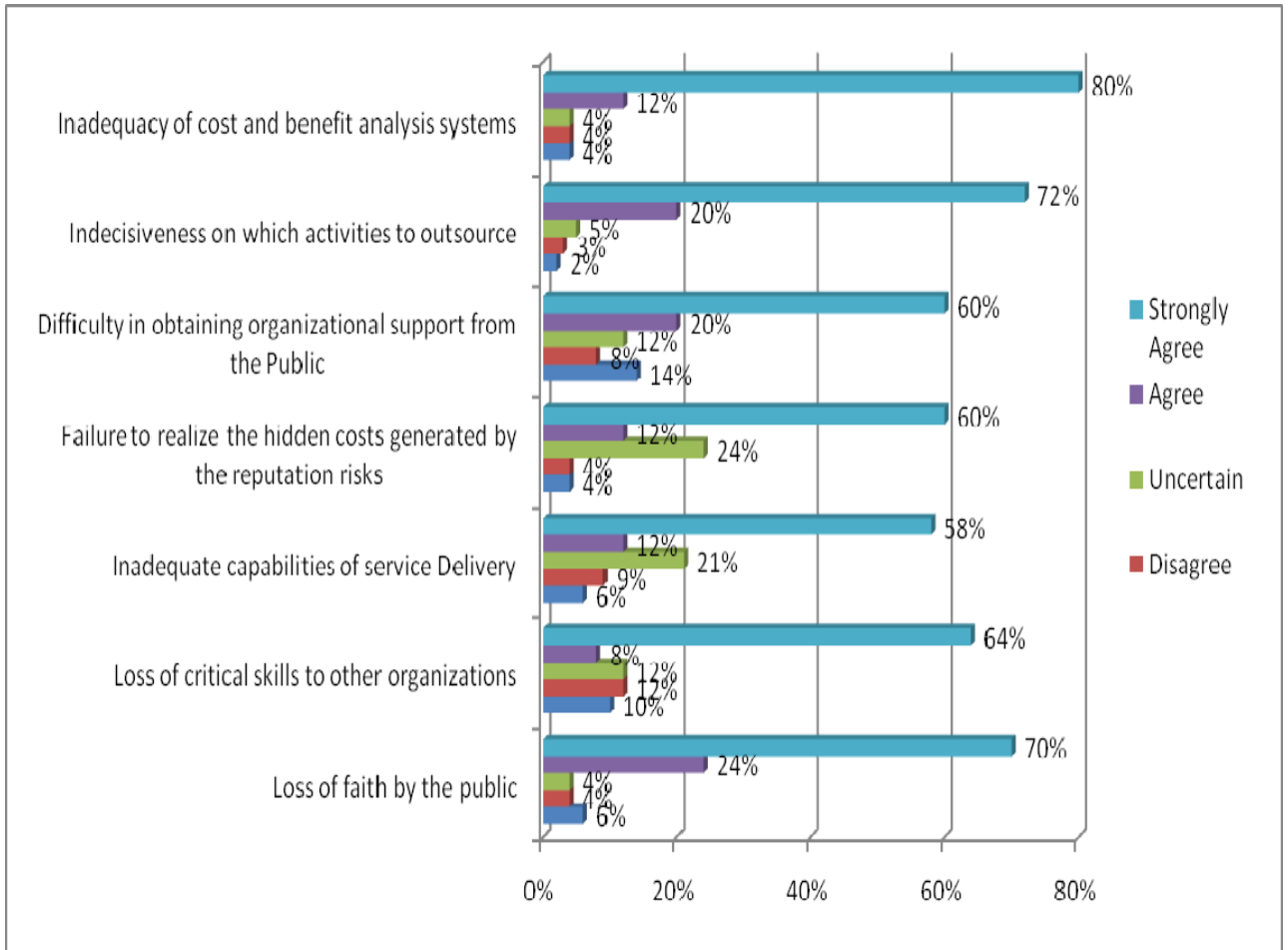
Source: Survey Data, 2013

As seen in Figure 4.5, 58 percent of the respondents strongly agree, 30 percent agree, while 5 percent are uncertain on how reputation risk discourages citizens from seeking police services. On the contrary 4 percent of the respondents disagree, while 3 percent strongly disagree. This implies that reputation risk highly discourages citizens from seeking police services.

#### **4.4 Reputation Risk Challenges**

The study further sought to establish the reputation risk challenges to the Kenyan police service. Figure 4.6 presents a summary of the findings with regard to the various reputation risk challenges facing the Kenya Police Service.

**Figure 4.6 Reputation Risk Challenges**



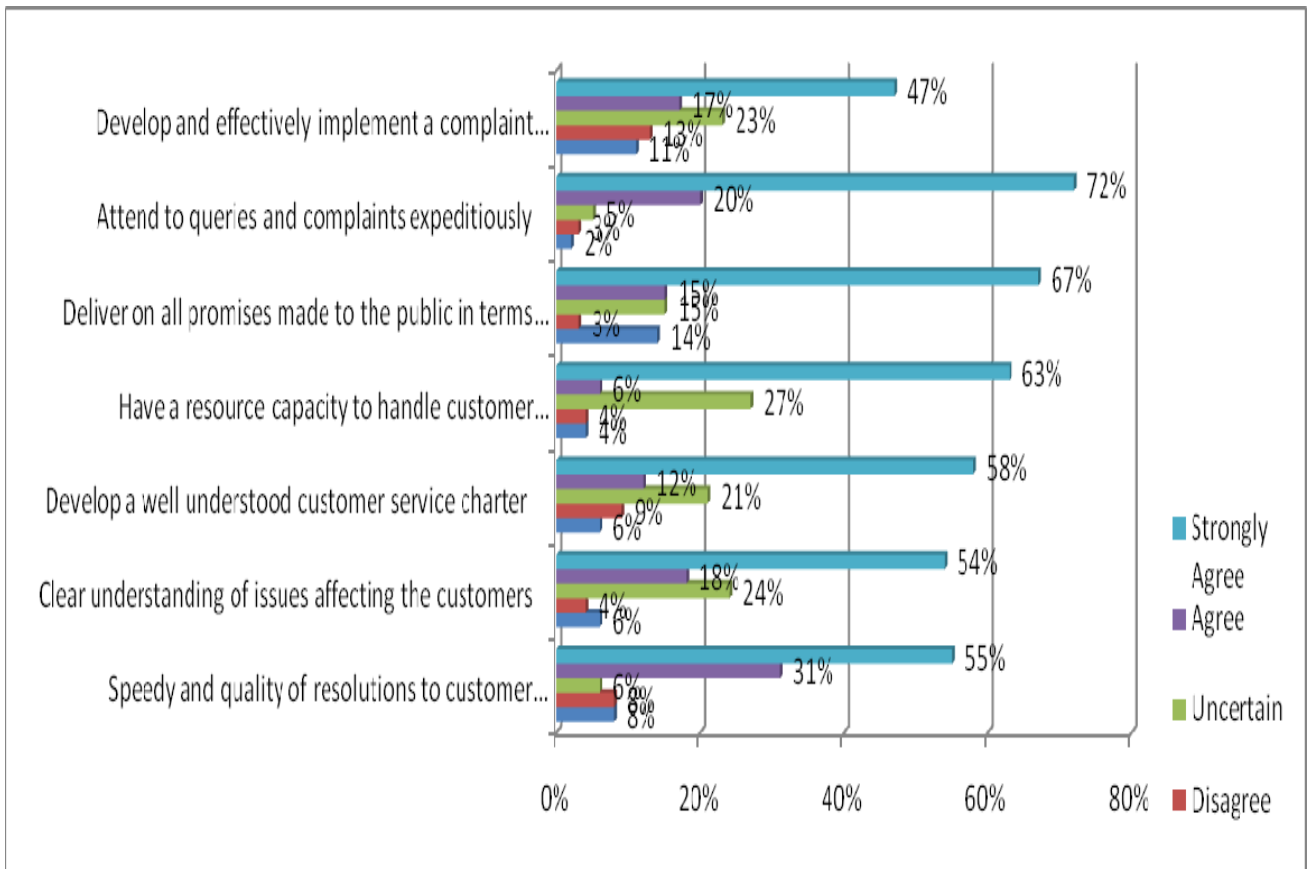
Source: Survey Data, 2013

As seen in Figure 4.6, it is evident that the Kenyan police service is faced with the following reputation risk challenges: Loss of faith by the public, loss of critical skills to other organizations, inadequate capabilities of service delivery, failure to realize the hidden costs generated by the reputation risks, difficulty in obtaining organizational support from the public, indecisiveness on which activities to outsource as well as inadequacy of cost and benefit analysis systems.

#### 4.5 Practices in Managing Reputation Risks

The study further sought to establish the various practices in managing reputation risks in the Kenyan police service. Figure 4.7 shows the respondents levels of agreement on different practices proposed to manage reputation risk at KPS.

**Figure 4.7 Practices in Managing Reputation Risks**



Source: Survey Data, 2013

As seen in Figure 4.7, majority of the respondents believe that the Kenyan police service can manage reputation risk through; speedy and quality of resolutions to customer complaints, clear understanding of issues affecting the customers, develop a well understood customer service charter that will be shared with the public, have a resource

capacity to handle customer complaints, deliver on all promises made to the public in terms of service delivery, attend to queries and complaints expeditiously and develop and effectively implement a complaint resolution centre.

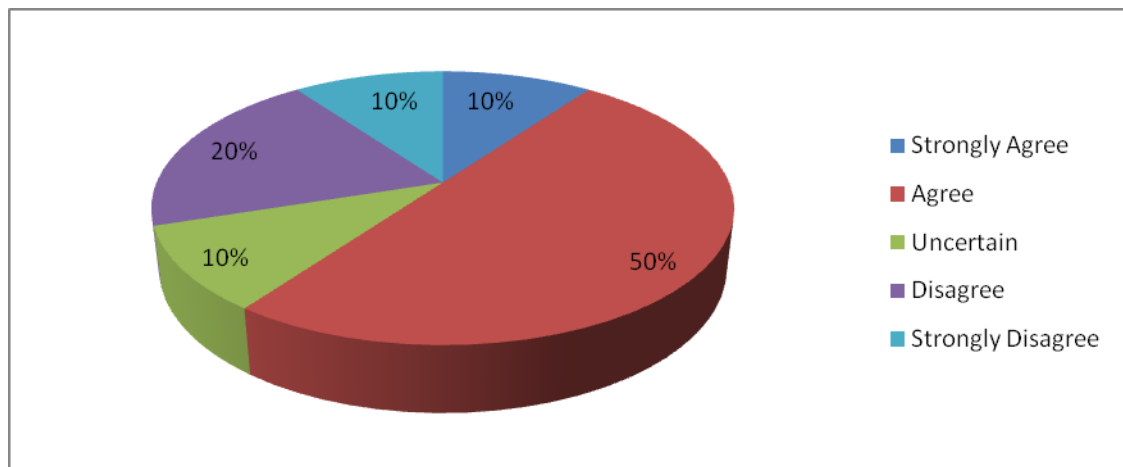
#### 4.6 Perception of the Civilians on the Police Service

The study further sought the opinion of the police service. This is presented in the following subsection.

##### 4.6.1 Services are always Available

The study also sought to establish whether the services are always available or not. Figure 4.8 provides a summary of the study findings in this regard.

**Figure 4.8 Service availability**



Source: Survey Data, 2013

As clearly seen in Figure 4.8, 10 percent of the respondents strongly agree, 50 percent of the respondents agree, 10 percent of the respondents strongly disagree, and 20 percent of

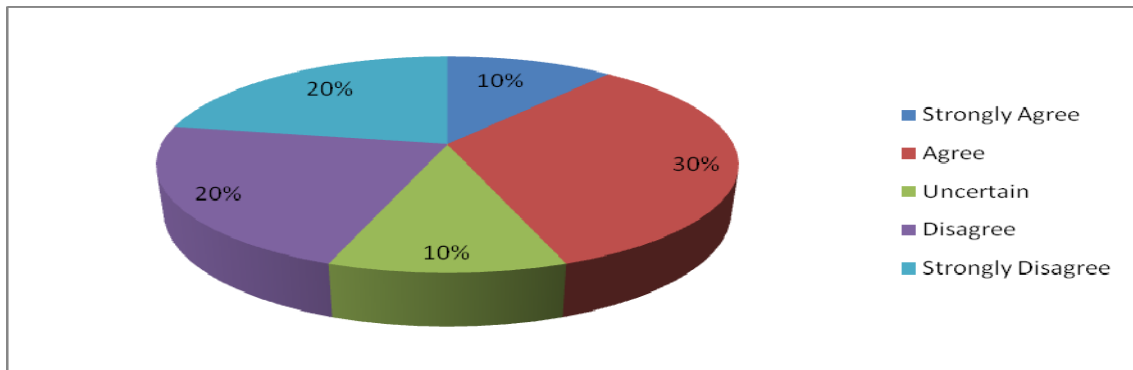
the respondents disagree while 28 percent of the respondents are uncertain if indeed the services are always available.

#### 4.6.2 Services are of High Quality

The study first sought to establish the respondents view on the quality of the services.

Figure 4.9 provides a summary of the study findings in this regard.

**Figure 4.9 Services are of high Quality**



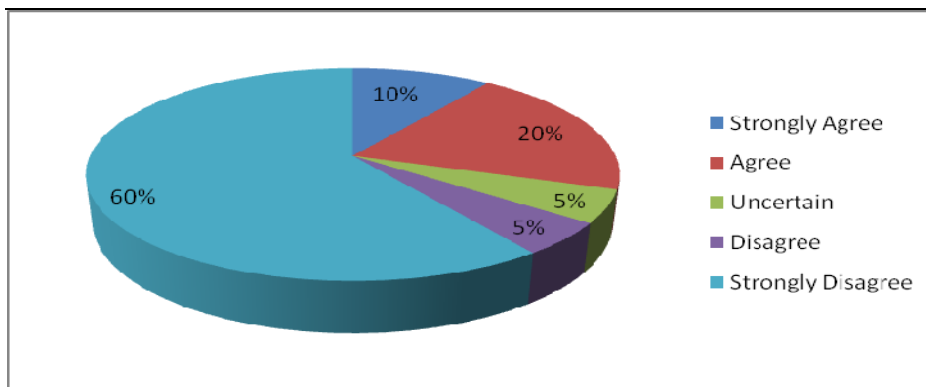
Source: Survey Data, 2013

The results of the study findings indicate that 10 percent of the respondents strongly agree, 30 agree, 20 percent strongly disagree, 20 percent disagree, while 10 percent are uncertain that the police services are of high quality.

#### 4.6.3 Services are quickly accessible

The study also sought to establish if at all police services are quickly accessible. The results of the study findings are summarized in the Figure 4.10.

**Figure 4.10 Services are quickly accessible**



Source: Survey Data, 2013

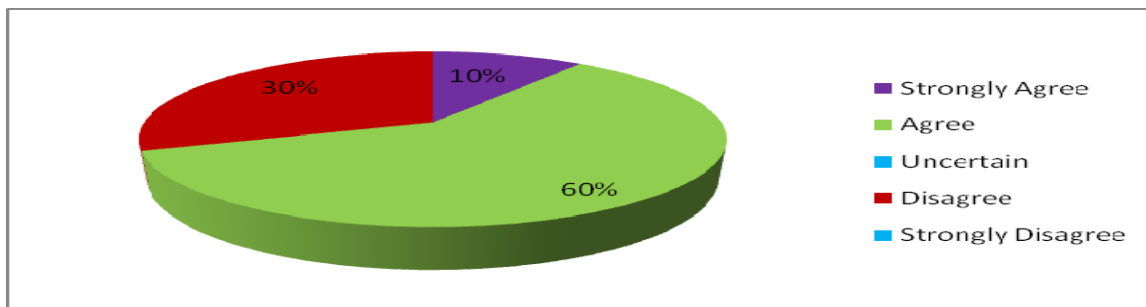
As seen in Figure 4.10, 10 percent of the respondents strongly agree 20 percent of the respondents agree, 60 percent of the respondents strongly disagree and 5 percent of the respondents disagree while 13 percent of the respondents are uncertain about how police services are quickly accessible.

#### **4.6.4 Can be accessed from anywhere**

The study also sought to establish if the police services can be accessed from anywhere.

Figure 4.11 provides a summary on the findings of this study

**Figure 4.11 Services can be accesses from anywhere**



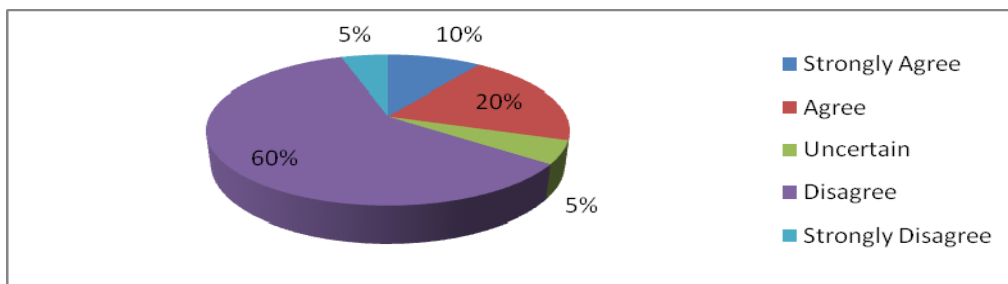
Source: Survey Data, 2013

The results of the study shows that 10 percent of the respondents strongly agree 60 percent of the respondents agree, 10 percent of the respondents strongly disagree and 30 percent of the respondents disagree while 0 percent of the respondents are uncertain on whether the police services can be accessed from anywhere.

#### 4.6.5 Services can delivered quickly and timely

The study also sought to establish if the police services can be delivered quickly and timely. Figure 4.12 provides a summary of the study findings in this regard.

**Figure 4.12 Services can be delivered quickly and timely**



Source: Survey Data, 2013

The results of the study shows that 10 percent of the respondents strongly agree 20 percent of the respondents agree, 5 percent of the respondents strongly disagree and 60 percent of the respondents disagree while 5 percent of the respondents are uncertain on whether the police services can be delivered quickly and timely.

#### 4.7 Relationship between Reputation Risk and Service Delivery

In order to test the relationship between reputation risk and service delivery, the study carried out a correlation analysis of the two variables. Table 4.6 presents a summary of the findings, in this regard.

**Table 4.6 Relationship between Reputation Risk and Service Delivery**

		Reputation Risk	Service delivery
Reputation Risk	Pearson Correlation	1	.601
	N	85	85
Service delivery	Pearson Correlation	.601	1
	N	85	85

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

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

As seen in Table 4.6, there is a significant positive relationship between reputation risk and service delivery.

#### 4.8 Discussion

The following subsection presents a discussion of findings with respect to each objective of the study. Specifically, the subsection will present a discussion on challenges of reputation risk, as well as how reputation risk relates to service delivery.

#### **4.8.1 Reputation Risk and Service Delivery**

The study established that Reputation risk has increased operational risk in Kenya Police Service and it hinders the police service from focusing and developing core competencies as well as results in challenges to providing convenience services to customers. It was established that indeed there is a significant positive relationship between reputation risk and service delivery.

The findings agree with Jacoby, Johar and Morrin (2008), who argue that reputation risk is one of the internal factors which influence information processing, attitudes and choice. In this regard therefore knowledge about risk sets the foundations for strategies on how to reduce risk. The decision maker reduces risk by intensively searching for information or by becoming loyal to a certain brand, product or store.

The findings also affirm that buyers are inclined to minimize the perceived risk first, rather than to maximize the expected positive outcome or expected payoff. In this way, it has been possible to understand some of the consumer behaviors that are not comprehensible in a normative utility theory. Besides, it has been shown that once consumers' perceived risks have been identified in a buying situation, there seems to be some evidence to determine subsequent consumer behavior in accordance with such risks, Michael Powers (2007).

Consumer risk perception and providing proper risk-reduction strategies within the internet shopping environment offers a great deal to potential internet marketing. But the investigation of risk perception in Internet shopping decisions goes beyond mere "help" for internet marketers, Michael Powers (2007). This means that risk-averse consumers

who perceive even very small food safety risks from consuming a product will tend to avoid the product. Events that raise consumer concerns about food safety have resulted in comprehensive and long-lasting closures of specific international markets to particular food products. Understanding what factors drive consumer perceptions and attitudes regarding food safety is essential to designing public policy and industry strategies to effectively deal with food safety events (Kornelis et al., 2007).

The study also aligns with several studies that have demonstrated the importance of reputation risk. For instance Lusk and Coble (2005) found risk preferences significantly affect consumer preferences for genetically modified food. Mazzocchi et al. (2008) concluded that risk attitudes had a greater impact on poultry purchase decisions than risk perceptions for European (United Kingdom, Italy, Germany, the Netherlands, and France) consumers. However, the importance of reputation increased substantially in the event of a salmonella scare. Schroeder et al. (2007) found that reputation risk and risk attitudes had significant and varied impacts on beef consumption behavior among consumers in the United States, Canada, Mexico, and Japan. For instance, risk perceptions had approximately twice the impact of risk attitudes on consumers who reduced beef consumption in response to food safety concerns in the United States, Canada, and Japan.

#### **4.8.2 Reputation Risk Challenges**

The study established that The Kenya Police Service is faced with the following reputation risk challenges: loss of faith by the public; loss of critical skills to other organizations; inadequate capabilities of service delivery; failure to realize the hidden costs generated by the reputation risks; difficulty in obtaining organizational support

from the public; indecisiveness on which activities to outsource and inadequacy of cost and benefit analysis systems.

The findings of this study agree with Downes (2001), who argues that the management of reputation risk faces a number of obstacles, which face most companies. He points out internal company problems as well as external problems which are generated by outside forces in the industry, in which the particular company lies. Both internal and external issues are indeed affected by the extent to which companies are as far as the activities regarding the successful management of reputation risk initiatives are concerned. The current study acknowledges the internal and external forces that act as obstacles to successful management of reputation. As such the study specifically narrows down to the influence of people and organization operations.

A study by Johnson (2002) established that the reasons as to why management of reputation risk fail is a result of organization operation failures and personal ownership, communications, lack of plan behind the idea, passive management, and leadership. The study by Johnson indeed outlines the organization structure, framework and organizational operations also affect successful management of reputation risk.

The findings of this study are in line with Hrebiniak (2005), who asserted that there is difficulty in reputation risk management as well as the execution of risk management strategies and the reward from doing that correctly. According to him there are a number of factors which can lead to incorrect execution of such strategies. These included: lack feelings of ownership of a strategy or execution plans among key employees; not having guidelines or a model to guide strategy- execution efforts; lack of understanding of the

role of organizational structure and design in the execution process; inability to generate buy-in or agreement on critical execution steps or actions; lack of incentives or inappropriate incentives to support execution objectives; and insufficient financial resources to execute the strategy.

The study further established that the Kenya Police Service can manage reputation risk through speedy and quality of resolutions of customer complaints; clear understanding of issues affecting the customers; a well understood customer service charter that will be shared with the public; and have a resource capacity to handle customer complaints.

In this regard the findings affirm that the Kenya Police Service has adopted internal practices of managing its reputation through instituting culture-changing policies, programs, and training to solidify the department's core values and ethical principles. It also provides continuous training in ethics, integrity, and discretion to every officer from the time he or she enters the police service through the time of retirement. The KPS conducts consistent evaluations and review of all employees, and immediately address negative behavior and reward positive behavior. The KPS has also adopted is the use of Early Intervention System, not only in Internal Affairs, but to prevent behavior that may lead to an Internal Affairs complaint and investigation. External practices that have been adopted are the development of community oriented policing programs to better engage the community and the use of media to publicize positive programs and stories about the department. The service from time to time initiates and holds workshops on subjects of interest to the community as well as conduct community surveys to gauge and enhance public perception.

## **CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS**

This chapter consists of two sections, namely conclusions and recommendations respectively. The first section offers a conclusion based on the specific objectives, while making use of the findings and results which were obtained in the chapter four. The second sub-section provides the recommendations for improvement which are indeed based on the specific objectives. It also goes ahead to offer the recommendations for further studies.

### **5.1 Conclusions**

The study sought to analyse reputation risk management practices and service delivery in Kenya Police Service. The study established that Reputation risk has increased operational risk in Kenya Police Service in that reputation risk hinders the police service from focusing and developing core competencies. It also reduces the effectiveness of the police service in performing its mandate and discourages citizens from seeking police services.

The study further established that the Kenya Police Service is faced with reputation risk challenges including: loss of faith by the public; loss of critical skills to other organizations; and complaints from civil society about its performance. To address these challenges, the Kenya Police Service need to adopt speedy and quality resolutions to customer complaints; have clear understanding of issues affecting the customers, and develop a well understood customer service charter that will be shared with the public.

The respondents provided suggestions on how to address challenges of reputation risk which included: the police service needs to hold forums to educate customers (public) on police mandate and objectives so that they can appreciate police services more; train personnel on customer relations and customer care; improve the welfare of police officers; reform the service to build customer confidence; occasional highlight of the positive achievements by the police service; and enhance public private partnership to provide quality services and meet public expectations.

The study established that there is a significant positive relationship between reputation risk and service delivery. Further, reputation risk reduces the effectiveness of the police in performing its mandate. This could only be solved by the Kenya Police Service adopting speedy and quality resolutions to customer complaints; have clear understanding of issues affecting the customers; and hold forums to educate customers (public) on police mandate and objectives so that they can appreciate police services more.

## **5.2 Recommendations**

The study recommends the need for the Kenya Police Service to put in place measures to minimize and if possible eliminate perceived risks. This will improve the efficiency in the service delivery hence boosts customer confidence. The Kenya Police Service should also provide customers with a toll free number to be used to handle customers' complaints and general feedback about the police services. This would not only provide a free service to customers, but also avail the police with valuable information for future development on the police service.

The management should revise their resource allocation guided by performance findings. The study also recommends that the police service should differentiate itself on the basis of customer service in order to effectively offer excellent services to the Kenyan public.

### **5.3 Limitations of Study**

Whereas no effort was spared in ensuring the objective of the study was achieved, the researcher faced some challenges that limited the extent to which the study was done. Time was a key limitation during data collection and analysis. There were cases of travelling constraints, as the researcher had been sent to work outside Nairobi. Another main limitation was during data collection as in some cases the respondents were reluctant to fill in the questionnaires which limited the extent of information availed to researcher.

The study focused on a very sensitive area in which the police service limits the extent of information provided by respondents. Further, the study was cross-sectional collecting data at one point of time. A Longitudinal study would be useful in order to compare reputation risk over a long period of time.

### **5.4 Suggestions for Further Research**

While this study successfully examined the conceptual framework, it also presented a rich prospect for other areas to be researched in future. The study only restricted itself to the Police Headquarters in Nairobi, hence it would be of great value if further studies would evaluate the reputation of the entire Kenya Police Service while incorporating the service at county levels.

In terms of research design, the study was only restrained to the Kenya Police Service. It would however be useful to carry out similar study across heterogeneous sectors

It is noted that the study aimed at examining the pattern of behavior of organizations in the public sector in wake of reputation risk. It would be interesting to conduct studies to determine the possible existence of other risk facing other public organizations and as such establish how such risks affect performance.

## REFERENCES

- Anderson, E. W., & Fornell, C. (2000). Foundations of the American Customer Satisfaction Index. *Journal of Total Quality Measurement*, 11(7), S869-S882.
- Argenti, M. (2007). Seeing is believing: The transitory influence of reputation information on e-commerce trust and decision making. *Decision Sciences*, 38(4), 675-699.
- Barlow, D.E., & Barlow, M. H. (2000). *Police in a multicultural society: An American story*. Prospect Heights, IL: Waveland.
- Bartley, *et al*, (2008). Perceived risk, trust and democracy. *Risk Analysis*. Vol. 13 , pp. 675-682.
- Bennett, P. & Kottasz, K. (2000). The mediating effect of organizational reputation on customer loyalty and service recommendation in the banking industry. *Management Decision*, 45(9), 1426-1445.
- Bozeman, G. (1998). The effects of information and company reputation on intentions to buy a business service. *Journal of Business Research*, 27(3) 215-228.
- Bouckaert, A. (1999). Age Variations in Risk Perceptions and Smoking Decisions.” *Review of Economics and Statistics*. Vol. 73 (1991), pp. 577-588.
- Burns, A. & Bush, R. (2010). *Marketing Research. Global Edition (6th ed.)*. New Jersey, USA: Pearson Education Inc.
- Casalo et al. (2008). Reputation management. *InfoWorld*, 21 (4): 97-98.
- Cooper, R., & Schindler, P. (2001). *Business Research Methods (7th ed.)*. New York, USA: McGraw - Hill Companies.
- Cooper, R., & Schindler, P. (2008). *Business Research Methods (10th Edition)*. New

York: McGraw - Hill Companies.

- Daniel, B. Sandy, S., Bayer, H. & Ellen S. (2009). Hexter, "Managing Reputation Risk and Reward," The Conference Board, 2009
- Genasi. B. (2010). An empirical study on consumer acceptance of products in electronic markets: a transaction cost model. *Decision Support Systems*, 24(1), 29-43.
- Honey, M. (2009). Perceived Risk: The Concept and Its Measurement, *Psychology and Marketing*, 3:193-210.
- Ndungu, I (2011) Police Reforms in Kenya crucial to restore public confidence. *Peace Missions Programme*, ISS Pretoria office. Retrieved from, [www.issafrica.org/iss](http://www.issafrica.org/iss).
- Jacoby, G. Johar, V & Morrin, S. (2008). The Influence of Trust and Perceptions of Risks and Benefits on the Acceptance of Gene Technology. *Risk Analysis*. Vol. 20 (2000), pp. 195- 203.
- Jacobs, B. (2009). Customer perceived value in B-t-B service relationships: Investigating the importance of corporate reputation. *Industrial Marketing Management*, 37(2), 206-217.
- Kernaghan, O & Siegel, F. (1999). Corporate reputation in Asia: Looking beyond bottom-line performance. *Journal of Communication Management*, 8 (3):233-245.
- Kijewski et al.,(1993). Loyalty Trends for the 21st Century. *Journal of Targeting, Measurement and Analysis for Marketing*, 12(3):199-212.
- Kornelis et al., (2007). Risk Perceptions, Risk Preference, and Acceptance of Risky Food. *American Journal of Agricultural Economics*. Vol. 87 (2005), pp. 393-405.

- Larkin, B. (2002). Reputation risk management practices and products used by Australian firms, *Journal of International Business Studies*, 24 (3), 557-73.
- Lines, O. (2003). Cross-cultural examination of the relationships among firm reputation, e-satisfaction, e-trust, and e-loyalty. *International Marketing Review*, 25(3), 324-337.
- Luoma-aho, V. (2007). Neutral Reputation and Public Sector Organizations. *Corporate Reputation Review*, vol. 10, no. 2. pp 45.
- Lusk, A & Coble, F. (2005). Food Safety Risk: Consumer Perception and Purchase Behaviour, *British Food Journal*, 103: 170-186.
- Marken, B. (2002). The effects of information and company reputation on intentions to buy a business service. *Journal of Business Research*, 27(3), 215-228.
- Mazzochietal. D. (2008). Understanding Consumers' Behaviour: Can Perceived Risk Theory Help? *Management Decision*, 30:26-31.
- Obon'go, S. (2008), 'Quest for Service Delivery Improvement in the Public Service: Introduction of Performance Contracts in Kenya' in Building Blocks for Better Governance – *Commonwealth Innovations*, 14, 4.
- Ostrowski, G. (2012). Reputation management starts at home: One day at a time. *Public Relations Quarterly*, 49 (2):35-36.
- Pennings, A, Wansink, V, & Meulenberg T. (2002). Managing Perceived Risk: A Multi-tier Case Study of a UK Retail Beef Supply Chain. *Journal on Chain and Network Science*, 1:2: 87-100.
- Powers, K. (2007). Reputation Risk of U.S. Banks. *Journal of Financial Services Research*, 12 2-3, pp. 267-286.

- Rayner, J. (2010). Research Note: The Influence of Perceived Risk on Brand Preference for Supermarket Products, *Journal of Retailing*, 62: 204-216.
- Robertson, F. (2003). The behavioral consequences of service quality. *Journal of Marketing*, 60(2), 31-46.
- Robert G. Eccles, Scott C. Newquist, and Roland Schatz, (2007). *Harvard Business Review*, February, 2007. pp. 104-114
- Shapiro, S. (2012). Impact of customer orientation, inducements and ethics on loyalty to the firm: Customers' perspective. *Journal of Business Ethics*, 93(2), 277-291.
- Slooman, D. (2010). *Marketing Research*. New York : MacMillan Company.
- Taljaard J. (2002) Improving job performance by using non-monetary reward systems to motivate low-skilled workers in the automotive component industry. *International Journal of Productivity and Performance Management* Vol. 65 No. 6, pp. 23-71.
- Tasneem, B, Suliman, C, Joosub. I, (2006). Risk management strategies to maintain corporate reputation by Tasneem Suliman Joosub. University of South Africa
- The Kenya Police, (1974). *Force Standing Orders*. Printed by the Government Printers Nairobi on authority of the Commissioners of Police
- Tull, D. & Hawkins, I. (2008). *Marketing Research*. New York : MacMillan Company.
- Vilma Luomaaho's, I (2007). Perceived Risk and Information Search: A Systematic Meta Analysis of the Empirical Evidence. *International Journal of Research in Marketing*. 2: 79-100.
- Weber, S, Blais, F & Betz, H. (2002). Perceived Risk and Risk Relievers: An Empirical Investigation. *Journal of Economic Psychology*, 3:19-38.

Weber, J, & Milliman, R, (1997). The Major Dimensions of Perceived Risk”, in Cox, D.F., ed, *Risk Taking and Information Handling in Consumer Behaviour*. Boston:

Harvard University Press.

Viscusi, A. (1989). *Risk Taking and Information Handling in Consumer Behaviour*,

Boston: Harvard University Press

Yoon et al., (2008). Impact of online consumer reviews on sales: The moderating role of product and consumer characteristics. *Journal of Marketing*, 74(2), 133-148.

## APPENDICES

### **Appendix 1: QUESTIONNAIRE FOR THE POLICE OFFICERS**

The purpose of this questionnaire is to obtain data that will be used to establish the situation of reputation risk management in Kenya Police Service.

The answers you provide will be treated with strict confidentiality

#### **SECTION 1: GENERAL INFORMATION**

Please tick the appropriate response from the alternatives provided.

1. Gender:    Male     Female

2. Years of Work Experience?

0-5 years

5-10 years

10-15 years

15-20 years

More than 20 years

3. Section of operation:

• Front office

• Complaints

• Internal affairs

• Community policing

• Traffic

**SECTION TWO: REPUTATION RISK AND SERVICE DELIVERY**

On a scale of 1-5 for each statement, please tick the appropriate answer from the alternatives: 1- Strongly Disagree, 2-Dissagree, 3-Uncertain, 4-Agree, 5- Strongly Agree.

STATEMENT	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Operation risk is a commonly discussed issue in the Kenya Police Service					
Reputation Risk has increased operational risk in Kenya Police Service					
Reputation Risk hinders the police service from focusing and/or developing core competencies					
Reputation risk results in challenges to providing convenience services to customers					
Reputation risk reduces the effectiveness of the police service in performing its mandate					
Reputation risk discourages citizens from seeking police services.					

**SECTION THREE: REPUTATION RISK CHALLENGES TO THE KENYA POLICE SERVICE**

1. Currently, each police unit is charged with the responsibility of providing quality service to the public due to the issue of performance contracting. This is a commendable effort towards police service being standardized in line with one single platform for all public service sectors in Kenya.

- a. Strongly Agree [ ]
- b. Agree [ ]
- c. Neutral [ ]
- d. Disagree [ ]
- e. Strongly Disagree [ ]

2. Please list any reputation risk challenges facing your section?

.....

.....

3. The following are challenges of Reputation Risk

On a scale of 1-5 for each statement, please tick the appropriate answer from the alternatives, 1- Strongly Disagree 2-Dissagree 3-Uncertain 4-Agree 5- Strongly Agree

STATEMENT	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Loss of faith by the public					
Loss of critical skills to other organizations					
Inadequate capabilities of service Delivery					
Failure to realize the hidden costs generated by the reputation risks					
Difficulty in obtaining organizational support from the Public					
Indecisiveness on which activities to outsource					
Inadequacy of cost and benefit analysis systems					

4. Please suggest solutions to the problems listed above:

.....

.....

.....

.....

## SECTION FOUR: PRACTICES IN MANAGING REPUTATION RISK

On a scale of 1-5 for each statement, please tick the appropriate answer from the alternatives, 1- Strongly Disagree, 2-Dissagree, 3-Uncertain ,4-Agree, 5- Strongly Agree.

<b>The Kenya Police Service should have:</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Uncertain</b>	<b>Agree</b>	<b>Strongly Agree</b>
Speedy and quality of resolutions to customer complaints					
Clear understanding of issues affecting the customers					
Develop a well understood customer service charter that will be shared with the public					
Have a resource capacity to handle customer complaints					
Deliver on all promises made to the public in terms of service delivery					
Attend to queries and complaints expeditiously					
Develop and effectively implement a complaint resolution centre					

**Thank You very Much**

## Appendix II: QUESTIONNAIRE FOR THE CIVILIANS

### SECTION A: BACKGROUND INFORMATION

Kindly, fill all the questions either by ticking (✓) in the boxes or writing in the spaces provided.

1. Gender : Male ( ) Female ( )
2. Age (years) 20-25 years  26-30 years  31-35 years   
36 years and over
3. Level of education:  
Primary  High School  College  University
4. Occupation.....
5. How much confidence do you have in the police as an institution in Kenya?  
A great deal  Quite a lot  Not very much  None at all   
No opinion
6. How can you rank its service delivery?  
It is excellent  It is moderate   
It is poor  It is very poor
7. In the Table below, tick appropriately the services offered by the police

<b>The police services are:</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly disagree</b>	<b>Not applicable</b>
Easily available					
The services are available anytime					
Are of high Quality					
Are quickly accessible					

Can be accessed from anywhere					
Delivered quickly and timely					

8. On a scale of 1-5 for each statement, tick the appropriate answer from the alternatives that should be taken, 1- Strongly Disagree, 2-Dissagree, 3-Uncertain, 4-Agree, 5- Strongly Agree

<b>The Kenya Police Service should have:</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Uncertain</b>	<b>Agree</b>	<b>Strongly Agree</b>
Speedy and quality of resolutions to customer complaints					
Clear understanding of issues affecting the customers					
Develop a well understood customer service charter that will be shared with the public					
Have a resource capacity to handle customer complaints					
Deliver on all promises made to the public in terms of service delivery					
Attend to queries and complaints expeditiously					
Develop and effectively implement a complaint resolution centre					

**Thank You very Much**