# EFFECT OF CORPORATE REBRANDING STRATEGY PROCESS ON THE NONFINANCIAL PERFORMANCE OF KENYA POWER LIMITED

 $\mathbf{BY}$ 

## SUNGUTI OYULA MARENDE DANCAN

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# **DECLARATION**

# DECLARATION BY THE STUDENT

This research project has been done by me and has never been submitted for exam in				
any college, University or any other institute of higher learning.				
Sunguti Oyula Marende Dancan				
MBA/BE/00038/2014				
Signature Date				
DECLARATION BY THE SUPERVISORS				
This research project has been submitted for examination with my approval as the				
University Supervisor				
Supervisors				
Dr. Samson Ntongai Jeremiah				
Department of Business Administration				
Maseno University				

Sign......Date....

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# **DEDICATION**

I dedicate this work to my family for the continuous support that they have given me throughout the entire process.

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## LIST OF ABBREVIATIONS

**CEO -** Chief Executive Officer

**EBIT** - Earnings before Interest and Tax

**GOK** - Government of Kenya

**KPLC** - Kenya Power and Lighting Company

**IMC** - Integrated Marketing Communications

**PIMS** - Profit Impact of Market Strategies

**US** - United State

#### **OPERATIONAL DEFINITION OF TERMS**

Corporate Rebranding Strategy- is a marketing strategy in which a new name, term.

symbol, design, or combination thereof is created for an established brand with the intention of developing a new, differentiated identity in the minds of consumers, investors, competitors, and other stakeholders.

Management Commitment-Direct participation by the highest-level management in

all specific and critically important aspects such as

programs of an organization.

**Advertising-** refers to a form of promotion, a creative communication

process aligned with interests and needs of consumers,

producers and society as a whole

Employee Participation- a variety of processes and structures which enable, and

at times encourage employees to directly and indirectly

contribute to and influence decision-making in the firm

and in the wider society

Organizational Performance- Comprises the actual output or results of an

organization as measured against its intended outputs (or goals and objectives). It is a

broad construct which captures what organizations do, produce, and accomplish for

the various constituencies with which they interact.

**Non-financial performance-** any quantitative measure of either an individual's or

entity's performance that is not expressed in monetary units such as customer or employee satisfaction, quality, market share and new products.

Kenya Power Company -

is a state-owned corporation that mandated to generate and distribute electricity for both domestic and industrial use.

#### **CHAPTER ONE**

#### INTRODUCTION

This section presents the background to the study and builds a case for the research problem, it reviews the concept of non-financial performance, corporate rebranding strategies along its three dimensions such as employee participation, management commitment and advertising. It then introduces the development and challenges facing energy sector with emphasis on Kenya Power limited.

## 1.1 Background to the study

In volatile business environments, ensuring a sustainable brand is vital in enhancing business performance and ensuring a sustainable competitive advantage of retailers (Petburikul, 2009). Boyle (2012) comments that a company might choose to rebrand as a corporate structural change in line with its current strategic marketing direction. The other reasons why a company will rebrand is the fact that they want to unite the organization behind one brand, align the culture, reestablish and reenergize the market position while at the same time embed a new vision, mission and values (Causon, 2014); whilst some companies would rebrand as a way of upgrading their company and market position (Rosenthal, 2013). Stuart and Muzellec (2014) notes that rebranding can be as a result of mergers and acquisitions, whereby the company then focuses on a new image and vision. Muzellec and Lambkin (2009) attributes rebranding to change to processes causing a change in company's structure, strategy or performance of sufficient magnitude to suggest the need for a fundamental redefinition of its identity. While investigating rebranding motives of blue chip companies in Britain, Johnson (2010) suggests that rebranding's motive might be the need to break with their past. When company's name has become associated with a negative event or a tragedy and so rebranding will enhance the company to have a

new image and customer will have new perceptions of the company (Johnson, 2010). There are also external factors that might influence a company to rebrand (Boyle, 2012). Companies may rebrand as a tool to counter competition and maintain competitive advantage. The management of the organization can have concern over external perception of the organization and its activities thereby leading to a rebranding exercise (Lomax et al 2012). The concepts of corporate rebranding are elaborated in the following sub-section.

## 1.1.1 Employee Participation

According to report of 2009 on workplace social dialogue in Europe, employee participation refers to the opportunities for employees to take part in decisions that affect their work, either in their immediate job (task discretion) or in relation to wider company issues (organizational participation). When talking about employee participation, it is customary to distinguish between direct and indirect participation. 'Indirect employee participation' refers to the involvement of employee representatives (such as local trade unions or works councils) in decision-making processes, while 'direct employee participation' defines direct interaction between employers and employees (workplace social dialogue report, 2009). Gotsi and Andriopoulos (2007) and Stuart (2012) mention the importance of engaging employees as part of the corporate rebranding process.

According to Miller et al., (2014), more successful rebranding cases often used varying degrees of consultation and participation, leading to more opportunities for employees to identify with their organization. Elsewhere, Van Dick (2009) found that organizational change, such as a rebranding, impacts organizational identification. Employees' identification with the company and the changes the company makes results in productivity and consequently organizational performance. The extent to

which employees identify themselves with an organization after a rebranding process can be considered a key factor in the success of the rebranding process and hence good performance (Bartels et al., 2006). The key success factor in rebranding is to incorporate the internal stakeholders to the process. Daly & Moloney (2011) noted that already in the planning stage the employees can be taken to the process of creating a new name.

Empirical evidences linking employee participation to organizational performance are several but have yielded mixed results. For instance, Summer and Hyman (2009) have found that employee participation can yield improved organizational performance. Similarly, Ansoff and McDonell (2010) stated that participation positively affects organizational performance. Similar view was shared by Sesil (1999) who affirmed that employee participation significantly influence company performance. By contrast, Grimsrud and Kvinge (2010) found that employee participation has no significant effect on organizational performance. Similar view was share by (Guerroro and Barrand-Didier, 2004) who acknowledged that some constructs of employee participation like compensation does not have any effect on organizational performance. Furthermore, most of the above reviewed studies (Summer and Hyman, 2009; Ansoff and McDonell, 2010 and Sesil, 1999) have tried to link employee participation to organizational performance in the context of industrial sector, high technology industry, service industry thereby neglecting in their analysis, the energy sector of which Kenya Power is part of. Finally, all the above studies (Summer and Hyman, 2009; Ansoff and McDonell, 2010; Sesil, 1999; Grimsrud and Kvinge, 2010; Derek and Takao, 2005; Guerroro and Barrand-Didier, 2004) have sought to establish the influence of employee participation on organizational performance in general but did not specifically focus on the non-financial performance measures. Consequently,

the effect of employee performance on the non-financial performance of the organization in the context of energy sector is unknown.

#### 1.1.2 Management commitment

Management commitment implies direct participation by the highest level management in all specific and critically important aspects such as programs of an organization. According to (Hankinson & Lomax, 2006) management need to understand and support the organization's strategic direction and realize the importance of the brand reflecting that strategy. Major success factor when rebranding is a clear vision at the top management level. Indeed, rebranding often fails because managers do not have a clear assessment of desired change for current values and existing images (Muzellec, Doogan, & Lambkin, 2013). According to (Jacobs, 2013) management is responsible for the success of the rebranding process. With its leading role, it needs to set good examples and to live visibly the rebranding values. As a result, this will drive a consistent brand behavior. Senior management need to devote sufficient in resources, such as ongoing financial and communications support. An important aspect of this is that a corporate brand should elicit commitment from a variety of stakeholder groups and networks (Balmer, 2011). For rebranding process to offer any meaningful benefit to the organization, top management must support the process. According to Liang et al, (2007), top management enacts activities that will allow business to achieve its objectives, vision and mission, hence without the management commitments, there will be flaws in the operational activities because their decisions will affect organizational aim of existence.

Empirical studies have revealed a plausible relationship between management commitment and organizational performance. A study (Kamau, 2013) has concluded that top management commitment enhances organizational performance. Elsewhere

(Mahnert and Torres, 2007; Rapa and Kauffman, 2014; Andry, 2014; and Shanty et.al, 2014) have also revealed that organizational commitment by CEOs positively affect firm's performance. However, majority of the studies (Kamau, 2013; Mahnert and Torres, 2007; Rapa and Kauffman, 2014; Andry, 2014) have concentrated their analysis of management commitment and performance on financial, agricultural and manufacturing sector there by ignoring the analysis of energy sector of which Kenya power is part of. Moreover, most studies reviewed (Kamau, 2013; Mahnert and Torres, 2007; Rapa and Kauffman, 2014; Andry, 2014 and Shanty et.al, 2014) have looked at organizational performance dimension in general but did not focus on non-financial performance measure. Consequently, the effect of management commitment on non-financial performance of the organization is not known.

## 1.1.3 Advertising

Sudar & Keller (2011) defined advertising refers to a form of promotion, a creative communication process aligned with interests and needs of consumers, producers and society as a whole. According to Merrilees (2015) an integrated marketing communications (IMC) strategy is considered a cost efficient promotional tool because it reinforces and synthesizes a consistent message across different media formats and is able to reach a large variety of audiences. Rebranding is generally promoted through advertising (Merrilees, 2015). When corporates rebrand it means that advertising must be intensified to reach all relevant stakeholders. The implication of rebranding to products and services is that the corporate should change packaging to reflect change. Richards et al., (2010) acknowledged that business corporations use corporate advertising to enhance the image of the whole organization, or of the general brand in order to influence social values or to establish a connection between the corporation and brand.

Empirical evidence linking advertising to organizational performance have shown that there exist plausible but mixed results. Some studies (Nerlove and Waugh, 2011; Njawa, 2015; Nelson, 2014; and Musa, 2003) investigated the relationship between organizational performances and advertising and found that advertising exert a significant positive effect on performance. On contrary, other studies (Dekimpe et al., (2009; Boulding et.al, 1994; Baltagi and Levin, 1986; Hamilton, 1962) have yielded either negative or insignificant relationship between advertising and organizational performance. Furthermore, most studies (Boulding et.al, 1994; Nerlove and Waugh, 2011; Dekimpe et al., 2009; Njawa, 2015) relating advertising to organizational performance have only focused on sectors like service, cigarrete industry and Telecommunication sector thereby paying no attention to energy sector of which Kenya Power Ltd is part of. In addition, all the above studies (Boulding et.al, 1994; Nerlove and Waugh, 2011; Dekimpe et al., 2009; Njawa, 2015; Musa, 2003; Hamilton, 1962; Baltagi and Levin, 1986) have analyzed the influence of advertising on the organizational performance with unique emphasizes on its financial performance using measures like sale, profit and demand elasticity. Therefore, none of the above reviewed studies analyzed the effect of advertising as a key corporate rebranding strategy on non-financial performance of the organization. Consequently, the status of advertising strategies as an aspect of corporate rebranding strategies and its consequences on non-financial performance in energy sector is still not known.

## 1.1.4 Non-financial performance

According to financial times (2015), non-financial performance measures refers to any quantitative measure of either an individual's or entity's performance that is not expressed in monetary units such as customer or employee satisfaction, quality, market share and new products. Non-financial performance measures can be

considered to be the leading indicator of future financial performance (Financial Times, 2015). Inadequacies in financial performance measures have led to innovations ranging from non-financial indicators of intangible assets and intellectual capital to balanced scorecards of integrated financial and non-financial measures (Banker and Mashruwala, 2007). The non-financial factors show the firm's current and potential competitive position.

Banker and Mashruwala (2007) assessed whether the reporting of nonfinancial measures such as employee satisfaction and customer satisfaction is likely to be useful to managers of a retail chain and under what competitive conditions such usefulness may take place. They found that employees and customers' satisfaction help managers in predicting future profitability. In the recent past, there was too much emphasis on financial measures such as earnings and accounting returns and little emphasis on drivers of value such as customer and employee satisfaction, innovation and quality which are non-financial measures of performance. Most of the past studies (Boulding et.al, 1994; Nerlove and Waugh, 2011; Dekimpe et al., 2009; Njawa, 2015; Musa, 2003; Hamilton, 1962; Baltagi and Levin, 1986) that examined effect of corporate rebranding strategies (Management commitment, advertising and employee participation) on organizational performances only considered the financial measures of performance such as profitability, sale and demand. None of this studies considered non-financial performance measures like customer or employee satisfaction.

Kenya Power is a limited liability company that is the sole distributor of electricity in Kenya. However, its image in the public is tainted with bad customer reviews because of constant blackouts, death and destruction of property due to electrical faults, bad customer relations and delays in provision of service. According to Kenya Power Customer Care Desk, Nairobi North Division (2014), majority of the customers were

dissatisfied, an indicator that the company is doing poorly on its non-financial performance measures like customer satisfaction. They complained of constant blackouts, slow response to emergencies, voltage surges which damaged their equipment and high electricity bills, long reconnection time and account closure and refund time were an indication of poor service delivery standards in KPLC. Previous research by Makowenga (2013) and Wakuru (2012) confirms the same sentiment; Kenya Power Company's customers are not satisfied with the services provided.

The Kenya power's rebranding was done in the year 2011 as a result of poor performance. Indeed, in the year 2007, the financial year evaluation report by the GOK indicated very good performance by the majority of state corporations, where Kenya Power ranked 58th out of 138. However, the public raised dissatisfaction on the results as they did not relate to performance on the ground as perceived and received by the public. KPLC thus had to rebrand to Kenya power in order to erase their ugly past, regain credibility and improve on its performance. There is therefore a need to find out whether Kenya Power has improved on its performance after rebranding. This study seeks to establish the relationship between corporate rebranding strategy process and performance of Kenya power.

#### 1.2 Statement of the Problem

Kenya Power limited has continued to record an impressive growth in gross profit and EBIT margin of 12% and 5% in 2016 respectively depicting a strong financial performance status. Indeed, Kenya power has been regarded as a very strategic company in the achievement of the country's development blueprint, the Vision 2030. Despite these impressive growth, Reports by Kenya Power Customer Care Desk, Nairobi North Division of 2014, indicates that majority of the customers were dissatisfied, an indicator that the company is doing poorly on its non-financial

performance measures like customer satisfaction. Numerous customer complaints on issues such as constant blackouts, slow response to emergencies, voltage surges which damaged their equipment, high electricity bills, long reconnection time and account closure and refund time were indicated as some of the loudly voiced concern. This was despite Kenya power rebranding in the year 2011 order to erase their ugly past, regain credibility and improve on its performance. Past empirical studies on corporate rebranding strategies (management commitment, advertising, employee participation) and organizational performance have only concentrated majorly on service, financial, manufacturing sector and on financial measures of organizational performance. Consequently, the effect of corporate rebranding strategies along three dimensions on non-financial performance measures in energy sector is not known. Therefore, the purpose of this study was to establish the effect of corporate rebranding strategies on the non-financial performance of Kenya Power.

#### 1.3 Objectives of the Study

#### 1.3.1 General Objective

The main objective of the study was to establish the relationship between corporate rebranding strategy process and non-financial performance of Kenya Power.

## 1.3.2 Specific Objectives

The study was guided by the following specific objectives:

- To establish the effect of employee's participation in the rebranding process on non-financial performance of Kenya Power.
- To determine the effect of management commitment in the rebranding process on non-financial performance of Kenya Power.

iii. To analyze the effect of advertisement of the rebranding process on nonfinancial performance of Kenya Power.

#### 1.4 Research Hypothesis

This research hypothesis for this study was as follows:

- i.  $H_0$ :  $\beta_i = 0$ : Employees' participation in the rebranding process has no effect on non-financial performance of Kenya Power.
- ii.  $H_0$ :  $\beta_i$  =0: Management commitment in the rebranding process has no effect on non-financial performance of Kenya Power.
- iii.  $H_0$ :  $\beta_i = 0$ : Advertisement of the rebranding process has no effect on non-financial performance of Kenya Power.

#### 1.5 Scope of the Study

The researcher targeted employees in the three levels of management; top level management, midlevel management and low level management in Kenya Power in the headquarters in Nairobi. Therefore, the data was collected from these employees who are considered to be knowledgeable on the subject matter. The study was determined to collect data from the respondents with a goal of investigating the relationship between corporate rebranding strategy process and performance of Kenya Power. It therefore sought to establish the influence of employees' participation, management commitment and advertisement on Performance of Kenya Power. The researcher approximated that the study would take 20 weeks to write the proposal, collect data and doing analysis.

#### 1.6 Significance of the Study

The results of this study would be useful to various stakeholders. Among the beneficiaries of the study include the government, private organizations, academicians

and researchers. The statistics of the research would be of use to the government because they can act as lesson sources of how the state can incorporate corporate rebranding as a strategy in the process for resuscitating corporations that are facing downturns into successful organizations by improving on their performance.

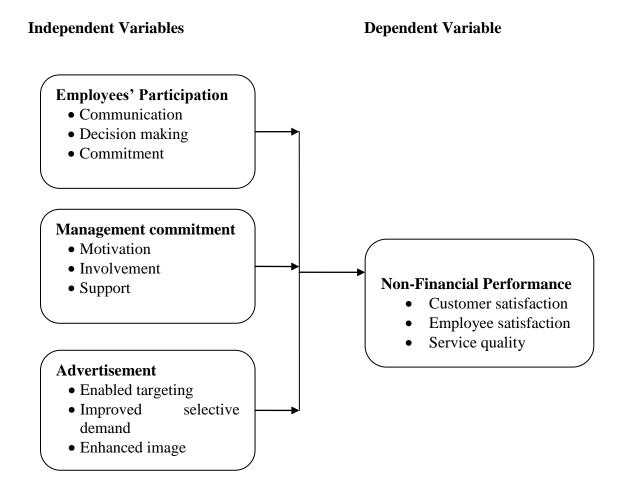
The study would help the public in understanding why companies opt for corporate rebranding. It will also help the management understand what management styles and strategies can be used to effectively and successfully adopt the rebranding strategy effectively. This study would also be useful to the marketers to strategically plan on their rebranding efforts with the consumer in mind.

The outcomes of the study would also help various companies from the especially in the public sector learn tactics that they should employ when seeking to adopt rebranding strategy, thus become effective. The research study would be beneficial to future scholars and academicians who would wish to use the materials for reference. Similarly, the study would be used to give further insight to the field of research and give answers to research questions not covered by this study.

#### 1.7 Conceptual Framework

A conceptual framework is a structure that tries to explain the relationship between variables in the study and shows the relationship by use of diagrams. It is a hypothesized model identifying the concepts under study and their relationship (Mugenda & Mugenda, 2008). The Occurrence or change of independent variables will result in change in the dependent variable. The conceptual framework model in the study hypothesized that; corporate rebranding process is a function of, employees' participation, management commitment and advertisement. These three factors to a great extent, determine the performance of organizations after rebranding. The study shall focus on non-financial financial performance as dependent variable while the

independents variables explored will include; customer satisfaction, employee satisfaction and service quality. These variables and their relationship are illustrated in the following conceptual framework.



Source: (Author, 2017)

**Figure 1.1** Conceptual Framework depicting the Relationship between Corporate Rebranding Strategies and Non-Financial Performance.

Source: Self-conceptualization (2016)

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1 Introduction

The chapter provides an extensive literature and research related to corporate rebranding and the relationship between corporate rebranding strategy process and performance of Kenya power. This literature review summarizes a diverse spectrum of views about corporate rebranding. The chapter was thus structured into theoretical, conceptual and empirical review.

## 2.1.1 Theories of the Study

#### 2.1.1.1 Goal Setting Theory

Goal setting theory as proposed by Locke and Latham (1990), assumes that goals affect organizational performance via four mediating mechanisms: effort, persistence, direction, and task strategies. Thus, goal setting theory assumes that there is a direct relation between the definition of specific and measurable goals and performance. Items include for example: the mission of the organization is formulated unambiguously; the goals of the organization have been documented very specifically detailed. The basic idea of goal setting as a performance improvement intervention is that setting specific and difficult goals results in improved performance. An improvement of the action process itself improves performance. For example, individual should be encouraged to set long-range goals and to engage in appropriate planning, feedback seeking, and feedback processing.

The main Goal setting theory premise is that encouraging people to pursue a goal that is specific and difficult will yield better performance than encouraging them either to pursue a specific but easy goal or to simply do their best (Locke & Latham, 1990). Numerous studies, mainly focusing on individuals, have generated additional insights

into goal-setting mechanisms and boundary conditions. Specific difficult goals have been shown to enhance individual performance by directing attention toward desired end states, mobilizing effort and persistence, and encouraging the development and use of task strategies. The goal-setting effect has been shown to depend, at least in part, on factors such as goal commitment, task complexity, and feedback (Latham, Locke, & Fassina, 2002).

Goal setting theory in this study demonstrates that by setting high goals in the corporate rebranding process corporations such as Kenya power will yield better performance. Those individuals tasked with the rebranding process strategy have a high goal to commit to and fulfil thereby enhancing competitive advantage and consequently improving performance.

#### 2.1.1.2 Resource-based View Theory

The resource-based view theory as proposed by Wernerfelt (1984) and thereafter by Barney (1986) suggests that the resources possessed by a firm are the primary determinants of its performance, and these may contribute to a sustainable competitive advantage of the firm. The resource-based view theory regards the firm as a cognitive system, which is characterized by idiosyncratic and context-dependent competences that are core to strategic purpose. These are conditioned by hierarchical capabilities, or sets of routines, involved in the management of the firm's core business processes that help to create value. Competences typically involve the development of specialist expertise, and firms may become locked into a trajectory that is difficult to change effectively in the short to medium-term (Tushman & Anderson, 2006). The premises of the resource-based view are that successful firms develop distinctive capabilities on which their future competitiveness will be based;

which capabilities are often idiosyncratic or unique to each firm, and may also be tacit and intangible in nature. Competitive advantage is seen to be founded on a complex of competences, capabilities, skills and strategic assets possessed by an organization, or in other words from the astute management of physical and intellectual resources which form the core capability of the business.

The resource based view Barney (1991) posits that, to gain competitive advantage, firms need to develop resources that are casually ambiguous, socially complex and difficult to imitate over time. One way to create such a resource according to Barney and Hansen, (1994) is through effective interaction with primary stakeholders. For example, firms which are able to engage stakeholders beyond market transactions create socially complex, resources that are not time barred but based on reputation and trust. Similarly, Jones and Price, (2004) point out that firms which develop relationship with primary stakeholders based on mutual cooperation and trust is in a better position to gain advantage over firms that do not. This is because the process of developing trust and cooperation between the firm and stakeholders take time, which in turn lead to mutual beneficial value exchanges. Such exchanges to the firm lead to improved performance.

The resource based view proponents argue that, it is not environment but the resources of the organization which should be considered as the foundation of the strategy (Boxall and Steenveld, 2009). Despite the apparent differences, these approaches to strategy have one thing in common; they all aim at maximizing performance by improving one organizations position in relation to other organizations in the same competitive environment and that is how the organization is differentiated from its competitors. Every business develops its own configuration of

capabilities that is rooted in the realities of its competitive market, past commitments and anticipated requirements (Song and Benedetto, 2007).

The resource-based view of the firm in this study explains how corporations such as Kenya power allocate their scarce resources towards corporate rebranding to obtain and exploit competitive capabilities. Therefore, the company that has the resources and abilities to put its capabilities to best use, and that invests in capabilities that complement the existing capability structure will be able to exploit its distinctive competences (Song and Benedetto, 2007).

#### 2.2 Concept of the Corporate Rebranding Process Strategy

The proponents of corporate rebranding i.e. Muzellec and Lambkin (2009), define corporate re-branding as the practice of building anew a name representative of a differentiated position in the mind frame of stakeholders and a distinctive identity from competitors. However, by taking a wider perspective on corporate re-branding it can be seen as a two-fold area. First, it is related to corporate visual identity change, including corporate name and logo change (for the corporate visual identity system, CVIS). Second, it is also related to the corporate internal processes, including corporate values change, employee participation and internal marketing in the company (Lomax & Mador, 2006).

Therefore, taking a wider perspective of the phenomena, corporate re-branding may be defined as a systematically planned and implemented process of planning, creating and maintaining a new favorable image and consequently a favorable reputation for the company as a whole by sending signals to all stakeholders and by managing behavior, communication, and symbolism in order to pro-act or react to change. The main drivers for corporate re-branding are decisions, events or processes causing a change in a company's structure, strategy or performance of sufficient magnitude to

suggest the need for a fundamental redefinition of its identity (Muzellec & Lambkin, 2009). Reasons for corporate re-branding include change in ownership structure (mergers & acquisitions, spin-offs, private to public ownership, sponsorship), corporate strategy (diversification and divestment, internationalization and localization), competitive position (erosion of market position, outdated image, reputation problems) and in external environment (legal obligation, major crises or catastrophes) (Muzellec & Lambkin, 2008) These drivers and reasons refer especially to corporate name change but most of them can be considered as drivers and reasons for logo, slogan or value change.

Re-branding goals can be divided into two groups: reflecting the new identity of a company (e.g. if a company has gone through major changes and even the new identity of a company is formed) or creating a new image. In both cases the rebranding process includes both internalization and externalization, i.e. affecting internally employees and the culture, as well as externally all the stakeholders and the images they have of the company (Muzellec & Lambkin, 2009).

#### 2.2.1 Employees Participation in the Rebranding Process

Both Gotsi and Andriopoulos (2007) and Stuart (2012) mention the importance of engaging employees as part of the corporate rebranding process. It is found that more successful rebranding cases often used varying degrees of consultation and participation, leading to more opportunities for employees to identify with their organization (Miller et al., 2014). Furthermore, Schilling et al. (2012) state that, for employees to develop a positive self-image, they need to experience perceived competence, power, and efficacy during a change process. So, during a rebranding process, organizations could benefit from encouraging employees to actively participate in the decision making process.

According to Van den Bosch (2005), an organization's corporate visual identity (CVI) and positioning contributes to organizational identification. Several academics believe that the service corporate rebranding will reward if the changes that occur not only be the apparent change, but also the changes on companies' operations, which require the involvement of employees and its system (Jacobs 2010). In addition, Van Dijk and Van Dick (2009) found that organizational change, such as a rebranding, impacts organizational identification. Employees' identification with the company and the changes the company makes results in productivity and consequently organizational performance.

Appreciation for the new corporate visual identity positively contributes to both employees' identification with the organization and appreciation of the organization. In relation to organizational identity, employees strongly identify with their organization when their prior sense of self resembles what they believe is central, enduring, and distinctive about their organization after a corporate rebranding. In consequence of a rebranding, it is also possible that employee's feel threatened when their organization is infused with a new identity which employees are expected to convey and identify with. Knippenberg, Martin and Tyler (2006) namely argued that organizational change sometimes calls for misidentification with previous organizational attributes, the forming of a new identity, and a re-identification with it. A rebranding can then be perceived as a threat to the stability and continuation of employees' current identities (Bartels et al., 2006; Van Knippenberg et al., 2006). Jetten, O'Brien, and Trindall (2012) however found that high initial organizational identification positively affected long-term organizational commitment, also after organizational change. Stuart (2012) mentions that, for an employee, the ideal corporate rebranding process would enable them to continue their identification with

the organization. The extent to which employees identify themselves with an organization after a rebranding process can be considered a key factor in the success of the rebranding process and hence good performance (Bartels et al., 2006).

At first, employee communication is of great influence on the degree of organizational identification (Bartels et al., 2006). Employee communication is identified as the communication transactions between individuals and/or groups at various levels and in different areas of specializations that are intended to design and redesign organization, to implement designs and to coordinate day-to-day activities (Smidts et al., 2011). As Smidts et al. (2001) also mention, the content of organizational messages is of particular influence on organizational identification, especially during organizational change processes, and concerns members' satisfaction with what is being communicated, with regard to sufficiency and usefulness. During organizational changes, change-related information plays a significant role in reducing employees' feelings of uncertainty and threats caused by these changes (Bartels et al., 2006). In addition, Van Knippenberg et al. (2006) mention the importance of communicating employee-relevant consequences with regard to the proposed change. As expected also applicable to a corporate rebranding, in their study of a merger Bartels et al. (2006) found that members' satisfaction with the amount and quality of the information being communicated prior to organizational change improved their expected organizational identification after organizational change. During organizational change processes employees need to understand how the change fits within the organizational identity. This could motivate employees to support the change within their organization, thereby contributing to organizational identification and overall organizational performance.

The most successful rebranding show that it is especially important for employees to be involved in the rebranding process, even though the process is often perceived as Management's responsibility (Hankinson & Lomax, 2006). Employees can be introduced to the rebranding process at any time during the rebranding process. Most successful organizations that have successfully rebranded first achieved a consensus of the executive team and then involved middle management to spread the new vision throughout the organization (Merrilees, 2015).

Regardless of when employees are introduced to the new brand, it is necessary to have employees on board before launching the rebrand to the public, rather than post-launch. When rebranding occurs because of a financial situation, there is often a focus on shareholders and publicity. This can leave employees feeling that they are on the receiving end of the process, and see the rebranding as a constraint (Gotsi & Andriopoulos, 2007). Employees that are not prepared for a rebranding launch will be more vulnerable to any negative publicity that may follow. Employees that have a higher level of support for rebranding in an organization show more overall commitment to that organization which leads to loyalty, psychological identification, concern for future well-being, and increased operating performance (Hankinson & Lomax, 2006). Employees are the link between senior management and customers; they are responsible for creating and managing the external image of an organization. Customer's interactions with employees are one of the primary factors when forming an opinion on a brand. If employees do not understand or support the new brand, they will not be able to carry out the brand's promises in customer encounters.

#### 2.2.2 Management Commitment in the Rebranding Process

Many studies have discerned that a major success factor when rebranding is a clear vision at the top management level. The management leader or leaders need to

understand and support the organization's strategic direction and realize the importance of the brand reflecting that strategy (Hankinson & Lomax, 2006). Rebranding often fails because managers do not have a clear assessment of desired change for current values and existing images (Muzellec, Doogan, & Lambkin, 2013). Visible leadership will drive consistent behavior. Top managers must demonstrate that internal brand alignment is high priority through their own commitment to brand goals, values and behavior. Through words, matching actions and the initiatives they support, senior managers can demonstrate that the whole organization is serious about keeping its brand promise.

Rebranding has to be seen as an initiative of the senior management team, and all senior executives have to see it as a key initiative of the organization. The key champion of the rebranding strategy has to be the leader of the organization. In some organizations the champions are in the marketing and communications functions, however, if they leave the organization, the rebranding initiative tends to lose momentum because the senior management team had not bought into the rebranding initiative (Muzellec, Doogan, & Lambkin, 2013). Momentum needs to be started from the very top of your organization so that when people leave, enthusiasm is not lost and impetus and support of the branding strategy continues. Not only does senior management play a key role in championing the rebranding strategy, they also need to be made aware and understand that rebranding is a long-term process that requires approximately five years for full implementation in a large organization (Gotsi & Andriopoulos, 2007). Therefore, seeking the involvement and buy in of senior management in finance and operational functions is very important.

The management is responsible for the success of the rebranding process. With its leading role, it needs to set good examples and to live visibly the rebranding values.

As a result, this will drive a consistent brand behavior (Jacobs, 2013). Besides, defined rebranding teams are required to lead the program successfully (Mahnert & Torres 2007). At least the management needs to be convinced by the necessity and inevitability of change. Motivation, involvement and support have to be created. The management should be walking the talk, which means that the vision is exemplified to the staff through the own behavior of the management. It is the management team who must accept the recommendations of the rebranding team and then communicate and facilitate their acceptance throughout the organization. This institution-wide acceptance is essential to ensure that the organization is communicating one consistent message to its audience.

The support of the organization's top management is also important because the rebranding process may require organization's staff to change their ways of thinking about their company and about their work. Senior management need to devote sufficient in resources, such as ongoing financial and communications support. It requires continuous reinvestment and ongoing support from senior management (Balmer, 2011). Moreover, a corporate brand needs total organizational commitment assurance; congruent total corporate communication (congruent over space and time), and fidelity to the notion that behavior mirrors rhetoric (Balmer, 2011).

Establishing that leadership influences the alignment of individual behavior along corporate brand identity and brings about behavioral brand-adequate changes in the organization, Vallaster & de Chernatony (2006) posit that successful leaders are those who adopt a holistic understanding of the corporate brand, considering it as the total sum of organizational signs that are transferred to its audiences: through the core values for which the organization stands, the behavior of employees, all symbolic

representations regarding graphic designs, and finally, via all corporate communication for internal and external stakeholders.

### 2.2.3 Advertisement of the Rebranding Process

Rebranding is generally promoted through advertising. An integrated marketing communications (IMC) strategy is considered a cost efficient promotional tool because it reinforces and synthesizes a consistent message across different media formats and is able to reach a large variety of audiences. While there are variations in specific advertisements, they are all linked to the repositioned corporate brand (Merrilees, 2015). The sequencing and timing of media is important; there should first be a lead medium such as television advertisements that portrays the new brand image across to consumers through modified repetition. Following should be other forms of media, such as radio and print advertisements that offer a subtler reminder of the rebranding.

The term advertising refers to a form of promotion, a creative communication process aligned with interests and needs of consumers, producers and society as a whole (Sudar & Keller; 2011). The key objective of advertising is to reduce the distance between the producer and the consumer, that is, to enable targeting, accelerating and quantitative increase of product transfer from producer to consumer. To consumers it provides better insight into a growing offer of products in the market. Advertising makes it easier for buyers/consumers to make an alternative choice, obtain information on new products or improved quality of products and it also improves selective demand (Meler, 2005).

Business corporations use corporate advertising to enhance the image of the whole organization, or of the general brand in order to influence social values or to establish

a connection between the corporation/brand and an already established positive value and in this era of identity, a lot of emphasis has been put on the importance of brand and corporate identities (Richards et al., 2010). When corporates rebrand, it means that advertising must be intensified to reach all relevant stakeholders. The implication of rebranding to products and services is that the corporate should change packaging to reflect change. The corporate, as with Vodacom and Cell C, will have to recall all products in the market. The marketing managers will have to manage costs and develop pricing strategies if the corporate plans to change its price offerings. Vodacom provides sport sponsorships to rugby and soccer teams. The marketing brand manager had to oversee that the teams sport gears were rebranded.

Many organizations that rebrand hire an outside consulting or advertising agency. While it can be too expensive for smaller organizations, a third party can be helpful to an organization both internally and externally by anything from gathering data to developing and marketing a new brand. A third party creates a less biased atmosphere when collecting data and allows for joint exploration and articulation of an organization's brand values which creates a more thorough picture of the brand. Accurate and appropriate research is an absolute necessity for a successful rebrand. Collecting useful research is a long-term process, thus why many organizations that rebrand too fast end up failing.

While advertising may be the choice of large organizations with a sufficient budget, often a more direct approach is needed for organizations with fewer resources. Even organizations that can afford extensive advertising can benefit by including non-mass media in the marketing mix. A public relations campaign including special events, press releases, or feature stories can be advantageous when trying to change attitudes. Interaction between employees and customers in rebranding achieves greater

involvement of stakeholders (Merrilees & Miller, 2008). Activities that have proven to be beneficial in creating brand awareness include customer involvement in brand building exercises and employee contributions to in-store, cause related experiences. Overall, no matter how an organization goes about selling a new brand image, it is important for stakeholders to gain awareness. If they do not know the organization, they are not going to choose it.

From the above literature, it is imperative that during and after rebranding process a company engages a vibrant advertisement campaigns to reach all the masses. Business corporations use corporate advertising to enhance the image of the whole organization. However, despite the common knowledge that advertisement process is an expensive affair, scholars seems not to give direction on what proportion of rebranding cost should go to rebranding. Also, the literature fails to give a link between cost, channels of advertisement and effectiveness in rebranding process and eventually performance of the organization. Further, there exists a gap in knowledge in that no empirical study known to the researcher has been done to establish the influence of advertisement in corporate rebranding on organizational performance. Therefore, this study seeks to establish the relationship between advertisement in corporate rebranding process and organizational performance.

#### 2.3 The Concept of Non-financial Performance

As part of performance management, organizations will use a mixture of financial performance indicators and non-financial ones. Choosing performance measures is a challenge. Performance measurement systems play a key role in developing strategy, evaluating the achievement of organizational objectives and compensating managers. Yet many managers feel traditional financially oriented systems no longer work adequately. A recent survey of U.S. financial services companies found most were not

satisfied with their measurement systems. They believed there was too much emphasis on financial measures such as earnings and accounting returns and little emphasis on drivers of value such as customer and employee satisfaction, innovation and quality.

Inadequacies in financial performance measures have led to innovations ranging from non-financial indicators of intangible assets and intellectual capital to balanced scorecards of integrated financial and non-financial measures. The financial measures show the impact of the firm's policies and procedures on the firm's current financial position and its current return on shareholders. The nonfinancial factors show the firm's current and potential competitive position. The choice of measures must be linked to factors such as corporate strategy, value drivers, organizational objectives and the competitive environment.

Banker and Mashruwala (2007) assessed whether the reporting of nonfinancial measures such as employee satisfaction and customer satisfaction is likely to be useful to managers of a retail chain and under what competitive conditions such usefulness may take place. They found that employees and customers' satisfaction help managers in predicting future profitability. In addition, they found that customers and employees' satisfactions were correlated with the store closure decisions while customers' satisfaction only was correlated with performance evaluations of store managers. Campbell (2008) examined the sensitivity of promotion and demotion decisions of lower-level managers to financial and nonfinancial measures of performance in a major fast-food retailer in US. He found that promotion and demotion decisions were sensitive to nonfinancial performance measures related to service quality and employee retention after controlling for financial performance. He also found evidence to suggest that lower-level managers behave in a consistent way

with incentives created by assigning weights of nonfinancial performance measures. These findings provide some of the early empirical evidence on the use of weighted non-financial metrics in compensation contracts as a mechanism for generating improvements in performance.

# 2.4 Empirical Literature

### 2.4.1 Employees Participation on Non-financial Performance

There are empirical evidences suggesting that the employee participation as an aspect of corporate rebranding strategy is associated with improved organizational performance. However, other studies indicate a negative and weak relationship between employee participation and organizational performance. The empirical work on the interrelationship between employee participation and organizational performance are summarized as follows.

Summers and Hyman (2009) did a study on employee participation and company performance using four manufacturing organizations in the city of New York United States of America. Their study was motivated by the apparent lack of sufficient body of knowledge that illustrates the impact employee participation on the non-financial performance of an organization. They used a descriptive study design and had a sample size of 56 respondents. The study found out that employee participation has become more important to managers seeking to gain voluntary commitment from employees to organizational goals especially at times of heightened competitive pressures and work insecurity. The study found out that participatory measures such as team working and high-involvement work practices demonstrate improvements in performance, but can also have less positive outcomes for employee and social well-being. Performance changes may occur because participation leads to changed attitudes which lead to higher performance. The study concluded that when

employees are faced with an insecure environment, participation may induce compliance and not the attitude changes necessary for employees' commitment to the enterprise. The study's findings regarding Non-financial performance measures suggest that the mixed results of prior studies of the financial performance relationship may be due in part to a failure to account for Non-financial performance measurement (e.g. Fullerton & Wempe, 2009; Chatterji & Levine, 2006). Limitations of the study are the non-random sample and its small sample size, relative to the statistical model estimated model estimated. The model developed thus is not probabilistic and cannot be used to predict results.

Ansoff and McDonnell (2010) also did a study on the effect of employee participation on organizational performance using 3 corporations in the United Kingdom. The research was guided by the motivation to understand and gather evidence to establish how employee participation; boosts employee's morale, make them make better decisions and feel valued, make them more focused, and consequently assess how these changes affect organizational performance. The study used exploratory design and had a sample size of 48 respondents drawn from the three levels of management i.e. lower, middle and top-level management. The study established that employee participation creates an environment that encourages listening and sharing of a variety of viewpoints and opinions before a decision is made on the direction to be pursued. Discussions at individual and group levels are recognition that everyone has greatuntapped potential in terms of their possible contribution to the organization's success. Participation offers the benefit of improving the quality of decisions by incorporating employee values, information and alternatives into decision. Employee involvement is aimed at eliciting the support, understanding and optimum contribution of all employees in an organization and their commitment to its objectives. The study

concluded that in the process of participation, employees are experience more control over their responsibilities, become more motivated and creative over their assigned tasks. They therefore concluded that employee participation affects the organizational performance. The study results however failed to acknowledge how employee engagement programs has both advantages and disadvantages and the fact that they are depended on the implementation of the employee participation in different processes of policy and decision making. The limitations of employee engagement initiatives may arise externally or internally depends on the participation of the employees. However, the participation employees to be the emotional and mental involvement of people in group situations which has the capacity encourage them to contribute towards group goals and also share some responsibility with them as evidenced by previous research (Noe & Wilk, 2013; Dreher, 2014).

In order to analyze the effect of employee participation and group incentives on the company performance, Sesil (1999) conducted a study at the industry level. The study was focused on high technology industry in United Kingdom. The study targeted 118 electronic and engineering companies. Various aspects of employee participation such as quality improvement, communication, bonus for employees and their resulting influence on the organization were analyzed. Overall, the findings revealed that employee participation significantly influence company's performance.

Elsewhere, Guerrero and Barrand-Didier (2004) focused on determining how high employee involvement practices will influence the performance of French firms. The study was conducted on 180 large companies from industrial and service sector. Data was gathered through a survey based questionnaires. The following four dimensions of employee participation was analyzed: empowerment, compensation, communication and training. The findings showed that empowerment had the most

effect on firm's performance while communication and training had the least effect on the performance. Compensation showed no influence on performance. Overall, employee participation was seen as the key determinant for organization performance.

Grimsrud and Kvinge (2010) did a study on the effect of representative worker participation on organizational performance. Perception data was collected by asking respondents to indicate whether different participation initiatives are believed to affect performance. The study analyzed different forms of representative participation such as work council, trade union or joint management-union committees. The study demonstrated that employee participation has no effect on firm's productivity.

Derek and Takao (2005) sought to establish the direct influence of employee involvement (particularly arrangement like team) on business performance. The study used econometric case study on more than 77000 observations. Among other things, the findings revealed that employee involvement improved enterprise performance through diverse channels including enhanced discretionary effort by employees.

From the literature, it is evident that studies linking employee participation to organizational performance have yielded plausible but mixed results. For instance, Summer and Hyman (2009) have demonstrated that employee participation can yield improved organizational performance. Ansoff and McDonell (2010) are in concurrence with Summer and Hyman (2009) by stating that participation positively affects organizational performance as employees will have more control over their responsibilities, become more motivated and creative over their assigned tasks. Similar view was shared by Sesil (1999) who affirmed that employee participation significantly influence company performance. However, the finding of Grimsrud and Kvinge (2010) differed from that of studies (Ansoff and McDonell, 2010; Summer

and Hyman (2009; Sesil, 1999) by stating that employee participation has no significant effect on organizational performance. Grimsrud and Kvinge (2010) was in agreement with (Guerroro and Barrand-Didier, 2004) who acknowledged that some constructs of employee participation like compensation does not have any effect on organizational performance.

The mixed results notwithstanding, the above empirical studies are not without limitations. For instance, study (Summer and Hyman, 2009; Ansoff and McDonell, 2010) have both used small sample of 56 and 48 respondents respectively and descriptive research design which is regarded as a less preferred approach of establishing cause and effect relationship. On the other hand, Sesil (1999) analyzed different dimensions of employee participation which included quality improvement and group incentive which are different from the focus of the current study. Derek and Takao (2005) focused on team arrangement as a measure of employee involvement while Grimsrud and Kvinge (2010) focused on worker representative participation as a measure of employee participation. Furthermore, most of the above reviewed studies (Summer and Hyman, 2009; Ansoff and McDonell, 2010 and Sesil, 1999) have tried to link employee participation to organizational performance in the context of industrial sector, high technology industry, service industry thereby neglecting in their analysis, the energy sector of which Kenya Power is part of. Finally, all the above studies (Summer and Hyman, 2009; Ansoff and McDonell, 2010; Sesil, 1999; Grimsrud and Kvinge, 2010; Derek and Takao, 2005; Guerroro and Barrand-Didier, 2004) have sought to establish the influence of employee participation on organizational performance in general but did not specifically focus on the nonfinancial performance measures. Consequently, the effect of employee performance

on the non-financial performance of the organization in the context of energy sector is unknown.

# 2.4.2 Empirical Literature on Management Commitment on Non-financial

#### **Performance**

A number of researchers, Kamau (2013), Mahnert and Torres (2007) and Rapa and Kauffman (2014) having established that there was a gap on knowledge that describes the influence management commitment set out to investigate how management commitment initiatives impacts the development and implementation of the quality management system and continually improve the effectiveness of the operations of the organizations.

Kamau (2013) did a study on the effect of management commitment on organizational performance among large manufacturing firms in Nairobi, Kenya. The study was studied using a descriptive research design. He used a sample size of 86 respondents drawn from the management staff of 4 manufacturing firms in Nairobi. The study established that top management determines the measures of success. Lacking top management commitment was found to prohibit capability, there was no firm intention to cooperate, and certainly the performance of the organization would be poor. Management commitment was therefore found to be a key enabler in improving the organizations performance. The study concluded that the top management support was of paramount importance in enhancing the performance of the organizations. The limitation of these study is however hinged on the fact that there is a growing body of evidence supporting an association between what are termed high performance or high commitment human resource management practices and various measures of organizational performance. However, it is not clear why this association exists. Therefore, further investigation to provide a convincing

explanation of this association is needed to improve the theoretical and analytic frameworks of commitment of human resource management and the management of a firm (Kaynak, 2010; Wooldridge & Floyd, 2009).

Mahnert and Torres (2007) did a study on the effect of top level management on the successful performance of insurance companies listed in the Johannesburg Stock Exchange (JSE), Johannesburg, South Africa. They used descriptive study design and sampled 15 companies listed in the stock exchange. The study found that the process of interaction and participation among the top management team typically leads to greater commitment to the firm's goals and strategies. The study further established that Executive management accomplishes the day-to-day details, including: instructions for preparation of department budgets, procedures, schedules; appointment of middle level executives such as department managers; coordination of departments; media and governmental relations; and shareholder communication. The study concluded that the management was responsible for the success of the organizations.

Rapa and Kauffman (2014) did a study on the influence of managerial commitment on the organizational performance of 10 agricultural companies in the UK. Their study used a descriptive study design and sampled 70 respondents from the companies. The study found out that the most important factor in the organizational performance was the top-level management's commitment. The study concluded that top managers must demonstrate their willingness to give energy and loyalty to the organizations goals towards improved performance. The two studies in comparison agree on the imperativeness of managers' commitment however they are limited in describing the degree of willingness of the top management to involve the subordinates in decision making. Moreover, recent research has examined the

relationships between the management commitments influence on non-financial performance. However, these studies have produced mixed results, probably because of the nature of the research designs used such as measuring performance as a single construct.

Another study conducted by Andry (2014) sought to establish the effect of organizational commitment on performance of local government units in West Jara province. The study applied descriptive and verification research design. A population of 55 Local Government Unit agencies in west Jara Province. Questionnaire were used to collect primary data while secondary data was sourced from evaluation reports of performance accountability. The study employed Structural Equation Modeling with partial least square being used as data analysis techniques. Among other findings, the study concluded that organizational commitment had positive effect on performance.

Shanthy, Jane, Robert and Sakthi (2014) did a study that determined the effect of CEOs organizational commitment on firm's performance in Malaysia. The objective of their study was actualized through a survey conducted on a sample of 136 Malaysian CEOs of which 94 belong to publicly listed companies and 42 belong to private companies. Among other things, the finding revealed that CEOs organizational commitment positively affect firm's performance regardless of whether Malaysian firms are publicly listed or not.

From the above reviewed empirical studies, it is possible to deduce that there exists a plausible relationship between management commitment and organizational performance. For instance, a study (Kamau, 2013) has concluded that top management commitment enhances organizational performance. Similar argument

has been fronted by other scholars like (Mahnert and Torres, 2007; Rapa and Kauffman, 2014; Andry, 2014; and Shanty et.al, 2014) who also revealed that organizational commitment by CEOs positively affect firm's performance. However, some of the above reviewed studies have several shortcomings some of which makes their findings unreliable.

For instance, studies (Kamau, 2013; Mahnert and Torres, 2007; Rapa and Kauffman, 2014; Andry, 2014) have all applied descriptive research design which is regarded as a less preferred technique for establishing cause and effect relationship. Other studies (Andry, 2014; Rapa and Kauffman, 2014; Kamau, 2013) have used small sample size ranging between 55 to 86 respondents thus limiting generalization of the findings on a large population. Majority of the studies (Kamau, 2013; Mahnert and Torres, 2007; Rapa and Kauffman, 2014; Andry, 2014) have concentrated their analysis of management commitment and performance on financial, agricultural and manufacturing sector there by ignoring the analysis of energy sector of which Kenya power is part of. Finally, nearly all studies reviewed (Kamau, 2013; Mahnert and Torres, 2007; Rapa and Kauffman, 2014; Andry, 2014 and Shanty et.al, 2014) have looked at organizational dimension in general but did not focus on non-financial performance measure. Consequently, the effect of management commitment on non-financial performance of the organization is not known.

# 2.4.3 Empirical Literature on Advertising and Organizational performance

There are empirical evidences suggesting that the advertising as an aspect of corporate rebranding strategy is associated with high level of organizational performance. However, other studies indicate a negative and weak relationship between advertising and organizational performance. The empirical work on the interrelationship between advertising and organizational performance are summarized subsequently.

Dekimpe et al., (2009) did a study on the effect of advertisement on organizational performance. They used descriptive research design and sampled 16 companies in the service industry in Australia. The study established that there is rarely any permanent effect of advertising on performance of organizations. Their findings proved that advertising does not change the structure of sales over the long run. They concluded that the diminishing impact of advertising may be because of choice of brand, quantity which is purchased and category incidence such as energy crisis.

Another study by Nerlove and Waugh (2011) investigated the relationship between organizational performance and advertising in the US orange industry by use of exploratory survey design. They sampled 3 organizations in the industry and found out that industry output always increased with the increase in the advertisement expenditure. Advertising not only helps the companies to maintain superior stand in the industry and profit maximization, it provides information about a products or services and gives consumers free television and radio programs. Advertising gives a clear image for any product or service of a company which is a great asset. A wellstructured and continuous advertising might stand as one of those strategies to sustain a distinct market position. The study concluded that advertising plays a major role in the performance of an organization as it creates awareness while at the same time encouraging the non-users to try the products or services of the firm and this will make the company to be competitive. The two studies lead to two different conclusions while their agreement converge on the need of advertisement for an organization they also diametrically diverge on the importance of interring advertisement and its association to employee's non-financial performance. Moreover, the samples used by both studies lead to results that are too ambitious to be

used to generalize the influence of advertising on non-financial performance of employees (Luthans & Stajkovic, 2009; Kennerley & Neely, 2012).

Nelson (2014) did a study on the role of advertising in improving organizational performance. The study used descriptive study design and sampled 9 cosmetic companies in the US. The study found out that advertising plays a critical role in the competitive cosmetic industry as it helps the companies create awareness, appeal, creation of standards through competition, conviction, minimize hindrances between the organization and customers and employment opportunities. Performance of the cosmetic companies is influenced by advertisement being undertaken by the company as it enables the companies to achieve its set goals through the non-users trying to use the product while at the same time encouraging season buying. The study concluded that the survival of the companies in any industry depends on competition and the strategies put in place by the company and therefore the pursuit of advertisement by the companies being one of the strategies will enable the companies to enhance the purchase of organizational products by the consumer, increase volume of sales, increase the profits of the organization and enhance the organization relationship with its customers. The study is limited by the assumptions it holds that the advertising has the same impact on each and every commodity or service. Ideally advertising can influence the non-financial performance measures for cosmetics products as established by the study but the effect will be considerably low in influencing employee non-financial performance in the industries such as a power distribution organization (Muzellec, Doogan, & Lambkin, 2013).

Njawa (2015) investigated the effect of advertising on organizational performance of TIGO Telecommunication Network. The study analyzed advertising along its three dimensions namely: brand awareness, brand loyalty and brand equity and their

resulting effect on organizational performance. Using a quantitative research approach, the study targeted 300 Tigo employees out of which 175 were chosen using stratified sampling techniques. Primary data was collected from Tigo employees while secondary data was obtained from books, reports and published surveys. The finding of the study revealed that all the dimensions of the advertising significantly influenced organizational performance. The finding concluded that proper advertising techniques are very critical to an organization.

In a case study of TTCL Company based in Tanzania, Musa (2003) investigated the relationship between advertising and organizational performance. The finding revealed that advertising has a direct relationship with overall business performance in a company. Musa (2003) concluded that advertising is indeed a critical antecedent of the organizational financial performance.

At business level, Boulding et.al, (1994) conducted a study that sought to establish the effect of advertising on demand elasticity. The study utilized longitudinal and cross-sectional PIMS (Profit Impact of Market Strategies) data. The finding of the study revealed that the current advertising reduces future demand elasticity for firms that price above the industry average.

Other studies have also reported negative relationship between advertising expenditure and organizational financial performance as measured by sales. For instance, Baltagi and Levin (1986) investigated a dynamic demand for cigarettes and found insignificant income elasticity and significant low prices elasticity. This finding of negative relationship was collaborated by Hamilton (1962) who did a study in the US cigarettes industry and found similar negative results.

From the foregoing empirical review, it is evident that there exist plausible but mixed results in studies linking advertising and organizational performance. For instance, Nerlove and Waugh (2011) investigated the relationship between organizational performances and advertising in the US orange industry and found that advertising exert a significant positive effect on performance. Similarly, Njawa (2015) established a significantly positive effect of advertising on organizational performance of TIGO Telecommunication Network. The study by Njawa (2015) also compares favorably to that of Nelson (2014) and Musa (2003) who both concluded that the role of advertising in improving organizational performance and survival is very critical. On contrary, other studies have yielded either negative or insignificant relationship between advertising and organizational performance. For instance, Dekimpe et al., (2009) concluded that advertising does not change the structure of sales over the long run and hence does not affect organizational performance. These findings received support from other studies (Boulding et.al, 1994; Baltagi and Levin, 1986; Hamilton, 1962) who also revealed negative relationship between advertising and organizational financial performance.

Furthermore, the above reviewed studies are not without limitations. For instance, the studies (Njawa, 2015) analyzed advertising along its three dimensions namely: brand awareness, brand loyalty and brand equity which were different from the focus on the current study which instead operationalized advertisement along dimensions such as enabled targeting, improved selective demand, enhanced image. The study (Nelson, 2014) is limited by the assumptions it holds that the advertising has the same impact on each and every commodity or service. The Dekimpe et al., (2009) used descriptive research design which is regarded as inadequate research design to explain cause and effect relationship. Furthermore, most studies (Boulding et.al, 1994; Nerlove and

Waugh, 2011; Dekimpe et al., 2009; Njawa, 2015) relating advertising to organizational performance have only focused on sectors like service, cigarrete industry and Telecommunication sector thereby paying no attention to energy sector of which Kenya Power Ltd is part of. In addition, all the above studies (Boulding et.al, 1994; Nerlove and Waugh, 2011; Dekimpe et al., 2009; Njawa, 2015; Musa, 2003; Hamilton, 1962; Baltagi and Levin, 1986) have analyzed the influence of advertising on the organizational performance with unique emphasizes on its financial performance using measures like sale, profit and demand elasticity. Therefore, none of the above reviewed studies analyzed the effect of advertising as a key corporate rebranding strategy on non-financial performance of the organization. Consequently, the status of advertising strategies as an aspect of corporate rebranding strategies and its consequences on non-financial performance in energy sector is still not known.

#### 2.5 Summary of Literature

The literature review has pointed out that corporate rebranding strategy has been used previously in the creation of a competitive advantage for firms. Furthermore, existing literature have revealed that there exist plausible but mixed relationship between corporate rebranding strategies and organization performance. However, none of the studies reviewed focused on the non-financial performance measures such as customer and employee satisfaction among others. Similarly, most studies reviewed have only concentrated their analysis on other sectors like manufacturing, service, Telecommunication and ignored energy sector of which Kenya power is part of. While theoretical literature has demonstrated the importance of corporate rebranding on firm performance, there is little evidence on such application and performance outcomes in relation to Kenya and specifically in our chosen area in energy sub sector firms with special reference to Kenya Power. Consequently, the status of corporate

rebranding strategies along its three dimensions namely: management commitment, employee participation and advertising and its consequences on non-financial performance in energy sector is not known. Owing to this glaring lack of sufficient information, the current study will establish the effect of corporate rebranding strategy in the performance of Kenya Power ltd.

#### **CHAPTER THREE**

#### RESEARCH METHODOLOGY

This section presents the research methodology that was used to carry out the study. Included are the research design, target population, sample size, sampling procedure and techniques. A research instrument (see appendices), validation of research instrument is also explained. Data collection procedures, processing, analysis and presentation as well as ethical consideration and dissemination strategy were also elaborated.

#### 3.1 Research Design

According to Saunders, Lewis and Thornhill (2009), research design is defined as an overall plan for research undertaking. The researcher adopted a correlational survey research design to obtain the empirical data to address the objectives of the study. According to Mugenda and Mugenda (2003), the correlational approach helps in determining whether and to what degree a relationship exited between the quantifiable variables. A survey gathers data at a particular point in time with the intention of describing the nature of the existing condition, or determines the relationship that exists between specific events (Chava and Nachmias, 1996). According to Mugenda and Mugenda (1999) and Mutai (2005), survey study involves finding out what people are doing and thinking and gathering information from them at a particular time. This design was deemed appropriate for the study because it would give the principal researcher a profile of relevant aspects of the phenomena of interest from an individual, organization and industry perspective (Saunders *et al.*, 2007).

#### 3.2 Study Area

The research was conducted in Nairobi, Kenya. Precisely, the study took place in KENYA POWER headquarters at Stima Plaza, Kolobot Road in Parklands, Nairobi.

Bridget and Lewin (2005) noted that the ideal setting for any study should be easily accessible to the researcher and should be that which permits instant rapport with the informants. The city is situated at 1°09′S 36°39′E and 1°27′S 37°06′E and occupies 696 square kilometres (270 sq mi). Nairobi has an elevation of 1,795 metres (5,889 ft) above sea level. The map of Nairobi is attached in Appendix IV.

# 3.3 Target Population

Target population as described by Borg and Gall (2009) is a universal set of study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result. The target population of this study were the management staff at Kenya Power as well as consumers of electricity. As per Kenya power's records in 2015 there were 178 management staff ranging from top level management, middle level management and lower level management. Mugenda and Mugenda (2009) explained that the target population should have observable characteristics to which the researcher intents to generalize the result of the study. This definition assumes that the population is not homogeneous.

**Table 3.1Target Population** 

	Population	Percentage (%)
Lower level management	85	48
Middle level management	68	38
Top level management	25	14
Total	178	100

Source: Kenya Power HR Department, 2016

# 3.4 Sampling Frame

The sampling frame describes the list of all population units from which the sample was selected (Cooper & Schindker, 2008).

### 3.4.1 Sample and Sampling Technique

Kombo and Tromp (2013) indicated that a sample is a finite part of a statistical population whose properties are studied to gain information about the whole. From the population 178, the study picked a sample through stratified random sampling technique. The study employed stratified random sampling technique. Stratified random sampling is unbiased sampling method of grouping heterogeneous population into homogeneous subsets then making a selection within the individual subset to ensure representativeness. The goal of stratified random sampling is to achieve the desired representation from various sub-groups in the population. Further, within each stratum, the study used simple random sampling. According to Cooper and Schindler (2003), random sampling frequently minimizes the sampling error in the population. In random sampling, each item or element of the population has an equal chance of being chosen at each draw. To determine the sample size, the researcher used formula by Kathuri and Pals (1993) for sample size determination (See Appendices for sample size determination table).

$$n = \chi^{2} NP (1-P)$$

$$\sigma^{2} (N-1) + \chi^{2} P (1-P)$$

Where:

n = required sample size

 $\sigma^2$  = the degree of accuracy; $\sigma$ value is 0.05

N =the given population size from the

 $\chi^2$  = Table value of chi-square for one

sampling frame

degree of freedom, which is 3.841

P = Population proportion, assumed to be

0.50

The sample size comprised of 117 staff in top level, middle level, and lower level management in Kenya Power. The sample was proportionately drawn from each

institution and sample was as shown on the table below. The sampled respondents were deemed knowledgeable on subject matter and therefore, they were in a better position to provide credible information as sought by the study. Additionally, simple random sampling was used to sample 20 consumers who visit Kenya power for various services.

Table 3. 1: Sample Size

Departments	Population	Sample
Lower level management	85	56
Middle level management	68	45
Top level of management	25	16
Total	178	117

Source: (Page 43)

#### 3.5 Data Collection

According to Ngechu (2004) there are many methods of data collection. The choice of a tool and instrument depends mainly on the attributes of the subjects, research topic, problem question, objectives, design, expected data and results. This is because each tool and instrument collects specific data.

#### 3.5.1 Sources of Data

The two mostly used sources of data involve collecting primary data and secondary data. Donald (2006) notes that there are two major sources of data used by respondents: primary and secondary data. The researcher used primary data for this study. This study collected primary data and secondary data. Primary data was collected using questionnaires and interview guide. On the other hand, secondary data was collected from newspapers, published books, journals, magazines and company handbook. According to Mugenda and Mugenda (2008), primary data is data the

researcher collects from the original source and is considered more reliable and up to date. Cooper and Schindler (2003) indicated that secondary data involves collection and analysis of published material and information from other sources such as annual reports, published data. Cooper and Schindler (2003) further explain that secondary data is a useful qualitative technique for evaluating historical or contemporary confidential or public records, reports, government documents and opinions.

#### 3.5.2 Data Collection Procedure

The researcher collected data using a self-administered questionnaire and an interview guide. The researcher informed the respondents that the instruments being administered is for research purpose only and the responses from the respondents was kept secret and confidential. The researcher obtained an introductory letter from the University to collect data from Kenya Power then personally deliver the some of the questionnaires to the respondents while others were mailed to the respondents. The researcher had the questionnaires filled in and then collected later through drop and pick later method for the ones personally delivered.

#### 3.5.3 Instrument for Data Collection

Mugenda and Mugenda (2003) defines data collection instrument as a device used in research for measuring a given phenomenon or concept of interest. Mugenda and Mugenda noted that an ideal instrument results to pertinent, precise, unbiased, subtle and efficient measures. To collect primary data a semi-structured questionnaire with both close ended and open-ended questions was used. Kombo and Tromp (2006) indicate that semi-structured questionnaire refers to the use of already prepared questions during the study. The open-ended questions provided additional information that may not have been captured in the close-ended questions. The study was concerned with variables that cannot be directly observed such as opinion, perception

and feelings of respondents. According to Oso, (2009), such information can best be described through questionnaires. Its purpose was to collect a lot of information over a short period of time.

Further, questionnaire is preferred in this study because respondents of the study are literate and quite able to answer questions asked adequately. Also, information required can easily be described in writing as indicated by (Oso, 2009). The questionnaires were developed in accordance with the research objectives. Questions to address each research question were included. In order to ensure uniformity in response and to encourage participation, the questionnaire was kept short and structured with mostly multiple-choice selections in a Likert scale. According to Mugenda and Mugenda (2003), questionnaires are commonly used to obtain important information about a population under study. An interview guide was also be used to collect data from the consumers.

#### 3.5.4 Reliability Test for Data Collection Instrument

Reliability refers to the consistency of measurement and is frequently assessed using the test–retest reliability method. Including many similar items on a measure, by testing a diverse sample of individuals and by using uniform testing procedures increases reliability. Reliability gives the internal consistency of data collected. This ensures that the data has certain internal consistent pattern. When no pattern is found in the responses, this indicates that probably the test is too difficult and as a result the respondents just guess the answers randomly.

Dillman (1978) suggested that the expected respondents conduct a piloting to ensure clarity and proper interpretation of the questionnaire. To test for reliability, the data collection instrument was administered to conveniently selected respondents. A pilot study was carried out in Kenya power. The researcher conveniently selected a pilot

group of 25 individuals to test the reliability of the research instrument. According to Cooper and Schindler (2003), the pilot group can range from 25 to 100 subjects but it does not need to be statistically selected.

## 3.5.4 Reliability

The pilot data was not included in the actual study. The pilot study allows for pretesting of the research instrument. The clarity of the instrument items to the respondents was established to enhance the instrument's validity and reliability. The pilot study enabled the researcher to be familiar with research and its administration procedure as well as identifying items that require modification. Pilot study helped the researcher to correct inconsistencies arising from the instruments, which ensured that they measure what is intended. This reliability estimate was measured using Cronbach Alpha coefficient ( $\alpha$ ). Nunnally (1978) recommends that instruments used in research should have reliability of about 0.70 and above.

Table 3. 2: Reliability Analysis

Variable	Cronbach Alpha coefficient score	No. Of Items	Comments
Employee's participation (X <sub>1</sub> )	0.989	8	Reliable
Management commitment (X <sub>2</sub> )	0.899	7	Reliable
Advertisement (X <sub>3</sub> )	0.910	7	Reliable

The table shows that employee's participation had the highest reliability ( $\alpha$ = 0.989), followed by management commitment ( $\alpha$ =0.889), and finally the advertisement ( $\alpha$ =0.910). This illustrates that all the variables were reliable as their reliability values exceeded the prescribed threshold of 0.7.

### 3.5.5 Validity Test for Data Collection Instrument

According to Bridget and Lewin (2005), validity is the degree by which the sample of test items represents the content the test is designed to measure. Saunders et al.,

(2007) indicated that content validity is a measure of the degree to which data collected using an instrument represents a specific domain or content of a particular concept as intended. Lacity and Jansen (1994) define validity as making common sense, and being persuasive and seeming right to the reader while Cronbach, (1971), indicated that validity refers to results that have the appearance of truth or reality.

Therefore, validation of the research instrument was important to this study as it ensures that the study collects relevant information to answer the research questions. Mugenda and Mugenda (2003) contend that the usual procedure in assessing the content validity of a measure is to use a professional or expert in a particular field. To establish the validity of the research instrument the researcher sought the opinions of experts in the field of study especially the researcher's supervisor and lecturers. This facilitated the necessary revision and modification of the research instruments thereby enhancing validity.

#### 3.6 Data Analysis

The study edited completed questionnaires for completeness and consistency. Data clean-up followed; this process involves editing, coding, and tabulation to detect any anomalies in the responses and assign specific numerical values to the responses for further analysis. The data was then analyzed using descriptive statistics. The descriptive statistical tools (SPSS and Excel) helped the researcher to describe the data. The Likert scale was used to analyze the mean score and standard deviation. The study further employed a multivariate regression model to study the relationship between corporate rebranding strategy process and performance of Kenya Power. The research deems regression method to be useful for its ability to test the nature of influence of independent variables on a dependent variable. Regression can estimate the coefficients of the linear equation, involving one or more independent variables,

which best predicted the value of the dependent variable. The researcher used linear regression analysis to analyze the data. The regression model was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where: Y = performance;

 $\beta_0$  = Constant Term;

 $\beta_1$ ,  $\beta_2$ ,  $\beta_3$  and  $\beta_4$  = Beta coefficients;

 $X_1$ = employees' participation;

 $X_2$ = management commitment;

 $X_3$ = advertisement;

 $\varepsilon = \text{Error term}$ 

### 3.7 Data presentation

The findings were presented using tables and graphs for further analysis and to facilitate comparison, while explanation to the table and graphs were given in prose. This generated quantitative reports through tabulations, percentages, and measure of central tendency.

#### 3.8 Research Ethics

The study collects sensitive information; therefore, the researcher holds a moral obligation to treat the information with utmost modesty. The researcher ensured the respondents confidentiality of the information given to ensure that the respondents are not reluctant to give the information as sought by the study.

#### **CHAPTER FOUR**

#### **FINDINGS**

The chapter dealt with the analysis of the data. Specifically, the data analysis was in line with specific objectives where patterns were investigated, interpreted and implications drawn on them. This chapter represents the empirical findings and results of the application of the variables using descriptive, qualitative and quantitative research designs.

# **4.1.1 Response Rate**

The study targeted a sample size of 117 respondents from which 108 filled in and returned the questionnaires making a response rate of 92.3%. This response rate was satisfactory to make conclusions for the study as it acted as a representative. According to Mugenda and Mugenda (2003), a response rate of 50% is adequate for analysis and reporting, a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was excellent.

**Table 4.1: Response Rate** 

Questionnaire	Frequency	Percentage
Filled and Returned	108	92.3
Unreturned	9	7.7
Total	117	100

Source: Research Data, 2017

# **4.2 Demographic information**

The study started by analyzing the respondent's demographic information. Specifically, the areas investigated include; gender distribution, age bracket, level of education and period of service with Kenya Power

# 4.2.1 Distribution of Responders by Gender

Respond were requested to indicate their gender category. This was sought to insure fair engagement of male and female respondents. Results are analyzed Table 4.2

**Table 4.2: Distribution of Responders by Gender** 

Gender	Frequency	Percentage
Male	60	55.6
Female	48	44.4
Total	108	100.0

Source: Research Data, 2017

Results obtained show that majority of the respondents (55.6%) were males whereas 44.4% were females. This implies both male and female respondents were fairly involved in this study.

# 4.2.2 Distribution of Responders by Age

Respondents of various age groups are perceived to hold deferent opinions relating to different subjects. In view of ensuring that all the opinions were captured in this study, respondents were requested in indicate their age category. Results are analyzed Table 4.3

Table 4.3: Distribution of Responders by Age

Age	Frequency	Percentage
25 -35 years	31	28.7
36-45 years	33	30.6
46-55 years	38	35.2
Above 55 years	6	5.6
Total	108	100.0

Source: Research Data, 2017

From the analysis, 35.2% of the respondents indicated that they were aged between 46 to 55 years, 30.6% of the respondents indicated that they were aged between 36 to 45 years, 28.7% of the respondents indicated that they were aged between 25 to 35 years,

whereas 5.6% of the respondents indicated that they were aged above 55 years. This implies respondents of various age groups were fairly involved in this study

# **4.2.3 Highest Level of Education**

The study sought to determine the respondent's highest level of education attained. Results are analyzed in Table 4.4

**Table 4.4: Highest Level of Education** 

	Frequency	Percentage
Post graduate	15	13.9
Graduate	33	30.6
Under graduate	28	25.9
Diploma	26	24.1
secondary	6	5.6
Total	108	100.0

Source: Research Data, 2017

Results obtained show that most of the respondents as show by (30.6%) were graduates 25.9% of the respondents were under graduates, 24.1% of the respondents held diploma certificates, 13.9% of the respondents held post graduate degrees while 5.6% of the respondents held Kenya certificate of secondary school. This implies that all the respondents were well educated which means they were in a position to comprehend research questions and respondent appropriately.

# 4.2.4 Employee period of service with Kenya Power

Employee period of service is associated with knowledge on organizational internal operations. In view of establishing the respondent's knowledge on the relationship between corporate rebranding strategy process and non- financial performance of Kenya Power, respondents were requested to indicate their period of service. Results are analyzed in Table 4.5

Table 4.5: Employee period of service with Kenya Power

	Frequency	Percentage
2 to 5 years	21	19.4
5 to 10 years	39	36.1
More than 10 years	48	44.4
Total	108	100.0

Source: Research Data, 2017

From the analysis, most of the respondents (44.4%) indicated that they had worked with Kenya Power for a period of more than 10 years % of the respondents indicated More than 10 years, 36.1 % of the respondents indicated 5 to 10 years while19.4% of the respondents indicated 2 to 5 years. These result shows that most of the respondents had worked long enough in the organization, which indicates that they had the necessary knowledge and information which is considered valuable for this study. This is in line with Armstrong (2006) who asserts that the strength of expectations may be based on past experiences

### 4.3 Employees Participation in Rebranding Process

This section investigated on relationship between employee's participation in rebranding process and non-financial performance of Kenya Power LTD

# 4.3.1 Influence of Employee's participation in rebranding process on nonfinancial performance of Kenya Power

The research sought to establish whether employee's participation in rebranding process influenced the performance of the organization. Results are analyzed in Table

**Table 4.6: Employee's participation in rebranding process** 

Opinion	Frequency	Percentage
Yes	87	80.6
No	21	19.4
Total	108	100.0

Source: Research Data, 2017

From the results, majority of the respondents (80.6%) believed employee's participation in rebranding process influenced the non-financial performance of the organization while 19.4% was of the contrary opinion. This implies that employee's participation in rebranding process influenced the non-financial performance of Kenya Power

# 4.3.2 Extent to which employee's participation in rebranding process influence the performance of the organization

The study sought to establish the extent to which employee's participation in rebranding process influence the non-financial performance of the organization. Results are analyzed in Table 4.7

Table 4.7: Employee's participation in rebranding process

Extent	Frequency	Percentage
Very Great Extent	38	35.2
Great Extent	37	34.3
Moderate Extent	22	20.4
Little Extent	11	10.2
Total	108	100.0

Source: Research Data, 2017

From the analysis, most of the respondents as shown by 35.2% were of the opinion that employee's participation in rebranding process influences the non-financial performance of the organization to a great extent, 34.3% of the respondents indicated very great extent, 20.4% of the respondents indicated moderate extent, while 10.2% of the respondents indicated little extent. This employee's participation in rebranding process influences the non-financial performance of the Kenya Power to great extent.

### 4.3.3 Statements relating to employee's participation in rebranding process

The research sought to establish the respondent's level of agreement on the following statements relating to employee's participation in rebranding process. Results are analyzed in Table 4.8.

Table 4.8: Employee's participation in rebranding process

Statement	Z	Minimum	Maximum	Mean	Std. Deviation
		Mir	Max	2	Dev
Participation helps employees to identify with	108	1.00	5.00	4.04	1.08
their organization	100	1.00	3.00	1.01	1.00
Employees participation in rebranding					
decision making process makes employees to	108	2.00	5.00	4.30	0.80
own-up the ideas leading to more success					
Ideal corporate rebranding process enables					
employees to continue their identification	108	2.00	5.00	4.03	0.80
with the organization.					
Employees participation in rebranding					
process reduces employees' feelings of	108	1.00	5.00	3.75	0.93
uncertainty and threats					
It is necessary to have employees on board	100	1.00	<b>5</b> 00	4.10	1.07
before launching the rebrand to the public	108	1.00	5.00	4.12	1.07
Employees that are not prepared for a					
rebranding launch will be more vulnerable to	108	2.00	5.00	3.96	0.92
any negative publicity that may follow					

Source: Research Data, 2017

From the analysis, majority of the respondents agreed that employee participation in rebranding decision making process makes employees to own-up the ideas leading to more success (mean = 4.30, std dev =0.80). It is necessary to have employees on board before launching the rebrand to the public (mean = 4.12, std dev =1.74) and that participation helps employees to identify with their organization (mean = 4.04, std dev

= 1.80). the findings are in line with the research by Both Gotsi and Andriopoulos (2007) and Stuart (2012) mention the importance of engaging employees as part of the corporate rebranding process.

The research also revealed that ideal corporate rebranding process enables employees to continue their identification with the organization (mean = 4.03, std dev =0.80), employees that are not prepared for a rebranding launch will be more vulnerable to any negative publicity that may follow (mean = 3.96, std dev = 0.92) and that employee's participation in rebranding process reduces employees' feelings of uncertainty and threats (mean = 3.75, std dev = 0.93). The findings concur with the study findings by Van Dick (2009) found that employees' identification with the company and the changes the company makes results in productivity and consequently organizational performance.

# 4.4 Management Commitment in Rebranding Process

This section investigated on relationship between management commitment in rebranding process and non-financial performance of Kenya Power.

# 4.4.1 Influence of management commitment in rebranding process on nonfinancial performance of Kenya Power

The research sought to establish whether management commitment in rebranding process influenced the performance of the organization. Results are analyzed in Table

Table 4.9: Management commitment and on non- financial performance of Kenya Power

Opinion	Frequency	Percentage
Yes	98	90.7
No	10	9.3
Total	108	100.0

Source: Research Data, 2017

From the results, majority of the respondents (90.7%) were of the opinion that management commitment in rebranding process influenced the non-financial performance of the organization while 9.3% was of the contrary opinion. This implies that management commitment in rebranding process influenced the non-financial performance of Kenya Power.

## 4.4.2 Extent to which management commitment in rebranding process influence the performance of the organization

The study sought to establish the extent to which management commitment in rebranding process influence the non-financial performance of the organization. Results are analyzed in Table 4.10.

Table 4.10: Management commitment and non-financial performance of the organization

Extent	Frequency	Percentage
Very Great Extent	33	30.6
Great Extent	43	39.8
Moderate Extent	16	14.8
Little Extent	16	14.8
Total	108	100.0

Source: Research Data, 2017

From the analysis, most of the respondents as shown by 39.8% were of the opinion that management commitment in rebranding process influences the non-financial performance of the organization to a great extent, 30.6% of the respondents indicated very great extent while 14.8% of the respondents indicated moderate extent or little extent. This management commitment in rebranding process influences the non-financial performance of the Kenya Power to great extent.

#### 4.4.3 Statements relating to management commitment in rebranding process

The research sought to establish the respondent's level of agreement on the following statements relating to management commitment in rebranding process. Results are analyzed in Table 4.11.

Table 4.11: Management commitment in rebranding process

Statement					nc
	Z	Minimum	Maximum	Mean	Std. Deviation
The key champion of the rebranding strategy has to	108	3.00	5.00	4.41	0.74
be the leader of the organization					
The rebranding initiative lose momentum when	108	3.00	5.00	4.27	0.77
management have not bought into the rebranding					
initiative					
Rebranding often fails because managers do not	108	2.00	5.00	3.80	0.91
have a clear assessment of desired change for					
current values and existing images					
Management commitment in rebranding strategy	108	4.00	5.00	4.35	0.48
brings on board other employees					
Management commitment in branding process	108	1.00	5.00	3.72	1.30
means adequate resource allocation.					

From the analysis, majority of the respondents agreed that the key champion of the rebranding strategy has to be the leader of the organization (mean =4.41, std dev = 0.74), management commitment in rebranding strategy brings on board other employees (mean =4.35, std dev = 0.48) and that the rebranding initiative lose momentum when management have not bought into the rebranding initiative (mean =4.27, std dev =0.77). The findings are in line with the research by Hankinson & Lomax, (2006) that leaders need to understand and support the organization's strategic direction and realize the importance of the brand reflecting.

The study also revealed that rebranding often fails because managers do not have a clear assessment of desired change for current values and existing images (mean =3.80) and that management commitment in branding process means adequate resource allocation. (mean 3.72) The findings concur with the study findings by Muzellec, Doogan, & Lambkin, (2013). Top managers must demonstrate that internal brand alignment is high priority through their own commitment to brand goals, values and behavior.

#### 4.5 Advertisement in Rebranding Process

This section investigated on role of advertisement in rebranding process and nonfinancial performance of Kenya Power.

## 4.5.1 Influence of advertisement in rebranding process on non-financial performance of Kenya Power

The research sought to establish whether advertisement in rebranding process influenced the performance of the organization. Results are analyzed in Table 4.12.

Table 4.12: Influence of advertisement in rebranding process on non-financial performance of Kenya Power

Opinion	Frequency	Percentage
Yes	87	80.6
No	21	19.4
Total	108	100.0

Source: Research Data, 2017

From the results, majority of the respondents (80.6%) were of the opinion that advertisement in rebranding process influenced the non-financial performance of the organization while 19.4% was of the contrary opinion. This implies that advertisement in rebranding process influenced the non-financial performance of Kenya Power.

## 4.5.2 Extent to which advertisement in rebranding process influence the performance of the organization

The study sought to establish the extent to which advertisement in rebranding process influence the non-financial performance of the organization. Results are analyzed in Table 4.13

Table 4.13: Extent to which advertisement in rebranding process influence the performance of the organization

Extent	Frequency	Percentage		
Very Great Extent	44	40.7		
Great Extent	43	39.8		
Moderate Extent	9	8.3		
Little Extent	12	11.1		
Total	108	100.0		

Source: Research Data, 2017

From the analysis, most of the respondents as shown by 40.7% believed advertisement in rebranding process influences the non-financial performance of the organization to a very great extent, 39.8% of the respondents indicated great extent, 11.1% of the respondents indicated little extent, while 11.1% of the respondents indicated moderate extent. This implies that advertisement in rebranding process influences the non-financial performance of the Kenya Power to great extent

#### 4.5.3 Statements Relating to Advertisement in Rebranding Process

The research sought to establish the respondent's level of agreement on the following statements relating to advertisement in rebranding process. Results are analyzed in Table 4.14.

**Table 4.14: Advertisement in rebranding process** 

Statements	Z	Minimum	Maximum	Mean	Std. Deviation
Vibrant advertisement enhances rebranding	108	2.00	5.00	4.25	0.90
process success					
Advertising accelerates and quantitatively	108	3.00	5.00	4.31	0.72
increase info transfer from producer to					
consumer					
Business corporations use corporate	108	2.0	5.0	3.79	0.75
advertising to enhance the image					
Accurate and appropriate research is an	108	4.00	5.00	4.36	0.48
absolute necessity for a successful rebrand					
Advertising can be advantageous when	108	1.00	5.00	3.88	1.11
trying to change attitudes					

Source: Research Data, 2017

From the analysis, majority of the respondents agreed that accurate and appropriate research is an absolute necessity for a successful rebrand (mean =4.36, std dev =0.48) advertising accelerates and quantitatively increase info transfer from producer to consumer (mean = 4.31, std dev =0.72) and that vibrant advertisement enhances rebranding process success (mean = 4.25 std dev =0.90). The findings are in line with the research by Sudar & Keller; 2011) that advertising reduces the distance between the producer and the consumer, adding that advertising makes it easier for buyers/consumers to make an alternative choice, obtain information on new products or improved quality of products and it also improves selective demand.

The study also revealed that advertising can be advantageous when trying to change attitudes (mean = 3.88, std dev =1.11) and that Business corporations use corporate advertising to enhance the image (mean = 3.79). The findings concur with the study findings by Meler, (2005) that Business corporations should use corporate advertising

to enhance the image of the whole organization, to influence social values or to establish a connection between the corporation/brand and an already established positive value

#### 4.6 Operations of Kenya Power

#### 4.6.1 Quality of service of Kenya Power

Respondents were requested to rate the quality of service at Kenya Power. Results are analyzed in Table 4.15.

Table 4.15: Quality of service of Kenya Power

	Frequency	Percentage	
Excellent	38	35.2	
Good	43	39.8	
Average	27	25.0	
Total	108	100.0	

Source: Research Data, 2017

From the analysis, most of the respondents (39.8%) indicated that the quality of service at Kenya power was good, 35.2% of the respondents indicated excellent while 25.0% of the respondents indicated average. This implies that the quality of service at Kenya Power was good after rebranding process

# 4.6.2 Trend with Customer Satisfaction in the Kenya Power Operations after Rebranding

The research investigated the trend with customer satisfaction in the Kenya Power operations after rebranding. Results are analyzed in Table: 4.16.

Table 4.16: Trend with Customer Satisfaction in the Kenya Power Operations after Rebranding

	Frequency	Percentage
Excellent	54	50.0
Good	32	29.6
Average	22	20.4
Total	108	100.0

Source: Research Data, 2017

From most of the respondents (50.0%) indicated that customer satisfaction was with Kenya Power operations was excellent since rebranding process was i initiated. 29.6% of the respondents indicated that customer satisfaction was generally good whereas 20.4% the respondents indicated average. this implies that customer satisfaction with Kenya Power operations had increased since rebranding.

### 4.6.3 Employee Level of Satisfaction in the Organizations Rebranding Process

The study sought to determine the level of employee satisfaction in the rebranding process. Results are analyzed in Table 4.17.

Table 4.17: Employee Level of Satisfaction in the Organizations Rebranding Process

	Frequency	Percentage
Very satisfied	70	64.8
Moderately satisfied	27	25.0
Little Satisfied	11	10.2
Total	108	100.0

Source: Research Data, 2017

From the research findings majority of the respondents (64.8%) indicated that they were very satisfied, 25.0% indicated that they were moderately satisfied while 10.2% of the respondents indicated that they were little satisfied. Generally, the results show that Kenya Power employees were fairly satisfied with organizations' rebranding Responders were requested to rate the following aspects of non-financial performance. Results are analyzed in Table 4.18

**Table 4.18: Non-financial performance** 

Statements	Z	Minimum	Maximum	Mean	Deviation	
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108	2.00	5.00	4.14	0.10
108	3.00	5.00	4.00	0.12
108	2.0	5.00	3.99	0.15
108	4.00	5.00	4.06	0.28
108	1.00	5.00	3.78	0.11
108	3.00	5.00	4.11	0.12
	108 108 108 108	108     3.00       108     2.0       108     4.00       108     1.00	108     3.00     5.00       108     2.0     5.00       108     4.00     5.00       108     1.00     5.00	108     3.00     5.00     4.00       108     2.0     5.00     3.99       108     4.00     5.00     4.06       108     1.00     5.00     3.78

Statements	Z	Minimum	Maximum	Mean	Std. Deviation
Customer satisfaction					
Our customers are satisfied with the services, products and the way they are treated at Kenya power	108	2.00	5.00	4.14	0.10
The customers continually transact business with Kenya Power	108	3.00	5.00	4.00	0.12
We are always getting referrals by customers for our products and services	108	2.0	5.00	3.99	0.15
<b>Employee satisfaction</b>					
Employees at Kenya Power are adequately motivated	108	4.00	5.00	4.06	0.28
Employees with outstanding performances are rewarded	108	1.00	5.00	3.78	0.11
Employees are satisfied with the current salary schemes	108	3.00	5.00	4.11	0.12
At Kenya Power employee achieve their	108	2.00	5.00	4.17	0.18

goals with enthusiasm					
Service quality					
Staff at Kenya Power understand customers' needs and problems	108	2.00	5.00	4.21	0.25
Kenya Power products and services are innovative	108	3.00	5.00	3.97	0.31
The statements and bills are error free and timely	108	2.00	5.00	4.09	0.49
Services are prompt and uninterrupted supply	108	1.00	5.00	4.23	0.33
Kenya Power staff respond honestly to my queries	108	3.00	5.00	4.00	0.42

Source: Research Data, 2017

From the analysis, regarding customer satisfaction, majority of the respondents were in agreement with the statement that customers are satisfied with the services, products and the way they are treated at Kenya power as shown by a mean score of 4.14; that the customers continually transact business with Kenya power as shown by a mean score of 4.00 and that Kenya Power is always getting referrals by customers for the products and services as shown by a mean score of 3.99.

On employee satisfaction, most of employees were in agreement with the statement that at Kenya Power employee achieve their goals with enthusiasm as indicated by a mean score of 4.17 and that employees are satisfied with the current salary schemes as indicated by a mean score of 4.11. They were also in agreement with the statements that that employees at Kenya Power are adequately motivated as indicated by a mean score of 4.06 and that; employees with outstanding performances are rewarded as indicated by a mean score of 3.78.

Further, regarding service quality the respondents were in agreement with the statements that staff at Kenya Power understand customers' needs and problems as shown by a mean score of 4.21, that services are prompt and uninterrupted supply as shown by a mean score of 4.23 and that the statements and bills are error free and timely as shown by a mean score of 4.09. Further, the respondents were in agreement with the statement that Kenya Power staff responds honestly to my queries as shown by a mean score of 4.00 and that Kenya Power products and services are innovative as shown by a mean score of 3.97.

#### 4.7 Summary of the Regression Results

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 21.0) to code, enter and compute the measurements of the multiple regressions

**Table 4.19: Model Summary** 

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate								
1	.930 <sup>a</sup>	.864	.860	.79493								
a. Predictors:	a. Predictors: (Constant), X1, X2, X3,											

R-Squared is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability. The adjusted R<sup>2</sup>, also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables 86% of the changes in the non-financial performance of Kenya Power could be attributed to the combined effect of the predictor variables (employees' participation in the rebranding process, management commitment in the rebranding process, and advertisement in the rebranding process).

Table 4.20: ANOVA<sup>a</sup>

Model	Sum of	df	Mean	F	Sig.
	Squares		Square		

	Regression	417.471	3	139.157	220.214	.000 <sup>b</sup>
1	Residual	65.719	104	.632		
	Total	483.190	107			

The probability value of 0.000 indicates that the regression relationship was highly significant in predicting how independent variables (employees' participation in the rebranding process, management commitment in the rebranding process, and advertisement in the rebranding process) influenced the non-financial performance of Kenya Power. The F calculated at 5% level of significance was 220.214since F calculated is greater than the F critical (value = 3.59), this shows that the overall model was significant

Table 4.21: Coefficients<sup>a</sup>

Model	Unsta	andardized	Standardized	t	Sig.					
	Coe	efficients	Coefficients							
	В	Std. Error	Beta							
(Constant)	.731	.356		2.054	.042					
Employee's participation $(X_1)$	.802	.069	.494	11.711	.000					
Management commitment $(X_2)$	.852	.094	.383	9.023	.000					
Advertisement (X <sub>3</sub> )	.580	.085	.289	6.810	.000					
a. Dependent Variable: Y Non- financial performance of Kenya Power										

As per the SPSS generated table above, the equation  $(Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon)$  becomes:

 $Y = 0.731 + 0.802X_1 + -0.852X_2 + 0.580X_3$ 

The regression equation above has established that failure to account for employees' participation, management commitment, and advertisement in the rebranding process, the non-financial performance of Kenya Power a stand at negative - 0.731. The regression results also show that a unit increase in employees' participation in the rebranding process, would consequently result to an increase in non-financial performance of Kenya Power by a factor of 0.802, a unit increase in management

commitment in the rebranding process would positively promote the non-financial performance of Kenya Power by a factor of 0.852 and vice versa and that a unit increase in advertisement will increase the non-financial performance of Kenya Power by a factor of 0.580 and vice versa

The analysis was undertaken at 5% significance level. The criteria for comparing whether the predictor variables were significant in the model was through comparing the obtained probability value and  $\alpha = 0.05$ . If the probability value was less than  $\alpha$ , then the predictor variable was significant otherwise it wasn't. All the predictor variables were significant in the model as their probability values were less than  $\alpha = 0.05$ .

**4.8 Test Hypothesis**The following three hypotheses were tested by the study;

Hypothesis	$\beta$ , P-value	Percentage
H <sub>o</sub> : $\beta_i$ =0: Employees' participation		
in the rebranding process has no	$\beta_1 = 0.802$ ,	
effect on non- financial performance	p=0.000<0.05	Reject null hypothesis
of Kenya Power		
H <sub>o</sub> : $\beta_i = 0$ : Management commitment		
in the rebranding process has no	$\beta_2 = 0.852,$	
effect on non- financial performance	p=0.000<0.05	Reject null hypothesis
of Kenya Power		
H <sub>o</sub> : $\beta_i$ =0: Advertisement of the		
rebranding process has no effect on	$\beta_3 = 0.580,$	
non- financial performance of Kenya	p=0.000<0.05	Reject null hypothesis
Power		
Total	108	100.0

From the above findings, the null hypothesis one, which stated that employees' participation in the rebranding process has no effect on non-financial performance of

Kenya Power, is rejected. The implication is that there exists a significant positive relationship between Non- financial performance of Kenya Power and employees' participation in the rebranding process. In addition, the null hypothesis two, which stated that management commitment in the rebranding process has no effect on non-financial performance of Kenya Power, is rejected. The implication is that there exists a significant positive relationship between Non- financial performance of Kenya Power and management commitment in the rebranding process. Moreover, the null hypothesis three, which stated that advertisements in the rebranding process has no effect on non- financial performance of Kenya Power, is rejected. The implication is that there exists a significant positive relationship between Non- financial performance of Kenya Power and advertisements in the rebranding process.

#### 4.9 Discussion Of The Findings

The study results reveled all the study variables (employees' participation in the rebranding process, management commitment in the rebranding process, and advertisement in the rebranding process) have significant influence on non-financial performance of Kenya Power. The study established that rebranding process on Kenya power has enhanced customer satisfaction, employee satisfaction and service quality. The study indicates that, after rebranding, these aspects of nonfinancial performance had greatly improved.

In line with the first objective, the study revealed that employee's participation in rebranding process and non-financial performance of Kenya Power. Prediction results obtained from the regression model, show that a positive significant relationship between employee's participation in rebranding process and non-financial performance of the Kenya Power. The findings concur with the study findings by Fullerton & Wempe, (2009) who found out those participatory measures

such as team working and high-involvement work practices demonstrate improvements in performance.

Results obtained also re- affirm that that employee's participation in rebranding process influenced the non-financial performance of Kenya Power to great extent. Further, the research noted that employee participation in rebranding decision making process makes employees to own-up the ideas leading to more success (mean = 4.30), It is necessary to have Kenya Power employees on board before launching the rebrand to the public (mean = 4.12) and that participation helps Kenya Power employees to identify themselves with their organization (mean = 4.04). The findings are in line with the research by Both Gotsi and Andriopoulos (2007) and Stuart (2012) mention the importance of engaging employees as part of the corporate rebranding process.

The research also revealed that ideal corporate rebranding process enables employees to continue their identification with the organization (mean = 4.03), employees that are not prepared for a rebranding launch will be more vulnerable to any negative publicity that may follow (mean = 3.96) and that employee's participation in rebranding process reduces employees' feelings of uncertainty and threats (mean = 3.75). The findings concur with the study findings by Van Dick (2009) found that employees' identification with the company and the changes the company makes results in productivity and consequently organizational performance.

In line with the second objective, the research found a significant positive relationship between management commitments in rebranding process and non-financial performance of Kenya Power, the same inferential statistics depict that a unit increase in management commitment in the rebranding process would positively promote the non- financial performance of Kenya Power by a factor of 0.852. The finding is in line with Goal setting theory which presumes that individual should be encouraged to set long-range goals and get encouraged to pursue the same goal for better performance.

Results obtained from descriptive statistic show that management commitment in rebranding process influences the non-financial performance of the Kenya Power to great extent, the key champion of the rebranding strategy has to be the leader of the organization (mean = 4.41), management commitment in rebranding strategy brings on board other employees (mean = 4.35) and that the rebranding initiative lose momentum when management have not bought into the rebranding initiative (mean = 4.27). The findings are in line with the research by Hankinson & Lomax, (2006) that leaders need to understand and support the organization's strategic direction and realize the importance of the brand reflecting.

The study also revealed that rebranding often fails because managers do not have a clear assessment of desired change for current values and existing images (mean =3.80) and that management commitment in branding process means adequate resource allocation (mean = 3.72). The findings concur with the study findings by Muzellec, Doogan, & Lambkin, (2013). Top managers must demonstrate that internal brand alignment is high priority through their own commitment to brand goals, values and behavior

In line with the third objective that investigated the impact of advertisement in rebranding process on non-financial performance of Kenya Power. The study revealed that a unit increase in advertisement would result to an increase in non-financial performance of Kenya Power by a factor of 0.580, the findings support the

findings by Banker and Mashruwala, (2007) who found strong positive relationship between advertisement process and organization's non-financial performance.

Descriptive results also reaffirm that advertisement in rebranding process influenced the non-financial performance of the Kenya Power to great extent, accurate and appropriate research is an absolute necessity for a successful rebrand (mean = 4.36) advertising accelerates and quantitatively increase info transfer from producer to consumer (mean = 4.31) and that vibrant advertisement enhances rebranding process success (mean = 4.25). The findings are in line with the research by Sudar & Keller; 2011) that advertising reduces the distance between the producer and the consumer, adding that advertising makes it easier for buyers/consumers to make an alternative choice, obtain information on new products or improved quality of products and it also improves selective demand.

The study also revealed that advertising can be advantageous when trying to change attitudes (mean = 3.88) and that business corporations use corporate advertising to enhance the image (mean = 3.79). The findings concur with the study findings by Meler, (2005) that Business corporations should use corporate advertising to enhance the image of the whole organization, in order to influence social values or to establish a connection between the corporation/brand and an already established positive value.

#### **CHAPTER FIVE**

#### **DISCUSSIONS**

This chapter gives a summary of the study's findings and the conclusion from the provided findings and the recommendations made. The recommendation and conclusions reached were mainly focused in meeting the study's objectives. The researcher had sought to examine the relationship between corporate rebranding strategy process and non-financial performance of Kenya Power.

#### 5.1 Summary Of the Findings

In line with the first objective, the study investigated the relationship between employee's participation in rebranding process and non-financial performance of Kenya Power. Prediction results obtained from the regression model, show that a positive significant relationship between employee's participation in rebranding process and non-financial performance of the Kenya Power.

Descriptive results obtained also re- affirm that that employee's participation in rebranding process influenced the non-financial performance of Kenya Power to great extent. Further, the research noted that employee participation in rebranding decision making process makes employees to own-up the ideas leading to more success, It is necessary to have Kenya Power employees on board before launching the rebrand to the public and that participation helps Kenya Power employees to identify themselves with their organization. The research also revealed that ideal corporate rebranding process enables employees to continue their identification with the organization, employees that are not prepared for a rebranding launch will be more vulnerable to any negative publicity that may follow and that employees' participation in rebranding process reduces employees' feelings of uncertainty and threats.

In line with the second objective, the research found a significant positive relationship between management commitments in rebranding process and non-financial performance of Kenya Power, the same inferential statistics depict that a unit increase in management commitment in the rebranding process would positively promote the non-financial performance of Kenya Power. The finding is in line with Goal setting theory which presumes that individual should be encouraged to set long-range goals and get encouraged to pursue the same goal for better performance.

Results obtained from descriptive statistic show that management commitment in rebranding process influences the non-financial performance of the Kenya Power to great extent, the key champion of the rebranding strategy should be the leader of the organization, management commitment in rebranding strategy brings on board other employees and that the rebranding initiative lose momentum when management have not bought into the rebranding initiative. Leaders need to understand and support the organization's strategic direction and realize the importance of the brand reflecting. The study also revealed that rebranding often fails because managers do not have a clear assessment of desired change for current values and existing images and that management commitment in branding process means adequate resource allocation. Top managers must demonstrate that internal brand alignment is high priority through their own commitment to brand goals, values and behavior

In line with the third objective that investigated the impact of advertisement in rebranding process on non- financial performance of Kenya Power. The study revealed that a unit increase in advertisement would result to an increase in non-financial performance of Kenya Power. Meaning there exist a strong positive relationship between advertisement process and organization's non-financial performance.

Descriptive results also reaffirm that advertisement in rebranding process influenced the non-financial performance of the Kenya Power to great extent, accurate and appropriate research is an absolute necessity for a successful rebrand, advertising accelerates and quantitatively increase info transfer from producer to consumer and that vibrant advertisement enhances rebranding process success. Advertising reduces the distance between the producer and the consumer, adding that advertising makes it easier for buyers/consumers to make an alternative, obtain information on new products or improved quality of products and it also improves selective demand.

The study also revealed that advertising can be advantageous when trying to change attitudes and that business corporations use corporate advertising to enhance the image. Business corporations should use corporate advertising to enhance the image of the whole organization, to influence social values or to establish a connection between the corporation/brand and an already established positive value.

#### **5.2 Conclusions**

Based on the study findings, the study concludes the realization of non-financial performance at Kenya Power is directly hinged on the organizations way the rebranding process is implemented. Employee participation in intervention processes is crucial in what appears to be an important association with perceived changes in procedures and, therefore, in intervention outcomes.

The study concludes that realization of non-financial performance at Kenya Power relies on the ability of the company's top management staff commits themselves to successfully lead different teams and help them buy-in into the common goal (rebranding process). The study further concludes that the extent to which the Kenya Power top leaders can organize the human resources, ideas and financial resources,

will also determine the extent to which quality in non-financial performance is realized.

The study concludes that advertising has a central role to play in developing Kenya Power's brand image, advertising by Kenya Power as it helps to informs consumers of the functional capabilities of the brand while simultaneously imbuing the brand with symbolic values and meanings relevant to the consumer.

#### **5.3 Recommendations**

To ensure the realization of non-financial performance at Kenya Power, the management Kenya Power should show full commitment in all stages of implementation of rebranding process; this will serve as a motivation to the personnel in the lower levels of management and thus increasing the probability of realization of the rebranding set objectives and thus result to non-financial performance

The management of Kenya Power should ensure that junior employees fully understand what their organization's brand represents. Creation of this awareness among employees will help to accelerate the process because the employees act as the ambassadors of the intended change. Further employee participation, needs to be accompanied by perceptions of actual changes in daily work practices if important outcomes such as increases in autonomy and job satisfaction are to occur

Kenya Power should ensure continuous advertisement in the process of change implementation. Designs' linking the expected change and the core values should be carefully incorporated in the company's advertisements to ensure maximum attention is raised from the targeted groups.

#### **5.4 Limitations of the Study.**

While this research offers insights into the effects of rebranding dimensions on consumer satisfaction on non-financial performance, this work is not without limitations. Firstly, the sample size was limited due to time and cost constraints but this weakness was remedied by thorough literature review to compensate the inadequacy that was caused by data limitations. Secondly, the monopoly of Kenya Power makes it difficult for comparative analysis of how the industry is, in the case or rebranding. The in-depth analysis of various literature on the insights of the concept of rebranding from a variety of industries such as banks and hotels, have clarified significantly on the industry dynamics relating to application of the concept of corporate rebranding.

#### 5.5 Recommendations for Further Studies

The study sought to establish relationship between corporate rebranding strategy process and non- financial performance of Kenya Power. The predictor variables (employees' participation in the rebranding process, management commitment in the rebranding process, and advertisement in the rebranding process) explained on 86% changes in the non- financial performance of Kenya Power. Other variables accounting for the 14 percent should be revealed and their impact investigated as well. Other studies may focus role of sports sponsorship on non-financial performance at state owned corporations.

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**APPENDICES** 

**Appendix I: Letter to The Respondents** 

Dancan Sunguti

Dear Respondent,

**RE: DATA COLLECTION** 

My name is Dancan Sunguti, a Masters student Maseno University. As a requirement,

I am undertaking a study on 'Effects of corporate rebranding strategy process on

the non- financial performance of Kenya Power'. I hereby request you to respond

to questions posed in the questionnaire attached which will enable me to obtain data

for the study. The information obtained here will be treated with utmost

confidentiality and will only be used for academic purposes. Your cooperation will be

highly appreciated.

For further clarification, I can be reached on the phone number: 0727745195

Yours truly,

Dancan Sunguti

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### **Appendix II: Questionnaire**

## Section A: Demographic information, (tick appropriately in the box)

1.	What is your gender?									
	Male	[	]			Female			[	]
2.	What is your age brace	cke	t?							
	Below 25 years	[	]			25 -35 years	[	]		
	36-45 years	[	]			46-55 years	[	]		
	Above 55 years	[	]							
3.	What is your highest	lev	el of	edı	ucati	on?				
	Post graduate			[	]	Graduate			[	]
	Under graduate			[	]	Diploma			[	]
	Secondary			[	]					
4.	How long have you v	vorl	ked i	n K	Ceny	a Power?				
	Less than 1 year			[	]	2 to 5 years			[	]
	5 to 10 years			[	]	More than 10 years			[	]
Section	n B: Corporate Rebr	and	ling	Str	ateg	gy Process in Kenya P	ow	er		
Emplo	oyees Participation in	Re	bra	ndi	ng F	Process				
5.	In your opinion does	em	ploy	ee'	s pa	rticipation in rebrandin	ıg p	roce	ess	influence
	the performance of ye	our	orga	niz	atio	n? (tick appropriately in	n th	ie bo	ox)	
	Yes [ ]			No	)	[ ]				
6.	To what extent does	em	ploy	ee's	s pai	ticipation in rebrandin	g p	roce	ess	influence
	the performance of ye	our	orga	niz	atio	n?				
	Very great extent	[	]	Gı	eat	extent [ ]				
	Moderate extent	[	]	lit	tle e	xtent [ ]				
	No extent	[	]							

7. What is your level of agreement on the following statements relating to employee's participation in rebranding process? (1-Strongly agree, 2-Agree, 3-Moderately agree, 4-Disagree, 5-Strongly disagree)

Statement	1	2	3	4	5
Participation helps employees to identify with their organization					
Employees participation in rebranding decision making process makes employees to own-up the ideas leading to more success					
Ideal corporate rebranding process enables employees to continue their identification with the organization.					
Employees participation in rebranding process reduces employees' feelings of uncertainty and threats					
It is necessary to have employees on board before launching the rebrand to the public					
Employees that are not prepared for a rebranding launch will be more vulnerable to any negative publicity that may follow					

### **Management Commitment in Rebranding Process**

8.	Do you think	manag	gement	commitment in	rebran	din	g proces	s influen	ce the
	performance of	of your	organiz	ation?					
	Yes	[ ]		No		[	]		
9.	To what exter	nt does 1	manage	ment commitme	ent in re	ebra	anding pr	cocess infl	luence
	the performan	ice of yo	our orga	anization?					
	Very great ex	tent	[ ]	Great extent		[	]		

	Moderate extent [ ] Little extent [ ]					
	No extent [ ]					
	10. What is your level of agreement on the following sta	atem	ents	rela	ıting	to
	management commitment in rebranding process? (1-Stro	ngly	agre	ee, 2	-Agr	ee,
	3-Moderately agree, 4-Disagree, 5- Strongly disagree)					
	Statement	1	2	3	4	5
	The key champion of the rebranding strategy has to be the					
	leader of the organization					
	The rebranding initiative lose momentum when management					
	have not bought into the rebranding initiative					
	Rebranding often fails because managers do not have a clear					
	assessment of desired change for current values and existing					
	images					
	Management commitment in rebranding strategy brings on					
	board other employees					
	Management commitment in branding process means					
	adequate resource allocation.					
			•			
Ac	Ivertisement in Rebranding Process					
	11. In your opinion does advertisement in rebranding pr	oces	s in	flueı	nce	the
	performance of your organization?					
	Yes [ ] No [ ]					
	12. To what extent does advertisement in rebranding pr	oces	s in	flueı	nce	the
	performance of your organization?					
	Very great extent [ ] Great extent	Г	1			

	Moderate	extent	[ ]	Little exte	ent	[	]			
	No extent	1	[ ]							
	13. What is	your level o	f agre	eement on the fo	ollowing sta	atem	ents	rela	ting	to
	advertisen	ment in rel	orandii	ng process? (1-	Strongly	agree	e, 2	-Agı	ree,	3-
	Moderatel	ly agree, 4-D	isagre	e, 5- Strongly disa	igree)					
	Statements					1	2	3	4	5
	Vibrant adver	tisement enh	ances	rebranding proces	s success					
	Advertising	accelerates	and q	uantitatively inci	rease info					
	transfer from	producer to o	consun	ner						
	Business corp	porations use	corpo	orate advertising t	to enhance					
	the image									
	Accurate and									
	for a successf									
	Advertising of	can be adva	ntageo	ous when trying	to change					
	attitudes									
Op	erations of K	enya Power								
	14. In general	l, how would	l you 1	rate the quality of	f service of	Ken	ıya F	Powe	r usi	ing
	the follow	ing scale?								
	Poor	[ ]		Average	[ ]					
	Good	[ ]		Excellent	[ ]					
	15. In your op	pinion what i	s the r	ating of customer	satisfaction	n in t	he o	perat	tions	of
	Kenya po	wer since reb	randin	ıg?						
	Poor	[ ]		Average	[ ]					
	Good	[ ]		Excellent	[ ]					
	16. In your o	pinion what	is the	level of employe	e satisfaction	on ir	the	reb	randi	ing
	process?									
	Very satis	fied [ ]		Least Satisfied	[ ]					
				0.0						

Financial Performance after the rebranding process? (	l-Stı	ong	ly aş	gree
Agree, 3-Moderately agree, 4-Disagree, 5- Strongly disagr	ree)			
Statements	1	2	3	4
Customer satisfaction		1	1	1
Our customers are satisfied with the services, products				
and the way they are treated at Kenya Power				
The customers continually transact business with Kenya				
Power				
We are always getting referrals by customers for our				
products and services				
Employee satisfaction		1	I	1
Employees at Kenya Power are adequately motivated				
Employees with outstanding performances are rewarded				
Employees are satisfied with the current salary schemes				
At Kenya Power employee achieve their goals with				
enthusiasm				
Service quality	<u> </u>	1	<u> </u>	1
Staff at Kenya Power understand customers needs and				
problems				
Kenya Power products and services are innovative				
The statements and bills are error free and timely				
Services are prompt and uninterrupted supply				

[ ]

Moderately satisfied [ ] Little Satisfied

Thank you for Participating

#### **Appendix III: Interview Guide**

- 1. Is there any improvement in Kenya power since it changed its name?
- 2. Are you satisfied with the services offered at Kenya power?
- 3. What notable measures are there to ensure customer satisfaction?
- 4. Are you satisfied with Kenya Power's communication methods?
- 5. Are your calls to the customer care number/(s) always answered?
- 6. How satisfied are you with Kenya Power's staff responses to customer complaints and queries?
- 7. Are power interruptions always communicated in advance by Kenya Power?
- 8. Have you experienced power rationing since Kenya power changed its name?
- 9. Is Kenya power's electricity supply Reliable?
- 10. How often do you experience power blackout?
- 11. How fast does Kenya Power restore Power after a power blackout?
- 12. Are you satisfied with the accuracy of your electricity bills?
- 13. Have you noted any new product innovations in Kenya power?
- 14. If a competitor comes into the field would you remain a Kenya Power customer?

**Appendix IV: Sample Size Determination Table** 

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size "S" is sample size.

Source: Kathrin and Pals (1993)

Appendix V: Map of Nairobi



Source: Google Map, 2016