



# Investigating the Role of Employees in Corporate Reputation Management: A Case of Kenya Power and Lighting Company (KPLC)

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**Abstract:** *It is popularly believed that organizations build and manage their reputation. Underlying the success of organizations are employees. A critical question remains unanswered – what the place of employees in building and managing reputation is. This paper presents findings of a study contextualized at Kenya Power and Lighting Company (KPLC). The study took a descriptive case study design in investigating the place of employees in reputation management. The study findings revealed that employees have a place in reputation management but needed crucial information that can be communicated in detail and in frequent manner. At the center of having employees participate in reputation management is to ensure that the employees felt appreciated.*

## 1. INTRODUCTION

Corporate reputation is an entrenched part of corporate communication wherein organizations intentionally seek favorable positioning among their publics. Good standing with the external and internal publics enables all the stakeholders to make meaningful decisions (Ponzi, Fombrun, & Gardberg, 2011). For this reason, a positive corporate reputation influences stakeholders' perception and thinking of the organization hence it is important for every organization to be mindful of its reputation, consequently, the need for corporate reputation management. Kirdar (2012), states that for the effective realization of reputation management, a company should first determine for itself stakeholders and their expectations focused on their positioning. Effective management of reputation demands that the employees are well informed of the stakeholders' expectations, as such expectations form a basis upon which the publics gauge the organization's reputation (Szwajca, 2018).

Walker (2010) states that reputation is strongly related to the perception of both internal and external stakeholders. Hence, managing all stakeholders efficiently is of vital importance to organizations. Managing the needs, interests, and concerns of the stakeholders are at the center of reputation management.

There are attempts to understand the place of employees in reputation management. Finland, Berg, and Blomqvist, (2019) posit that employees may not be decision-makers in the organization, yet they have a significant role in how the organization is perceived – first by the employees, then by other stakeholders. In Africa, a study by Otchere-Ankrah, Tenakwah, and Tenakwah's (2016) revealed that at MTN Ghana limited, when employees are assumed, they become discontented and apathetic, thus affecting organizational output, and further impacting the organization's image and reputation. While MTN is representative of the private sector classification, studies focusing on the public sector have not singled out the place of employees. For instance, Raguseo, Mosconi, and Ferro's study, (2011) looked at the strategic role of reputation management as a lever of public sector innovation.

In the recent past, there has been a focus on public organizations considering that such organizations are designed to offer services to the citizenry of the various jurisdictions. The focus on public organizations is propelled by displeasure among citizens because of poor delivery, mismanagement, and ethical misconduct among other allegations (Wæraas&Byrkjeflot, 2012). The not-so-pleasant image among public organizations calls attention to the way organizational reputations are built and

managed. Several studies have generally problematized reputation management, yet this problematization has heavily relied on the private sector. Of the studies that focus on reputation management, few tend to examine the place of employees in reputation management beyond the prescriptive postulations. Very few studies in the African region have considered as their province, an investigation on what the place employees play in reputation management.

This study was based on the Kenya Power and Lighting Company (KPLC)- a company that possesses and manages the electricity transmission and dissemination process in Kenya. KPLC is a public corporation that was incorporated in 1922 as East African Power & Lighting Company (EAP&L). Subsequently, it adjusted its name to the Kenya Power and Lighting Company Ltd. (KPLC) in 1983 (KPLC, 2021).

## **2. THEORETICAL FRAMEWORK**

The study was guided by the stakeholder theory. The theory's protagonist Edward Freeman argues that the theoretical constructs sprung from the definition of stakeholders as a group of people who support an organization into existence. The survival of the organization is contingent on the good ties between the organization and its stakeholders. Generally, the stakeholder theory focuses on the relationship between a firm and other people in its internal and external environment (Friedman & Miles, 2006). It defines what organizations should do and how they ought to respond to the interests and claims of stakeholders in a proper way. The stakeholder theory focuses on two important aspects: the purpose of the organization and the duty of the leaders; and the duty of leaders to the stakeholders. The purpose of the firm encourages organizational leaders to outline the values they create and share elements that bring their stakeholders together (Freeman, 2010). The duty of leaders to stakeholders pushes them to analyze how they intend to conduct their duties and the kinds of relationships they plan to create alongside their stakeholders to enable them to meet their purpose. Leaders are expected to cultivate relationships that motivate their stakeholders by creating an enabling environment such that everyone tries to give their best to meet the values of the firm. It is by managing these relationships effectively that firms will survive for a long and perform better than firms that do not manage their relationships.

This theory applies to this study since we sought to identify stakeholders who are a key aspect of an organization. The stakeholders in this context were employees who are part of the internal stakeholders of an organization. Looking at stakeholder theory illustrates and states that all members of an organization regardless of their position have and are pivotal in enhancing a positive corporate reputation of an organization. Employees are an important stakeholder group who affect the corporate reputation of an organization (Suher, Bir & Gunes, 2017).

## **3. METHODOLOGY**

The study took a mixed-method approach. Both qualitative and quantitative methods were used taking advantage of the numbers and nuances presented by the different perspectives given by participants in the study. A descriptive case study design allowed the fusion of the approaches that guided how data was collected, measured, and analyzed (Kothari, 2004). An accessible population of 1600 was identified at KPLC. This population is comprised of managerial and non-managerial staff. Stratified random sampling was used to sample the respondents of the study. Stratified random sampling a probability sampling technique was employed in this study to ensure equitable representation of the population randomly represented within the sample. It groups populations into subsets that share similar characteristics hence ensuring subgroups are proportionately represented (Mugenda & Mugenda, 2003). A sample was determined using the formula below:

$n_i = (N_i / N) * n$ . Where:

$n_i$  = sample size per strata

$n$  = total sample size

$N_i$  = population per strata

$N$  = the total population

**Table 1.** *Sample size distribution*

<b>Employee Category</b>	<b>Actual</b>	<b>Sample</b>
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<b>Strategic Managers</b>	50	5
<b>Non-strategic managers</b>	1550	155
<b>Total</b>	<b>1600</b>	<b>160</b>

Quantitative data was collected through questionnaires while qualitative data was gathered through in-depth interviews conducted with five strategic managers. The researchers administered 155 questionnaires to non-strategic managers who were selected using simple random sampling administered through the allocation of random numbers. The questionnaire had closed-ended and open-ended questions designed to meet the objective of locating the place of employees in reputation management.

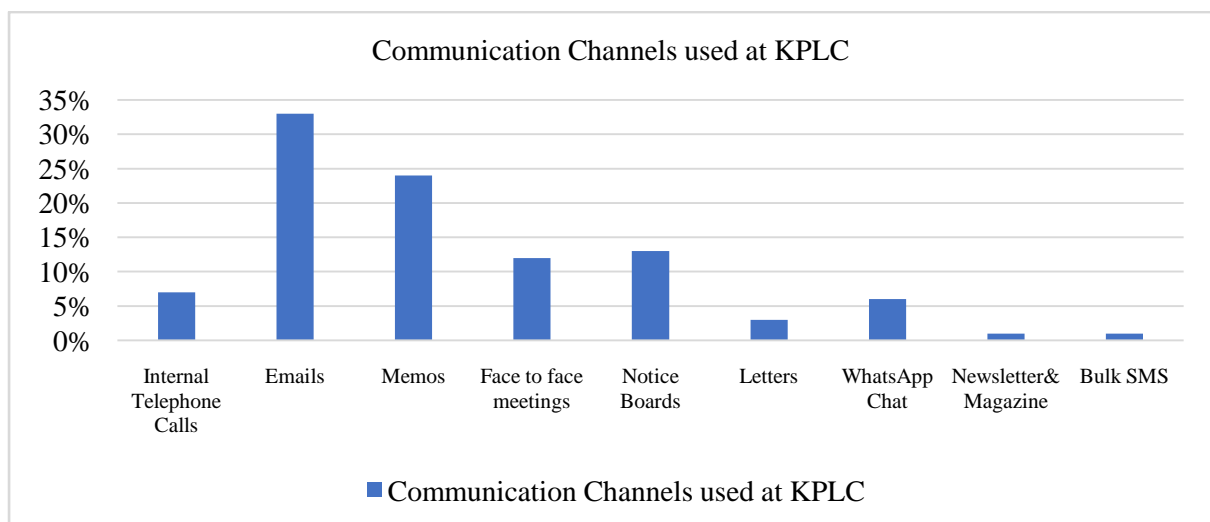
The interview guide comprised a list of questions offering a guide to respond to some of the questions generated from the objectives. Interviews helped the researchers get in-depth information by asking in-depth questions which the interviewer used to direct the attention of the respondent to the most significant area (McBurner, 2001). The interviews were conducted at the KPLC offices of the interviewees and for some at their convenient locations. Participants were selected on the account that they played a crucial role in relaying information about the organization to other employees who in turn relay it to the different publics.

The study made several ethical considerations including seeking authorization from KPLC, Daystar University, the Ethics, and Review Board, and National Council for Science and Technology (NACOSTI). Consent was sought from respondents and participants. Further, confidentiality and anonymity were regarded. Researchers also put in place adequate data management procedures including the use of password-protected folders.

**4. FINDINGS**

Out of 155 questionnaires distributed, 126 were completed and returned – an 81.29% response rate. Almost half of the respondents, 47% opined that communication from KPLC management to staff was not adequate. Another 52% of the respondents thought that the communication was sufficient. Some of the reasons advanced for the inadequacy narrative were linked to information leakage which affects the place of employees in the management of reputation.

The study also tested the views of respondents on the frequency of communication. The modal frequency was around weekly and monthly communication. Communication was advanced through a legion of channels including bulk SMS (1%), newsletter and magazine (1%), WhatsApp (6%), internal telephone calls (7%), face-to-face meetings (12%), notice boards (13%), memos (24%), and emails (33%).



**Figure1.** *Communication Channels used at KPLC*

Largely, reputation management would benefit staff if it were communicated via email as one of the participants noted that

*When you send information by email people tend to take it more seriously and mostly act on the issue at hand as compared to when you send a message or even a telephone call.*

When asked whether as the staff they feel listened to whenever they share information, 17% of the respondents agreed that as the staff they feel listened to wherever they share information. This data indicates that employees are not so much valued and cared for as indicated by the majority of the respondents 45% disagreed with the statement. Data from interviews integrated with quantitative data with the majority of the respondents saying that they don't feel listened to wherever they share information. One participant stated that,

“As employees, we don't feel listened to mainly because anytime we give our ideas regarding the direction the company is going our thoughts are either shut down or taken but never implemented.” This coincided with another participant who stated, “As an employee most of the time I don't feel listened to mainly because at the time one can share an idea on how to solve the continuous organization's crisis, but no action is taken and worse of all you don't get feedback as such currently many employees are shying off from giving out their ideas since they believe nothing will be done”.

Respondents were also asked to rate communication elements at KPLC. The study returned interesting findings. Of the respondents who either strongly agreed or agreed that communication channels were satisfactory 64%, were neutral 22%, while 14% either strongly disagreed or disagrees. Three-quarters of the respondents, 75% opined that the information communicated to them was well understood. In other words, the messages once shared with employees – all spoke to the need to manage reputation. A paltry 10% disagreed with the idea that the messages communicated were understood. How employees are perceived was extremely important to the respondents. In the study, respondents gave a 17% endorsement to the proposition that employees felt listened to when they needed to share information. Slightly above one-third, 36% remained neutral, while 45% of the respondents either strongly disagreed or disagreed with the proposition. Table 2 below presents the data.

**Table2.** *Rating Communication Elements at KPLC*

<b>Communication Element</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
The communication channels used are satisfactory	21%	43%	22%	9%	5%
As an employee, I understand the message communicated to me	39%	36%	15%	5%	5%
Information needed by employees is shared promptly	17%	19%	29%	14%	27%
There is a scarcity of information needed by employees to enable them to execute duties effectively.	29%	12%	25%	22%	12%
Employees feel listened to when they need to share information	5%	12%	36%	21%	24%

When asked whether employees are involved in the management of the organization's reputation, all the respondents agreed that there is a place for employees to participate in reputation management. All that employees require is frequent and adequate communication on what the organization is doing and what the organization expects of them. Of those who strongly agreed or agreed that there exists a scarcity of information needed by employees to enable them to execute duties effectively 41%. A quarter of the respondents remained neutral while the remainder 34% either strongly disagreed or disagreed. More than three-quarters (83%) remained neutral, disagreed, or strongly disagreed that employees felt listened to especially when they needed to share information.

**5. DISCUSSION**

From the findings, the employees mentioned factors that hinder corporate reputation management that needed to be addressed for the organization to build and manage its reputation. Being a public sector organization, one of the key aspects that came out that needs to stop is continuous government and political interference especially in running the organization's affairs. These findings have been supported by Fredriksson and Pallas, (2018) who state that public sector organizations not only have limited autonomy regarding essential aspects of their activities but also live in a state of relative uncertainty.

This study sought to examine mechanisms of having employees participate in corporate reputation management. For employees to be committed to corporate reputation management of the organization, they first need to be committed to the organization. From the findings, KPLC employees lack organizational commitment and hence are not committed to the corporate reputation management of the organization. In addition, not all employees are aware of their impact on the management of the organization's corporate reputation thus need for training and educating employees on corporate reputation management. Watson and Kitchen (2010) state that managing corporate reputation is an integral part of an organization's operations and that better-regarded companies build their reputations by developing practices, which integrate social and economic considerations into their competitive strategies.

The study findings showed the place of continuous communication and feedback from KPLC management. This finding is in tandem with Sadia, Mohd, Kadir, and Sanif (2016) when they aver that to make an employee committed is to simply listen to employees, valuing their contributions and at the same time, valuing them as individuals with unique strengths and needs. Career mobility is important to the staff so that they can link reputation management and what they do.

## **6. CONCLUSION**

This study sought to investigate employees' role in corporate reputation management using the case of Kenya Power and Lighting Company (KPLC) a public sector organization. From the findings, one can conclude that employees play a very important function when it comes to corporate reputation management. Looking at KPLC, not all employees are aware of their influence in corporate reputation management, and it has been left to customer service employees. Further corporate reputation management is being done from the customers' perspective specifically looking at their satisfaction level.

This study also concludes that for an organization to manage its corporate reputation, effective internal communication is necessary. This means organizations should communicate to their employees about the organization's strategic plan. The study established that KPLC used a formal approach to communicate internally with email being the most preferred communication channel. This is mainly because it allows information to be exchanged across all hierarchies and departments. Nevertheless, not all employees were happy with this approach mainly because of its top-down information flow and some felt that the management does not listen to them. Also, coming out as a key challenge in KPLCs' internal communication was the lack of feedback from management hence employees were not able to deliver their services to clients effectively.

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## Investigating the Role of Employees in Corporate Reputation Management: A Case of Kenya Power and Lighting Company (KPLC)

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