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**ENABLING PROMISE DELIVERY: THE INFLUENCE
OF INTERNAL MARKETING COMMUNICATION**

A collective case study within the
New Zealand Retail Electricity Sector

A thesis presented in partial fulfilment
of the requirements for the degree of
Doctor of Business Administration (DBA)
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ABSTRACT

This study explored how organisations in the retail electricity sector in New Zealand communicated their brand promises and associated marketing programmes to internal stakeholders, and with what effect, in order to enable employees to deliver on promises made. On the basis that keeping promises is a valuable marketing and organisational outcome, there is considerable value for organisations to understand the role of communication in informing employees of those promises, and identifying how enabled they are in fulfilling those same promises.

Four New Zealand electricity companies participated in a collective case study that included archival data and semi-structured interviews with senior managers, operational managers, marketing, and human resources personnel. Using a mixed-methods approach, thematic analysis of the interviews and a further review of the literature were used to develop an internal marketing (IM) communication survey. The self-completion questionnaire was distributed electronically to all staff within the retail divisions of each electricity company.

This study makes a contribution to the field of IM by providing empirical evidence of the influence of internal communication in enabling employees to deliver on the organisation's service promises to customers. The research reveals factors that influence channel effectiveness, demonstrates the importance of collegial relationships in organisational feedback, and assesses the significance of values commitment on employee perceptions of their company's ability to deliver on its promises. The findings are presented in an IM communication framework that exemplifies the relationship between the outcomes of IM communication and the extant literature on promise enablement.

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GLOSSARY OF ABBREVIATIONS AND TERMS

Bach	A New Zealand holiday home
B2B	Business to business
CAQDAS	Computer assisted qualitative data analysis software
CRM	Customer relationship management
HR	Human resources
HRM	Human resource management
IIMC	Integrated internal marketing communication
IM	Internal marketing
IMO	Internal market orientation
IRM	Internal relationship marketing
M	Mean
N	Number
NZ	New Zealand
PCA	Principal components analysis
RM	Relationship marketing
SD	Standard deviation
SME	Small medium enterprise
SOE	State owned enterprise
TQM	Total quality management
UK	United Kingdom
USA	United States of America

CHAPTER 1: INTRODUCTION

The ubiquitous nature of marketing pervades our environment, and while marketing professionals appear to be primarily externally focused, there has been increasing attention paid to the influence of internal organisational processes and practices on marketing outcomes. This trend is reflected in the promise management approach to marketing acknowledging the importance of stakeholders other than customers. As one of the most recognised researchers in the field states:

Marketing is a customer focus that permeates organizational functions and processes and is geared towards making promises through value proposition, enabling the fulfilment of individual expectations created by such promises and fulfilling such expectations through assistance to customers' value-generating processes, thereby supporting value creation in the firm's as well as its customers' and other stakeholders' processes (Grönroos, 2006, p. 407).

It is the component of enabling employees to fulfill customer expectations through delivering the brand promise that is the focus of this study, and in particular, the influence of internal communication. However, internal communication may not be the responsibility of the marketing professional who communicates the promise externally, but may instead be managed by human resources or operational functions. As a result, alignment of brand promises communicated externally with the communication required internally may present an organisational challenge. Although marketing professionals generally coordinate the promises made externally, they often have little control over the enabling process internally. As Miles and Mangold (2004) contend, the "task of getting employees to reflect the

organization's brand image and deliver on its promises is a challenge for businesses" (p. 67). Only recently has more attention been paid to the need for marketing to address the internal environment through concepts such as internal marketing and internal branding (Devasagayam, Buff, Auranad, & Judson, 2010); therefore, these concepts present an underdeveloped area of theory and practice.

1.1 PURPOSE

As keeping promises is a valuable marketing and organisational outcome, the purpose of this study is to first explore how organisations communicate their customer promises to employees. Second, the research aims to understand how employees *experience* that communication both in terms of effectiveness and outcomes, and lastly to determine what influence IM communication has on the level to which employees believe their company delivers on promises made. The study is founded on the concept of promise management, including enablement of employees to deliver on those promises (Bitner, 1995; Little, Motion, Brodie, & Brookes, 2006). Particular focus is placed on the role of communication as a component of promise enablement. In so doing, the study references the IM concept, which has been noted by Bitner as a method for enabling employees to deliver on promises made.

IM communication has been referred to within the literature as promotion (for example, Ahmed & Rafiq, 2002), that can be used to "inform and persuade" employees to adopt the "values, attitudes and behaviours" required to effectively implement marketing plans (Piercy & Morgan, 1991, p. 85). However, while keeping promises may be considered important for satisfying customers and building ongoing profitable relationships with those same customers, questions remain about how

organisations manage their marketing communication internally to gain and keep customers by making and keeping brand promises (Ahmed & Rafiq, 2003).

Some organisations deliberately use external communication such as advertising as a strategy to communicate expectations to employees, with the hope that if employees understand those expectations they will deliver on the brand promises (referred to by Cheney, Christensen, Zorn, & Ganesh, 2011, p. 132 as "auto-communication"). However, the risk is that where customer expectations are set and not delivered on, the organisation may end up "reducing perceptions of quality, destroying trust, and decreasing customer loyalty" (Bitner, 1995, p. 248).

The importance of communication as a component of IM is widely noted (Ahmed & Rafiq, 2003; Ballantyne, 2000; Berry, 1987; Berry & Parasuraman, 1991; Foreman & Money, 1995; George, 1990; Lings, 2004; Lings, Beatson, & Gudergan, 2008; Lings & Greenley, 2005; Tansuhaj, Randall, & McCullough, 1988; Tansuhaj, Wong, & McCullough, 1987; Varey, 1995; Wasner & Brunner, 1991). However, there appears to be a paucity of knowledge in the literature about *how* internal communication as an element of IM is utilised to contribute to keeping promises made.

As discussed earlier, communication has been referred to in vague terms as promotion (Ahmed & Rafiq, 2002); however, there appears to be an empirical gap in the IM literature related to what communication (or promotional) tools are most effective and for what strategic or organisational purpose. This gap is acknowledged by Ahmed and Rafiq (2003) in their commentary on IM issues and challenges, where they state the need for research on "internal communication strategies" and importantly on "how inter-functional co-ordination can be achieved" (p. 1177). Therefore, while previous researchers note the importance of IM communication,

there appears to be a need for further empirical research on the process of *how* IM communication is operationalised, and how it might be measured.

This study aims to contribute further understanding to the practical issues of how marketing communication is directed at employees, and with what effect. In so doing, this research responds to calls for considering a relational approach to IM (Ahmed & Rafiq, 2003; Ballantyne, 2003; Herington, Johnson, & Scott, 2006). Overall, this study straddles the boundaries of the marketing, human resources, and communication disciplines to make a contribution to the practice and theory of IM communication.

1.2 SCOPE AND RATIONALE

Perhaps it should not be surprising that the role of IM communication does not appear to be well researched or understood, as according to Ahmed and Rafiq (2003), there appears to be little empirical evidence as to how the broader concept of IM is implemented, what role it plays in an organisation's strategy, and ultimately, what influence it has on performance. The paucity of evidence on how IM is implemented may also be influenced by the apparent lack of agreement on a definition for IM (Ahmed & Rafiq, 2002; Ballantyne, 2000; Gounaris, 2006, 2008a; Lings & Greenley, 2005; Mitchell, 2002; Papasolomou-Doukakis & Kitchen, 2004; Rafiq & Ahmed, 2000).

How IM is practised is an important organisational issue as there are financial implications to ensuring maximum value is achieved from the investment made in creating and communicating brand promises. For example, in 2009, New Zealand advertisers spent approximately \$2.6 billion (at rate card value) on advertising (*Top advertisers survey*, 2009), and that does not include expenditure on public relations,

sponsorship (other than advertising of sponsorship), point of sale material or other marketing communication. Furthermore, according to consulting firm, Watson Wyatt Worldwide, “A significant improvement in communication effectiveness is associated with a 29.5% increase in market value”¹ of firms studied (*Connecting organizational communication to financial performance: 2003/2004 communication ROI study*, 2003, p. 1). Therefore, further empirical studies on IM communication practices should provide greater insight into those practices that may be most influential to improving communication effectiveness.

There is a view that “the real competitive advantage of the firm lies not in the uniqueness of its products (as these can easily be cloned by competitors) but in the uniqueness of what constitutes satisfaction for the customers of the firm” (Saren & Tzokas, 1998, p. 194). Therefore, where employees contribute to delivery of promises made, the earlier sentiment that “employee performance, not technological advances, will continue to be the salient factor determining the success of a service enterprise” (Sasser & Arbeit, 1976, p. 64), appears to remain true in the 21st century. Furthermore, as it is suggested that “service work is primarily about communication” (Sayers & Barney, 2003, p. 12), in service organisations in particular, it appears that effective communication is critical to aligning employee understanding and behaviour to marketing outcomes. For this reason, this research project aims to offer both a practitioner contribution and a theoretical contribution.

The IM and promise management literature both provide a foundation for this study; however, the focus is on IM communication and its influence in enabling employees to deliver on customer promises. In so doing, promises made by

¹ Measured as Tobins Q which is the ratio of the market value of a company's stock with the value of a company's equity book value.

organisations are referred to, however, it is important to note that there is no attempt to determine how those promises were made, nor measure their effectiveness in this study. The approaches to IM implementation are limited to those aspects considered integral to the internal communication process.

1.3 INDUSTRY CONTEXT

To explore the influence of IM communication on enabling delivery of promises, four companies within the New Zealand Electricity industry are used as a collective case study, an approach appropriate to the exploratory nature of this research. The following section provides a contextual overview to the New Zealand retail electricity sector, that informed the selection process for the collective case study. Further detail is available in Chapter 4.

Historically, the electricity companies in New Zealand were all government-owned organisations. However, as was the case in many other countries (Hartman & Ibanez, 2007), the New Zealand retail electricity sector had been undergoing change since the mid-1980s. The industry was corporatised in 1992 (Hooks, Coy, & Davey, 2001) as part of the reforms New Zealand undertook to improve efficiency in response to the global downturn. The major retail electricity providers are now either publicly listed companies or State Owned Enterprises (SOE's).² The primary reasons for corporatisation of the market were to address inefficiency and lack of customer choice. For example, the goals resulting from the review were to “separate operational from other functions, and to improve commercial performance and

² SOE's were previously government departments or agencies that have been corporatised. They are governed by the State Owned Enterprises Act 1986, and profits are returned to the New Zealand government.

introduce commercial disciplines for trading activities” (*Chronology of New Zealand electricity reform*, 2005, p. 1).

Deregulation of energy markets to provide customers with a choice of provider meant previously monopolistic organisations were required to develop a focus on customer loyalty. As a result, companies perceived a need to place stronger emphasis on associated services, other than price, in order to add value to the service. Furthermore, retail electricity brands became more developed to reflect their proposition to customers in order to attract market share. For example, Mercury Energy was developed as a brand, rather than retaining the more old-fashioned name of the Auckland Electric Power Board (*AECT History*, 2009). This was important, as customers were no longer regulated to stay with their existing retail electricity provider. They had a choice. Therefore, branding was considered important to reflect the new emphasis on the quality and types of service provided by the retail electricity provider.

The electricity market in New Zealand operates within a specific industry framework shown in Figure 1 below:

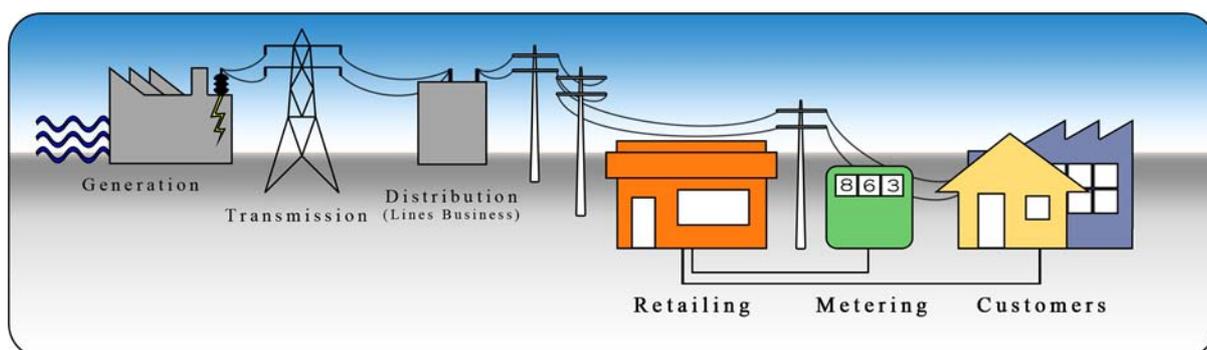


Figure 1: Overview to the New Zealand electricity industry structure

The industry is made up of four sectors: generation (the companies that generate electricity from hydro power, geothermal energy, gas, or coal), transmission

(the major lines provider which carries the electricity throughout New Zealand), distribution (the companies that own the lines that carry electricity from the transmission provider to local homes and businesses) and retail (the companies that sell electricity to homes and businesses and bill them for their usage) (*Layman's guide to the New Zealand electricity industry*, 2000). In essence, the retail electricity company buys wholesale electricity from a generator based on anticipated usage, sells that electricity to businesses and domestic consumers, and provides a billing service. Usage is determined by the on-site meters, which measure the electricity usage drawn by the home or business. Meters are predominately owned by either the retail electricity company or the distribution company, often referred to as the 'lines' company because they are responsible for the lines infrastructure that goes from the transmission provider to the house or business.

From a customer communication perspective, electricity customer accounts can be either fully managed by the retail electricity provider, or there may be a split of functionality between the retailer and the distributor, referred to as either a "conveyance", or an "interposed" customer model (Vector, 2009). These differing models are confusing to consumers as when there is a fault they rarely know whether to call their retail electricity company or their distribution lines company. Therefore, the customer model used may have some influence on the service perceptions of customers when dealing with a line fault. It is important to note, the consumer does not have any choice of transmission provider. Nor do they have a choice of distributor, as distribution is dictated by ownership of the power lines.

Despite the customer model differences, which are largely driven by the distribution companies, the resulting electricity product is generic. However, associated services and quality of service may vary between retail electricity

providers due to their systems and people. It is because of the standardised nature of the product of electricity that any service differentiation may be considered associated to brand communication, the billing service, and the interaction of customers with employees. Therefore, on the basis that electricity may be considered a commodity, it could be argued that the rationale for selecting one retail electricity provider over another is either purely a price-driven rationalisation, or has more to do with the brand image and associated service promises made by those companies. As a result, despite electricity in the home providing many benefits, it may be difficult for a consumer to determine which company provides the best retail electricity service unless they had experience of that same service.

Because of the lack of product differentiation, it is possible that the quality of service will influence customers' decisions to join or leave a particular retail electricity provider. However, like other commodity products, the level of switching behaviour also demonstrates some price sensitivity. For example, in the first half of 2010, "168,000 power customers switched companies" (Weir, 2010), comprising nearly 15% of New Zealand households (National family and household projections, 2008). Therefore, unless buying decisions are purely price based, which does not appear to be the case where only 15% of customers have changed retail electricity companies in what has been a very difficult economic climate, then the benefits associated with a particular brand are potentially founded on the services offered, and perceptions of the retail electricity brand (although it is recognised that further research would be required to confirm the reasons for switching providers). On the other hand, a study of Spanish energy suppliers identified that process service quality associated with the behaviour of employees was found to be important to customer satisfaction (Ibanez, Hartman, & Calvo, 2006). Service was found to be important in

creating more favourable perceptions of companies. Therefore, as indicated by Saren and Tzokas (1998) and Ibanez et al. (2006) the behaviour of employees in creating these impressions may contribute to a reduction in switching behaviour, which is important.

The rationale for using a collective case made up of employees in the New Zealand retail electricity sector is because of the relatively commoditised nature of the product (see Appendix 6, p. 223 for industry feedback on the nature of electricity as a commodity). The similarity of the generic product means there is a stronger requirement to add value to the customer experience based on other factors. For example, if a company's brand promise is focused on service, employees' understanding of promises made and their 'buy in' to those promises may have a strong influence on service quality. Therefore, the company's ability to ensure employees are enabled to deliver on promises made is critical.

1.4 ANALYSIS

This study combines qualitative and quantitative research to explore the influences of IM communication on enablement of employees to deliver their company's brand promises. As this was an exploratory study, an inductive approach was used, employing mixed-methods to collect and analyse the data in this case.

Results from the qualitative analysis of the staff interviews in Phase 1 of the research were used to inform the development of Phase 2 of the study, which incorporated an employee survey. The results were combined to illustrate and clarify the findings from the research questions that drove this study.

1.5 RESEARCH QUESTIONS

1. How do companies in the New Zealand electricity industry communicate with their employees about marketing programmes and brand promises?

This research question was designed to explore the methods of communication being used by each company to communicate marketing related strategies and associated information to employees. In effect, *how* the company's brand promises and related marketing information were communicated to employees.

2. How effective do employees find their company's IM communication practices?

How marketing information is communicated is the first step; however, it fails to inform *how effective* that communication is perceived to be by employees. Therefore, an integral link in the communication process, this research question explores the perceived effectiveness of the IM communication methods used by the subject companies.

3. What outcomes resulted from employee experiences of their company's internal marketing communication?

Given the importance of the need for employees to deliver brand promises effectively, this research question addresses the outcomes that resulted from employee experiences of their company's IM communication.

4. What influence do employee IM communication experiences have on *enabling* them to deliver on brand promises?

In contrast to earlier research, this question focuses on evaluating what influence the outcomes from the companies IM communication may have on facilitating the delivery of their promises. And finally,

5. Do employees in the New Zealand retail electricity industry perceive customers can trust their company to deliver on their marketing promises?

As an integral component in the communication process, this research question explored a proxy for whether or not brand promises were delivered upon; as employee perceptions have been identified as a reliable indicator of customers' service perceptions (Schneider & Bowen, 1985).

1.6 ORGANISATION OF THESIS

To address these research questions, the following chapter establishes the theoretical background, discussing the relevant literature on internal marketing, relationship marketing, organisational culture, values and communication, and their potential influence on promise management. Chapter 3 then provides a theoretical perspective for the research process, introducing the rationale for the methodology in this study.

Chapter 4 sets out the method applied in the research. First, the research purpose is stated, followed by ethical considerations and introduction of the proposed case study framework. The rationale for case selection is presented, followed by an overview to the organisations selected for the collective case. Details of the data collection methods employed by the researcher are discussed. Each phase of the mixed-methods research is outlined, including archival data, semi-structured interviews, and self completion online surveys. Finally, methods for analysing the resulting data and general limitations of the research design are described.

The findings from each phase of the research are reported in Chapter 5. First archival and interview data are presented, followed by employee survey results. To conclude, the findings that address each of the research questions are summarised and presented. The resulting data are used to inform an IM communication framework constructed for the New Zealand retail electricity industry.

In Chapter 6 the key findings are discussed alongside the extant literature and implications of the influence of IM communication practices on the enabling element of promise management in the New Zealand retail electricity sector is illustrated.

Chapter 7 outlines the converging findings revealed from the multiple sources of data and analysis undertaken in this research. Implications that arise from conclusions drawn from the outcomes of this study are outlined alongside the contribution of these findings to both academic and practitioner knowledge. Finally, opportunities for facilitating further research are also suggested.

CHAPTER 2: LITERATURE REVIEW

The purpose of this chapter is to discuss the theoretical concepts that form a frame of reference for this thesis and to identify gaps in the literature that drove the development of the research questions. The central focus of the discussion is on the promise concept, the foundation for this research. First, the promise management literature is reviewed. Second, the varying dimensions of the IM literature are explored, including IM communication. Next, the influence of relational variables is considered, and finally, the implications of organisational communication and organisational culture including company values are outlined. Overall, the literature review will illustrate that IM communication is underdeveloped in the areas of implementation practices and the relationship to measures of effectiveness on marketing outcomes, such as keeping organisational brand promises.

Exploring how organisations communicate their customer promises to employees and how those same employees experience that communication presents some cross-disciplinary challenges. While the research is founded in the marketing discipline, in order to make the desired contribution, this study responds to the increasing call to approach services research from a multi-disciplinary perspective, which, according to Pilkington and Chai (2008), is not occurring. While alluded to within the literature, there appears to be a paucity of empirical studies taking a multi-disciplinary approach. Moreover, Grönroos (1996) argued that in the B2B (business to business) or services area, marketing is more of a management issue than a function. Similarly, Mintzberg and Lampel (1999) on the broader topic of strategy once said, “managers have no choice but to cope with the entire beast” (p. 21).

Therefore, the literature is drawn from multiple relevant disciplinary areas to inform the development of this research.

2.1 THE PROMISE CONCEPT

From a theoretical perspective, the concept of a customer promise originates in the branding literature, where development of branding as a marketing practice was founded on providing the customer with assurance of the quality of products or services. In this respect, early brands used family names as a guarantee or promise of the quality offered (Sheth, Kellstadt, & Parvatiyar, 1995). For example, in the USA (United States of America), the Hershey brand was established in 1894. Family names have continued to represent products or services; such as Kellogg's or Hubbard's Foods (both well known New Zealand cereal brands). Earlier, Levitt (1981) explained the early promise concept as:

When prospective customers can't experience the product in advance, they are asked to buy what are essentially promises - promises of satisfaction. Even tangible, testable, feelable, smellable products are, before they're bought, largely just promises (p. 96).

Levitt's description illustrates the influence of brand promises which are made. Where customers have not tried the product or service they do not have any experience to draw upon, and so rely on the promises made by companies about what they should expect to receive. This brand communication, along with perceptions which may have been formed from others communicating their experience of the quality of product and service received (e.g. through word of mouth advertising), informs customer expectations of brand promises made. More recently, Calonijs (1984) went further and defined the promise concept as:

A more or less explicitly expressed conditional declaration or assurance made to another party, or to oneself, with respect to the future, stating that one will do or refrain from some specific act, or that one will give or bestow some specific thing (cited by Calonius, 2006, p. 422).

Taking a relational communication perspective, Grönroos (2009), a leading researcher in the area of relationship marketing (RM), drew on Calonius's suggestion of the "promise concept; as a key construct in marketing" (p. 352). Grönroos stated that from the service provider's point of view:

1) Establishing a relationship involves giving promises, 2) maintaining a relationship is based on fulfilment of promises, and finally, 3) enhancing a relationship means that a new set of promises are given with the fulfilment of earlier promises as a prerequisite (Grönroos, 1990, p. 6).

However, Grönroos (2009) later noted the limitations of this description of RM by acknowledging that "it does not specify in any detail how the marketing process proceeds *beyond* the notion of establishing, maintaining and enhancing relationships" (p. 352, emphasis added).

While the promise concept appears primarily in the Services Marketing literature (Grönroos, 1990, 2007), the concept (of a promise) is not just limited to service organisations. During the process of building a product brand and communicating the attributes of that brand, marketers also make promises to potential customers. For example, Volvo promises safety for drivers and their passengers, just as Nike promises athletic performance for those wearing their products (Kitchen & Schultz, 2001). In a services context, the Flight Centre

promises customers great prices and service with their brand promise “we go out of our way for you”, which they say reflects their “unbeatable passion, experience and value” (“About Flight Centre,” 2009). Therefore, while the concept of a customer promise appears to be critical to service organisations, physical products also have associated promises, which means the elements associated with promise management are relevant to many organisations. Figure 2 illustrates the three stages of promise management, of making promises, enabling and facilitating employees to deliver on promises made, and finally the challenge of keeping promises. Each will be discussed in the sections that follow.

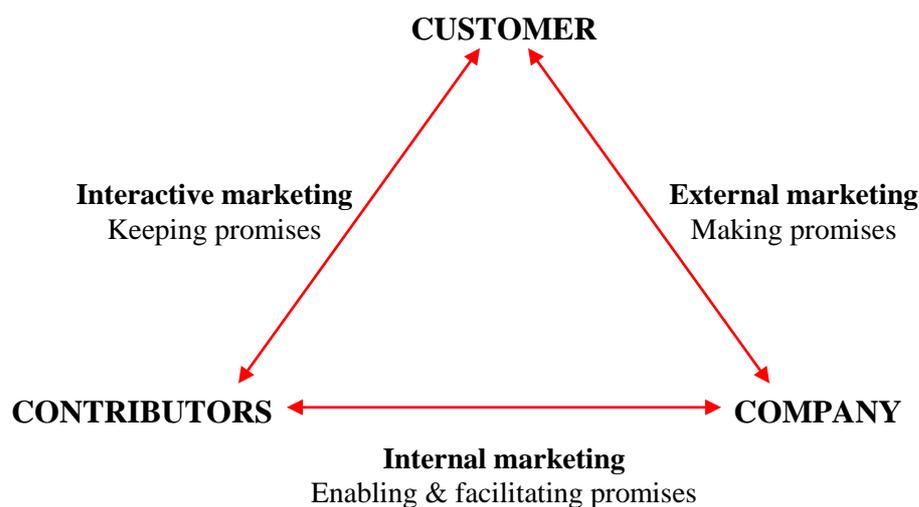


Figure 2: The role of promises in creating and delivering value (as adapted from Grönroos (2000) by Little et al., 2006, p. 26)

2.1.1 Making promises

A promise starts from an organisation’s vision, is developed over time and (of primary significance to this study) it must be something that most of the organisation’s employees believe in (Gronstedt & Schultz, 2001). These authors suggest that a promise is represented by a “succinct, pithy brand promise that can be communicated effectively to the marketplace and all the stakeholders” (p. 327). As a

New Zealand example, the ASB (one of New Zealand's leading commercial banks) promise to be "One Step Ahead", which they state reflects their commitment to "customer care, integrity, excellence, innovation and community" ("About ASB," 2006).

Direction can be found for development of an organisation's customer promise within the considerable brand management literature; however, the *development* of brand promises is beyond the scope of this research. Rather, the focus of this study is on the role of IM communication, and its influence on enabling employees to deliver on the brand promises which have been made by the organisation. The core area of research, that of enabling promises, is outlined in the following section.

2.1.2 Enabling promises

Bitner (1995), a leading researcher in services marketing, conceptualised the enabling of promises as ensuring that employees had the "skills, abilities, tools, and motivation" to deliver the organisation's promises (p. 247). Little et al.'s (2006) local study of a New Zealand based industrial Small, Medium Enterprise (SME) company extended this earlier view, and suggested there were "seven aspects of promise enablement" - leadership, culture, knowledge, communication, people, systems and structure (p. 32).

From a communication perspective, one of the gaps in Bitner's (1995) conceptualisation is that she did not appear to discuss the process or influence of communication, other than what may be implied as a result of the recommendation to use IM techniques for enabling employees to deliver on promises. As a result, the relevance of communication to IM practices is not explicated. However, given the

method described for enabling employees to deliver on promises made is IM, then these practices are central to this study and are discussed further in section 2.2.4 (p. 33). In contrast to Bitner, Little et al. (2006) do explicitly include communication as an element of enabling promise delivery, although there appear to be a number of possible limitations to their study. In particular, Little et al.'s discussion about the importance of communication was limited to a focus on (1) leadership communication, and (2) individual employee communication skills related to their ability to interpret complex technical information into customer-friendly language. In so doing, the authors did not appear to consider the influence of other elements of communication, such as that between employees and other departments.

These authors suggest that leadership is the most critical element of enabling promises, "supported by organisational culture, created by knowledge and communication, in turn predicated on the firm's people, systems and structure" (Little et al., 2006, p. 32). An example given for effective leadership communication was delivering market research results to frontline employees. Little et al. also note the potential influence of organisational culture on motivation and internal communication. Nonetheless, in contrast to Bitner (1995), the SME studied appeared to place less focus on motivating employees. Rather, more importance was devoted to the need to change the culture of the company to meet a new strategic imperative. In the case of the SME, the approach was deliberate, as the existing employees were not considered to have the right skill set for the proposed strategy. This finding indicates promise enablement has a contextual basis, and suggests that company goals and values may play a role in influencing the desired outcomes of IM communication practice.

As indicated earlier, although IM is posited as the method for enabling employees to deliver on promises made (Bitner, 1995; Little et al., 2006), the practice of IM communication does not appear to be explored in detail in the sparse literature available in this area. For example, according to Ahmed and Rafiq (2003) in their conceptual discussion paper on IM issues and challenges, communication is critical for effective cross-functional processes. However, the influence of this same cross-functional communication does not appear to be empirically tested in the identified promise management literature. Ahmed and Rafiq also argue that when internal communication strategies are crafted “in parallel with external marketing communications”, employees will be better prepared and likely have a greater chance of successfully delivering the required level of service to meet the promises advertised (p. 1183) but in spite of this, these authors do not appear to have carried out research to test their assertion. Despite the dearth of empirical data, there does appear to be agreement that a coordinated approach to both internal and external marketing communication is an important practice. Nonetheless, as mentioned above, there appear to be a number of organisational barriers to achieving such an ideal of integrated communication, discussed below.

2.1.3 Keeping promises

It was Carlzon (1987) who first popularised the term “moment of truth” to describe the service encounter between a customer and employee (Jenkinson, 2006). According to Bitner (1995), service promises are measured “one encounter at a time” (p. 249). Assuming no disastrous encounters, each encounter will build over time to create an overall image of the brand that will either enhance or detract from the relationship. However, in comparison to branded products such as Coke; in branded

service organisations every customer may be considered different, every employee different, and therefore every service encounter may vary. As a result, a key element of effective implementation of customer promises is an understanding of the employee's role in delivering those same promises. Similarly, the concept of role clarity incorporates having clear goals, understanding what is expected, how the job will be measured, the levels of associated authority, and lucidity about the employee's responsibilities (Mukherjee & Malhotra, 2006). Furthermore, in Mukherjee and Malhotra's study of call centre representatives in a major United Kingdom (UK) bank, role clarity was found to be critical to employee perceptions of service quality provided to customers (measured on an adapted SERVQUAL scale). These authors study also found that role clarity was significantly influenced by supervisor feedback, ability to participate in decision-making (influence on supervisory decisions), and perceived team support (a measure of helpful co-workers, supportive attitudes of co-workers, contributing to a team effort to serve customers and co-operation amongst team members). However, Mukherjee and Malhotra did not address the potential influence of communication on team support or role clarity, with the exception of the influence of supervisor feedback. Therefore, an apparent gap remains in the literature about the influence of communication practices and other organisational relationships on enabling employees to deliver on promises made.

While the outcomes of promise delivery may be considered the concern of marketing, the delivery of those promises is likely to be heavily reliant on other functions of the organisation. For example, Schultz and Hatch (2005) state that, in practice, working with "branding programs that mix marketing, communication, HRM [Human Resource Management], organization structure, and strategy is

difficult because these different business units harbor competing competencies, methods and mindsets” (p. 340). However, it is not only competing disciplines, but also individual employees who “have emotional, financial, and social investments” in their roles, which may drive a need to maintain the status quo (Ferdous, 2008, p. 231).

Despite the potential barriers to implementation outlined above, it has been conceptually argued that IM is an “essential services marketing activity” (Bitner, 1995, p. 247). However, a number of practical questions remain unanswered. For example, what influence does IM communication, or the practices and outcomes associated with IM, have on promise delivery? The following section will review the literature for the current evidence on delivering brand promises through the use of IM.

2.2 INTERNAL MARKETING (IM)

While the concept of IM has been evident in the literature for the past three decades, there appears to be a paucity of literature on the specific contribution of any of the elements of IM to successful promise management. To explore these concepts in more depth, this section is divided into a number of subsections, each one addressing a central aspect of IM.

2.2.1 Definitions of IM

Distilling the work relevant to IM up until 2000, Ahmed and Rafiq (2002) concluded that the five primary elements comprised:

Employee motivation and satisfaction;

Customer orientation and customer satisfaction;

Inter-functional coordination and integration;

A marketing like approach; and

Implementation of specific corporate or functional strategies (p. xviii).

Accepting Ahmed and Rafiq's (2003) view of IM as a coordinating philosophy, then inter-functional coordination and integration, including alignment of employee behaviour and attitudes, not only towards customer needs but also towards company goals, appear to be an important outcome of IM. However, inter-functional coordination and alignment towards customer needs and company goals appear to remain largely unexplored outcomes. A notable exception is Goebel, Marshall and Locander's (2004) study of internal communication between marketing personnel and purchasing executives, which found that resource dependence influenced inter-functional dynamics (in the form of friendly team spirit), and internal service performance (based on a self-assessment). These authors suggested that "when organization members are dependent on one another to complete job requirements, those members will communicate more frequently in a bidirectional manner, as well as less formally" (p. 50). However, Goebel et al.'s study was limited to the communication relationship between marketing and senior purchasing executives. In a different context, that of a sales force of a large financial investments firm, it was found that bi-directional communication, such as feedback between sales people, and internal service providers did not influence internal service quality. However, it did influence employee satisfaction with support service outcomes (Stan, Landry, & Evans, 2004). Therefore, these studies indicate that employees may take a pragmatic viewpoint when assessing internal service and thus relate more to outcomes, rather than perceived quality.

Ballantyne (2000) offers an even broader view, suggesting that IM is a "strategic approach to challenging the attitudes and behaviour of staff under business

conditions where external markets define the appropriateness of internal work activities” (p. 276). Similarly, Ahmed and Rafiq (2003) later argued that IM aims to link strategic plans to communication plans and identify the strategic competencies required to implement those. These authors continue in their commentary on IM issues and challenges, stating that IM is a coordinating philosophy which aims to “plan and build appropriate, close and flexible, relationships with internal parties to improve internal processes continuously” (p. 1180).

In so doing, IM places a strong focus on building competitive advantage through a people-orientated approach to the implementation of strategy. For example, Ahmed and Rafiq (2003) state that IM “places people centre stage in the equation of organizational success” (p. 1182). Thus, if employees are indeed centre stage in the organisation’s success, then it appears necessary that those same employees should understand what promises have been made to customers, as well as understand what is required from them in order to meet customer expectations and deliver on promises made. However, once again, the potential IM outcome of employee understanding appears to remain empirically under-explored.

Given the approaches to IM have been initiated from a number of theoretical directions, the variance may explain the lack of definitional agreement. To attempt to contextualise and further explicate this concept, the following section provides a brief overview to the strands of development of IM.

2.2.2 The development of IM

According to Rafiq and Ahmed (2000) there have been three major phases of IM development, “namely an employee motivation and satisfaction phase, a customer orientation phase, and a strategy implementation/change management

phase” (p. 449). In contrast, Lings (2004) suggested there were two primary perspectives in the development of IM, first a total quality management approach which is founded on the process element of the services marketing mix (Booms & Bitner, 1981) and focused on outcomes of the service delivery process. It appears similarly aligned to the concept of the service profit chain (Heskett, Jones, Loveman, Sasser, & Schlesinger, 2008). The second view described by Lings is that of human resources, focused on the people element of the services marketing mix.

Following the initial thinking of IM being represented as “jobs as products” and “employees as customers” (Sasser & Arbeit, 1976, p. 61), Grönroos (1983) further argued that taking a traditional view of IM may result in too narrow a perspective and proposed that “internal marketing should be viewed as a management philosophy” and implementation should include both “traditional marketing techniques” and other internal programmes (p. 42). Grönroos described IM as a tool to motivate employees towards “customer consciousness, market-orientation and sales-mindedness” (p. 42). This description was the first step towards the customer orientation phase of IM.

Relevant to this study is that IM communication does not appear to have been studied as an integral element of the broader concept of IM outlined earlier. However, a later conceptual model for IM did introduce a communication perspective, by suggesting that IM has several significant features which include “information flow and involvement”, which requires “communication in the form of interaction and dialogue” (Varey, 1995, p. 53). Making promises is referred to within Varey’s model as the component of “action”, where the role of communication is to describe promises made as part of “expectation management” of customers and other stakeholders (p. 52). Furthermore, Varey suggests that IM is a

means of redefining “relationships between members of the organization” (p. 55). However, while posited some time ago, these ideas currently appear to remain largely unexplored in subsequent empirical research.

In the third phase, described as the strategy implementation/change management phase, IM has been conceptually described as achieving competitive advantage through more committed, knowledgeable and customer-conscious employees than those of competing organisations (Varey, 2002). On this basis, the success of IM outcomes appears to be aligned to those proposed by Bitner (1995) which require employees who have the “skills, abilities, tools, and motivation to deliver” the organisation’s promises (p. 247).

Internal relationship marketing (IRM)

To add to the complexity of the largely conceptual debate, a further strand of research presents a more recent view, suggesting the next phase of IM is closely related to the relationship marketing (RM) philosophy. This view is reinforced by Gounaris (2008b), when he stated that the “Relationship Marketing paradigm explains the need and importance of IM” (p. 72), which supports Ahmed and Rafiq’s (2003) observation that:

IM works by establishing, developing and maintaining successful reciprocal exchange relationships within the organisation through: understanding and intimacy; trust; and commitment (p. 1181).

Nonetheless, these authors and others such as Ballantyne (2003) and Herington, Johnson and Scott (2006), acknowledge that IM is under researched from a relational point of view. To date, exploration appears to have been restricted to Ballantyne’s (2000) earlier Australian banking case study, based on action research

over five years, involving 1,200 staff to review company processes and policies that would facilitate better customer service. The author concluded that the generation and circulation of knowledge among staff resulted in a relational approach to knowledge renewal. In so doing, four stages were described. The initial phase was energising or learning how to work together, followed by a code breaking phase of applying personal resources and skills to identifying new opportunities and developing changed procedures. These first two phases led to authorising or gaining approval to implement the recommended changes, followed by the final phase of diffusing, where new knowledge and procedures were shared across the organisation. Ballantyne (2000) suggested that open “dialogue and generation of new organisational knowledge are two sides of the same coin” and that organisations achieve this through reconstruction of meaning, or in other words, attaining “knowledge renewal” (p. 280).

Ballantyne’s (2000) findings are important from an IM communication perspective, as they suggest that it is possible that communicative processes, such as the facilitation of open dialogue, may potentially lead to defined IM outcomes such as knowledge, which in turn facilitates strategies such as customer service improvement. Furthermore, Ballantyne suggested that the process of the phases leads employees to “move from commitment to trust, trust to obligation, obligation to trust, and from trust back to (re) commitment”, reinforcing a relational element in the process (p. 282). However, it must be pointed out that Ballantyne’s study took a total quality management (TQM) process improvement approach, therefore did not address the specific elements of communication that may facilitate the process. For example, it is neither clear which structures and processes of IM communication may

have been influential to attain the outcome of knowledge renewal, nor *how* these were experienced by employees.

While this study will adopt a relational perspective, recognition of other approaches to IM are also important for their potential contribution to IM communication practices. In particular, most of the empirical studies of IM have approached the discipline from the notion of internal market orientation (IMO). Therefore, the input of IMO to the field of IM is significant, and thus important to the context of this study as a source of comparison with the relational approach adopted by this research.

Internal Market Orientation (IMO)

IMO is based on the concept of external market orientation (Jaworski & Kohli, 1993), suggesting a human resources approach to IM, whereby satisfied employees, will lead to satisfied customers. In this regard, IMO is presented as an approach that fits into the customer orientation phase of IM; however, its focus on employees as internal customers appears to draw upon the earlier employee satisfaction dimension of IM as follows.

Lings (2004) first conceptualised the construct of IMO by drawing on earlier IM concepts and argued that IMO is the “view that employees constitute the internal customers, while employment constitutes the internal product” (p. 408). In his words, recognising the wants and needs of employees is a prerequisite to satisfying the wants and needs of customers. Following the conceptualisation of the behavioural dimensions of IMO, Lings with Greenley (2005) developed a measure, and in a study of UK store managers, undertook exploratory, followed by confirmatory, factor analysis of the data. They concluded that IMO comprised 5

components; informal information generation (managers finding out about their employees' feelings in relation to their work), formal face-to-face information generation (managers asking employees about their needs and satisfaction), formal written information generation (internal market research), information dissemination (feedback to employees from managers about issues relating to the organisation), and responsiveness (action taken by managers on the information generated). Each component was founded on ensuring that job products met employee expectations. For example, an item in formal face-to-face information generation is "in this store, management interacts with our employees to find out how to make them more satisfied" (p. 302). Thus, the role of the employee was central to providing both formal and informal feedback to their manager on their wants and needs.

Gounaris (2006) critiqued the structure and simplicity of Ling's (2004) conceptualisation, and suggested a multi-faceted scale for IMO would be more appropriate. In a study of 583 front line personnel in Greek hotels, Gounaris concluded that IMO encompassed three major dimensions (internal market intelligence generation, internal intelligence dissemination, and response to internal intelligence). Together, these were made up of 10 sub-dimensions (identification of exchanges of value, awareness of labour market conditions, communication between managers and employees, communication among managers, segmenting the internal market, job descriptions, remuneration system, management concern, training and target internal market segment). The scale provided a more comprehensive approach to IMO, and more recently, Gounaris (2008a) suggested that without an organisational culture that supports IMO, few companies would "assign a systematic internal role to the marketing function". As a consequence, IM would be "minimal or erratic" (p. 416). This point of view suggests that an organisational culture that

supports IMO is a prerequisite for effective IM. Therefore, it is possible that organisational culture (discussed further in section 2.4, p. 53) may be an important contextual issue which requires recognition in future IM and IMO studies.

A limitation to these IMO studies from a communication perspective is that IMO centres on job products and employee satisfaction with those products as the focus of communication with employees and other managers. Consideration of the influence of employee-to-employee communication or of inter-departmental communication was absent. Furthermore, it is argued that IMO is founded on the basis that “happy and motivated frontline employees are essential in the delivery of good service to customers” (Lings & Greenley, 2005, p. 293), which some authors acknowledge is still a contested issue. For example, Ahmed and Rafiq (2003) state that the evidence supporting a link between satisfied employees and satisfied customers is “sketchy” (p. 1178). For example, potential issues with a focus on employees as customers and jobs as products are expressed as:

Firstly, unlike the external marketing situation, the ‘product’ that employees are sold may be in fact be unwanted by them or even possess negative utility. Secondly, unlike the external marketing situation, employees are unlikely to have a choice in the ‘products’ they select. Thirdly, because of the contractual nature of employment, employees can, in the final analysis be ‘coerced’ into accepting ‘products’ they do not want. Fourthly, the financial cost of having satisfied employees could be considerable. And finally, the notion of ‘employee as customer’ also raises the question as to whether the needs of external customers have primacy over those of the employees. (Ahmed & Rafiq, 2002, p. xv)

An integral IMO viewpoint is that satisfied employees will be motivated to offer a better service and therefore lead to satisfied customers. However, there appears to be little evidence to support an approach to IM that focuses solely on the satisfaction of employees. For example, Mukherjee and Malhotra (2006) in their call centre study found job satisfaction had no direct significant influence on employee perceptions of service quality; although it must be noted that they did find an indirect effect mediated through organisational commitment. Similarly, earlier research by Sergeant and Frenkel (2000), carried out in seven Australian call centres, found job satisfaction did not affect the outcome of the capacity to satisfy customers. However, once again, these authors found the outcome of employee perceptions of their capacity to satisfy customers was mediated by organisational commitment. This raises the question of whether the component of commitment indicates a possible relational perspective, as suggested by Morgan and Hunt (1994). At the time of this study, commitment did not appear to have been empirically researched as a potential outcome of IMO or IM effectiveness.

On the basis that IM is the recommended method for enabling employees to deliver on promises made, these practices are central to this study. Therefore, the literature on implementing IM will be discussed in section 2.2.5 (p. 38). However, first, as it is possible that the outcomes of IM offer a potential measure of an organisation's ability to deliver on promises made, the outcomes found and measures used from earlier studies are also central to this study, and are discussed as follows.

2.2.3 IM and IMO outcomes

Given the definition of IM is not necessarily clear nor agreed, there are varied thoughts on what are desired outcomes from IM. As indicated earlier, much of the

IM literature focuses on job satisfaction of employees as a key outcome (Berry, 1981, 1987; Berry, Hensel, & Burke, 1976; Lings, 2004; Lings & Greenley, 2005; Naude, Desai, & Murphy, 2003; Sasser & Arbeit, 1976; Tansuhaj et al., 1988; Tansuhaj et al., 1987; Varey, 1995; William, 1977). Moreover, a recent study of Spanish Credit Union employees and customers, which used the IMO scale developed by Lings and Greenley (2005), found that job satisfaction was associated with the component of informal information generation (Tortosa, Moliner, & Sanchez, 2009).

Increased productivity and efficiency have also been enduringly suggested as outcomes of IM (Ahmed & Rafiq, 2003; Gummesson, 1987; Rafiq & Ahmed, 2000). For example, Piercy and Morgan (1991) earlier described the role of internal marketing in helping to reduce inter-functional conflict and thereby contributing to more successful implementation of marketing strategies by overcoming internal resistance to change. Ballantyne (2003) further argues the role of IM is organisational knowledge renewal. Other key streams of IM literature relate to alignment between the organisation's external marketing efforts and the motivation and commitment of employees to deliver on the objectives of the organisation (Ahmed & Rafiq, 1993; Piercy, 1995; Wasner & Brunner, 1991). More recently, it has been suggested that IM is a "process in which leaders instill into followers a sense of oneness with the organization" (Wieseke, Ahearne, Lam, & van Dick, 2009, p. 123), which these authors refer to as organisational identification - the "ultimate goal" of IM (p. 126).

This diversity of outcomes illustrates how broadly various authors have identified the influence of IM. Furthermore, given IM is the method proposed for enabling employees to deliver on promises made, outcomes of IM and IMO may be

relevant to the effectiveness of promise enablement. However, many questions remain. For example, does IM communication enhance promise enablement through outcomes such as knowledge, role clarity, reduction of inter-departmental conflict, and internalisation of values? Do these outcomes result in improved implementation of marketing programmes, strategy, and service quality? Importantly, how are these IM outcomes measured?

2.2.4 IM Measures

Almost 20 years ago, Piercy and Morgan (1991) posited that IM may possibly be measured in terms of “people’s attitudes towards the marketing plan and their commitment to putting it into practice, or customers’ perceptions of our success in delivering our promise to them” (p. 85). However, to date, there have been few empirical studies on IM and none identified that provide a scale to measure the success of IM practices on enabling employees to deliver on promises made. Therefore more work would add clarity to this area.

Measures of IM and IMO noted by Lings, Beatson and Gudergan (2008) in their review of the IM literature, were those of Foreman and Money (1995) and Lings and Greenley (2005). In addition, a number of other studies were identified that attempted to measure factors influencing IM outcomes as discussed below.

Foreman and Money (1995) in their study of UK marketing and human resources personnel found three distinct components of IM: “Development (items having to do with developing employees), Rewards (items having to do with rewarding employees) and Vision (giving employees something to believe in)” (p. 764). However, their data collection was limited to managers rather than the frontline staff who delivered the service. Thus, responses did not address employee

perceptions of those initiatives. Naude, Desai and Murphy (2003) later utilised Foreman and Money's (1995) instrument in their study of employees in a large UK based service organisation to measure IMO and to assess the determinants of IMO. As discussed earlier, this action highlights some confusion in the literature between the concept of IM and that of IMO. For example, Foreman and Money designed their instrument as a measure of IM, and do not refer to the concept of IMO. The use of the instrument by Naude et al. to measure IMO illustrates the overlap of thinking between these concepts, although both appear to be related to employee motivation and satisfaction, and the customer orientation phases of IM outlined by Rafiq and Ahmed (2000).

Without apparent reference to Foreman and Money (1995) or Naude, Desai and Murphy (2003), Lings and Greenley (2005) suggested IMO incorporated those managerial activities that aim to “create a balance between employee perceptions of what they put into the job and their perceptions about what they get out of the job” (p. 291). In effect, a measure of employee effort expended and rewards gained suggest both an employee satisfaction and ‘jobs as products’ approach to IMO practice. As outlined earlier, Lings and Greenley (2005) found that IMO consisted of five managerial behaviours – three associated with information generation (face to face meetings, informal meetings and formal written mechanisms), another with information dissemination and finally responsiveness to the needs and wants of employees. However, once again, there did not appear to be any measure of communication between and within teams, or employee perceptions of IM practices.

Gounaris (2006) expanded the Lings and Greenly model and concluded that IMO represented “a company philosophy to create and offer value for its internal market within a broader marketing relationship paradigm” and also noted that IMO

was essential for IM efforts (p. 441). In effect, Gounaris indicated that IMO, which is orientated toward employees, is an element of a broader IM philosophy. However, an identified limitation from an internal relationship perspective is that the study did not appear to address apparently key relational variables such as trust and commitment (Morgan & Hunt, 1994).

A later study, utilising the original three components of IM developed by Foreman and Money (1995) to assess their influence on perceived service quality of nurses in Taiwan hospitals, found only two components had a relationship to employee perceptions of service quality (measured on a modified service quality scale (Parasuraman, Zeithaml, & Berry, 1988)). Those components with a relationship to employee perceptions of service quality were development (through service training programmes) and vision of service excellence (Tsai & Tang, 2008). Notably, performance incentives (rewards) were not found to influence employee perceptions of service quality provided to customers. These authors found that effective IM (as referred to by Foreman and Money), through delivery of service training programmes, had the most influence on service delivery through improving the knowledge and abilities of nurses. They also found that a clear service oriented vision, enhanced the nurse respondents willingness to deliver on that vision.

Similarly Lings, Beatson and Gudergan (2008) established in their study of staff working on a cross-sea ferry, that explicit communication in the form of service direction and training had a direct effect on employee perceptions of service delivery. Moreover, implicit communication in the form of IMO, measured on the 16-item scale developed by Lings and Greenley (2005), only indirectly influenced service delivery. The authors did find however, that implicit communication influenced service delivery via affective commitment, “mediated by employee

attitudes” (Lings et al., 2008, p. 1440). While a direct relationship was found between explicit communication of service expectations and service training, there appeared to be an underlying influence from indirect communication demonstrated through commitment. This finding provides a potentially important indicator of the importance of a relational approach to IM communication, though one which currently remains under-researched. Importantly, Tsai and Tang (2008) did not find a relationship between performance incentives and service quality. This finding contrasts with the importance placed on the remuneration dimension in the studies of Foreman and Money (1995) and Gournaris (2006), resulting in enduringly mixed findings in the literature.

In addition to a lack of agreement on definition, there do not appear to be universally accepted measures of IM or IMO, which suggests that more research is required to clarify and differentiate these areas of marketing. Table 1 demonstrates the paucity of research in the area of promise enablement. The proposed IM and IMO outcomes (sourced from both conceptual papers and empirical research) discussed above are presented beside the element of promise enablement for which it is possible that IM outcomes may be influential. The identified elements of promise enablement proposed earlier by Bitner (1995) and Little et al. (2006) are presented alongside each other, demonstrating synergies between some elements.

Table 1: Elements of enabling promise delivery and IM outcomes

Proposed elements of enabling promise delivery		IM outcomes (Theoretical contribution)	IM outcomes (Empirical contribution)
(Bitner, 1995)	(Little et al., 2006)		
Skills and Abilities	People	People orientated strategic advantage (Ahmed & Rafiq, 2003)	
Tools	Knowledge Systems		Knowledge (Ballantyne, 2000) Role clarity (Mukherjee & Malhotra, 2006)
Motivation	Leadership Culture Communication (skills) Structure	<p>Job satisfaction (Berry, 1981, 1987; Berry et al., 1976; Grönroos, 1981; Lings, 2004; Sasser & Arbeit, 1976; Tansuhaj et al., 1988; Tansuhaj et al., 1987; William, 1977)</p> <p>Alignment and motivation (Ahmed & Rafiq, 1993; Wasner & Brunner, 1991)</p> <p>Reduce inter-departmental conflict (Piercy & Morgan, 1991)</p> <p>Improve cross-functional coordination (Ahmed & Rafiq, 1993)</p> <p>Internalising values, influencing attitudes and behaviours (Piercy & Morgan, 1991; Varey, 1995)</p> <p>Building emotional connections (Mitchell, 2002)</p> <p>Improved implementation of marketing programmes and strategy (Ahmed & Rafiq, 2002, 2003; Bitner, 1995; Piercy & Morgan, 1991; Rafiq & Ahmed, 2000)</p>	<p>Job satisfaction (Gounaris, 2008a, 2008b; Lings & Greenley, 2005; Naude et al., 2003; Tortosa et al., 2009)</p> <p>IMO - Internal culture/climate (Gounaris, 2006; Lings & Greenley, 2005; Naude et al., 2003)</p> <p>Organisational identification (Wieseke et al., 2009)</p> <p>Culture (Gounaris, 2008a; Gummesson, 1987)</p> <p>Service quality (Tortosa et al., 2009; Tsai & Tang, 2008)</p>

2.2.5 Implementing IM

Assuming IM outcomes are influential, in enabling employees to deliver on promises made, there appears to be a gap in the IM communication literature about *how* IM should be implemented including just *what* practices and processes are most effective. Given the diversity of views on how IM should be practised within organisations, the following section provides context, with an overview to the various practices which have been proposed for implementing IM, and in so doing, attempts to illustrate the elements integral to promise delivery.

IM was originally viewed as using traditional marketing methods to ‘market’ to employees (Piercy & Morgan, 1991). However, limitations of the 4Ps (product, price, promotion and place) were noted and a suggestion made that there should be an extended marketing mix for services – notably the 7Ps, which include physical evidence, process, and participants (Booms & Bitner, 1981). Similar to Bitner’s proposal that IM is the method most applicable to promise enablement, Ahmed and Rafiq (2002) suggested that IM is linked to the strategic direction and effective implementation of promises made to customers. These authors propose the following conceptual multi-level model for implementation of IM:

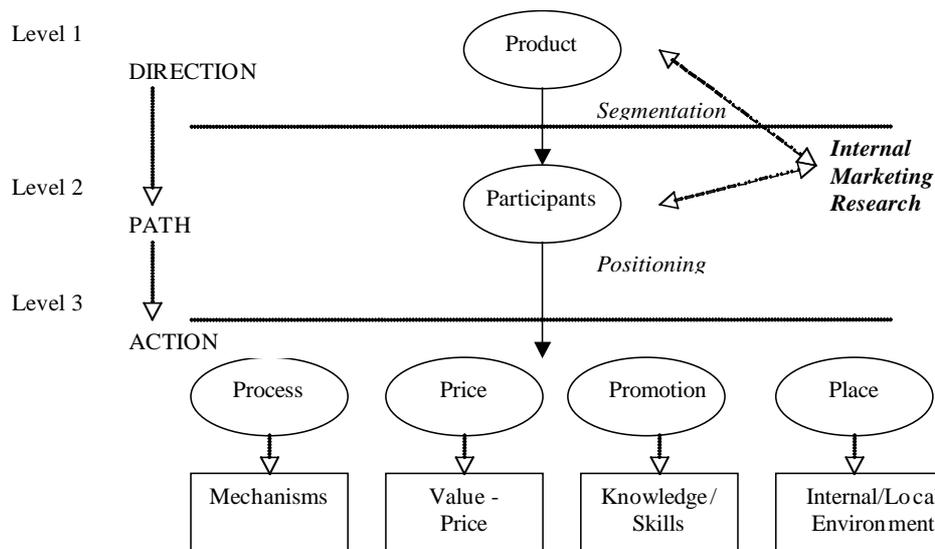


Figure 3: Multi-level model of internal marketing (Source: Ahmed & Rafiq, 2002, p. 37)

The key role of communication in this model appears to be promotion, leading to knowledge and skills. Promotion is described by the authors as an “effective vehicle for letting employees know what to do, when to do it and exactly how to do it, and thereby serves to clarify their role in the enactment of strategy” (Ahmed & Rafiq, 2002, p. 43). Therefore, if communication (in the form of promotion) is used to inform employees of their job role and to train those employees on how to undertake their role, the approach to communication suggested by these authors may be closely aligned to development of role clarity from a services point of view, and also to the knowledge and skills required to enable employees to deliver on promises made. Similarly, it has been suggested that IM practice is made up of three items, those of “service training programmes, performance incentives, and a vision about service excellence” (Tsai & Tang, 2008, p. 1119).

Important to this study is the consistent view that it is managerial communication which is of great consequence. For example, Ahmed and Rafiq

(1993) in a discussion paper on the scope of IM, state that from the perspective of participants as an element of a 7Ps approach, managerial communication is likely to be more important than cross-functional communication because employees “have equal status, that is no direct authority to enforce compliance” (p. 226). However, these views appear to remain conceptual and lack evidence about which organisational roles and vehicles of communication are most influential to outcomes of IM communication practice.

In contrast to the earlier view of “jobs as products” (Sasser & Arbeit, 1976), the concept of products has since been extended to “the marketing strategies and the marketing plan in which they are contained”, for the product to be “sold” and the “values, attitudes and behaviours” required for the marketing plan to be effectively implemented (Piercy & Morgan, 1991, p. 85). The variable of ‘price’ is described as anything internal customers may have to ‘pay’ including the “sacrifice of other projects”. Communication is described as the means to “inform and persuade”, and distribution as the “channels” to deliver both the product and communication, including human resource management functions (p. 85).

More recently, approaches to implementing IM have expanded to include further descriptors of some elements, and also the concept of relationship marketing and employee brand management (Miles & Mangold 2004). A summary of the key approaches to implementing IM are shown in Table 2 below. Internal communication is only one of the approaches described; however, it does appear to have been a key approach throughout the literature for the life of the IM concept. Therefore, it is surprising that there appears to be a paucity of empirical research on the influence of communication on IM outcomes and subsequently, on enabling employees to deliver on promises made. Despite IM being considered the method

for enabling employees to deliver on promises made, an exhaustive literature review identified no studies that specifically link IM communication practices to perceptions of promise delivery. Furthermore, Ahmed and Rafiq (2003) argue that there is a need for “richer analysis of the employee experience” (p. 1183), highlighting the need for further research on employee experiences of IM communication practices.

The conceptual and empirical research which identifies key components of IM practices is summarised in Table 2 below which expands on the outcomes presented in Table 1 (p. 37) by illustrating the approaches proposed for implementing IM to enable promise delivery.

Table 2: Proposed approaches to implementing IM

Proposed approaches to implementing IM	Authors
A review of 'jobs' with a view to creating job products, which attract the best service personnel	(Berry, 1981, 1987; Berry et al., 1976; Sasser & Arbeit, 1976)
Design of remuneration and incentives	(Foreman & Money, 1995; William, 1977)
Philosophy of treating 'employees as customers'. This approach views IM as creating and enhancing jobs as products and uses marketing thinking to gain new insights to improve employee satisfaction with their 'job product'.	(Berry, 1981; Berry & Parasuraman, 1991; Gummesson, 2002; Sasser & Arbeit, 1976)
Management support for an internal climate leading to 'service minded' employees	(George, 1990)
Traditional marketing methods directed internally with the objective of influencing employee attitudes and behaviour	(Piercy & Morgan, 1991)
Integration of marketing and human resources efforts	(Ahmed & Rafiq, 1993; George, 1990)
Process for integrated market-orientated management	(Varey, 1995)
Internal market research (used to enhance 'job products')	(George, 1990; Lings, 2004; Lings & Greenley, 2005; Sasser & Arbeit, 1976; Wasner & Brunner, 1991)
Extension to the 7P's approach for services marketing	(Ahmed & Rafiq, 2002; Booms & Bitner, 1981)
Culture	(Ahmed & Rafiq, 2003; Gummesson, 1987)
Internal communication	(Ahmed & Rafiq, 2003; Ballantyne, 2000; Berry, 1987; Berry & Parasuraman, 1991; Foreman & Money, 1995; George, 1990; Lings, 2004; Lings et al., 2008; Lings & Greenley, 2005; Tansuhaj et al., 1988; Tansuhaj et al., 1987; Varey, 1995; Wasner & Brunner, 1991)
Response mechanisms (management responsiveness/feedback)	(Lings, 2004; Lings & Greenley, 2005)
Employee empowerment	(Rafiq & Ahmed, 2000; Varey & Lewis, 1999)
Knowledge renewal	(Ballantyne, 2000)
Employee brand management	(Miles & Mangold, 2004)
Service training	(George, 1990; Gounaris, 2006; Tsai & Tang, 2008)
Internal relationship marketing	(Ahmed & Rafiq, 2003; Grönroos, 1983; Herington et al., 2006)

Each approach in Table 2 offers insight into ways of implementing IM; though each has its limitations. As illustrated, the proposed approaches which have resulted from empirical research on IM and IMO are limited to remuneration and incentives, internal communication, response mechanisms, knowledge renewal, and service training. However, the implementation approaches which incorporate the element of communication have focused primarily on the influence of management communication. Therefore, in particular, a gap appears to remain in the body of knowledge about the influence of IM communication from a team and inter-departmental perspective. Furthermore, the outcomes of the IM communication experience from an employee viewpoint do not appear to have been empirically explored in the literature.

While the traditional marketing approach is intuitively comfortable for marketers, it largely fails to recognise contributions from the communication and human resources disciplines, such as the influence of culture and climate, employee empowerment, and service training (although the latter has been described as an element of promotion (Ahmed & Rafiq, 2002), and as an IM practice in one case (Tsai & Tang, 2008)). The one exception appears to be the more recently proposed relational approach which may offer potentially superior conceptualisations and avenues for future research.

2.3 RELATIONSHIP MARKETING (RM)

On the basis that internal relationships may influence the outcomes of IM practices, particularly in regard to commitment of employees towards external marketing efforts, it appears central to the debate that the concepts associated with

RM be considered within the context of internal organisational stakeholder relationships.

Relationship marketing is not a new concept. For example, “merchants in the Middle Ages recognized that some customers were worth courting more seriously than others” (Buttle, 1996, p. 10). However, there appears to be a paucity of research on the use of RM concepts within internal employer-employee or employee-employee relationships. Importantly, if an organisation’s first audience is its employees - those the organisation expect to deliver their externally communicated promises - then the employer-employee dyad cannot be ignored (Miles & Mangold2004).

The following sections provide an overview to the RM variables identified in studies of supplier-customer relationships which may inform an investigation into internal company relationships.

2.3.1 RM variables

Morgan and Hunt’s (1994) seminal article on their study of the relationship between independent automobile tyre retailers and suppliers illustrated that the key variables of organisational commitment and trust mediated the influence of outcomes such as increased acquiescence, a reduction in the propensity to leave, greater co-operation, and a reduction in conflict and uncertainty. In addition, they found that trust positively influenced relationship commitment. Furthermore, Morgan and Hunt suggested that the “commitment-trust theory should apply to all relational exchanges”, but also noted that further research was required (p. 34). Thus, it is possible that each of these variables may apply to internal organisational stakeholder relationships. For example, do relational outcomes from IM include greater length of

service, co-operation, inter-functional coordination, reduction of uncertainty, or greater role clarity?

Similarly, Sin, Tse, Yau, Chow, Lee and Lau (2005), used data from firms across Hong Kong and Mainland China, and found trust, shared values and communication influenced the relationship marketing orientation in inter-firm relationships. However, in addition to the variables of trust, shared values and communication found by Morgan and Hunt (1994), these authors include variables of bonding, empathy, and reciprocity. The variable of reciprocity included an item of the firm's reliance on keeping their promises, relevant to this study. The influence from the key variables of trust, shared values, and commitment that are common to RM studies appear to be integral concepts that demand further investigation from an internal stakeholder point of view.

Trust

Trust appears to be foundational to building and maintaining relationships (Morgan & Hunt, 1994). Although, according to Ahmed and Rafiq (2003), while IM is built on organisational trust, it remains under-researched from this perspective. It has been widely argued that a universal definition of trust remains somewhat elusive (Tzafirir, Harel, Baruch, & Dolan, 2004; Willemyns, Gallois, & Callen, 2003); however, a number of descriptions are proposed in the HRM literature, such as “an expectation or belief that the other party will act benevolently”, “a willingness to be vulnerable and risk that the other party may not fulfil that expectation”, and “some level of dependency on the other party so that the outcomes of one individual are influenced by the actions of another” (Whitener, Brodt, Korsgaard, & Werner, 1998, p. 513).

Measures of trust include a disposition to trust (a personality trait), interpersonal trust (between individuals), or situational trust, which relates to the “culture of trust in the organisation and how the norms of an organisation encourage trust” (Connell, Ferres, & Travaglione, 2003, p. 114). Therefore, trust may be important to employees in different ways. First, on an interpersonal basis, trust may influence the relationship employees have with their colleagues. Second, at the organisational level, a culture of trust may influence behaviours, such as the willingness of employees to embrace change. For example, if the organisation has proven to be trustworthy, then employees may be more open to trying new processes and implementing changes.

On both levels (personal and organisational), the employees’ propensity to trust may influence how they carry out their role. For example, inter-departmental conflict is described as a barrier to promise delivery (Bitner, 1995). However, if employees have relationships with other departments built on a history of trusting behaviour where the parties act benevolently, then the barriers may be lower than those where the relationship is built on a lesser level of trust. Trust is also associated with a higher degree of collaboration, and where it is lacking, there may be an increased resistance to change (Connell et al., 2003). Therefore, trust appears to be an important factor for implementing IM programmes using a relational approach.

According to Whitener, Brodt, Korsgaard and Werner (1998), in a conceptual paper on managers as initiators of trust, it is argued that organisational cultures that “share interpersonal values” such as “inclusiveness, open communication, and valuing people will reward managers for collaborating, sharing information, explaining decisions, discussing ideas openly, and showing concern” (p. 520). Furthermore, from an employee perspective, it has been posited that an organisation

that does not keep their promises to employees may be unlikely to keep their promises to customers. For example:

When different messages are delivered to employees and customers, employees who are privy to both messages will perceive a certain level of duplicity on the part of the organization. These employees will be less likely to make the necessary emotional connection with the brand and, therefore, will be less likely to deliver on the organization's promises (Miles & Mangold 2004, p. 71).

The importance of delivering a consistent message to both employees and customers, as suggested by Miles and Mangold, lends support for an integrated approach to both marketing and organisational communication, as inconsistencies in communication have the potential to breach the trust relationship that employees have with the organisation.

According to Baruch (1998), "trust is the basis for any relationship" (p. 135). Furthermore, the author argues that trust is built over time, and that commitment is based on a relationship of trust. Therefore, organisational relationships that demonstrate a higher level of trust may lead to a greater level of commitment. The following section discusses commitment from the organisational communication literature, to provide context to how this concept may be a catalyst in successful IM outcomes.

Commitment

From a promise management perspective, the importance of commitment derives from its link to employee motivation (Baruch, 1998). However, there appear to be few recent empirical studies which demonstrate commitment as influential to

IM or IM communication. The exception noted earlier is Lings, Beatson and Gudergan's (2008) study of 53 front-line staff working in a cross-sea ferry, where they found affective commitment to be an outcome of IMO. The authors measured affective commitment on an adapted scale of Garbarino and Johnson (1999) and Allen and Meyer (1990), and IMO was measured using the scale developed earlier by Lings and Greenley (2005). However, a limitation to their study was that employees were asked to report the feelings of their co-workers. Although this approach was adopted to minimise social desirability bias, further research would enhance understanding of the influence of IM communication practices on commitment from the perception of the employees themselves.

Despite enduring calls for a clear definition of organisational commitment, there appear to be a number of different conceptualisations (Alatriza & Arrowsmith, 2004; Meyer, Allen, & Gellatly, 1990; O'Reilly & Chatman, 1986) and those that appear most relevant to the organisational relationships of interest in this study are outlined. While the following description of commitment was introduced into the literature some time ago, it outlines factors relevant to the employer-employee relationship and potentially the likelihood of employees being motivated towards IM outcomes expressed earlier, such as internalisation of the company's values, building emotional connections, reduction of inter-departmental conflict, higher service quality, and improved implementation of marketing programmes and strategy. Mowday, Lyman and Steers (1982) suggest that organisational commitment comprises three factors:

- (a) a strong belief in and acceptance of the organization's goals and values;

(b) a willingness to exert considerable effort on behalf of the organization; and

(c) a strong desire to maintain membership in the organization (p. 27).

While somewhat dated, the above description of organisational commitment appears to remain relevant to the relational approach to commitment described earlier. For example, the RM literature describes commitment as resulting from shared values and trust. Furthermore, the elements of commitment described by Mowday et al., such as the relationship between company values and goals to commitment, is an enduring concept. For example, this type of organisational commitment has variously been described as value commitment (Angle & Perry, 1981), internalisation (Becker & Billings, 1993) and attitudinal commitment (Boshoff & Mels, 2000). Internalisation, along with identification, and compliance have been said to influence prosocial behaviours, those behaviours which require “expenditure of personal time and effort on behalf of the organization” (O’Reilly & Chatman, 1986, p. 497). The alignment between company values and commitment provides an under-explored variable for the relevance of firms taking a relational approach to IM.

Allen and Meyer (1990) later suggested there were three different dimensions of commitment - affective, continuance and normative commitment. These authors stated that “employees with strong affective commitment remain because they *want* to, those with strong continuance commitment because they *need* to, and those with strong normative commitment because they feel they *ought to*” (p. 3, emphasis in original). On the basis that reduction of inter-departmental conflict is a potential outcome of IM communication, then it appears affective commitment offers the greatest potential to achieving positive results.

Importantly, from a relational perspective, affective commitment may influence trust behaviours. For example, a social identity study of Italian food service employees found that affective commitment influenced “people’s tendency to act in a benevolent way on behalf of co-members in the organization” (Bergami & Bagozzi, 2000, p. 573). Therefore, it is possible that employee level of affective commitment to the organisation may potentially be related to the level of organisational trust.

Another key influencer of commitment from a relational perspective is shared values. Given the earlier description of value commitment (Angle & Perry, 1981), it is perhaps not surprising that marketing researchers have enduringly found that shared values influence the level of commitment within marketing relationships (Morgan & Hunt, 1994; Sin et al., 2005).

It appears that affective commitment is associated with the most positive outcomes from an IM and organisational position. For example, in a meta-analysis, Meyer, Stanley, Herscovitch, and Topolnytsky (2002) found that affective commitment was positively related to attendance, job performance and organisational citizenship behaviours. Furthermore, from an internal relationship perspective, Boshoff and Mels (2000) found that supervisory commitment was also positively correlated with organisational commitment. Therefore, it is possible that where supervisors share the goals and values of the organisation through their relationship with employees, they are likely to positively influence commitment to those same goals and values. Similarly, Elizur and Koslowsky (2001), in their study of part-time business administration students, also found that “a strong belief in and acceptance of the organization’s goals and values” was a key factor for commitment

(p. 596). The following section will explore the relevance and potential influence of shared values on organisational commitment.

Shared values

Shared values influenced the outcome of relationship commitment and trust in Morgan and Hunt's (1994) study of independent automobile tyre retailers. Furthermore, as outlined earlier, these authors suggested that the commitment-trust theory should apply to all exchange relationships, which signals that values are considered relevant to an internal stakeholder perspective.

A definition from the seminal work on defining values is "an enduring belief that a particular mode of conduct or that a particular end-state of existence is personally and socially preferable to alternative modes of conduct or end-states of existence" (Rokeach, 1969, p. 550). From an employer–employee perspective, the benefit of shared values is the resulting reduced need for control systems, as employees are more likely to behave in a manner which is aligned with organisational values, and therefore will provide benefits to the organisation (O'Reilly & Chatman, 1986).

However, with the incremental instances of mergers, acquisitions and/or downsizing (Baruch, 1998), newly formed organisations may have differing value systems, all of which have the potential to unsettle the alignment of employees' values with the organisation. Companies may, however, initiate programmes to rebuild the value systems of newly formed organisations. For example, in a study of a large Fortune 500 retail company, it was found that affective commitment was enhanced where employees felt cared for through employee support programs and had the opportunity to provide support to other employees (Grant, Dutton, & Rosso,

2008). These authors found that the process of giving to others created “prosocial sensemaking” about the employee and the company, resulting in a change of the employee’s attitude towards the company (p. 903). Therefore, the stability of the organisation, and resulting impact on shared values, may influence the IM outcomes achieved from a relational approach to implementing IM and subsequent promise delivery.

Values drive behaviour and therefore are particularly important to service organisations. Where employees are often seen as part of an organisation’s brand, they are more likely to behave in a manner aligned to the brand if they understand the brand values (de Chernatony, 2001). Notably, de Chernatony and Segal-Horn (2003), on the basis of interviews with 28 leading consultants, suggested there were “few valuable service brands”. However, the authors also found that through shared values, there was a “greater likelihood of commitment, internal loyalty, clearer brand understanding, and importantly, consistent brand delivery across all stakeholders” (p. 1095). In order to be consistent both internally and externally, ideally those brand values will be aligned to the company’s organisational values (de Chernatony & Cottam, 2006).

The benefits of shared values appear to accrue through the buy-in of staff to those values. For example, those who identify more strongly with an organisation will be more highly motivated to achieve organisational goals (Edwards & Peccei 2007). Therefore, whether employees have an affinity to the goals and values of the company may be an indicator of the potential strength of IM programmes. For example, when leaders align their organisational values to brand values, and communicate them effectively, employees may (because they understand and share those values) be better enabled to deliver on customer promises. However, further

research is required to explore the relationship between IM practices and outcomes of employee alignment to values.

As the RM literature suggests that trust, commitment, and shared values are key variables for measuring the strength of a relationship, these concepts provide the foundation for the relational lens used to explore IM communication in this study. Despite the lack of agreement on what values are and how they influence individuals (Meglino & Ravlin, 1998), they are also considered a major component of organisational culture (Schein, 1984). Furthermore, creating the right communication atmosphere is posited as the first stage for the more recent conceptual integrated internal marketing communication (IIMC) model (Ferdous, 2008). Similarly, as noted earlier, it has been suggested that “it may be possible that companies do not employ IM because they lack the underlying culture” (Gounaris, 2006, p. 441). Therefore, the context of culture within the organisation may influence employee experiences of IM communication, and is discussed in the section that follows.

2.4 INFLUENCE OF ORGANISATIONAL CULTURE

The issue of culture was highlighted by Ahmed and Rafiq (2003) in their discussion paper on IM issues and challenges where they raised the question: “Is there a link between culture and behaviour to IM practice, and what are contingencies in this link?” (p. 1183). This question is central to a relational perspective of IM, as behavioural values have been described as being influenced by organisational culture. For example, the values that are socially desirable and shared by the organisation indicate the way employees are expected to behave (Meglino & Ravlin, 1998). Therefore, it is possible that the values that are shared as part of

organisational culture may provide a contextual basis for implementing IM communication. However, as with IM definitions, it has been stated that “there is little consensus on a definition of culture because the concept is so rich” (Eisenberg & Riley, 2001, p. 292).

At the time of this study, there appeared to be limited studies stressing the importance of organisational culture from the IM notion of promise enablement. An exception was Little et al.’s (2006) study of an industrial SME where organisational culture was found to be influential for the company to embrace emerging technologies, and to ensure long-term management of desirable customer relationships. However, their study was limited to an organisational context where researchers worked only with the management team. As a result, the possibly significant implications of organisational culture on the experience of employees who are not in a management role appears to remain largely under-explored in the promise management literature.

As outlined earlier, important to this research was that shared values are potentially influential to a relational approach to IM, and from an organisational viewpoint, values are a level of culture (Schein, 1984). Culture is “a system of collectively held values” (Hofstede, 1980, p. 24). Furthermore, the set of values for an organisation have been found to be unique (van Rekom, van Riel, & Wierenga, 2006) which indicates that employees may be influenced by the diverse value sets in different organisations.

The link between values and organisational culture was demonstrated in a study of the employees of a Danish insurance company on the differences between attitudes, values and perceptions of organisational practices, where it was found the overlapping factor between values and behaviour was communication climate

(Hofstede, 1998). Similarly, although measuring cultural, rather than organisational values, a meta-analytic study of Hofstede's cultural values (individualism, power distance, uncertainty avoidance, and masculinity) found communication was the link between cultural values and organisational practices (Taras, Kirkman, & Steel, 2010). Furthermore, cultural values were found to have a significant relationship with outcomes such as organisational commitment, team-related behaviours and feedback seeking behaviour. Therefore, the cultural context may also be influential to the relational communication perspective taken by this study.

Taking a slightly different approach, Schein (1993) earlier described the key elements of culture as shared norms, assumptions and values, behaviours and artifacts. He noted that the language identified with culture and/or subcultures, "expresses membership and belonging, and that, in turn, provides status and identity" (p. 49). For example, Schein (1984) described organisational culture as:

The pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (p. 3).

The above description of culture appears to signal similarities with organisational socialisation and shared values. Although values are considered relatively stable, socialisation is considered influential to development of employee values and to "value-change efforts" (Meglino & Ravlin, 1998, p. 355). Moreover, socialisation has been found to influence the customer orientation of employees, which may be important to effective outcomes of IM practices. For example, in a study of 249

customer-contact employees of four Midwestern financial institutions, Kelly (1992) identified that values were conveyed to employees through a process of socialisation and that those same values educated employees to understand what was important to the organisation.

Similarly, Schein suggested that a culture which supports the goals of the organisation is associated with “effective indoctrination” programmes, incentives and controls (1996, p. 234). Kelly’s study incorporated a scale of socialisation that included feeling comfortable within the organisation, understanding of values, and organisational influence. Notably, Kelly also found socialisation to be associated with organisational commitment, which again, has been described as potentially influential to a relational approach to IM communication. Therefore, as values are influenced by organisational culture, it is of the essence to consider the context of an organisation’s culture when exploring the effectiveness of IM practices.

However, in multi-faceted and large organisations there may also be further complexity generated by the existence of sub-cultures. Sub-cultures can be found in differing organisational units, functions, and geographic locations, and within hierarchical structures. Important to this study is that, according to Schein (1993), hierarchical sub-cultures in particular, are more difficult to detect. They can hinder “organizational integration, coordination, and learning” because managers do not always speak the same language within different levels of the organisational hierarchy (p. 50), consistent with the issue broached earlier of IM barriers that may result from inter-departmental differences. To contend with these issues, Schein recommended that leaders use mass communication channels to try and deliver the same message. However, also noted is the possibility that the meaning of messages interpreted by the recipient may still be received differently. Therefore,

organisational culture, and possibly sub-cultures, may be the source of important influences on aspects of IM outcomes such as inter-functional co-ordination.

Strong organisational cultures have long been associated with company success (Collins & Porras, 2000). For example, in a recent study of 99 healthcare facilities across the United States of America (USA), it was found that culture influenced employee attitudes and it was those attitudes which influenced organisational outcomes (in the case of these healthcare facilities, greater patient satisfaction and control of expenses) (Gregory, Harris, Armenakis, & Shook, 2009). However, this has become an increasingly a contested issue. It has been posited that even organisational cultures with strong cohesive values do not always guarantee effectiveness (Meglino & Ravlin, 1998); it is possible that a strong culture may form a barrier to organisational change programmes, particularly where core values may be threatened. For example, employee resistance may increase where change is being imposed, as in the case of a takeover or merger (Smollan & Sayers, 2009). Moreover, Hatch and Schultz (1997) suggest that organisational culture provides context to marketing studies, arguing that the “cultural context influences both managerial initiatives to influence image, and everyday interactions between organizational members and external audiences” (p. 360).

One aspect of employee culture utilised to measure whether employee commitment, motivation and loyalty may be enhanced within the organisation is that of employee orientation (Plakoyiannaki, Tzokas, Dimitratos, & Saren, 2008), described as “a view of employees as partners in the efforts of the firm to achieve organizational success” (p. 271). Notably, in Plakoyiannaki et al.’s case study of a UK automotive services firm, exploring the relationship between Customer Relationship Management (CRM) success and employee orientation, the latter was

influenced by trust and empowerment. The authors provided evidence to support the positive influence of trust on facilitating the “acquisition, dissemination, and use of customer information” (p. 286), which suggests alignment to the goals of RM. Furthermore, their findings indicated that it was possible that a high-trust culture may be important for improved facilitation of IM communication processes, and in particular, sourcing and disseminating information. Therefore, given the potential influence of organisational culture on employee interactions, it looks as if the cultural context in which IM occurs has the potential to significantly influence the outcomes of IM communication.

As commonly expressed, culture is communication and communication is culture. However, the structural components of communication are also considered important to external stakeholder relationships (Morgan & Hunt, 1994; Sin et al., 2005) and as central to this study of internal stakeholder relationships, is discussed in the section that follows.

2.5 THE COMMUNICATION CONTEXT

While communication has been proposed as an integral element of enabling promises, there appears to be little clarity about exactly what aspects of communication are important, or how they should be measured. Furthermore, it is acknowledged that relationship communication has not been widely discussed within the marketing literature (Finne & Grönroos, 2009). A notable exception, is that of Lindberg Repo (2001) who conceptualised the process of relational communication as comprising planned communication leading to contact and then to connectedness, based on the level of interaction. These elements were underscored by context and feedback mechanisms leading to a higher level of relationship value. However,

Lindberg-Repo's study was constrained within the customer-supplier dyad and thus did not explore employee to employer or employee to employee communication.

Again within the context of customers and suppliers, Finne and Grönroos (2009) described relationship communication as:

[A]ny type of marketing communication that influences the receiver's long-term commitment to the sender by facilitating meaning creation through integration with the receiver's time and situational context. The time context refers to the receiver's perception of the history and envisioned future of his/her relationship with the sender. The situational context refers to the elements internal or external to the receiver (pp. 180-181).

However, it is possible that the proposed definition may also be applicable to employees. The key features of relationship communication are proposed as "that two parties take a part in the process, it has a long time perspective, it is a sum of actions and it should lead to a shared knowledge base" (p. 183). Furthermore, it is the receiver who confers meaning based on the situational context and timeframe. Similarly, in the context of intercultural communication, Beamer (1992) reminds us that communication "can best be understood from the perspective of the receiver, not the sender or the channel or even the encoded message itself" (p. 285). Because each person's situation will be different, it is the receiver who determines whether or not relationship communication has occurred. Therefore, employee perceptions of IM communication using a relational lens provide an opening for further exploration.

However, in contrast to the relationship communication features posited by Finne and Grönroos (2009), the earlier findings of Asif and Sargeant (2000) in their grounded theory study of 2 UK clearing banks, identified that only rarely could

internal communication be viewed “as a form of relationship building, and only then in relation to informal horizontal communications with peers” (p. 314). The authors found that bank employees prioritised communication from senior managers and customers and placed less priority on inter-departmental communication, thus relying on informal methods of communication. In contrast, however, Asif and Sargeant found internal communication outcomes included shared values and commitment, which are considered relational variables, as outlined earlier in section 2.3.1 (p. 44). Therefore, further research is warranted to explore the influence of inter-departmental communication on relational outcomes.

From an IM communication stance, it is also possible the elements of an effective communication system highlighted by Clampitt and Berk (2002) are relevant to IM communication practices. For example, pertinent questions include, are managers committed to IM communication, and do employees have the appropriate communication skills? What communication channel infrastructure, policies, and procedures are in place to communicate marketing programmes internally, and finally how is marketing information managed within the organisation?

From an external marketing point of view, there have been a number of different approaches to marketing communication such as Pickton and Broderick who (2005) offer a traditional model, based on Shannon and Weaver’s mathematical model of communication. What is relevant to this study in this model is the inclusion of the receiver’s response and subsequent impact on brand equity (pp. 6-7), which signals that the employee response is crucial in understanding the effectiveness of the IM communication process.

Also taking a mechanistic approach, Mohr and Nevin (1990) proposed a theoretical model for communication effectiveness in marketing channels. These authors stated “communication is the glue that holds together a channel of distribution” (p. 36). Therefore, while the model below is proposed for marketing distribution channels, given its foundations in organisational communication theory, it is possible that the concepts could have the potential to explicate the process of IM communication.

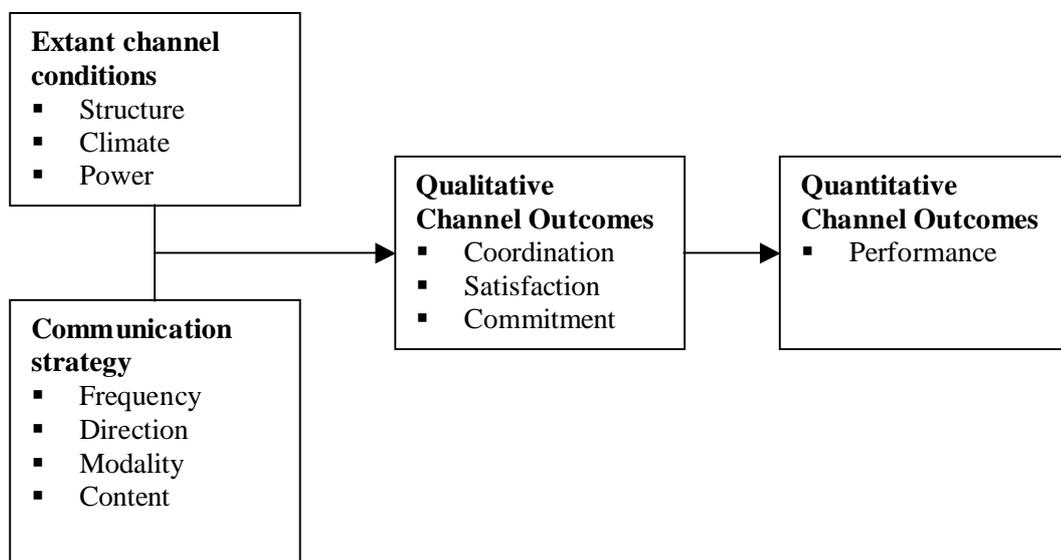


Figure 4: Model of communication for marketing channels (Source: Mohr & Nevin, 1990, p. 38)

Mohr and Nevin (1990) posit that effective communication includes the “message (content) the channel (mode), feedback (bidirectional communication), and communication effects” (p. 37). Potentially important to this study is the suggestion of Mohr and Nevin that relational channel structures feature communication with “higher frequency and more bidirectional flows, informal modes, and indirect content” (p. 40). As such, questions arise such as to whether IM communication

channels which facilitate more bi-directional flows and informal modes facilitate a greater level of information sharing. If so, is IM communication perceived as being more effective in enabling promise delivery?

2.5.1 Communication strategy

As shown, Mohr and Nevin's (1990) conceptual model of communication suggests that communication strategy considers the frequency, direction and modality of communication. Similarly, from an internal position, the services marketing literature also suggests that communication direction is important. For example, effective upward communication will help firms to understand potential gaps in service delivery, as customer-contact employees usually know more than anyone else about what can or cannot be delivered (Sayers & Barney, 2003). Effective horizontal communication is required to coordinate organisational activities to enable promise delivery (Zeithaml, Bitner, & Gremler, 2009). Horizontal communication may also be important to inter-departmental coordination, which is recognised as the key barrier to effective delivery of promises (Bitner, 1995). Therefore, it is possible that the way in which employees perceive communication between departments may be critical to their perceptions of promise delivery.

An integrated approach to IM communication suggests coordination of the messages sent to employees with those advertised externally. According to Ahmed and Rafiq, in their commentary on IM issues and challenges, when internal communication strategies are crafted "in parallel with external marketing communications, advertised promises stand a better chance of being fulfilled to the required level of performance" as employees are more likely to be "better prepared" (Ahmed & Rafiq, 2003, p. 1183). However, at the time of this study there was an

apparent dearth of empirical studies linking the integration of marketing communication with outcomes of employee performance. Taking an integrated communication perspective, Ferdous (2008) provides a recent conceptual framework for IIMC (integrated internal marketing communication), which includes creating the right atmosphere, applying IIMC tools and techniques such as newsletters and measuring the programme. The right atmosphere is suggested as incorporating the CEO as brand leader, who is responsible for selling the vision and values to employees, and facilitating a culture of communication that promotes multi-directional communication. Furthermore, the literature highlights both from an organisational communication (Cheney & Christensen, 2001) and from a marketing point of view (Schultz & Schultz 2004), that communication needs to be integrated both internally and externally, ensuring each stakeholder group receives a consistent message.

The conceptual framework posited by Ferdous (2008) includes IIMC tools such as promotion as proposed by Ahmed and Rafiq (2002), face-to-face meetings, internal advertising and other internal communication channels, and employee incentives. In a study of Singapore Airlines, Chong (2007) found the company made extensive use of a number of communication tools, but that what stood out was the amount of face-to-face interaction. However, Chong's study lacked exploration of IM communication from an employee's perspective.

Furthermore, both Lindberg-Repo (2001) from a relational, and Ahmed and Rafiq (2002) from an IM perspective, propose that feedback is important. Recommendations for gaining IM feedback include employee surveys, focus groups, and other mechanisms, such as question and answer sessions at meetings, and association of "words or phrases about the vision and values of the company" to

indicate if the programme had successfully “fostered internal branding and employee commitment within the organization” (Ferdous, 2008, p. 230). However, employee perceptions of feedback did not appear to have been empirically explored in the identified marketing literature. Furthermore, as noted earlier in this chapter, although a number of outcomes are proposed to result from IM practices, there appear to be gaps about how IM communication may enhance employee enablement of promise delivery, as discussed below.

2.5.2 IM communication outcomes

Communication is only one of the elements of the IM practices described earlier. However, at the time of this research there were no apparent studies demonstrating the outcomes of the element of IM communication on organisational performance, such as enabling promise delivery.

The outcomes for IM identified from empirical studies included knowledge, role clarity, job satisfaction, organisational identification, and service quality. In addition, outcomes such as job satisfaction, alignment, internalising organisational values, a reduction in inter-departmental conflict, and improved implementation of strategy and marketing programmes have been posited, outlined in Table 1 (p. 37). For example, Varey (1995) suggested that inter-departmental coordination would be enhanced through “two-way communication” by establishing “mutual understanding and trust” between managers and employees, and particularly between various functions or departments (p. 47), which indicates a possible outcome from IM communication, however, remains untested. Furthermore, in a study of UK clearing banks, Asif and Sargeant (2000), used grounded theory to interpret 31 semi-structured interviews with staff, and found the successful outcomes of internal

communication were a shared vision, service focus, empowerment, commitment (influenced by openness and honesty) and loyalty. The authors also found that internal communication was perceived to influence staff satisfaction when linked to a close relationship with the manager and where employees had a clear understanding of their role and understood that there was a reward system which recognised superior performance. The core objective of internal communication expressed by employees was information sharing. Similarly, Drucker (2004) highlighted outcomes of role clarity when he expanded on the need for good communication practices and stated that effective executives “share their plans with and ask for comments from all their colleagues – superiors, subordinates, and peers. At the same time, they let each person know what information they’ll need to get the job done” (p. 61).

It has been suggested that for communication to be considered effective, “both the sender and receiver” should “agree on the intent as well as the content of the message” (Kleiner, 1993, p. 18). Therefore, it may be expected that employees would understand the content of brand promises and understand how they should be interpreted. This approach would appear to support the suggestion by Ferdous (2008) that measures of word association may provide a measure of effectiveness of IM communication. By using word association, it is possible that if a company tells customers they are environmentally friendly that employees should understand the promise made, and will associate words such as ‘environmental’ or ‘green’ with their company’s brand promise. Furthermore, it may be possible that the company’s IM communication effectiveness could be assessed by whether or not employees understand the marketing programmes and strategy, alongside what is required of them to implement such programmes.

Therefore, there is potential to explore IM communication by understanding the influence of internal communication and culture on outcomes such as employee commitment, trust, shared vision, values, understanding of promises made and importantly, the knowledge of what is required to deliver on those promises. In so doing, organisations should expect to receive benefits such as those explicated in the section below.

2.5.3 Importance of communication in organisations

There is a view that companies with an effective communication system gain competitive advantage (Shaffer, 2002). Certainly, the importance of communication is noted in information dissemination of organisational changes (Tourish, Paulsen, Hobman, & Bordia, 2004), and improved organisational outcomes have been found for those organisations with more effective communication (Connecting organizational communication to financial performance: 2003/2004 communication ROI study, 2003). However, from a strategy implementation perspective it has also been illustrated that communication may indeed need to be very poor or ineffective before it will significantly affect implementation (Malina & Selto, 2001; Peng & Letteljohn, 2001). Furthermore, at the time of this study, it is unknown whether there *is* a relationship between more effective IM communication, improved IM outcomes and promise delivery.

From a relational perspective, communication has been identified as important to both trust (Morgan & Hunt, 1994; Selnes, 1998) and to satisfaction (Selnes, 1998). For example, in a study of empowerment undertaken in 10 companies, organisational communication was found to correlate with trust as a result of information sharing (Randolph, 1995). This finding indicates that

information shared, and therefore, information availability, may be important to the level of trust in organisational relationships and therefore potentially influential in IM outcomes.

However, it does not appear evident from the existing literature how employees experience IM communication from a relational perspective, or in turn, how influential that communication may be on IM outcomes. It is a complex issue as it is apparent that IM communication may be experienced differently by employees depending on the context of the organisation's culture. In addition, the type of organisational relationship, for example whether the communication is between a manager and employee, or whether it is between colleagues or other departments may also be influential to the outcomes experienced, but has not yet been clarified in the marketing literature. In order to explore some of the many remaining questions about how IM communication is practised, how it is experienced by employees, and with what potential outcomes, the following questions drove this study:

1. How do companies in the New Zealand electricity industry communicate with their employees about marketing programmes and brand promises?
2. How effective do employees find their company's IM communication practices?
3. What outcomes result from employee experiences of their company's IM communication?
4. What influence do employees' IM communication experiences have on *enabling* them to deliver on brand promises?
5. Do employees in the New Zealand retail electricity industry perceive customers can trust their company to deliver on their marketing promises?

2.6 CONCLUSION

The preceding discussion has identified the existence of significant influence from multiple disciplines on IM communication outcomes that may contribute to *enabling* employees to deliver on promises. Thus, it is evident that a multi-disciplinary approach is required to identify the cogent influences on IM communication, and the potential outcome of those practices on enabling employees to deliver on promises made in the workplace.

Both the IM literature and that relevant to the communication context has been reviewed. Each area contributes to the foundation and rationale for this study which explores the influence of IM communication on promise delivery within the New Zealand retail electricity sector. Furthermore, as this research takes a relational approach, the possible influence of key variables such as trust, commitment, and shared values were outlined, alongside the influence of the cultural environment within the companies in this study.

Given the apparent paucity of existing measures of IM communication, and a lack of agreement about both the measures and outcomes of IM in general, this research aims to contribute to understanding of both the theoretical and practical implications of IM communication, related to enabling employees to deliver on customer promises. In so doing, exploring the gap in the literature on IM communication practices and outcomes will be the focus. As indicated, this study will investigate what channels for IM communication are considered most effective from an employee perspective, whether the direction of IM communication has an influence, and how relational variables such as trust, commitment, and shared values influence IM outcomes, potentially enabling employees to deliver on promises made.

As outlined in Chapter 1, the purpose of this study was to first explore how organisations communicated their brand promises to employees, then to understand how employees experience that communication both in terms of effectiveness and outcomes, and finally to determine what influence IM communication has on the level to which employees perceive their company delivers on promises made. Now that the background has been outlined, the way in which this research was undertaken will be discussed in the following chapter.

CHAPTER 3: METHODOLOGY

This chapter outlines the research methodology used to inform this research. An overview to the inductive realism approach and the rationale for using a collective case of four electricity companies in New Zealand is presented, followed by an overview to the mixed-methods data collection including archival, interviews and questionnaires used in this study. The theoretical framework provides a foundation for exploring how companies communicate with their employees about brand promises and marketing programmes, how effective employees found that communication, and what outcomes may result from employee experiences of that communication. The method will be explicated further in Chapter 4 along with limitations to this study.

3.1 RESEARCH PARADIGM

The broader relationship marketing (RM) paradigm is said to explain the need and importance of IM (Gounaris, 2006, 2008b); nevertheless, while there appears to be widespread existing theory on internal marketing (IM), there remains a lack of agreement both on the definition, and how it should be measured. As outlined in Chapter 2, IM research appears to have migrated through three phases (employee satisfaction, customer orientation, and strategy implementation); however, there is an apparent paucity of research from a relational perspective. Furthermore, in Grönroos's (2007) words, "service and relationship marketing seem to provide a logic for marketing which well meets the challenges for marketing theory and practice" (p. 214).

Therefore, this study explores internal communication from a relational perspective to understand its potential influence on promise keeping, which as pointed out earlier is under-researched and appears to remain so. While it has been stated that RM theories may be applicable to all stakeholder relationships (Morgan & Hunt, 1994), there were few studies apparent on internal employee relationships and the influence they may have on marketing outcomes, such as promise keeping.

Because of the lack of existing research on IM communication, and in particular internal relationship marketing communication, this study uses an inductive approach, as explicated in section 3.1.1. However, in so doing, a realist perspective was required to fully interpret the results. As both a theoretical and practical contribution are required from the study, the realist lens ensures that a focus is placed on any findings which may be relevant not only for the development of theoretical knowledge, but also for that which may be utilised by practitioners.

Therefore, the approach that most closely resonates with this exploratory research is that of inductive realism. Hunt (2002) argues that inductive realism is a valid methodology for marketing inquiry, and suggests it is the view that the “long term success of any scientific theory provides reason to believe that something like the entities and structure postulated by that theory actually exists” (p. 5). While an inductive and realist perspective may be considered incommensurate, it has been stated that “the various paradigms are beginning to ‘interbreed’, such that two theorists previously thought to be in irreconcilable conflict may now appear, under a different theoretical rubric, to be informing one another’s arguments” (Lincoln & Guba, 2000, p. 164). In this exploratory study, although an inductive approach was necessary to gain greater insight to the subject, the interpretation of the case is founded on a realist perspective to serve the needs of both an academic and

practitioner perspective. Both the inductive and realism approaches are explicated below.

3.1.1 Induction

Inductive thought is the logic of drawing inferences from repeated instances (Bullock & Trombley, 1999). Inductive research is not usually intended for generalisation, but is used when needing to discover more about the subject, as was the case in this study. As illustrated by the popular case of the discovery of black swans in Australia at a time when all swans were thought to be white, even one instance can bring new understanding to a subject.

As exploratory research, a general inductive approach allows the findings to emerge from the data “without the restraints imposed by structured methodologies” (Thomas, 2003, p. 2). Therefore, the inductive approach in this research appears consistent with the apparent paucity of literature on IM communication practices.

Kalish and Lawson (2007) contend that “the central question for research on inductive inference is how people use their prior knowledge to make novel predictions” (p. 394), in essence, using existing knowledge as a foundation for the development of new understanding. While, there is a lack of agreement on definitions and measures of IM, and in particular relational IM communication, this study did draw on the available extant knowledge of RM, organisational culture, values, and communication theory to provide a framework to facilitate exploration of IM communication practice. For example, while ‘trust’ has been theorised as a key mediating variable of RM (Morgan & Hunt, 1994); the influence of IM communication on trust within employer-employee and employee-employee

relationships did not appear to have been sufficiently explored in the marketing literature.

Because of the exploratory nature of this research, data is drawn from multiple sources including archival, interviews and employee surveys, all of which were analysed and condensed to create new insight into employee experiences of IM communication. The application of the methods used to collect and analyse the data is presented in Chapter 4 which follows. Therefore, in contrast to deduction, which seeks to disprove a hypothesis and provide an explanation (Bullock & Trombley, 1999); this study aims to extend existing knowledge of IM communication as it relates to promise enablement, by using inductive inquiry to provide greater insight.

3.1.2 Realism

Following an initial phase of inductive inquiry, this research also takes a realist turn in order to provide greater depth to the findings. According to Lee and Lings (2008), while realism is not as extreme as the positivist approach, the philosophy of realism shares “positivism’s belief in an objective world which we can observe and measure” (p. 31).

The realist approach was considered important to illustrate the findings in a manner which would be considered relevant to both academics and practitioners (Kover, 1976). Therefore, while acknowledging that unknown phenomena may exist to influence the outcomes of the study, this research sought to identify those elements that may be apparent from the themes that emerge initially from Phase 1, and were later measured during Phase 2, as explained in the following chapter.

3.2 COLLECTIVE CASE STUDY

Case studies are useful where the current theory does not provide an adequate answer for the research questions (Eisenhardt & Graebner, 2007), as was the case in this exploratory study. Furthermore, Yin suggested that case studies are a useful means of answering “how and why” questions (p. 7) which underpin exploratory approaches.

Proponents of case study research emphasise the contribution of case studies as “one of the best (if not the best) of the bridges from rich qualitative evidence to mainstream deductive research” (Eisenhardt & Graebner, 2007, p. 25), as multiple sources of data can be compared and contrasted. In this case, two phases were undertaken, an initial inductive phase, followed by a primarily quantitative employee survey. However, it must be clear that this study does not propose any hypotheses for deductive analysis, rather the quantitative data will be used to provide insight into employee experiences of IM communication.

This research drew on existing theory from the promise management, internal communication, organisational culture, and the relationship marketing literature outlined in Chapter 2, to develop a theoretical framework as the basis for data collection. Furthermore, a variety of evidential approaches were undertaken to enhance rigour (Yin, 2003), as it has been stated that case study evidence is not limited to but can include “documents, archival records, interviews, direct observation, participant-observation and physical artifacts” (p. 83). Therefore, to ensure a thorough and yet insightful exploration of the research questions, this study included both primary and secondary data sources, as explained in the research design explicated in section 3.3.

Within the literature, there are varying descriptions for case studies along with differing views on their paradigmatic foundations (see Grünbaum, 2007); however, according to Lee and Lings (2008), a case is “most commonly” referred to as a “single social setting” (p. 200). Similarly, Stake suggests that the “case study is not a methodological choice but a choice of what is to be studied” and that the case can be studied in a variety of different ways including the use of mixed-methods (2000, p. 435). He also suggests that a case may be considered ‘instrumental’, where the purpose of study is to “provide insight into an issue or to redraw a generalization” (p. 437) as part of developing understanding of some other area of interest.

While brand promises are implicit with all products and services, the goal of this study was to understand and determine how organisations communicated with employees to enable them to deliver on those promises and how employees experienced that internal communication. Therefore, as suggested by Stake, the first decision was to base the research on a collective case study as there was less intrinsic interest in the actual case, but rather more in investigating the gap in the literature on relational IM communication. Thus, a collective case study incorporating multiple organisations was appropriate for this research, given the purpose of exploring the more general phenomena of IM communication practices; as they related to enabling employees to deliver on promises made.

In this study, four cases were combined to form a collective case within the single setting of the New Zealand retail electricity sector. However, it must be noted that because this study combines the data to form a collective case, between case and within case analysis is not carried out. It was integral to the case to select

organisations most likely to illustrate the area of interest, rather than to compare and contrast the individual organisations.

Using the theoretical case study framework as a guide; the selection of the case organisations was first based on identifying companies where the product offered may be considered a commodity, and where the perceived differences between the end products are minimal. Commoditisation has been said to occur when “similar firms with similar products compete in a mature market, and the emphasis shifts from product attributes to price” (Little et al., 2006, p. 28). As Grönroos (2009) further points out, “promises cannot be expected to be successfully kept by the firm unless its employees are willing and motivated to do so” (p. 355). Therefore, given the commodity nature of the product and considering factors of differentiation other than price; a second consideration for case selection was to identify organisations where employee behaviour is likely to influence customer perceptions of the brand at the point of contact, and thus identify the influence of IM communication on enabling employees to deliver on promises. Finally, organisations willing to participate in the study were required.

It was also important to recognise that case studies are not without limitations. In the past, case studies have come under various forms of criticism in regard to scientific rigour, primarily because of the predominant use of qualitative data and the supposed lack of objectivity (Patton & Appelbaum, 2003). However, Gummesson (2005) reflected that case study research does offer a substantial contribution to the understanding of complex and ambiguous issues, and he argued that case studies will provide “the researcher with an input of real world data from which concepts can be formed and propositions and theory can be tried” (p. 322). Therefore, given the recommendation for a “richer analysis of the employee

experience” of IM (Ahmed & Rafiq, 2003, p. 1183), and that the research objectives consisted primarily of *how* questions, the case study method was considered most appropriate to the design of this study.

Furthermore, although it is recognised that it is difficult to generalise from case study research; it has been argued that multiple case studies or even a few additional cases have been viewed as robust for the purpose of building or extending theory (Eisenhardt & Graebner, 2007). Similarly, according to Stake (2000), the lack of generalisability can be defended by the unique perspective of the case study. Therefore, although recognising the caution of using cases to generalise to other populations, Yin (2003) proposed that analysts could “generalise findings to theory” so they may be explored further through examining other cases (p. 38). As such, a case study theoretical framework acts as a guide to both explore and interpret the results in relation to existing theory.

Flyvbjerg (2006) went further, when he argued that even a single case can provide a valuable contribution to knowledge. The author went so far as to state:

One can often generalize on the basis of a single case, and the case study may be central to scientific development via generalization as supplement or alternative to other methods. But formal generalization is overvalued as a source of scientific development, whereas “the force of example” is underestimated (p. 228).

In this study, no attempt is made to generalise the findings. However, given the limited existing knowledge of relational IM communication, greater insight to IM practice was called for. Accordingly, the collective case provided the opportunity to directly investigate the communication practices of the subject organisations and how employees experienced them.

To gain this insight, the research design explained in the section below focused on exploring IM communication to provide ‘an example’ in practice. In an attempt to overcome the limitation of a lack of generalisability, a mixed-methods data collection process that incorporated multiple data sources and analysis was undertaken to optimise the external validity of this research.

3.3 RESEARCH DESIGN

As an exploratory study, a mixed-methods approach (Creswell & Plano Clark, 2007) was consistent with the inductive realism approach. A theoretical case framework (illustrated in Figure 7, p. 96) was created from the extant literature and used to guide the process.

As outlined earlier, IM is the method proposed to enable employees to deliver on promises made by the organisation. However, as illustrated in Chapter 2, there appeared to be little agreement on the definition of IM or how it should be implemented. As a starting point for a theoretical framework, this study drew on the “key elements of promise enablement” outlined by Little et al. (2006, p. 32). However, because of the broad nature of the areas that influence ‘enabling promises’, this research focuses on exploring promise enablement from an IM *communication* perspective. The rationale for the mixed-method approach, which included archival data, interviews, and questionnaires is outlined below.

3.3.1 Mixed Methods

Lee and Lings (2008) suggest qualitative and quantitative methods can be complementary in business research, and state that case study research typically employs “a mix of data collection methods” (p. 201). However, Creswell and Plano Clark (2007) go further, defining mixed-methods research as:

A research design with philosophical assumptions as well as methods of inquiry. As a methodology, it involves philosophical assumptions that guide the direction of the collection and analysis of data and the mixture of qualitative and quantitative approaches in many phases in the research process. As a method, it focuses on collecting, analyzing, and mixing both quantitative and qualitative data in a single study or series of studies. Its central premise is that the use of quantitative and qualitative approaches in combination provides a better understanding of research problems than either approach alone (p. 5).

The concept of mixed-methods is not new. Earlier, Chisnall (1973) reminded researchers that it is “not so much a question of which method is best, as which set of methods is likely to result in an objective research programme” (p. 162). Similarly, according to Huberman and Miles (2002), “quantitative and qualitative inquiry can support and inform each other” (p. 396); therefore, within the collective case study context, a mixed-method of data collection was used.

According to Creswell and Plano Clark (2007), there are four key types of mixed-method design. These include triangulation, embedded, explanatory, and exploratory designs; each of which presents various strengths along with challenges. Given this research was exploratory and set out in two phases to first provide context and background to the study, and second to gain feedback from employees on their experience of their company’s IM communication to gain greater insight into the questions raised; the mixed-methods exploratory design, instrument development

model³ shown below provided an effective tool to guide the development of this study.

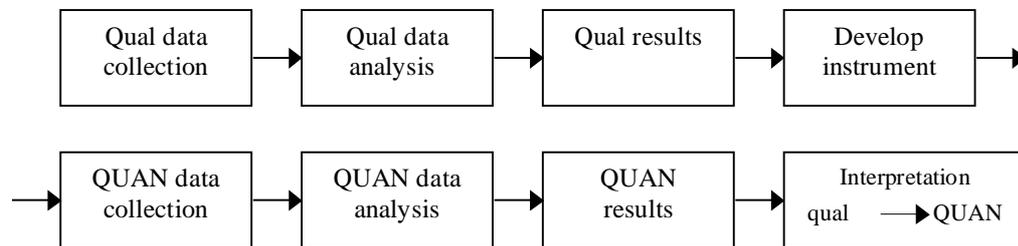


Figure 5: Mixed-methods exploratory design: Instrument development model (Source: Creswell & Plano Clark, 2007, p. 76)

The mixed-methods approach is considered particularly effective where initial qualitative research is desirable for further exploration of the constructs and theories, and the development of scales for later quantitative inquiry (Creswell & Plano Clark, 2007), which was the case in this study, where the research was divided into successive phases incorporating the background and context, followed by both qualitative and quantitative data from employees.

Following the mixed-methods design, to gain an understanding of the industry and provide an overview to the types of internal communication strategies employed by each organisation; the exploratory approach in this research began with qualitative data collection from company archival records, followed by interviews with selected senior managers, operational managers, marketing and human resources personnel, along with external advertising agency contacts. These participants were involved with the companies' strategies for communicating their brand promises to employees and customers (Qual data collection). Following the

³ Note: QUAN is emphasised by Creswell and Plano Clark (2007) through use of capital letters as shown.

data collection, analysis was undertaken (Qual data analysis, described in section 3.5.1, p. 86). The results of these earlier stages were used to inform the development of the employee survey (Develop instrument). A largely self-completion online survey was then undertaken with employees of each of the participating retail electricity companies (QUAN data collection), then analysed (QUAN data analysis, described in section 3.5.2, p. 88). Results were then reported (QUAN results) in Chapter 4, and interpreted (Interpretation stage) in Chapter 5.

As mixed-methods allows for the development of understanding and context prior to instrument development, it provided an appropriate method to address the research questions in this study.

Archival data

The first phase of the research focused on gaining contextual information about the collective case to understand how participating companies communicated with employees about marketing programmes and brand promises. In so doing, archival data and interviews were used to obtain case specific information about the theoretical concepts being explored.

Archival data included public information, company marketing collateral, and other documents such as advertising material, annual reports, correspondence such as invoices or bills, and mass mailed letters to customers etc, were collected and analysed for their contribution to the context of the research. However, as Mumby (1993) states, organisations produce and reproduce meaning, not only on a 'surface structure' (revealing the overt, routine activities), but also from a 'deep structure' that supports the underlying system of how individuals make decisions about responding to situations in the workplace. Therefore, although norms and values will

be expressed through discourse within artifacts, such as annual reports and advertising material, they do not necessarily provide insight into the underlying structures of meaning, which required further exploration through the use of semi-structured interviews.

The archival data contributed to the understanding of stated brand promises, and explicit communication of company values and strategic imperatives, which were useful to both inform and corroborate the interview data. The data was also later used in the design of the employee survey, consistent with Miles and Huberman's (1994) view that, "qualitative data can help the quantitative side of a study during design by aiding the conceptual development and instrumentation" (p. 41). The initial exploration of publicly available archival data in conjunction with the literature thus provided a foundation for the interviews that followed in Phase 1 of the research.

Interviews

Interviews have been described literally as an "inter view, an inter change of views between two persons conversing about a theme of mutual interest" (Kvale, 1996, p. 2). Kvale further stated that the interview is an attempt to "understand the world from the subjects' point of view, to unfold the meaning of peoples' experiences, to uncover their lived world prior to scientific explanations" (p. 1). Recognising the potential for the possibility of response bias (de Vaus, 1995; Kvale, 1996; Yin, 2003), the interviews were necessary to ensure the case was accurately understood by the researcher, and there was a focus on relevant issues prior to undertaking a broader survey with all staff. Similarly, Kvale (1996) suggested a semi-structured interview is useful where the purpose of the interview "is to obtain

descriptions of the life world of the interviewee with respect to interpreting the meaning of the described phenomena” (pp. 5-6). In this case the interviews also provided insight into managerial concerns and perceptions of internal communication practices.

To help mitigate bias from the interview process (Eisenhardt & Graebner, 2007; Yin, 2003), a semi-structured approach was devised which ensured each participant was interviewed in a consistent manner; however still allowed flexibility for new information or issues to emerge. As Alvesson (2003) describes, qualitative interviews are “loosely structured and open to what the interviewee feels is relevant and important to talk about”; however, he goes on to state that the interview “calls for a theoretical understanding... or reflexive approach to which a set of various theoretical viewpoints can be considered” (pp. 13-14). He thus proposes a “reflexive pragmatism view” whereby there is a balance between reflexivity and a “sense of direction” (p. 14). The interview guide (Appendix 1, p. 215) was constructed from the literature, but also incorporated enough flexibility to ensure sufficient information was gained from the interviews to direct the design of the employee survey that followed.

In accordance with the semi-structured approach, the questions were not followed rigidly, but rather provided the foundation for more of a “guided conversation”, allowing fluidity, a recommended approach for case studies (Yin, 2003, p. 89). As argued by Stake (2000), this was an important stage as “many qualitative field workers invest little time in instrument construction (important for Phase 2 of the study), partly because even the familiar case is too little known” (p. 445).

The additional benefit of the interview process was the opportunity for the researcher to build a rapport with interviewees to ensure they were comfortable providing open responses and also to clarify any areas throughout the research process and adapt the direction of the questions based on the response of participants. The interviews provided a key benefit by ensuring the commitment of senior managers to both the survey and later implementation of recommendations which resulted (Edwards, Thomas, Rosenfeld & Booth-Kewley1997).

Questionnaires

Consistent with the mixed-methods model, the next phase of the research project included the development of an instrument to survey employees. Subsequent to thematic analysis of the interview data, a self-completion questionnaire was devised for all employees. The benefit of using self-completion questionnaires is that they allow anonymity and therefore are more likely to mitigate socially desirable responses (Gieselman, 1968). Employees can freely respond honestly, without fear of retribution.

As responses were to be requested from more than a thousand employees, an online questionnaire survey tool was appropriate for this phase of the research. Web surveys include the advantages of being easy to use and being cost effective (de Vaus, 1995). Specially designed internet survey packages are available and are recommended as the easiest and simplest way to ensure smooth implementation of web surveys. Furthermore, they provide the advantages of easier questionnaire formatting and some automatic coding of results. However, web surveys are not without limitations. The outcome of a meta-analysis of web survey response rates found that they were likely to yield an average 11% lower response rate than other

modes (Manfreda, Bosnjak, Berzelak, Haas, & Vehovar, 2008). Reasons for lower response rates were suggested as a lack of tools which are sufficiently developed to “decrease non-response rates in web surveys” (Manfreda et al., 2008, p. 82). For example, it is more difficult to use incentives to encourage higher response rates, although the use of incentives also raises a number of ethical issues. Notably, in a further analysis of comparative studies, incentives were not found to vary the response rate. Other reasons included that participants may not be familiar or comfortable enough with either computers or the internet and that there is more effort required than for example simply answering a telephone interviewer’s questions (de Vaus, 1995; Manfreda et al., 2008). Given the retail electricity companies studied made extensive use of electronic communication, an online survey was the preferred option. However, it was noted that care needed to be taken with the design and implementation of the questionnaire as in many instances there is “only one bite at the cherry” (Gummesson, 2008), as was the case in this study where the survey was sent only once to all staff in each participating company.

Although questionnaires can include either (1) closed or forced questions and/or (2) questions that allow open qualitative responses, both are used in this study. According to de Vaus (1995) there are a number of “advantages to *well-developed* forced-choice questions.... particularly so if the questionnaire is self-administered” (pp. 99-100, emphasis in original). The advantages include ensuring questions are easier to code; the alternate selection acts as a prompt to the range of responses, and participants are less likely to be influenced by misinterpretation.

Questionnaires are also considered an effective means of upward communication (Edwards, Thomas, Rosenfeld & Booth-Kewley 1997), and earlier researchers stated that employees “react favorably to a survey because it offers

concrete evidence that management is interested in what they think” (Gieselman, 1968, p. 15). Furthermore, self-administered questionnaires can be replicated across different groups without introducing the potential influence of interviewer bias and therefore provide a stronger basis for comparison and replication. Surveys also have the benefit of being relatively inexpensive to conduct (Edwards, Thomas, Rosenfeld & Booth-Kewley 1997), an important factor considering the time and financial constraints of this project. However, a limitation of questionnaires is the lack of ability for respondents to clarify their understanding of the questions asked or to provide direct feedback (de Vaus, 1995). Therefore, prior to implementation of the survey, a pilot study was undertaken and appropriate changes made (see section 4.8.4, p. 109 for further details). In addition, open-ended questions were incorporated into the questionnaire to allow employees to provide more detailed feedback on their company’s internal communication, and systems and processes.

3.5 ANALYSIS

In this study, both qualitative and quantitative data were combined to provide the advantage of using the former to describe patterns, and the latter to illustrate employee perceptions of the influence of the IM communication themes identified from the interviews. The complementary approach enhanced corroboration through the mixed-methods design. As a result, both qualitative and quantitative analysis were carried out, explicated below.

3.5.1 Qualitative analysis

Qualitative analysis involves examination of “distinctive forms of data, namely language and texts” (Gibbs, 2002, p. 1). In this study, qualitative analysis was undertaken using the preferred strategy for case studies, “relying on the

theoretical propositions” as a guide (Yin, 2003, p. 111). The theoretical framework (as outlined in Figure 7, p. 96) was created from the initial literature review as a basis for data collection in Phase 1. Nonetheless, themes can be identified “before, during, and after data collection” (Ryan & Bernard, 2000, p. 780).

The interviews were analysed thematically using Boyatzis’s (1998) description of a theme as “a pattern found in the information that at the minimum describes and organizes possible observations or at the maximum interprets aspects of the phenomenon” (p. 4). This author offers three steps for generating themes from theory, “(a) generating a code, (b) reviewing and revising the code in the context of the nature of the raw information, and (c) determining the reliability of the coders and therefore the code” (pp. 35-36). In so doing, a general inductive approach was adopted to reduce the data to summary themes within each category. Thomas (2003) described the purpose of a general inductive approach as;

1. To condense extensive and varied raw data into a brief, summary format.
2. To establish clear links between the research objectives and the summary findings derived from the raw data and to ensure these links are both transparent (able to be demonstrated to others) and defensible (justifiable given the objectives of the research).
3. To develop a model or theory about the underlying structure of experiences or processes which are evident in the text (raw data) (p. 2).

The initial categorisation of themes related to the case study framework, had been identified from the literature and then incorporated into the interview guideline. The emergent themes were also coded. Therefore, the process involved an initial coding based on theory, which was followed by a general inductive approach to reduce the

data. Furthermore, according to Ryan and Bernard (2000), code books “are simply organized lists of codes (often in hierarchies)” (p. 781).

Consistent with the mixed-methods exploratory instrument design, based on the themes that emerged from the interviews and the earlier literature, a primarily quantitative survey instrument for measuring employee perceptions was developed.

3.5.2 Quantitative Analysis

Phase 2 of the study incorporated the questionnaire which was designed to explore and further inform the data captured in Phase 1. Consistent with the realist approach, extensive analysis is undertaken on the quantitative data. Responses to closed questions, were analysed using descriptive, principal components and bi-variate correlation analysis. Descriptive analysis highlighted the frequency of occurrences and mean values, principal components analysis was useful to reduce the data and determine what components reflected the employee experience of IM communication practice, and finally, bi-variate correlation analysis determined whether the communication experiences may be associated with perceptions of delivery of customer promises. Each of these methods of quantitative analysis is explicated below.

Descriptive analysis

Descriptive analysis including frequencies and mean score responses was employed to examine the IM communication processes. Frequency analysis measured how often employees responded in a particular manner to questions. Furthermore, the mean scores to questions incorporating a scale range allowed the researcher to determine the strength of response to the questions made. Both the

frequency analysis and mean response scores were used as a guide to determine how effective employees perceived the channels of communication were.

Principal components analysis was undertaken to study employee experiences of IM communication practices in order to reduce the variables to a number of multi-item scales that could be used to describe the relationships in the data more succinctly.

Principal components analysis (PCA)

PCA is considered an appropriate method of analysis where the goal is data reduction as in this case. The method “considers the total variance and derives factors that contain small proportions of the unique variance” (Hair, Black, Babin, & Anderson, 2010, p. 107). Therefore, PCA of the items relating to the employee experience enabled the researcher to reduce the data and identify those items that factored together to form components that provide further depth of understanding. In so doing, multi-item scales reflecting those components were created and are described in Chapter 5.

The process for construction of multi-item scales followed the criteria outlined in Churchill’s (1979) paradigm for developing better marketing constructs; a literature search, generation of sample items, collection of data and purification of data using co-efficient alpha and principal components factor analysis. There are a number of benefits of multi-item scales for marketing constructs. They have been described as; “(1) The specificity of items can be averaged out when they are combined, (2) by combining items, one can make relatively fine distinctions among people, and (3) the reliability tends to increase and measurement error decreases as the number of items in a combination increases” (Churchill, 1979, p. 66). Similarly,

Hair, Black, Babin and Anderson (2010) described the benefits as “a means of overcoming to some extent the measurement error inherent in all measured variables” and the ability to represent the multiple aspects of a concept in a single measure” (p. 124).

In constructing the multi-item scales, a number of considerations were taken into account, such as the number of items in a scale, as this has been found to influence the likely coefficient alpha result. Larger numbers of items are more likely to result in a higher coefficient alpha, potentially overstating the internal consistency of a scale, conversely the reverse can be true for scales with a small number of items, whereby internal consistency may be understated (Lee & Hooley, 2005). Therefore, while a greater number of items help to increase reliability, parsimony encourages the use of a smaller number of items. However, in general, it is recommended that a minimum of three items per construct are used (Hair et al., 2010). The detailed method for the PCA is outlined in Chapter 4.

Bivariate correlation analysis

The final analytic approach used was bivariate analysis to measure the relationship between two variables (Page & Meyer, 2000). While confirmatory analysis was not proposed for this study because of its exploratory nature and inductive approach, Pearson correlation coefficients did allow the researcher to explore potential relationships between employee experiences of internal communication and whether employees perceived their company delivered on its promises to customers.

3.6 CONCLUSION

This chapter has provided the epistemology and research approach that form the theoretical foundation for data collection and analysis. The general inductive perspective underpins the data collection and analysis of the first phase of interview data (Thomas, 2003), followed by instrument development. The use of mixed-methods provided insight into the case from a broader number of viewpoints and respondents. Furthermore, this approach was synergistic with the inductive realism direction for this study.

Existing literature was used to design a theoretical framework as the basis of the case study protocol, followed by an archival search of company documents and semi-structured interviews, conducted for three primary purposes. First, the objective was to learn more about the context of the industry being studied and second, to gain an internal view of what brand promises were made to the companies' customers. Third, within these parameters, the role of a quantitative questionnaire used in Phase 2 was described as the tool to survey large numbers of employees to explore the IM communication structures and systems that were in place to facilitate enabling employees to deliver on those brand promises, and how employees experienced that communication, and with what effect. The limitations of each approach were considered.

Finally, the use of both qualitative and quantitative tools for analysis of the data to provide a complementary multi-method approach was outlined. The application of each phase of the design is described in the chapter that follows.

CHAPTER 4: METHOD

This chapter describes the method used for the research which employed an inductive realism lens of inquiry to investigate the RQ's relevant to this study. First the research purpose is stated, followed by ethical considerations. The rationale for case selection is introduced. An exploratory mixed-methods approach is undertaken using Creswell and Plano Clark's (2007) exploratory design, instrument development model as a guide for a collective case study. A prior literature review formed the basis for development of a case study framework (Yin, 2003) and mixed-methods were used to both identify sources of evidence and for data collection to inform each phase of the study. Each phase of the mixed-methods study is outlined, including review of archival data, semi-structured interviews, development and implementation of employee surveys. Analysis of the resulting data using NVivo and SPSS is outlined. Finally, limitations of the study are discussed.

4.1 RESEARCH DESIGN

As outlined in Chapter 3, an inductive realism approach informs the design of this research. Given this was an exploratory study, a collective case was used to collect data on the theoretical areas of interest. A rationale for the case selection is presented followed by a discussion on the mixed method approach for data collection (Creswell & Plano Clark, 2007). Subsequently, thematic analysis was employed to reduce the qualitative data to summary themes. Quantitative data was analysed using descriptive analysis, and principal components analysis (PCA). Finally, bivariate correlation analysis was undertaken to explore employee IM communication

experiences and their perceptions of whether their company delivered on its promises to customers.

4.2 THE RESEARCH PURPOSE

The purpose of the research was to address the identified gaps in the literature on IM communication practices that enable the delivery of brand promises, through exploring the influence of IM communication from a relational perspective. Using organisations from the New Zealand Electricity Sector as a source of inquiry, five specific questions were addressed:

1. How do companies in the New Zealand electricity industry communicate with their employees about marketing programmes and brand promises?
2. How effective do employees find their company's IM communication practices?
3. What outcomes resulted from employee experiences of their company's internal marketing communication?
4. What influence do employee IM communication experiences have on *enabling* them to deliver on brand promises?
5. Do employees in the New Zealand retail electricity industry perceive customers can trust their company to deliver on their marketing promises?

4.3 ETHICAL CONSIDERATIONS

As the researcher was bound by the regulations of the Massey University Human Ethics Committee, prior to commencing the study application was made for full ethical approval. While the study may have been considered low risk whereby the "nature of the harm is minimal and no more than is normally encountered in daily life" (Guidelines for low risk notifications), full application was made. Ethical approval was received on 17th May 2007 (MUHECN 06/074), as seen in Appendix 2, p. 218. Consistent with approval timelines, data was collected between May 2007

and early May 2008. The process recognised informed and voluntary consent and the need for respect for privacy and confidentiality; illustrated by the participant information sheet (Appendix 3, p. 219), and participant consent form (Appendix 4, p. 220). Appropriately, neither individual participant, nor companies are identified at any phase of this study.

Confidentiality was an issue for three of the participating companies, thus confidentiality agreements were entered into. To safeguard the anonymity of all companies, each was given a pseudonym. In addition, the person who assisted in transcribing the interview data signed a confidentiality agreement.

4.4 CASE SELECTION

The New Zealand retail electricity industry was identified as appropriate for the collective case study. As explained in Chapter 3, the rationale for founding the research in the retail electricity industry is that the product is generic and considered a commodity (see Appendix 6 p. 223 for industry confirmation). Therefore, customer perceptions about the company's communication and promise delivery were more likely to be influenced by brand associations, such as being clean and green, the quality of service delivery, associated products and services, or a combination of factors. As a result there is a stronger emphasis on branding and service rather than the product in order to add value to the customer experience.

Of the 15 retail electricity providers in New Zealand, four companies were approached and each agreed to participate in the research. The companies included three SOEs⁴ and one publicly listed company. In addition, a further publicly listed company agreed to allow the researcher to observe internal brand focus groups,

⁴ State Owned Enterprises (SOE's) are former government departments or agencies that have been corporatised.

which contributed to the industry context, although this company declined to participate fully in this study because the proposed data collection timing overlapped with their own commercial internal and external brand communication research. The four companies were based throughout New Zealand, providing geographic diversity. Included in this study were three large retail electricity providers and one that could be considered moderately sized, but of significance to their geographic location.

Consistent with the goals of the research, and to provide a greater richness of data, the results are combined into one case, ‘The New Zealand Retail Electricity Sector’. The collective case included four fully participating retail electricity companies, now referred to as Lion Energy, Mountain Energy, Tiger Energy and Breeze Energy.

4.5 THEORETICAL FRAMEWORK

The theoretical framework directed the data collection phase of the study. Key areas were identified from the existing literature to inform the beginning of the research, based on the variables identified by Little et al. (2006) in their study of a New Zealand industrial SME organisation. While recognising the potential influence of all elements described as important to enabling promises, this study focused on one particular aspect of enablement, that of the influence of communication - IM communication in particular - illustrated in Figure 6 below.

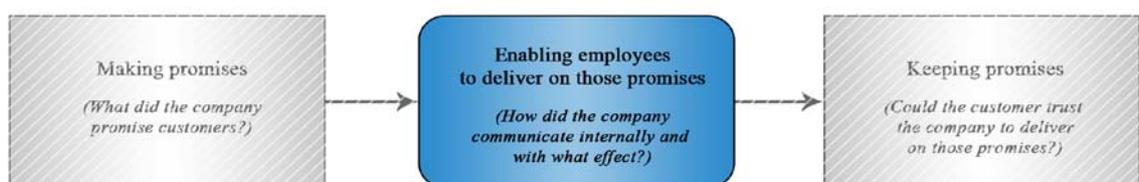


Figure 6: Research design: A focus on enabling promise delivery

The key factors identified in the literature as potentially influential to IM communication were incorporated into the research framework, illustrated in Figure 7, below.

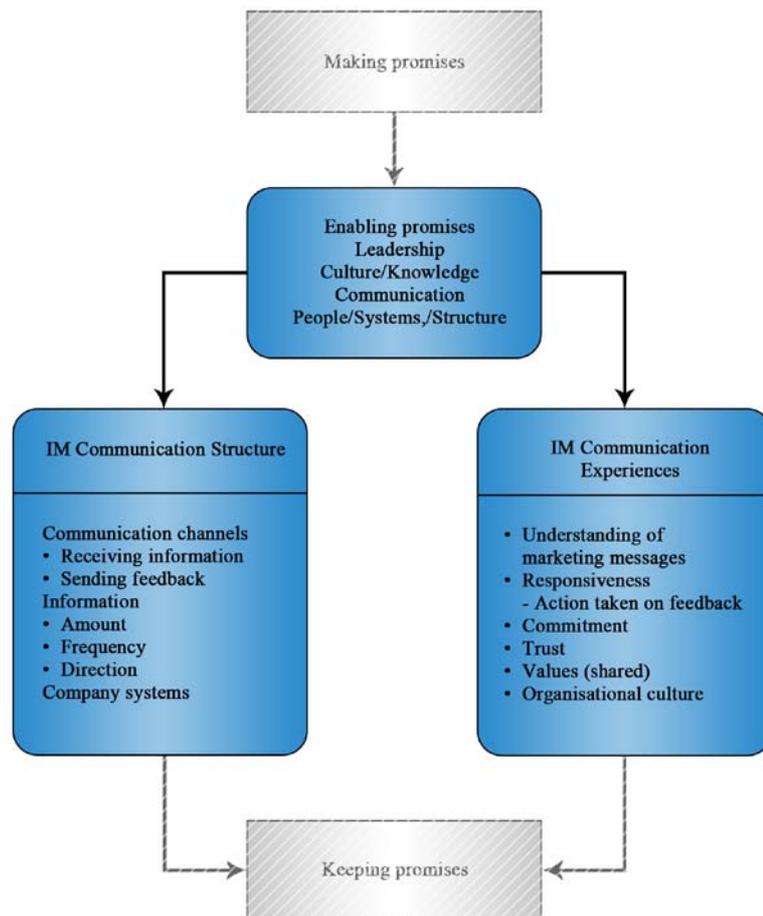


Figure 7: Theoretical case study framework

As noted earlier, the development of the brand promise, or its effectiveness, was not part of this study. The first step was understanding what each company had promised customers as the research focus was on identifying how companies enabled employees to deliver on the promises made. Therefore, the content and delivery of the company's internal messages to employees and the influence IM communication

had on promise enablement were central. The employee survey questions included how companies communicated internally, their communication structure and processes, and how employees experienced that IM communication. For example: did employees understand the messages being conveyed to customers, and what outcomes resulted from their experience of the communication process? As a final stage in the process, employees were asked if they believed that customers could trust their company to deliver on the promises made, as previous studies have illustrated that employee perceptions are a reliable measure of customer perceptions (Schneider & Bowen 1985).

The theoretical case study framework, developed from the literature was used as a guide to inform the study which was carried out in two phases as follows:

PHASE 1

4.6 REVIEW OF ARCHIVAL DATA

A review of public information and company records made available to the researcher was undertaken to provide contextual understanding of the industry. In addition, the archival data was found to be a valuable source of expressed company brand promises.

Company data included details on each company's structure, research reports (internal and external), internal company newsletters, design briefs and internal documents about marketing programmes. The public archival data included letters to customers, company newsletters, advertising programmes, company annual reports, and press articles. The public archival data was used to provide a contextual foundation in Phase 1 interviews. For example, the Ministry of Economic Development report - Chronology of New Zealand electricity reform (2005) provided the researcher with an understanding of the industry structure and history,

and annual reports provided insight into the companies which comprised the collective case. Later the public data, supplemented by internal company records, and responses from the interviewees, were used to inform the employee survey in Phase 2 of the study.

4.7 INTERVIEWS

Interviews with informed participants were conducted for three primary purposes. The first objective was to learn more about the context of the industry being studied and second, to gain an internal view of what promises each company made to their customers. Finally, the interviews were integral to the exploratory mixed-methods approach of obtaining data for development of the instrument used in Phase 2 to explore employee perceptions of each company's IM communication practices, and the potential influence on the enablement of employees to deliver stated brand promises.

4.7.1 Interview sample

Interviews were undertaken with all available senior managers, operational managers, marketing and human resource personnel, along with external communication agency contacts in the four retail electricity companies. These respondents were selected for their ability to provide data on brand promises communicated to customers, IM communication practices both from a marketing and operational perspective, and perceptions of key influences on IM communication within their organisations.

In total, 37 semi-structured interviews were completed between May and November 2007 (see Appendix 5, p. 221 for the schedule of interviews) as shown in Table 3 below.

Table 3: Interview participants

Company ⁵	No of Interviews	Senior Managers	Operations Managers	Marketing Personnel	HR Personnel	Comms. Agencies
Tiger Energy	12	2	6	2	1	1
Mountain Energy	9	2	5	1	1	0
Breeze Energy	8	1	4	1	0	3
Lion Energy	8	0	2	4	2	0
Total	37	4	17	8	4	4

4.7.2 Interview procedure

A semi-structured interview design was used to ensure a level of consistency, while at the same time allowing flexibility so that no strands of information were overlooked in the event that the responses did not reflect the earlier theoretical framework (Kvale, 1996; Yin, 2003). The researcher first asked respondents to describe what their company promised customers, then explored aspects of enabling promises highlighted by Little et al. (2006), such as culture and communication practices, systems and structures. Questions were also asked about the way in which marketing information was communicated, and the significant influences on that communication, particularly the potential influence of organisational values (see Appendix 1, p. 215 for the interview guide).

Each interview lasted between 30 minutes and 2 hours. The interviews were undertaken in a meeting room provided at each of the offices of the companies being

⁵ All companies have been allocated pseudonyms to protect their identity.

studied. Each respondent was given an information sheet (Appendix 3, p. 219) and signed a consent form (Appendix 4, p. 220), which also offered them the option of allowing permission to audiotape the interview. Where permission was given, (declined in 10 of the 37 interviews), the interviews were digitally recorded and later transcribed prior to analysis. For those interviews not recorded, extensive notes were taken at the time. All material was safely secured in the researcher's home. Immediately following the taped interviews, the recordings were transcribed and the transcriptions stored in secure electronic files. Voice recordings and written notes were immediately deleted.

To protect the identity of respondents, an identifier is assigned to each interviewee. For example, interviewees from Lion Energy are identified with an L followed by an "i" and the number of the interview. To provide a framework consistent with the mixed-methods exploratory design (Creswell & Plano Clark, 2007), qualitative analysis of the interview data was carried out to inform the development of the survey instrument, as outlined in the following section.

4.7.3 Interview analysis

Consistent with the inductive framework of the research, the interviews were subjected to thematic analysis (Boyatzis, 1998), as outlined in Chapter 3. Coding was undertaken by first reading through the interview data several times. Second, data associated with the themes highlighted in the theoretical case study framework (Figure 7, p. 96) were coded. Importantly, care was taken not to exclude any new emerging themes by staying alert to any variations in the data. Thus, finally, new themes identified were subsequently coded.

To assist coding, computer assisted qualitative data analysis software (CAQDAS) was used to help capture the coding electronically and thereby enhance the transparency and defensibility of the analysis, an important outcome of a general inductive approach (Thomas, 2003). In this study NVivo computer software was used to record emerging themes, which were organised using ‘tree nodes’ to show the themes coded (Gibbs, 2002). For example, *internal communication processes* was a tree node identified from the interview data. From each tree node, sub-nodes were created that represented sub-categories, which related to the tree node theme. For example, from the tree node internal communication processes, multiple sub-nodes were identified such as *cascading information* and *campaign approval processes* (also see Appendix 6, p. 223 for sample coding).

Consistent with mixed-methods exploratory research, the emergent themes were used to develop the subsequent employee survey tool. The themes also provided further potential insights into the relationships between the survey data and earlier interviews. In addition, the qualitative data helped to add ‘richness’ to the quantitative data gathered in Phase 2 of the study (Miles & Huberman 1994). A summary of the emergent themes used for instrument development is outlined in Table 4 below.

Table 4: Key themes resulting from interview analysis

Link to theoretical framework	Key themes	Sample coding
Making promises	Brand promises expressed	<p>We promise customers ‘ease’ of dealing with us... a value based service delivery... we pride ourselves on delivering value... but also make it easy (Mi7).</p> <p>Security of supply. That’s where we are going at the moment (Li6)</p> <p>Breeze Energy’s positioning around carbon neutrality is part way to capturing the hearts and minds of a section of the community.... We certainly don’t promise cheapest price (Bi6).</p>
Making promises	Products and services provided	<p>We read bi-monthly and if you compare that with most other retailers we are on a par, but if you compared it to [competitor] customers... we get from our surveys is that customers don’t like estimated accounts (Ti7).</p>
Enabling promises: Communication structure	Internal communication	<p>Team brief structure at departmental level (Ti6).</p> <p>Campaigns are loaded... [Intranet]... the orange says it’s there for them to read. A red comes up if they haven’t read it by the deadline date, so once they read it, they have to acknowledge that ‘yes, I have read this and I understand this campaign and I know what’s going on.’ (Li4).</p>
Enabling promises: Communication experience	Evidence of commitment	<p>People are very, very committed... we had someone last year who died unfortunately and in his will wanted to be taken around the sites and buried in his [company] overalls... And he left some money for 5 of the young maintenance team to go off and do some leadership training (Li3).</p>
Enabling promises: Communication experience	Evidence of trust	<p>The culture is that management take responsibility for communications effectiveness – integrity, trust, lateral and horizontal communications (Mi9).</p> <p>...to be trusting, open and honest and stop difficult processes (Bi7).</p>
Enabling promises: Communication experience and culture	Importance of company values	<p>It is easy enough to put out a statement saying these are the core values.... but it’s a lot harder to actually go out and drive that and actually show it from top down, even give the perception that you might be doing it... (Ti5).</p>
Enabling promises: Culture	Open culture... comfortable	<p>I would describe it as open, friendly, laid back, a little too laid back in my view (Mi1).</p> <p>So it’s quite an open culture I think in terms of information and feedback to people (Li3).</p> <p>It’s very open; it’s very friendly (Bi5).</p> <p>So if a CSR wants to talk to a GM because they had a great idea, they can talk to their manager and they can talk to their boss’s boss. It is actually possible. It is quite open and it is part where everybody knows everybody (Ti2).</p>

Link to theoretical framework	Key themes	Sample coding
Enabling promises: Culture	Differences	Quite different employee demographics. Generation primarily male – 45+ and have worked at [location] for the last twenty years. Whereas retail is mostly located at [address] – 55% female – average late 20's, early 30's. Some cultural influences sit within the business... however, they try to do things cross functionally (Li2).

The archival and interview data revealed the brand promises made by each company, which were later incorporated into the self-completion online survey to assess employee understanding of the promises made. The communication channels used by each company, identified from the interview data, were consolidated into an industry list that was then used to explore employee perceptions of channel effectiveness. An iterative process showed that themes from the interviews also supported the literature on the role of relational variables such as trust, commitment, and shared values. In addition, a new theme of an open and friendly culture emerged, which raised the question of whether a comfortable culture would influence employee perceptions of the communication experience.

A feeling of comfort is associated with organisational socialisation and has been found in customer-facing bank employees to be related to service climate, motivational direction and effort, and organisational commitment (Kelly, 1992), all of which are proposed outcomes of IM communication. Therefore, the emergent theme of comfort was explored further in Phase 2 of the research process. This study also specifically explored how comfortable employees felt in the context of the communication process, that of providing feedback. At the same time, differences in comfort between various types of intra-firm relationships were explored to determine whether there was any variation in the level of comfort and openness between different organisational relationships.

PHASE 2

4.8 QUESTIONNAIRE

The data from the interview analysis (see Table 4, p. 102) was used to formulate an online self-completion questionnaire for distribution to all employees within the subject companies. The basis for using a questionnaire is outlined, followed by the development of item scales. Finally administration of the questionnaire, scale development, questionnaire analysis and reliability are explicated.

4.8.1 Rationale for the questionnaire

In Phase 2, to address RQs 2-5, a self-completion survey was used to gain as many employee responses as possible in an effective and efficient manner. When designing the questionnaire, careful consideration was given to the wording and pre-testing to ensure participant understanding. Furthermore, the questionnaire was personalised to each company by name to improve association for the participant. Clarification was included where the terminology may not have been familiar to all participants. For example, based on the initial interviews, it was found that Podcasts were a familiar communication tool for only one of the electricity companies. As a consequence, additional wording was included in the questionnaire to explain a Podcast. Questions which referred to promises made, or services associated with the product offered, incorporated the options for the variants identified in Phase 1, even where those promises or associated services were not offered by all of the electricity companies. For example, at the time of the study the ability to receive one power bill

for both a primary residence and bach⁶ was available from only one of the electricity providers in the collective case.

4.8.2 Instrument development

Consistent with the mixed-methods exploratory instrument design approach, the questions were developed on the basis of themes emerging from the earlier interviews as well as the literature, which had previously informed the theoretical framework used for the qualitative Phase 1. The foundation of the instrument was derived from a communication audit tool. According to Tourish and Hargie (2002), there is “no one ‘right’ method for auditing communication” (p. 22); however, the authors did provide an adapted version of the ICA (International Communication Association) instrument (2002). Given the marketing focus of IM communication from a relational perspective, the final instrument was designed to reflect both the industry and the literature associated with IM and RM. A breakdown of the linkages to both the literature and interviews is included in Appendix 8 (p. 244 - development of instrument items).

Where available, instrument items were drawn from the existing literature; however, some modifications were made to suit the purpose of the research, and the context in which IM communication was being studied – employees within the New Zealand retail electricity sector. For example, one item is similar to that used by Edwards and Peccei (2007) “I share the goals and values of the NHS” (p. 47), but amended to read “I feel a strong affinity with the goals and values of [company name used]”. Additional items were included within the instrument, which were of value to the companies being studied, rather than addressing the research questions. These

⁶ Bach is the name given to a New Zealand holiday home.

questions (numbered 17-20 and 26-30) are shown in the questionnaire (see Appendix 7, p. 229). The data was reported to the individual companies, but was not relevant to the thesis and excluded from the analysis for this study.

The questionnaire (Appendix 7, p. 229) explored the structural and experiential elements of IM communication practices. The questions were designed to explicate the interview data on the channels of communication used by each company. For example, questions were included to identify both the types of communication channels used, and to find out how effective employees perceived the communication channels were. Further to the structural elements of IM communication, employee experiences of the communication practices and processes, based on the themes identified in the literature and earlier interviews were explored.

First, employees were asked about their level of understanding of company strategy and marketing programmes, along with their role in implementing those programmes (Q4). Employees were also asked to select the brand promises they considered most likely to be associated with their company (Q22). Further questions asked how marketing programmes were communicated to employees (Q5), whether they received the information required (Q7), how comfortable they felt in providing feedback (Q11), and how responsive they felt those within the company were to that feedback (Q12). In addition, relational themes of trust, commitment, and values were explored (Qs 24-25). Finally, employee perceptions of whether customers could trust their company to deliver on its brand promises were evaluated as an indicator of potential influence on promise delivery (Q21). The questionnaire also included space for employees to provide additional qualitative feedback on current internal communication practices and systems. Moreover, employees were able to

provide recommendations for improvement to communication practices and systems within their organisation. To ensure questionnaire items were understood, a pilot test was undertaken, explained in section 4.84 (p. 109).

Figure 8 below illustrates the relationship between the questionnaire and the theoretical case study framework.

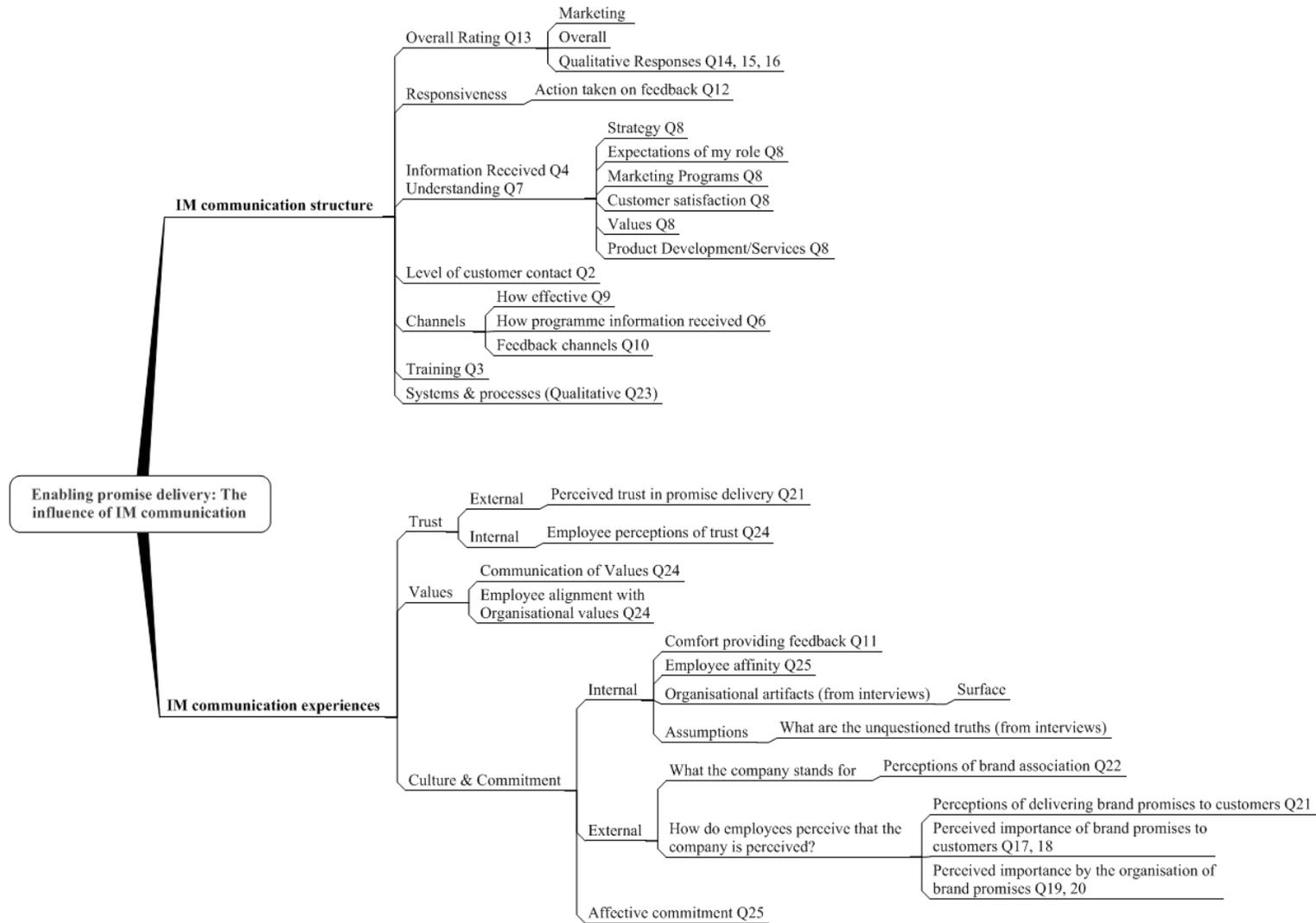


Figure 8: Relationship with the theoretical case study framework

4.8.4 Online survey pilot test

While it is generally preferable to pre-test a survey with participants who most closely resemble the target population, given the desirability of maximising the available responses from the retail electricity sector, a decision was made to select a suitable proxy sample. In selecting the test sample, care was taken to choose employees who carried out similar roles to those being studied. While a sample of convenience may not be ideal, the researcher was able to access these staff in support of the study. A further limitation was the small number of available volunteers. Sixteen volunteers from a local Office Supplies company completed the test survey and provided feedback on the time taken for completion, along with any questions or recommendations which had arisen.

As a result of the pre-test the following changes were made:

- Two questions were eliminated because they were found to be too technical for general participants, as they were marketing specific.
- All questions were made voluntary to ensure employees had the ability to 'skip' a question if they preferred not to answer. The goal was to get them to complete the full survey rather than risk having participants exit the questionnaire because they did not wish to answer a particular question.
- The question sequence was changed to ensure the most important questions were asked earlier in the survey. As a result demographic questions were moved to the last section.
- As indicated earlier, the wording for some communication channels was clarified to ensure wider understanding e.g. Podcasts (media file on the internet).

- Options for qualitative feedback were provided to enrich the quantitative data.
- Finally, a number of minor wording changes were made to increase clarity.

4.8.3 Administering the questionnaire

Electronic communication was the preferred means of communication within each company; therefore, the retail electricity companies in the study chose to use a web-based survey. Survey Monkey (www.surveymonkey.com) was the tool used for collecting responses between November 2007 and February 2008. As all employees had access to email and the internet, there was no requirement to provide an alternative manual survey format.

It was voluntary for employees to participate in the survey. To maximise the response rate, the questionnaire was designed to minimise any barriers to completion. While paging versus scrolling have not appeared to impact response level, scrolling has been found to increase the time for completion (Peytchev, Couper, McCabe, & Crawford, 2006). For this reason, each page was designed to hold a group of questions without the need to scroll down the computer screen to any great extent. Furthermore, a progress bar at the top of each page meant that participants could view their progress through the questionnaire. The purpose for using the progress bar was to minimise participants becoming tired and exiting prior to completion.

Electronic distribution, via email with an imbedded web survey link, was used to communicate the survey to each employee. In conjunction with the retail electricity companies it was agreed that the ability to simply click on a link to the

survey provided greater ease for the employees to go directly to the survey rather than having to open their browser and type in a lengthy web address. As a result, key contact people were identified within each organisation to assist with distribution of the survey. A sample introductory email was provided to each company contact, for initial communication with employees. The email explained that their participation would take only 10-20 minutes of their time and that all responses would be confidential. Confidentiality was important not only to gain cooperation but was also critical from an ethical perspective. In addition, it was important to ensure openness of responses for topics that employees may perceive as sensitive.

The introduction to the questionnaire outlined the research purpose to employees, explained that individual responses were confidential and provided the researcher and Massey University supervisor's contact details for further information (see Appendix 7, p. 229). No requests were received by either the researcher or the supervisor.

The majority of the questions were closed forced questions which allowed the participant to choose from an available list of responses. The questions primarily offered multiple choice or Likert-type scales. Where the latter scales were used, each set of questions, which had been designed to refer to an identified variable, utilised the same rating scale. Depending on the variable; the rating scale ranged between four to six points to reflect the type of responses sought. In addition, allowance was made for 'not applicable' responses. While, no allowance was made for those with "no opinion" or "don't know" responses, employees had the ability to 'skip' questions.

There appear to be contrasting methods for the desired sequence of questions. For example, asking random questions helps to minimise the effect of question order

whereby participants may be influenced by their earlier responses to questions within the same section (de Vaus, 1995). In contrast, however, there are benefits of grouping questions together so that the questionnaire is likely to have better flow. Notwithstanding the potential for introduction of bias, the decision was taken to ensure a better flow to questions by grouping them within sections, which related to the broader concept being studied. This approach was taken to ensure the survey was easy to understand and complete, and thereby enhance the maximum response rate. To further ensure the questionnaire addressed the research questions and was clear and easy to understand, the draft questions were reviewed by two senior academic staff at Massey University. The questionnaire was then piloted with a group of 16 respondents who would not participate in the final survey, but which represented a typical customer inter-facing working population.

4.8.5 The sampling frame

Each retail electricity company sent the questionnaire as an electronic link imbedded in an email to all retail employees. In the case of an organisational survey, a census can help convey the importance of the questions being asked and also adds to the face validity of the questionnaire (Edwards et al.1997). On the basis that a census of employees were invited to participate, no further sampling methodology was applied.

Those employees who worked for organisations contracted to two of the electricity companies for the provision of billing and/or customer service functions were also included in the survey invitation, as in some cases, they provided the entire population for these organisational functions. Further comparisons of the data showed there were no significant differences between those survey respondents who

were employed directly by the electricity companies being studied and those who worked for contracted organisations.

Response rate

A total of 336 valid responses were received from the available population of 1,057, which represented a 32% response rate. The results are aggregated and reported in the following chapter, keeping in mind the small number of electricity companies in New Zealand and the ethical considerations required. Sample demographics are shown in Table 5 below.

All responses were included in the analysis; however, 'missing cases' for each question, were excluded on a list-wise basis.

Table 5: Sample demographics

Sample demographics	N (Number)	%
Gender		
Male	106	39
Female	165	61
Total	271	100
Age		
Under 20 years	8	3
21-30 years	121	45
31-40 years	82	30
41-50 years	36	13
Over 50 years	25	9
Total	272	100
Length of service		
Less than a year	65	24
1-5 years	154	57
6-10 years	39	14
More than 10 years	13	5
Total	271	100
Organisational group		
Customer Service	119	44
Finance/Administration	21	8
Sales	20	7
Billing	20	7
HR/Organisational Development	9	3
Marketing/Communications	6	2
Metering	5	2
Generation	5	2
Other	66	24
Total	271	100

Note: Differences in the totals reflect the voluntary nature of the questions.

4.8.6 Questionnaire analysis

Quantitative and qualitative data from the survey was analysed to address each of the research questions. As detailed earlier, to obtain richer data to address RQ2 relating to how effective employees found their company's IM communication practices, the qualitative data from the surveys was analysed thematically using NVivo software for coding, in a similar manner to the earlier interview data. For example, qualitative responses to the question of what employees liked most about their company's communication yielded themes such as specific channels of communication which were coded as a tree node, followed by sub nodes such as *like face to face communication* and *like company intranet*. In addition new themes emerged in Phase 2, such as *accessibility*. All results are reported in Chapter 5.

Quantitative data was imported into a statistical software package, SPSS version 15.0. All variables were first explored using descriptive analysis as outlined below. Next, to address RQs 3-4, PCA was used to reduce the data to a more parsimonious representation of the variables. Last, bi-variate correlation analysis was employed to explore potential relationships between the employee experiences of internal communication and to address RQ5, which explored the potential outcome on promise delivery.

Descriptive analysis

Descriptive analysis was used to examine the IM communication processes. First, frequency analysis was used to determine what channels of communication employees reported most frequently, both for a specific marketing programme and receiving information in general. Frequencies were also used to determine what channels employees used to provide feedback to their manager. Second, mean responses were used for the scale items as a guide to determining how effective

employees perceived the channels of communication were. Finally, employee perceptions of whether they had received the information required were examined.

Principal components analysis (PCA)

As indicated earlier, PCA analysis was undertaken to study employee experiences of IM communication practices in order to reduce the variables to a number of multi-item scales that could be used to describe the results in a more parsimonious manner. In total, 29 items from the survey exploring specific aspects of employee perceptions about their experience of IM communication practices were included in the analysis. The sample size of 336, met the minimum criteria for factor analysis (Hair et al., 2010), and the recommended 10:1 ratio of respondents to variables.

To interpret the factors, orthogonal factor rotation using VARIMAX was undertaken. Orthogonal rotation is recommended, “where the goal is data reduction” to a smaller number of variables (Hair et al., 2010, p. 116), as was the case in this study. The items analysed addressed employee perceptions of understanding, comfort, trust, commitment, and values. Before undertaking the PCA, the data set was checked for suitability for analysis using KMO (Kaiser-Meyer-Olkin) as a measure of sampling adequacy and Bartlett’s test of Sphericity for correlation of the variables (Hair et al., 2010). The results were then checked to determine whether the components explained sufficient total variance. Finally, the resulting rotated matrix was reviewed and decisions made on data reduction.

To ensure dimensionality, items were removed one at a time starting with those that output as single variables, followed by those that cross-loaded to other items, with the highest cross-loaders removed first as recommended by Hair et al.

(2010). Following the removal of each item, the remaining data set was checked again for suitability, repeating the process until the items were reduced to those that reflected distinct components with minimal cross loading. Finally, scale reliability checks were carried out on the resulting components.

Instrument reliability and validity

Churchill (1979) proposed that for the development of latent constructs, there should be high inter-correlation between the scale items to show internal consistency. In this research, Cronbach's (1951) coefficient alpha was used to measure the internal consistency of the resultant scales. A further consideration was the level of item to total correlation and inter-item correlation (Hair et al., 2010).

To test construct reliability, Lee and Hooley (2005) also recommend factor analysis to ensure dimensionality of a scale, rather than simply relying on an alpha value alone. In this research, the rotated factor loadings of the PCA were higher than the recommended 0.35 at the $p < 0.5$ level, and so were considered significant.

Content validity is said to be present when the "content of the items is consistent with the construct definition, based solely on the researcher's judgment" (Hair et al., 2010, p. 669). To ensure content validity of the components extracted, a senior academic staff member from Massey University reviewed the proposed scales.

Through the process of data reduction described, cross loading items were removed to ensure discriminant validity was achieved for the resultant scales, thereby ensuring the item scale is identified as measuring something unique and is not a measure of another item (Churchill, 1979; Hair et al., 2010). The results of the PCA analysis are outlined in Chapter 5.

Bivariate correlation analysis

Finally, to explore relationships between the employee experience and employee perceptions of promise delivery, Pearson correlation coefficients were used to address RQ5. In addition, relationships between identified employee IM communication experiences were evaluated.

4.9 LIMITATIONS

There were a number of limitations to this study; the most significant being that the data was gained from a single industry in a single country. Therefore, it is possible that the results were influenced by the industry and the economic and cultural environment of the New Zealand setting.

While every effort was made to ensure the data analysis was transparent by using the software NVivo for thematic coding so that it could be readily reviewed, a limitation to case study research is that due to tacit knowledge and pre-understanding, it is often difficult to ensure a high level of transparency in the analysis process (Gummesson, 2005). Therefore, it is possible the resulting themes may be influenced by the assumptions and experiences of the researcher. This is consistent with the view of Kalish and Lawson (2007) that it is the use of prior knowledge which helps researchers to make predictions from the data. As a check, the last step for thematic analysis was determining the reliability of the coder. As a sole researcher, this was addressed by inviting a senior staff member from Massey University to review the coding process and resultant codes.

While limitations have been identified for web-based surveys, the retail electricity companies studied already made extensive use of email and internet, therefore it was felt that potential limitations of web surveys could be minimised. To maximise response rates, a covering email was sent internally to each employee by a

designated manager of the company with the web link embedded. This action helped reinforce company support for the study and also made it easy for employees to simply click on the web link. While it has been suggested that email distribution may not as effective as a mailed invitation, primarily because it does not sit on a person's desk as an ongoing reminder until dealt with, Manfreda et al. (2008) found that the average response rates improved compared to web surveys on average, to a negative variance of 5% (to mail) when the initial approach was made by email.

While the use of self-completion questionnaires completed anonymously can minimise potential respondent bias, self-completion questionnaires do not offer the benefits that face to face or telephone interviews offer in building rapport with the participant. Furthermore, there is no ability to provide additional clarity or information about a question and as a consequence the questionnaire must be designed in a manner that is easy to understand (de Vaus, 1995). To minimise the limitations of self-completed questionnaires, the survey was pre-tested and modified based on the resulting feedback, to ensure ease of understanding and completion.

There were also some limitations to analysis of the survey data. For example, when analysing the multi-item scales, Lee and Hooley (2005) argue that while the usual measure of variance, co-efficient alpha is useful to determine the internal consistency of a scale, it may not be considered a measure of reliability. A limitation is that it does not take into account errors, which may be caused by external factors such as differences between sets of participants. Similarly, Hair et al. (2010) argue that factor scores are "difficult to replicate across studies" (p. 128). On this basis, a limitation to the resulting item scales, while showing internal consistency within the retail electricity companies studied, is that these same scales may not necessarily replicate within other environments. Therefore, further research is required to

determine the validity of the item scales in other geographic locations, cultures, and industries.

A further limitation may have arisen from the interpretation of questions by some employees. For example, the question asking for feedback on improvements to the company's systems or processes invariably gained responses about the company's computer systems, rather than specific communication systems or processes. Finally, while previous studies have found that employees are an effective judge of the quality of service they deliver (Schneider & Bowen 1985), it would have been preferable to measure customer perceptions directly. However, access to customers was not available at the time and was excluded by the scope of this research.

4.1 CONCLUSION

This chapter presented the theoretical case study framework and the range of research instruments used in data collection and analysis in this mixed-methods study. The various methods of data collection, with their inherent advantages and disadvantages, and the ways these were dealt with were discussed. The process for development of the instrument for Phase 2 of the data collection and administration of the survey was explained including the pre-testing. Ethical considerations and limitations to the research were also outlined.

The evidential analysis of resulting data using NVivo for qualitative thematic analysis, and SPSS for quantitative descriptive, PCA, and bi-variate correlation analyses provided a complementary mixed-method data analysis approach. The findings that resulted from the research are presented in Chapter 5.

CHAPTER 5: RESULTS

As explained earlier, the research set out to explore how IM communication was practised in New Zealand energy companies and the subsequent influence on enabling employees to deliver brand promises. The purpose of this chapter is to report the findings from each phase of the research and to provide insight into the influence of IM communication on enabling promise delivery, thereby addressing the following research questions:

1. How do companies in the New Zealand electricity industry communicate with their employees about marketing programmes and brand promises?
2. How effective do employees find their company's IM communication practices?
3. What outcomes resulted from employee experiences of their company's IM communication?
4. What influence do employee IM communication experiences have on *enabling* them to deliver on brand promises?
5. Do employees in the New Zealand retail electricity industry perceive customers can trust their company to deliver on their marketing promises?

Using a collective case study of the New Zealand retail electricity sector, the first phase of the research incorporated qualitative data gained from public and company archives, along with transcripts from interviews with key stakeholders. These were analysed thematically to address RQ1 and to inform Phase 2 of this study, an employee questionnaire survey. Data from Phase 2, the employee survey, was analysed using descriptive, PCA and bi-variate correlation analysis. The findings addressed RQs 2 to 5, and provided insight into aspects of IM

communication that appear to have been previously overlooked in the marketing literature.

Quotes referenced from the interviews use a letter to signify the company; followed by an 'i', and the interview number. A capital letter to illustrate the company the respondent was employed by was again used as an identifier for the qualitative responses in the employee questionnaire data, however, the letter 's' indicates the quote came from the survey. The line number from the results data file is also shown.

PHASE 1

As outlined earlier, Phase 1 of the research employed a collective case study to explore IM communication structures and processes, along with potential relational influences on employee experiences of internal communication using archival, interview and survey data.

5.1 INFLUENCING BRAND PROMISES

To frame the research, interviews were carried out to understand the context of the industry and companies studied as outlined in Chapter 4. Data from the initial archival search and interviews in Phase 1 identified the promises made by each company. Organisational culture and values were discussed during the interview process, to understand any relevant potential influence on how employees may experience communication relating to brand promises.

5.1.1 Organisational culture

It was necessary to explore organisational culture to determine whether there were any underlying expectations or taken-for-granted influences on IM communication and enabling promises within each company. An indepth review of

the company's cultures is beyond the scope of this study; however, in order to understand the potential influence of culture within the retail electricity sector, interview respondents were asked to describe their company's culture specifically for features that may have been relevant to their communication experience.

While there appeared to be some differences between the company's cultures, common themes did emerge across the organisations. The key descriptors which arose from the interview data are included in Table 6 (p. 124). The first theme to emerge was the influence of communication style and openness. For example:

It's quite an open culture I think in terms of information and feedback to people (Li3).

It's not challenge in a bad way... people want to know, want to understand, so you need to be able to explain (Mi2).

People can feel confident to say what they think (Ti11).

Values

As an integral component of an organisation's culture, values were central to the relational approach to IM, and the potential influence on enabling employees to deliver on brand promises. Interview participants were asked to describe their company values and whether they believed that the values were lived by the organisation.

An overview to the brand promises made by each company, their expressed values, and a summary of the key themes which described their organisational culture, and were used to inform the employee survey are outlined in the following table.

Table 6: Key brand promises, cultural descriptors and stated organisational values

	Brand promise	Cultural Descriptors	Expressed values
Lion Energy	Care for the environment Best service Most reliable source Best value Community involvement	Open Caring Supportive	Respect Drive Imagine Support
Breeze Energy	Environmentally friendly Innovative and progressive	Innovative Ethical	Building rapport Being agile Commercially driven Forming hot-wired teams Dreaming of innovative solutions Acting on opportunities
Mountain Energy	Best service Best value Wide range of billing options	Caring Challenging Autonomous Professional	Together Positive Engaging Motivated Dependable Energised
Tiger Energy	Best service Community orientation Innovative and progressive Friendly staff	Focussed Task orientated Sociable	Passion Respect Integrity Innovation Delivery Empowerment

Subsequent to the identification of relevant themes, the following sections draw on both phases of the research to present the findings for each of the research questions. The qualitative data generated from the Phase 1 archival search and interviews will be contrasted with the qualitative and quantitative data generated from Phase 2, the online questionnaire survey.

PHASE 2

Phase 2 addresses the findings for each research question. In so doing, the data was drawn primarily from the employee surveys informed by the earlier phase of archival search and interviews. Interview data is also included in this section to provide relevant examples.

5.2 ADDRESSING RQS 1 AND 2:

The first two questions that directed the research were to first explore how companies in the electricity industry in New Zealand communicated internally with employees to enable them to deliver their company's brand promise and second, how effective they perceived that communication to be. This section reports the findings to both of these questions:

1. How did companies in the New Zealand electricity industry communicate with their employees about marketing programmes and brand promises?
2. How effective did employees find their company's IM communication methods?

Interviewees were asked to think of a specific marketing campaign that had been recently implemented by their company, and then describe the process of communication of the campaign internally. In keeping with the interviewee comments, which indicated that multiple channels were used, the employee survey in Phase 2 of the study enabled employees to select multiple channels. Employees were then asked to rate how effective they found each communication channel for receiving information, as illustrated in Table 9 (p. 129).

5.2.1 Channels for sending and receiving information

The Phase 1 interview data (see Table 3, p. 99) demonstrated that a coordinated mix of channels were used within the electricity industry for

communicating marketing programmes (see Appendix 6, p. 223 for the coded themes). Respondents referred to a wide range of communication channels used to communicate with staff. For example:

I guess the forums for communicating things internally are a mix of channels... you have to kind of keep communicating and keep doing it in different ways when you want people to actually hear the message... (Li3).

Internal communications are carried out via the Intranet, or presentations. For example they will launch the new brand fully when it is deliverable. This means when they are able to change things in [call centre location]. In this case [Brand Manager] is planning to have 'brand champions' in each location to maintain integrity of the brand. There will be a brief, coordination and training... (Bi8).

The channels of communication mentioned most frequently by the interviewees in Phase 1 were staff meetings (29) and use of the company's Intranet (28). Overall a mix of channels appeared to be well accepted; however, there was some qualitative feedback in the employee survey (6) that processes could lead to over-communication. For example:

The use of different applications to communicate the same information, leads to time wasting (Ls46).

Responses from the employee survey in Phase 2 supported the interview data that a mix of channels was used, and in particular, showed strong use of company intranets. The next most frequent mention was of staff meetings and previews and/or samples of the marketing programme. The results are illustrated below in Table 7 in descending order of frequency.

Table 7: Communication channel usage

Employee survey data on communication channel usage:	N	%
Intranet	164	48.8%
Company staff meeting	72	21.4%
Previews/Samples	64	19.0%
Departmental staff meeting	58	17.3%
Memo	34	10.1%
Television advertising	23	6.8%
Podcasts	6	3.3%
Email	8	3.3%
Other	35	10.4%

5.2.2 Feedback

As communication involves both receiving and sending messages, employees were also asked to indicate the channels they used to provide feedback to their manager on a scale from 1 (never used) to 4 (most frequently used). The findings indicate that the most frequently used channels for providing feedback to managers were email and questions during meetings.

However, employees were also offered the option of specifying other methods of providing feedback, in addition to the list generated from the earlier interviews. There were 58 selections of “other”, which represented 17% of the total survey participants including some employees who described learning about a marketing programme when they saw the advertisement on television. Thematic analysis of the responses indicated numerous mentions of verbal or face-to-face (48) and one-to-one meetings (9).

The results are tabled below in descending order of mean scores.

Table 8: Communication channels used for employee feedback to managers

Channels used to provide feedback to managers	N	Mean (Scale 1- 4)	SD (Standard Deviation)
Email	301	3.63	0.567
Questions at Meetings	299	3.38	0.646
Staff Surveys	282	2.12	0.878
Memos	279	2.00	0.943
Focus Groups	287	1.88	0.906
Suggestion Boxes	261	1.43	0.707
Other:			
Face to face and/or verbal feedback	48		
Meetings including one-to-one	9		
Other	1		

It appeared the primary channels for internal communication for receiving information and sending feedback were a mix of electronic channels (intranet for receiving information, and email for sending feedback) and meetings. Each of these channels featured prominently for both sending and receiving information. However, the frequency of usage does not indicate whether the channels used were perceived as *effective*. Therefore, as employee perceptions of the effectiveness of these channels of communication are highly relevant to this study, this was an important variable.

5.2.3 Perceived effectiveness of communication channels

To address RQ2, each communication channel identified in the first phase of interviews was included for assessment by employees for its perceived effectiveness. Participants were asked to rate how effective they found each channel for receiving information from 1 (very poor) to 5 (very good) on a 5-point Likert type scale. The results are tabled below in descending order of mean scores.

Table 9: Employee perceptions of communication channel effectiveness

	N	Mean (Scale 1- 5)	SD
Face-to-face with colleagues	322	4.18	0.951
Face-to-face with manager	324	4.05	1.093
Team meetings	322	3.99	0.946
Company Intranet	325	3.96	1.030
Written communications from manager (incl. memos & emails)	311	3.94	1.038
Website	312	3.79	0.953
Company meetings	316	3.75	0.975
Company presentations	294	3.57	1.058
Electronic newsletters	263	3.51	0.972
Telephone calls from manager	237	3.43	1.176
Shared electronic filing	271	3.40	0.979
Printed newsletters	265	3.40	1.058
Policy and procedures manuals	309	3.39	1.059
E-Learning	222	3.34	1.137
Staff social events	299	3.32	1.212
Rumours and gossip	282	3.14	1.255
Podcast	155	3.05	1.210
Company videos	188	3.04	1.219
Notice boards	289	2.90	1.115

Notably, interpersonal communication in the form of face-to-face communication, and team meetings were considered the most effective by employees. A possible reason for the perceived effectiveness of face-to-face communication was the interactive nature of the communication. For example, responses to the qualitative question in the survey of what employees liked most about their company's communication included:

Business Events Q & As (Ls167).

Its open and discussions flow easily (Bs12)

Face to face feedback is direct and to the point (Ms96).

Similarly, interview respondents conveyed that during team meetings and company meetings, employees were able to ask questions and provide feedback, also expressing the importance of interaction in the communication process:

[Retail CEO] will come in, to what we call the talking stool, so if you want to ask anything at all, the [Retail CEO] or one of the senior team sits on the stool and will be asked anything and everything, and they talk about that (Mi2).

This year meetings were held with individual teams at our level, you know our managers meeting with us to talk about the strategies and what we want to do and how we see the company going forward, which then led up to a series of workshops, you know where [CEO] was present to actually form our strategic plan (Ti7).

Face-to-face communication

Employee ratings of communication channel effectiveness show a mean (M) of 4.18 out of a possible score of 5 for face-to-face communication with colleagues, which suggests a more intimate level of face-to-face communication is preferred, rather than more formal company meetings (M=3.75) or company presentations (M=3.57). However, employees did not find the more informal channels of face-to-face communication such as rumours and gossip (M=3.14) or staff social events (M=3.32) to be as effective.

The finding that employees preferred face-to-face communication between colleagues and their team in preference to company-wide meetings may have been influenced by the fact that the most dominant organisational group responding to the survey were customer service contact centre personnel (43.9%). From earlier interviews, it was recognised that there were some difficulties with company-wide meetings and presentations due to timing. For example, one of the interviewees

indicated that within their company only those who were able to attend the meetings received the information:

... it's only available to people who are in the building at the time and can get there, so unfortunately it doesn't get a lot of contact centre staff because they're rostered and can't just wander off if they feel like and go to sit in the audience... (Mi8).

Employee responses from the survey in Phase 2 supported the earlier interviewees from Phase 1 when they described the benefits of face-to-face communication, as the opportunity to ask questions and clarify points to ensure the communication was fully understood. For example, qualitative feedback given in the employee survey where respondents were asked for recommendations to improve communication revealed comments such as:

More face-to-face rather than just documentation - gives opportunity to discuss/question and ensure have understood (Ts48).

By having more one on one sessions or to have someone available that meets your needs or to clarify businesses procedures when needed (Ms29).

Company intranet

The effectiveness of the electronic channel of company intranets closely followed face-to-face communication for employee perceived effectiveness. Given the predominant use of intranets as a means of conveying information within the industry, it also appears employees found the channel reasonably effective ($M=3.96$). This was an important finding given the increased use of technology within the workplace. This study showed that each company's intranet was a central depository for information. As such, intranets were significant and used for dissemination of information, even where the information had initially been communicated in another manner. Employees appeared to value the immediacy of intranet communication and the ability to reference the material at the time it was required.

A key finding was that timeliness and availability appeared to be primary contributors to the perceived effectiveness of company intranets. For example, employees provided feedback that they liked the use of intranets (32) with comments such as:

Company intranet is up to date and attractive (Ls205).

Good resource on the intranet (Ms56).

Although five respondents mentioned dislikes, such as:

Intranet doesn't appear to be used as well as it could for communicating projects / campaigns etc (Ls195),

nine employees recommended improved use of the intranet. For example:

Keep content of the intranet up to date, and remove out dated information (Ms79).

These comments reinforced the need for both timeliness and accuracy of information. The results of this study also suggest that technology could be used more widely for distributing information. In contrast, however, the potential loss of social interaction through the use of technology was also highlighted. For example:

Of course none of the rest us would ever have got to see it, if it hadn't been podcast, so it was very powerful way of introducing it... I don't see it replacing... one of the biggest things about the [meeting], is the social interaction... (Mi8).

In the case of the New Zealand retail electricity companies studied, it appeared all employees had full access to their company intranet for the information they required. Therefore, there did not appear to be any negative consequences of intranet technology usage, other than some comments regarding the information not being always up to date, which again relates to the issue of timeliness.

As intranet technology use within the workplace advances, it also appears to be more interactive. While at the time of the study intranets were primarily being

used in a more traditional manner, one interviewee indicated their company intranet facilitated some interaction in the way of acknowledging marketing information as being read and understood.

Campaigns are loaded onto the system [intranet]... the orange says it's there for them to read. A red comes up if they haven't read it by the deadline date, so once they read it, they have to acknowledge that 'yes, I have read this and I understand this campaign and I know what's going on.' (Li4).

Although the perceived effectiveness of intranets may increase over time, with changes to technology facilitating increasing interaction and even face-to-face communication, at the time of this study, face-to-face interaction was still reported as the preferred channel of communication by employees.

Notice boards

The only communication channel to rate as less effective than the mid-point (M=2.9), was that of company notice boards. While there were no reasons expressed in the employee feedback for notice boards being the least effective, it is possible that notice boards may not have met the needs of employees for information availability on a timely basis, or that they may have contained out-dated information. Moreover, notice boards may be considered more impersonal and therefore, a potentially less relevant channel of communication.

5.2.4 Influences on the effectiveness of channel use

To ensure this research moved beyond a more limited traditional view of communication structure as mere channels that do not explain the considerable influence of interpersonal communication, or why a particular channel may be found effective, both the interviewee and employee responses to open-ended survey questions were analysed. The purpose was to explore factors which may be

influential in the selection and perceived effectiveness of the channels used. A key theme that appeared to influence channel preference was timeliness of information dissemination.

Timeliness

During Phase 1 of the study, responses from interview participants found timing influenced both the channels selected (particularly when information needed to be conveyed quickly) and the perceived effectiveness of those channels. For example:

From a marketing perspective, obviously we get copies of all the marketing information that's going out to consumers, so we can actually have a read to see what's going out before it actually goes out. That's all passed around teams. So everyone has visibility of that (Li8).

Timing was an issue for company meetings, particularly for contact centre staff. For example, only those who were not rostered could attend lunchtime meetings at Mountain Energy.

The downside of it is, it is run at lunch time and they put a finger food lunch on but it's only available to people who are in the building at the time and can get there (Mi8).

Tiger Energy attempted to address this issue through after hours meetings, however, there were still some difficulties in getting everyone to attend.

... if we want to launch something to everybody all at once, it has to be after hours... in the past when it has been something really important we'll pay them overtime and you still might only get a portion of them agreeing to come (Ti9).

In addition, some geographic difficulties were acknowledged. For example:

It falls down somewhat when you have got time constraints especially with geographically dispersed teams... (Mi8).

Similarly, from the employee open-ended survey responses, timeliness of information was found to be influential in what employees liked most (39) and least

(48) about their company's communication. Employees who commented on what they liked least about their company's communication, referred to a lack of timeliness. For example,

Updates are good but can still be quicker, often out too late (Ls7).

The lack of timeliness sometimes (Ms80).

Timeliness also featured as a recommendation for improvement (15). For example,

More information when it is available rather than waiting to provide it all at once (Bs38).

The influence of timing was found to be particularly important to front-line personnel. For example:

Call center staff are always the last to know things. Sometimes it will be in the paper and we will get calls about it and that will be the first we will know of an issue (Ls29).

The results of this study illustrate that face-to face communication is the preferred channel; however, employee feedback indicates that more importantly they want the information in a timely and direct manner. This view is supported by employees reporting company intranets to be one of the more effective channels. Therefore, channel selection and effectiveness were influenced by a balance between the need to reinforce the importance of information and the need for timeliness when receiving that same information.

While communication channels were primarily mentioned in response to how marketing campaigns were communicated, there were also mentions of formal policies for communication direction from two respondents in one of the companies studied. In addition, reference was made to the influence of company computer systems, as outlined in the section below.

5.2.5 Company communication processes and systems

To further address RQs 1 and 2 on how companies communicated with their employees and how effective employees found the communication, the importance of company processes and systems were explored for their influence on *enabling* employees to deliver on promises made. In Phase 1, interviewees were asked what systems or processes they believed were important to enabling their employees to deliver on their company's promises. In Phase 2, employees were invited in the survey to provide open-ended feedback on what they liked most or least about their company's systems and processes. Employees were also offered the opportunity to provide recommendations for improvement.

Company communication processes

Two key communication processes were evident, campaign approval processes and a policy within one company of cascading communication. First, campaign approval processes were found to be present, demonstrated by statements such as:

There is a sign off sheet that everyone has to sign before it can be done (Mi2)

There is an internal sign off process whereby the executive get to review it... then it filters down to their teams (Li2)

These statements appeared to reflect a formal communication process for campaign approval. Second, a specific communication system for how information is disseminated was described in more detail by respondents from Mountain Energy, who indicated they had a management philosophy of cascading information...

Important things get cascaded down, so we have a cascade policy (Mi2).

However, some employees provided feedback that they found it an ineffectual approach

because some managers cascade on and others don't (Ms159).

Furthermore, employee recommendations from Mountain Energy included comments such as:

Announcements from senior management sent directly to all staff, not relying on filtering down from middle management.... timeliness of communication to minimise staff speculation/rumour (Ms44).

Company systems

Responses to questions on systems were orientated toward computer systems (including associated systems such as customer relationship management (CRM) systems), which centred on the ability to use systems for greater information about customers in an effort to identify business opportunities, and to enable the company to deliver services which may be unique to them. In this regard, systems were used not only for processing capability, but importantly from an IM communication perspective, for the ability to access knowledge and potentially develop more innovative services. For example, while each company had modified their core operating system, there was only one company studied that used a completely different base system, which facilitated some unique billing options.

It was acknowledged that systems were an important aspect of competitive service advantage. For example, interview respondents had earlier stated:

We can't afford to be on an antiquated system compared to our competitor's technology base because we won't be able to maintain premium service (Ti2).

Similarly, another interviewee from the same company commented on technology in relation to service...

We have been good and we've always been held up as good for customer service, but we can be better. And we need to constantly be looking at how we can improve that (Ti1).

Yet despite competitors acknowledging some advantage to the alternative system used by one of the companies (such as the ability to have more than one residence on a single account), that advantage did not appear widely appreciated by the participants who had this option. For example, an interviewee stated:

I don't think we have any advantage in our systems (Mi1).

Notably, the perspectives on the importance of technology differed between the interviewees in Phase 1 who were primarily managers or marketing personnel, and the employee survey feedback from Phase 2. While there was a generally accepted focus on company operating systems as critical to service delivery, those interviewed tended to focus on system improvements for longer-term competitive advantage such as the ability to access and use customer information to build knowledge, and to use that knowledge to create additional products and services that potentially tie the customer more strongly to the company. For example:

... it shows the true value of a customer. At the moment if we look at a bach⁷, we might go well, it doesn't use a lot. We know there is a bach therefore won't use a lot, but if we add it with the person who's got a big mansion and suddenly together the bach becomes very valuable because as a customer, that person becomes valuable. And also we can just be so much knowledgeable, we can if someone rings in, we can say, oh, look, we noticed Suzanne, that you've also got the bach and such and such... (Li4).

In contrast, employees tended to provide feedback on immediate issues such as:

Alternate billing options for customers with multiple properties and or specific billing requirements, i.e. businesses/farms (Ls168).

Need easily understood bill. Need to impart knowledge of Retailer/Distributor responsibilities or make responsibilities

⁷ A New Zealand holiday home.

transparent from customers' perspective e.g. make reporting faults easy for customers since the brand they see is "[company name]", not their local distribution network. (Ms44).

Knowledge gained from customer transaction activity was also used to measure long-term profitability and to tailor services for customers who were regarded as more or less valuable. For example, interviewees discussed the cost involved in servicing customers based on the type of contact they made with the company:

If you ring up there are notes recorded in your history. Looking at the customer value model – we look at how many times these people ring us. Because we don't want them to be ringing us because it costs us money when they ring us (Ti1).

Similarly, another interviewee from a different company commented,

It's only the low value customers that phone you... who cares? Get rid of them (Mi1).

In contrast, however, higher value customers could expect a more tailored service.

A high value customer requires a more intense level of service to meet their needs (Ti6).

Other considerations for customer profitability were length of time at the residence.

For example,

Permanency of how long they're there is important because the cost of moving someone is actually a big cost for us (Mi2)

There was the perception from each company that their systems required upgrading to enable them to offer a more personal and potentially unique service to their customers. For example:

Putting it bluntly [system name] is a dog (Ti9).

The billing system is rubbish. It can't even do electronic billing. There is a RFP process in action (Bi8).

There was also a perception that the usability of current customer data was limited.

From a customer information perspective, the expressed belief was:

We know about your house, but we don't know much about you (Mi1).

As a consequence, each company was looking to either upgrade their current system or potentially move to a different system. For example:

We use the system for mailing extracts or just for normal network meter replacement etc. But at the moment we don't do a lot with it because our current system is not where we want it to be, hence that's why we're upgrading (Li8).

... we are looking to move to something a little bit more modern, faster and better integrated. One of the reasons again that we're looking at changing from [name] to another infrastructure system, is so we can give ourselves another five years ahead of our competitors. So technology, customer service. We have been good and we've always been held up as good for customer service, but we can be better. And we need to constantly be looking at how we can improve that (Ti1).

From a customer service perspective, some participants found the systems lacked information on customer activity and therefore was a potential limitation to delivering the promised level of service. For example:

I've come from another industry where you could actually put a time flag in the system if you are the one dealing with something to raise it... and check that such and such has been done. We don't have that kind of stuff (M7, operations).

However, Tiger Energy had an alternative system bolted onto the operating system, which did allow them some form of escalation. As one respondent stated:

There is always that central depository of the customer's information, but the escalation will be recorded in this other system and it will send an email to the appropriate recipient to deal with the query.... When completed, it also sends an email back to the initiator to let them know that we've closed that job off (Ti7).

In this case, while customer notes were captured, again there appeared to be limitations to the use of the information, and as a consequence the company was looking to make a change. For example:

It's in the notes. Every contact with a customer is documented... Part of the gain we will get from the new system, is that the documentation will be better indexed... which will make it easier for the agent to talk meaningfully to the customer. So if you talk to a different agent, hopefully you won't have to tell your story again (Ti2).

In addition to customer service notes, the marketing team of Tiger Energy used the notes function in their supplementary system to include information that could be accessed by a customer service person should a customer have an enquiry about a communication. The extra system was integrated to their main operating system and allowed further functionality. For example:

We memo each of those customers accounts to say a letter has been sent, this is what its about and then there's a link so they [customer service agent] can go and actually read the letter (Ti9).

There appeared to be a difference between the marketing and managerial imperatives for systems improvement, and those considered more operational. For example, responses from employee surveys tended to focus on system enhancements, which were more immediate, such as improvements which would make the employee's roles easier and/or allow the company to compete with current competitor offers. Examples most commonly mentioned were focused on the need for improved to billing and payment systems. There was also feedback about internal support and customer interface processes, which from the employee perspective would provide customers with better service. For example:

Billing system is in a shambles and needs prompt attention. Cross-referencing system for direct credit needs attention (Ts42).

More payment options, i.e. credit card facilities (Bs34).

Many of the recommendations were reasonably generic such as,

Better customer service from CSP's - with good background knowledge. CSP's to take the time to understand the customer (Ls77).

However, a few were more specific, such as:

We need more people in our credit department, even if it is just on a Monday to cover demand (Ms155).

Employee responses were provided to each company on an individual basis so that any specific recommendations could be considered for implementation.

Both the interview data from Phase 1 and employee survey comments from Phase 2 supported the view that company systems play a strong part in employee perceptions about both the company's competitiveness and the employee's ability to deliver promises to customers. Therefore, ability to draw on systems for customer knowledge appeared critical to enabling employees to deliver on promises made.

5.2.6 Summary of results for RQs 1 and 2

The findings from both Phase 1 (archival data and interviews) and Phase 2 (employee surveys) to RQs 1 and 2, on how companies communicate internally with employees, and how effective employees found the communication, are summarised in Figure 9 below. The results are presented as the initial stage of an IM communication framework that illustrates the channels employees found most effective and the company systems that support employees to both build knowledge and thus enable delivery of brand promises. These elements provide a framework to illustrate how companies might use IM communication to contribute to enabling employees to deliver on customer promises. Importantly, timeliness and availability were found to be most influential in the perceived effectiveness of these sources of information.

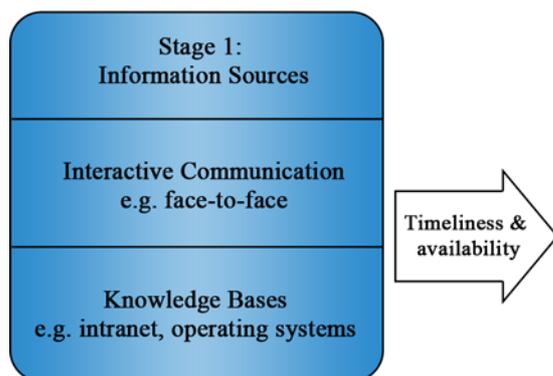


Figure 9: IM communication: Stage 1 - Information sources

Having established the role of communication channels and supporting processes and systems, the following section considers how employees experienced the internal communication of marketing programmes and brand promises, along with what influence those experiences had on the next stage of the IM communication process.

5.3 ADDRESSING RQS 3 AND 4:

The third and fourth research questions which addressed how employees experienced the company's internal communication are:

3. What outcomes result from employee experiences of their company's IM communication?
4. What influence do employee IM communication experiences have on enabling them to deliver on brand promises?

As there are a number of components required to effectively answer these questions, the results in this section are reported as follows:

Did employees receive the information needed?

Did employees understand their company's brand promises?

How did employees experience IM communication, utilising a principal components analysis (PCA) of the items explored as potential indicators of an employee's experience?

Finally, a more global view of employee perceptions of communication, made up of their overall impression of both marketing and general internal communication is reported.

5.3.1 Did employees receive the information they needed?

Employees were asked to indicate whether they received the information they needed about the marketing programme (Q7) identified earlier. The purpose of this question was to determine whether or not employees had the information they required to *enable* them to deliver on the brand promise. In light of prior research, it was considered that whether or not employees had the information they required might be an indicator of the perceived quality of outcomes from internal communication.

The results of this study indicate that most employees received the information they required. Only 4.8% of those who responded to the survey question did not believe they had the information needed to carry out their job effectively.

Table 10: Amount of information received

Did you receive the information needed?	N	%
Yes	159	47.3
No	16	4.8
Nothing required from me	129	38.4
No response	32	9.5
Total responses to question	336	100.0

Second, employees were asked to indicate on a Likert type scale from 1 (I receive no information) to 4 (I receive more information than I need), the amount of information they received on the company's strategy and goals (Q8a), marketing programmes (Q8b), what was expected from them in their job role (Q8c), whether they had sufficient information about the company's values (Q8d), information about new services and/or product development (Q8e), and finally, how their company was doing on satisfying customers (Q8f). Table 11 below illustrates employee responses in descending order of mean rating.

Table 11: Amount of information received for job role, company goals, values and service offering

	N	Mean (Scale 1- 4)	SD
Information about what is expected from me in my job	329	2.78	0.674
Information about the company's values and how they apply to me	326	2.54	0.771
Information about how the company is performing on satisfying customers	329	2.47	0.807
Information about important new services and product developments	325	2.46	0.695
Information received about the company's strategy and goals	331	2.29	0.726
Information received about the company's marketing programmes	327	2.23	0.737

The mean range of 2.23 to 2.78 out of a possible score of 4 indicates that employees received information on the company's strategy and marketing programmes and what was expected from them to carry out their role. However, notably, all responses fell short of the rating of 3 which signified that employees received the information they needed. The highest mean rating was attributed to information about what was expected from the employee in their job (M=2.78); however, again, that did not meet the employee expectations of what they required. Importantly, receiving information employees needed about marketing programmes attracted the lowest rating (M=2.23).

While the responses in this section of the survey provide an indication of whether employees have the information required, further analysis was undertaken on the outcome of whether or not employees appeared to understand the company's brand promises, as it was possible that understanding may be an important indicator of employees sense of being enabled to deliver on brand promises.

5.3.2 Did employees understand their company's brand promises?

To assess employee awareness of promises made by their company, they were asked which brand promise statements customers were most likely to associate with the company they worked for (Q22). The employee associations were then compared to the earlier themes identified from the archival data such as annual reports and substantiated during the interviews in Phase 1 of the study (see Appendix 6, p. 223 for promises identified and coded). Multiple responses were allowed.

Table 12 below illustrates the proportion of employees from each company who perceived the promise statement offered was most likely to be associated with

their company. The most frequently associated promise for each company is highlighted, shown in bold and underlined.

Table 12: Employee perceptions of their company's brand promise

	Lion Energy	Mountain Energy	Breeze Energy	Tiger Energy
Has the best customer service	<u>51%</u>	<u>55%</u>	28%	<u>75%</u>
Has the friendliest staff	26%	20%	24%	39%
Is the most community orientated	8%	15%	16%	47%
Is the most environmentally friendly	2%	6%	<u>80%</u>	39%
Is the most innovative and progressive	15%	11%	20%	36%
Is the most reliable source of electricity	32%	16%	16%	14%
Offers the best pricing plans/rates	10%	20%	16%	0%
Offers the widest range of billing options	19%	22%	4%	11%
Monthly Meter Reads	0%	3%	0%	0%
None of the above	2%	2%	0%	0%
Other	7%	2%	4%	0%

As indicated, the themes outlined in Table 12 were informed by the earlier archival and interview data. It is notable that both Tiger Energy and Breeze Energy show a greater than 75% response for one of the promise statements listed. Responses drawn from Tiger Energy employees especially showed strong alignment to the earlier interviewees, where 100% of respondents in Phase 1 stated customer service excellence as something their company promised customers.

Notably, two of the electricity companies where employees strongly associated the statement of 'best customer service' had received recognition for their contact centres as either finalists or winners of the +76 seat category at the Telecommunications Users Association of New Zealand (TUANZ) contact centre

awards within two years of the data collection ("TUANZ contact centre awards," 2009).⁸

5.3.3 How did employees experience IM communication?

As outlined in Chapter 4, a principal components analysis was undertaken on those items incorporated into the survey to explore the outcome of employee experiences of IM communication. The objective was to understand the distinct components of their experience.

The analysis extracted four distinct multi-item components which encapsulated knowledge and understanding, comfort in providing feedback, values commitment, and action being taken on feedback. These components explained 62% of the total variance (as shown in Table 13 below). Reliability was checked, and demonstrated a KMO measure of sampling adequacy of 0.789, and Bartlett's test of sphericity of 965.175; $p < 0.000$ for significance. Each of the components will be discussed in more detail in the sections that follow.

⁸ The TUANZ awards are designed to recognise excellence in contact centre management, from team management to workforce planning. For example, the way in which business strategy is managed, how customer satisfaction is measured, and other achievements.

Table 13: Analysis of employee experiences of IM communication

	Knowledge and understanding	Comfort in providing feedback	Values commitment	Action taken on feedback
<i>Component 1: Knowledge and understanding</i>				
Understanding role in implementing marketing programmes	0.821	0.078	0.136	0.155
Understanding role in implementing strategy	0.786	0.139	0.172	0.237
Understanding strategy and direction	0.733	0.088	0.305	0.099
Understanding marketing programmes	0.729	0.172	0.079	0.038
<i>Component 2: Comfort in providing feedback</i>				
Comfort in providing feedback to colleagues	0.035	0.860	0.118	0.219
Comfort in providing feedback to staff	0.151	0.859	0.064	0.109
Comfort in providing feedback to other departments	0.238	0.813	-0.099	0.151
<i>Component 3: Values commitment</i>				
The company values are very important to me	0.066	0.080	0.871	-0.016
I feel a strong affinity with the goals and values of the company	0.296	-0.020	0.805	-0.002
The company's communication with customers is a good reflection of the values	0.243	0.015	0.705	0.152
<i>Component 4: Action being taken on feedback</i>				
Action being taken on feedback sent to colleagues	0.080	0.260	0.107	0.789
Action being taken on feedback sent to other departments	0.278	0.131	0.092	0.776
Action being taken on feedback sent to staff	0.174	0.174	-0.048	0.753
Mean	3.289	3.950	3.944	3.594
SD	0.824	0.867	0.804	0.841
Reliability	0.826	0.843	0.811	0.798

As explained earlier, each of the following components comprise employee experiences of internal communication in relation to marketing programmes and company strategy.

Component 1: Knowledge and understanding

Knowledge and understanding was the first component to emerge from the analysis, explaining 31% of the variance. The component was made up of items relating to employee understanding of the company's strategy and direction, marketing programmes and their role in implementation. Employee understanding of their role in implementation of marketing programmes was the strongest loading item, followed closely by that of implementing strategy.

This first component suggests that employees found understanding the company's marketing programmes, strategy, and their role in implementation of these programmes an important factor of their communication experience. The finding also indicates that IM communication may be associated with potential outcomes of goal alignment, knowledge, and implementation of strategy. Notably, the earlier result of employee perceptions of promise statements associated with their company demonstrated more than 50% of employees in each company were consistent in selecting the same key brand promise for their organisation.

Communication activity was actively managed by one of the companies who had appointed an internal communication person within the HR team, whose brief was:

To bring people together so that knowledge is shared (Bi8).

Further employee feedback from Mountain Energy included “shared knowledge” as a response to what they liked best about the company’s communication. As such, understanding and knowledge appear to be important outcomes of the IM communication experience.

Component 2: Comfort in providing feedback

Employee comfort in providing feedback was the second component, responsible for 13.7% of the variance. Notably, in this study it was employee comfort in providing feedback to staff, colleagues and other departments that made up this component. The result appears to indicate that employees considered intra and inter-departmental relationships as distinct from the communication relationship with their manager, or the senior managers of the company. Some indication for the reasons why employees viewed vertical communication relationships differently was found in the qualitative responses. For example, employees reported feedback from and to managers as an opportunity for improvement e.g. “Dislike feedback from some other department managers” (Ts7) and, “No ability to give feedback or when feedback is given whether it is taken into account” (Ms10).

However, the outcomes of the PCA indicate that it is simply not enough to understand what knowledge is required and to feel comfortable providing feedback. This study also found an indication of motivation based on the extent to which employees felt an affinity to the goals and values of the company as suggested by Bitner (1995).

Component 3: Values commitment

This component explained 9.2% of the variance. Values commitment appears to result from the communication experience. It was made up of items

which included whether employees believed the values of the company were important to them, that they felt a strong affinity to the goals and values of the company and that the company's communication with customers reflected those values. In this regard, values commitment reflects an outcome of the employee experience which supports the earlier interview responses. For example, as stated by a marketing team member:

It's often referred to like it's a joke, but it really does sort of underpin the way that a lot of people behave or expect their colleagues to behave. So in that sense, it's not just words on a wall, but it does sort of actually get them taking note of it a bit. I think it really does work (Bi5).

The component of values commitment reflects the relationship between cultural values and commitment. Employee affinity to the company indicates they share in those values, which lends support for a relational outcome from IM communication as shared values were a key RM variable noted.

However, in this research, the items relating to trust, which is also posited as a significant relational variable (Morgan & Hunt, 1994), were not retained as there were only two items loading to each; therefore they were not considered adequate multi-item constructs (Hair et al., 2010). The trust variables not retained were (1) the component consisting of the items, 'overall I trust the staff who are directly accountable to me' and 'overall I trust my immediate work colleagues'; and (2) the component of, 'I feel free to express how I feel about internal services provided to me' and 'overall I trust the company's senior managers'.

Component 4: Action being taken on feedback

Action being taken on feedback was the last component retained, and accounted for 7.9% of the variance. These items were included in the employee

survey to identify employee perceptions of the responsiveness of various organisational groups. The resulting component again incorporated the items related to staff, colleagues and other departments, indicating the importance of those working relationships, which are closest to the employee, as distinct from those working relationships more distant from their day-to-day roles. The findings of this study suggest that action being taken on feedback, or responsiveness from an employee's team and other departments, is a distinct component of the IM communication experience. Notably, this component appears to reflect the same relationships as the earlier component of feeling comfortable providing feedback, indicating a potentially symbiotic relationship.

Summary of PCA Components – Employee experiences of the communication process

The components in the PCA were considered fundamental to employee perceptions of their IM communication experience. They comprised knowledge and understanding, comfort in providing feedback, values commitment, and action being taken on feedback.

Importantly, this study also found that comfort in providing feedback and action being taken on feedback related to team-based and inter-departmental relationships rather than manager-employee relationships, reinforcing the potential importance of proximity and inter-departmental communication relationships. These two components of an employee's IM communication experience, being comfortable providing feedback, and action being taken on feedback, represent an intermediary stage of the IM communication process. In so doing, these components appear to influence the IM outcomes, thereby addressing RQ4 in describing the impact of IM communication on enabling employees to deliver on their company's brand promise.

It is proposed that the two components may be self-reinforcing. For example, feeling comfortable providing feedback may facilitate employees providing feedback, and action being taken on feedback may reinforce employees' comfort in continuing to provide feedback. In essence, the two components act to create a reinforcing loop, whereby each action helps to build confidence to continue to provide feedback, illustrated in Stage 2 of the IM communication framework, shown in Figure 10 below.

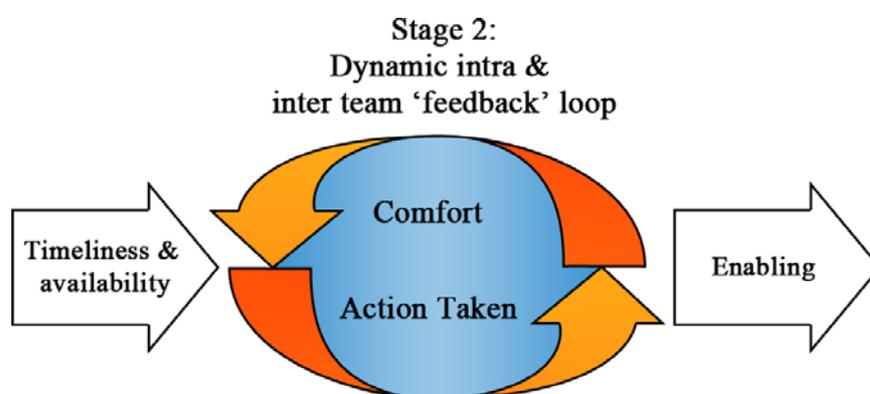


Figure 10: IM Communication: Stage 2 - Enabling dynamic intra and inter-team feedback

Each of the components extracted represent diverse elements of the employee experience of IM communication. On reflection, and distilling these experiences against the existing research framework and literature, it is suggested that of the components extracted, those of values commitment and knowledge and understanding address RQ3 by describing the outcomes of employee experiences of their company's IM communication. For example, as outlined in Chapter 2, Little et al. (2006) found in their study of a New Zealand SME that organisational culture and

knowledge were elements of enabling promise delivery. As such, these elements were included in the research framework for investigation.

While this study focused on IM communication, the element of culture (expressed by employees as the values were important to them, experiencing an affinity to the goals and values of the company, and that the company's communication with customers was a good reflection of those values), and the element of knowledge (expressed as understanding of the company's strategy and marketing programmes, and their role in implementation) were found to be significant components of the employee IM communication experience. Therefore, these outcomes reflect the final stage of IM communication presented in Figure 11 below:

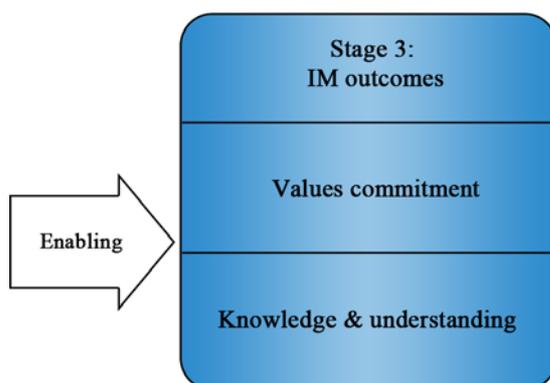


Figure 11: IM communication: Stage 3 - Outcomes of enabling IM communication

Employee perceptions of communication effectiveness

Finally, to capture a holistic impression of employee perceptions of their company's internal communication, employees were asked to rate on a scale of 1 (very poor) to 5 (very good), their company's overall communication and marketing communication with them. Table 14 below illustrates the results, which indicate that both marketing communication and overall communication were considered

satisfactory by employees with a moderately strong correlation found between the perceived effectiveness of overall company communication and that of IM communication (0.675 at the 0.01 level). This suggests that employees are influenced by all organisational communication, and while they appear to assess marketing communication differently; other aspects of internal company communication are likely to also influence them.

Table 14: Results for overall communication effectiveness

	N	Mean	SD
Effectiveness of overall company communication	293	3.28	0.991
Effectiveness of company communication re marketing programmes	293	3.07	1.097

5.4 SUMMARY OF RESULTS RQS 1- 4

Drawing from the findings for this study, each of the research phases outlined previously in this chapter are combined to provide an IM communication framework for enabling promise delivery, illustrated in Figure 12 below.

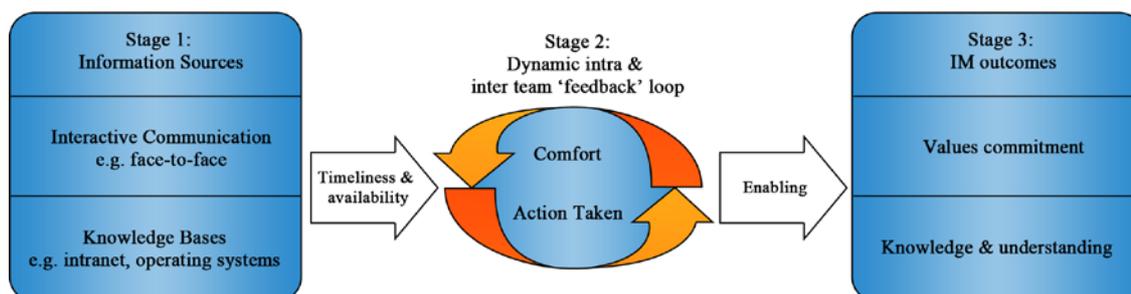


Figure 12: Framework to illustrate the role of IM communication in enabling promise delivery

Finally, RQ5 addresses what influence outcomes of IM communication may have had on employee perceptions of their company's ability to deliver on its brand promise to customers. This question is explored further in the following section.

5.5 ADDRESSING RQ5

In the absence of access to a sample of customers, this research question attempted to link the *enabling* IM communication process to an outcome of promise delivery, as previous studies have found that employees are an effective judge of the quality of service they deliver (Schneider & Bowen 1985). Employees were asked to indicate whether they felt customers could trust their company to deliver on its promises in RQ5:

5. Do employees in the electricity industry perceive customers can trust their company to deliver on their marketing promises?

The resulting mean of 3.67 from of a scale of 1 (never) to 5 (all of the time) indicates that employees believed that customers could usually expect their company to deliver on its brand promise. However, the question remained as to whether this belief was related to employee perceptions of the IM communication outcomes identified earlier in RQ3.

While it was beyond the scope of this exploratory study to design a confirmatory model, a Pearson's correlation analysis was run on employee perceptions of overall communication, their experience of that communication as expressed in the components extracted from the PCA, and whether employees believed customers could trust their company to deliver on brand promises. The results shown in Table 15 below demonstrate weak to moderate, but significant relationships between most employee experiences of communication and employee perceptions of whether customers could trust their company to deliver on its

promises. Perceptions of overall company communication and values commitment demonstrated the strongest relationship to promise delivery. Notably, however, comfort in providing feedback appeared to have no significant relationship with the outcome of promise delivery.

Table 15: Bivariate correlation matrix

	Marketing communication	Overall company communication	Customer Trust	PCA1	PCA2	PCA3	PCA4
Perceptions of marketing communication	1						
Perceptions of overall company communication	.675(**)	1					
Customers can trust the company to deliver on its promises	.344(**)	.432(**)	1				
PCA1: Understanding and knowledge	.611(**)	.481(**)	.252(**)	1			
PCA2: Comfort in providing feedback	.210(**)	.258(**)	0.019	.243(**)	1		
PCA3: Values commitment	.384(**)	.508(**)	.409(**)	.425(**)	0.062	1	
PCA4: Action being taken on feedback	.301(**)	.438(**)	.288(**)	.413(**)	.450(**)	.227(**)	1

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

As illustrated in Table 15, a weak to moderate but significant relationship was found between employee perceptions of customer trust and each of the IM experiential components (with the exception of component 3, comfort in providing feedback). However, there was a moderate relationship (0.450 at the 0.01 level) of component 2 (comfort in providing feedback) with component 4 (action being taken on feedback). This last finding supports the relevance of the feedback loop illustrated in Stage 2 of the IM communication framework. For example, when

employees are comfortable providing feedback within their team and in an inter-departmental setting, this may enhance the interaction between employees, ensuring clarity and understanding and therefore creating a greater likelihood of action being taken on that feedback.

5.6 CONCLUSION

The findings from this study show that channels of communication are not independent of other facets of communication. There were several influencing factors emerging from the employee feedback. First was clarity of information, which resulted from 2-way personal interaction. Second was timeliness of communication, and finally, availability of that information. Face-to-face communication was the preferred method of communication reported by employees in this research.

However, the strong influence of technology in the form of company intranets was also significant. Company intranets were used extensively both independently and to support other communication channels. It appeared electronic communication offered the key benefits of timeliness and information availability. Company systems were also found to be important, particularly for access to customer information, used both on a day-to-day basis and also for more strategic customer analysis and product development.

Knowledge and understanding was the predominant component to emerge from employee IM communication experiences. Based on employee feedback, this experience was enhanced with the use of more interactive communication channels, which enabled the employee to either seek more, or clarify, information provided. This ability to gain clarity appeared to transform information provided into real

knowledge (understanding the company's strategic direction and marketing programmes). Furthermore, the knowledge extended to employee understanding of what was required from their roles in implementation of the company's strategy and marketing programmes, therefore providing a potential indication of how *enabled* employees were as a result of the IM communication experience.

The data also suggests that increased knowledge may lead to an enhanced likelihood of identification with the goals and values of the company, reflected in values commitment (component 3), which illustrates a relational outcome with the IM communication experienced by employees in this research. A further notable finding from a relational perspective was the employee communication experience of being comfortable providing feedback (component 2) and action being taken on feedback (component 4), which were both strongest for those relationships in closest proximity to the employee's job, that of an employee's own team and other departments, in contrast to the vertical relationships of their manager or senior managers of the company.

Finally, weak to moderate, but significant relationships were found between the components of knowledge, action being taken on feedback, values commitment, and employee perceptions that customers could trust their company to deliver on its promises. Values commitment was found to have the strongest relationship, further reinforcing a relational perspective.

To conclude, the findings from these research questions were drawn together to form an IM communication framework for enabling promise delivery. The framework will be discussed in the following chapter, alongside an evaluation of its contribution to existing concepts of enabling promise delivery and the IM practices central to the process.

CHAPTER 6: DISCUSSION

The purpose of this chapter is to discuss the findings which resulted from analysis of data drawn from a collective case study of New Zealand retail electricity companies. Chapter 5 focused on identifying key variables of IM communication that were influential in enabling employees to deliver the brand promises of their company. In so doing, the findings of this research are drawn together and related to the earlier literature, highlighting the contribution of this study to not only augment the small number of existing empirical studies of IM communication practices, but also in turn to demonstrate how those practices relate to promise enablement. The implications of this research and the potential influence of IM communication on enabling employees to deliver promises made are also discussed.

While IM has been suggested as the appropriate means of enabling employees to deliver on promises made (Bitner, 1995; Little et al., 2006), at the time of this study, a number of researchers pointed out both the lack of agreement on the definition of IM and the need for increased knowledge on how IM was practised (e.g. Ahmed & Rafiq, 2002; Ballantyne, 2000; De Bussy, Ewing, & Pitt, 2003; Gounaris, 2006, 2008a; Mitchell, 2002; Papasolomou-Doukakis & Kitchen, 2004; Schultz2006). Accordingly, this study provides an empirical case within a New Zealand retail electricity sector context which illustrates significant organisational influences on the way in which the communication element of IM is practised.

As a result of the paucity of prior research in this area, and the lack of an agreed definition and measurement criteria for IM, the purpose was to conduct an exploratory study, using an inductive approach and mixed-methods to gain insight into how companies communicated their brand promises and marketing programmes,

and how employees experienced that communication. The inductive, mixed-methods approach provided a systematic procedure to explore the research questions that drove this study and thus present new insights into IM communication in four retail electricity companies in New Zealand.

As outlined in Chapter 2, an earlier New Zealand study showed that the element of communication was important for delivering on brand promises (Little et al., 2006). However, in the absence of any further refinement of what elements of communication may be of importance or how the effectiveness of the communication may be measured, there appeared to be little guidance on what aspects of IM communication were most significant to the process, a critical omission. Accordingly, both RQ1 which investigated how the electricity companies communicated with their employees, and RQ2 which explored how effective employees found that communication, were important adjuncts to extend the existing literature. Key findings resulting from each research question contributed to the construction of the three-stage IM communication framework illustrated in Chapter 5, p. 156. Stage 1 comprises employee preferences for sources of information, Stage 2 demonstrates the influence of feedback processes, and finally Stage 3 summarises outcomes of the employee experience of IM communication and is explicated in section 6.1.3 (p. 180).

As the RM paradigm has been said to explain “the need and importance of IM” (Gounaris, 2008b, p. 72), and is widely considered the foundation for promise management (Grönroos, 2009), RQs 3 and 4 explored employee perceived outcomes of IM communication from a relational perspective as an alternative lens for exploring IM communication (as suggested by Ahmed & Rafiq, 2003 and Herington et al., 2006). Finally, RQ5 addressed the relationship between IM communication

and employee perceptions of promise delivery in their organisation. At the time of this study, there was no identified research that measured the influence of IM communication on promise delivery in an organisational setting.

The results of this study do provide empirical evidence for many of the posited relationships between IM and promise management, and at the same time have extended existing knowledge by identifying further variables that influence IM communication and promise delivery. For example, a relational influence was found from the component of values commitment, which in part supports Morgan and Hunt's (1994) view that the commitment-trust theory of RM should also apply to stakeholder relationships (other than the customer-supplier dyad which the authors studied). In contrast, however, this research identified the component of comfort in providing feedback as more influential than the component of trust found by Morgan and Hunt in their study.

The key findings and the proposed IM communication framework are discussed in the following sections.

Key finding 1: IM communication has a significant relationship with overall company communication, providing empirical support for the value of an integrated approach to employee communication.

First, a significant relationship was found between employee perceptions of IM communication and their perceptions of overall company communication, which indicates that these two variables may not be viewed in isolation. Importantly, this study also found a stronger relationship between overall company communication and employee perceptions of promise delivery than marketing communication and perceptions of promise delivery (although the latter was still significant). This finding illustrates that promise management within a service industry context needs

to permeate all areas of the business that influence delivery on promises made to customers. Therefore, this study provides empirical support for earlier propositions from a number of theorists who view IM as a management philosophy, focused on achieving strategic goals, rather than purely as a function of the marketing department (Ahmed & Rafiq, 2003; Ballantyne, 2000; Grönroos, 2009; Piercy, 1995; Rafiq & Ahmed, 2000; Varey & Lewis, 1999). In addition, the component of values commitment in employee experiences of company communication suggests that alignment of promises made with overall company goals and values is essential, further supporting the relationship between IM and strategic outcomes.

Nonetheless, empirical studies of the relationship between IM communication practices and strategic outcomes are limited. An exception is the Lings et al. (2008) study of frontline staff working on a cross-sea ferry which found that explicit communication in the form of service training and direction was related to service delivery. These authors also found that implicit communication (operationalised as IMO) influenced affective commitment, which was related to customer orientation, and in turn to service delivery. However, in contrast to Lings et al., who studied the outcome of service delivery, this study measured the outcome of employee understanding of company strategy and marketing programmes, and employee perceptions of whether customers could trust their company to deliver on its promises. Therefore, further research is required to determine the similarities and differences between IM communication practices that influence service quality, and those that influence promise delivery.

Importantly from a communication perspective, this study found that overall company communication had a stronger relationship with employee perceptions that customers could trust their company to deliver on its promises than IM

communication. Therefore, while the need for integration has been widely posited, this research provides empirical evidence of the necessity to ensure that any company communication that relates to promises made, company goals and values is integrated. In so doing, this study also provides support for the views of those researchers who have previously suggested that communication can no longer be compartmentalised into functional groups, each taking their own approach to the communication strategy for the organisation (Cheney & Christensen, 2001; Schultz & Schultz, 2004; Ferdous, 2008). While employees in this study did not appear to significantly differentiate between marketing and general company communication, it can be challenging for departments to integrate their communication effectively because of their different mindsets and competencies (Schultz & Hatch 2005). To address this potential barrier to integration, Ferdous's (2008) conceptualisation of IM communication is that the first stage of integrated IM communication requires the creation of the appropriate communication atmosphere by the leaders of the business including the Managing Director or CEO. This research supports that proposal. However, it is also recognised that further research will be required to validate this proposition.

This study identified four key components as integral to the IM communication process, those of knowledge and understanding, comfort in providing feedback, action being taken on feedback, and values commitment that resulted from employee perceptions of their IM communication experience. In addition, these components appeared to be influenced by a number of underlying factors, including the company's communication infrastructure and systems. These findings were incorporated into the proposed framework of IM communication and are discussed below.

6.1 FRAMEWORK FOR IM COMMUNICATION

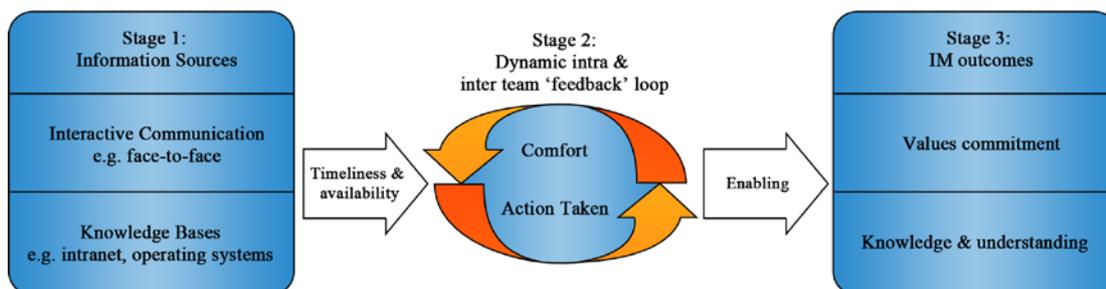


Figure 13: Framework to illustrate the role of IM communication in enabling promise delivery

A three-stage framework is presented to illustrate employee experiences of IM communication within the context of the New Zealand retail electricity sector. The discussion that follows will highlight the contribution the framework makes to the body of knowledge on IM communication practices. In so doing, the way in which the framework links to existing knowledge of promise enablement will also be discussed.

6.1.1 Stage 1: Information sources

Key finding 2: Timeliness of information dissemination and information availability was more important than the communication channel used.

The first stage of the proposed IM communication framework refers to the information generation stage and describes the information channels considered most effective, such as interactive face-to-face communication and company intranets. Although channels of communication are described as important, this research found the cogent influence of timeliness and availability (including accessibility through technology) are key factors that require further consideration. The importance of timeliness and availability of information appeared to influence employee

perceptions of the effectiveness of communication channels, as employees expected to have access to information on a timely basis. Therefore, to be effective, marketing information needs to be communicated to employees prior to being advertised in the market.

The dimension of time has been identified as important to marketing relationship communication; however, in the context of customer-supplier relationships, time was evaluated on the basis of the length of time the relationship had endured (Finne & Grönroos, 2009), an entirely different context to the internal communication practices found in this research. In contrast, this study focused on employee requirements for information on a timely basis, and whether that information is available to the employee at the time they wished to access it, rather than when the sender prepared and distributed the information. While timeliness may be an obvious employee requirement, at the time of this research the concept did not appear to have been identified as important within this context in the available IM communication literature.

Employees sourced information from a mix of communication channels, supporting the recommendations of Ahmed and Rafiq (2002) for effective communication. This study further identified two key sources of information were considered most effective; interactive face-to-face communication within an employee's departmental team (with their manager, colleagues or in team meetings), and the knowledge base of company intranets and operating systems. These would appear to be quite different channels of communication. However, the findings illustrate that it is the utility or functionality of the channels to provide information which is most important to employees. For example, while interpersonal communication is the most preferred channel, employees appear to place more value

on availability of information and ensuring they have the knowledge required to carry out their roles effectively. Each of these sources of information are discussed in more detail below.

Information source: Interactive communication (face-to-face)

As outlined, the results illustrate that employees value more interpersonal channels, reporting that these channels facilitate their ability to seek clarification to ensure greater understanding. The preference for interactive, 2-way communication is also consistent with theories of uncertainty reduction, and ensuring messages are understood in the way the sender intended (Griffin, 2003). This finding does support previous research such as that of Chong (2007), who found a significant factor in the success of Singapore Airlines was communication practices, and in particular the “number of face-to-face communication channels” (p. 205). Similarly, Gounaris (2006) argued that interactive communication was a necessary prerequisite for effective IM. However, in contrast to this study, both Chong and Gounaris focused on vertical communication and did not appear to explore the dynamics of horizontal communication relationships, which were identified as more significant in this case.

Interactive communication as a preferred channel also supports the need for interaction in the creation of knowledge (Ballantyne, 2000). For example, by enhancing the ability of employees to clarify the information received, and for building relationships, interactive communication helps to create shared understanding of the promises made to customers. This is an important finding as it is these customer-interfacing employees who are often responsible for delivering on promises made and as such, understanding not only the brand promise, but what is expected from them to deliver on those promises, is critical, thereby highlighting the

importance of IM communication channel strategies in the retail electricity sector in New Zealand.

Information source: Knowledge bases (company intranets and operating systems)

The value of company intranets and operating systems found in this study was reported as the ability to provide more timely information to employees. In addition, the functionality of these technologies was important for access to information required to provide a service to customers, reinforcing the influence these systems have on enabling employees to deliver the promises made. The finding provides empirical support to the proposition of Flanagin and Waldeck (2004), who suggested that the value of technology was that it “can enable information to be more widely distributed and readily available to a broad range of organizational members than with more traditional forms of face-to-face socialization and tools for information dissemination” (p. 143).

In this study, technology was also useful for ensuring those employees who may not have been able to obtain information face-to-face had access to the information at the time they needed it. For example, access to information was particularly important for those employees who were geographically dispersed or those such as contact centre personnel who were rostered to work at the time of a company-wide presentation. However, in contrast to Lehmuskallio (2006), who found intranets to be considered the “most important source of internal information”, surpassing even face-to-face communication (p. 311); employees in the New Zealand retail electricity sector still stated a preference for face-to-face communication.

With improvements to technology increasingly facilitating interaction and even face-to-face communication, it is possible these tools will become more central

to communication over time by offering the benefits of both interaction and up-to-date and relatively instant access to information. For example, podcasts utilised in one of the subject companies meant that a presentation could be viewed at a more suitable time for the employee. Furthermore, video-conferencing has the potential to facilitate more interactive communication for those employees who were geographically dispersed. Arguably, interactive technology is already available for personal use, e.g., www.skype.com.

Stage 1 of the framework has provided a guide to IM communication requirements by identifying a structure that incorporates interactive channels, along with systems that offer timely information, ensuring employees have the tools to carry out their roles effectively and in so doing, contributing to enabling promise delivery.

6.1.2 Stage 2: Dynamic intra & inter-team *feedback loop*

The second stage of the proposed IM communication framework underscores the importance of a dynamic feedback loop. The feedback loop incorporates the components of first, how comfortable employees felt about providing feedback within their team and other departments, and second, whether employees perceived action was being taken on that feedback. In other words, the action being taken provided an indication of how responsive the employee's team and other departments were to the feedback given.

Responsiveness has been referred to in the literature as important to IMO. However, in contrast to this study which focused on IM communication from a relational perspective, items of responsiveness for IMO illustrate the impact on employee job products such as whether corrective action is taken where employees

are unhappy with supervision or management, or modifying their conditions of employment and making changes if employees are unhappy with the status quo (Gounaris, 2006; Lings & Greenley, 2005). Feedback from an IMO perspective is related to internal market intelligence, which again is focused on ensuring employees are satisfied. Therefore, in contrast to this study, which found the communication experience between employees in their own team or other departments was integral to the employee experience, responsiveness and feedback in IMO studies were measures of a manager's responsiveness to employee needs, and more recently between supervisors (Gounaris, 2008b). As a result, this study illustrates the importance of horizontal feedback not only between employees but also between departments, not previously empirically tested within the field of IM.

The importance of action being taken on feedback as a component which is significantly related to both values commitment and knowledge and understanding (Stage 3 of the IM communication framework), also lends some support to Ballantyne's (1997) argument that from an internal relationship perspective, interaction facilitates the development of new organisational knowledge. However, in contrast to this study, the Australian bank studied by Ballantyne was undertaking considerable change to its service processes; therefore the focus was on a course of action learning which led to new knowledge for the organisation, rather than a measure of the understanding of current company strategies and marketing programmes. Furthermore, Ballantyne's study did not appear to explore the mechanics of the communication structures that were most effective for facilitating interactive communication relationships.

Action taken on feedback (responsiveness)

Action being taken on feedback as a key component reinforced how influential the response mechanism was to employee experiences. This component also provides evidence that the message sent had been received and understood. Importantly, it is the action taken by colleagues both within the employee's team and other departments which is most influential, indicating the importance of the responsiveness of those with whom the employee worked most closely. As suggested above, this finding extended previous IMO studies that had focused only on the responsiveness of managers and/or supervisors.

This is an important finding as it is possible that the level of responsiveness or action being taken on feedback may influence the customer experience, such as when an employee needs a response from another team member or another department to action a customer request or enquiry.

Comfort in providing feedback

Comfort in providing feedback is a new component for IM communication. Notably, this component appears more relevant to employees in the New Zealand electricity sector than the well-recognised RM variable of trust. Furthermore, comfort in providing feedback, similar to action being taken on feedback, was based on the horizontal communication relationships with the employee's own team and colleagues in other departments.

Feeling comfortable providing feedback did not appear to have been studied previously in relation to IM communication, or with relationships other than at the organisational level. The items included in this study were derived from "feeling at ease" as a component of socialisation used by Naude et al. (2003) in their study of UK service organisations to identify the determinants of IMO, as Naude et al. found

a weak but significant relationship between organisational socialisation and IMO. Kelly (1992) had earlier noted the importance of organisational socialisation on the customer orientation of employees. However, in contrast to the items used by Kelly ('I feel comfortable in this organisation' and 'I understand the values that are important to this organisation' and, 'this organisation influences me'), this study was concerned about the communication relationships within the organisation and therefore asked employees to what extent they felt comfortable providing feedback to colleagues, their manager, their staff, people in other departments and senior managers. This was considered important to understand the potential influence of different types of organisational relationships.

Notably, the concept of feedback through informal information generation was found by Tortosa et al. (2009) in a Spanish Credit Union to improve perceived service quality. These authors concluded that it was important that employees be enabled to provide open feedback. Tortosa et al.'s research therefore supports the influence of an open culture which was found in this study (as reported in Table 6, p. 124). However, in contrast to this study, again Tortosa et al. utilised the IMO scale of Lings and Greenley (2005) to measure feedback processes and in so doing, focused on vertical communication relationships with managers. As a consequence, the potential impact of collegial relationships on feeling comfortable and on an open communication environment was not apparent in the identified IM literature at the time of this research.

From a relational perspective, Lindberg-Repo in her study of customer supplier relationships (2001) argues that communication is two-way and results from open dialogue. Therefore, from an internal relationship perspective it is suggested that a higher level of comfort in providing feedback is also likely to influence two-

way open dialogue and facilitate employee understanding and knowledge. This is achieved as employees may more readily contribute ideas, ask questions, clarify information and therefore gain a deeper understanding of not only of their job role, but also of the company's strategy and marketing programmes. As a result, the component of comfort in providing feedback supports a relational perspective to IM communication in horizontal rather than vertical relationships. Communication thus provides an important link to the outcome of knowledge and understanding illustrated in Stage 3 of the framework.

Dynamic feedback

The significant relationship between comfort in providing feedback and the action being taken on feedback is important as there appears to be scant IM literature on the dynamics of feedback from an employee perspective, or its influence on business outcomes, such as promise delivery. Where feedback has been discussed in the IM literature, the concept has primarily focused on feedback to managers, sourced through mechanisms such as listening and internal market research for the purpose of improving job products (an IMO perspective).

Furthermore, it is proposed that the components of comfort and action being taken may be working together in a self-reinforcing loop, referred to in the proposed IM communication framework as a dynamic intra and inter-team feedback loop. The loop is created when employees are comfortable or confident to provide feedback, and is reinforced when action is taken on that feedback, thereby in turn creating a higher level of comfort to continue to provide feedback. For example, if action is being taken on the feedback given, this may in turn provide the employee with a higher level of comfort and confidence to provide future feedback. In essence, based

on their earlier experience, employees expect that feedback will result in action, reinforcing the behaviour and level of comfort to provide further feedback. However, in contrast to this study which found action being taken on feedback was related to feeling comfortable providing feedback, Goebel et al. (2004) found that bi-directional communication including feedback, was not related to a history of cooperation. This finding was unexpected by the authors, however, they suggested the relationship was mediated by source credibility, suggesting that bi-directional communication is insufficient on its own. It is possible that the relationship found in this study was automatically assigned source credibility given it may be the sender's own request being actioned. However, further research is required to specifically determine factors which may be influencing the proposed feedback loop.

It has previously been argued that through trust and confidence with each other, "action leads to interaction" (Ballantyne, 2003, p. 1255). Ballantyne further posited that the action-interaction relationship was founded on mutual trust, commitment and obligation. However, findings from this study suggest that the concept of comfort exerts a stronger influence on the employee experience of IM communication than that of trust as employees were asked to rate both trust and comfort in providing feedback in relation to a range of organisational relationships (staff, colleagues, other departments, manager, and senior managers). However, in this case the items relating to trust were not retained as a factor, indicating that respondents considered the influence of comfort in providing feedback more important. This finding appears to support the importance of organisational socialisation. Furthermore, the relationships that were most influential were those of the employee's team and other departments, rather than with their manager or senior

managers of the company, an important finding which is discussed in more detail below:

Key finding 3: The relationship within and between teams appeared to be more relevant to employees' experience of communication than the vertical relationship usually measured in IM studies.

As discussed earlier, the significance of relationships between employees in their own department and with other departments did not appear to have been widely studied within IM research. Previous IM and IMO studies appear to have taken a 'jobs as products' approach (Berry & Parasuraman, 1992; Sasser & Arbeit, 1976), thus focusing on communication as 'promotion' (Piercy & Morgan, 1990) of the job product to employees by managers. And, while IMO studies have found responsiveness to be a key component, these studies appear to have been constrained to the context of the manager or supervisor-employee relationship (Gounaris, 2006; Hogg, Carter, & Dunne, 1998; Lings & Greenley, 2005). A notable exception was Gounaris (2008b) who found supervisor-to-supervisor relationships influential to IMO, which provides some indication of the importance of inter-departmental relationships. However, again, the author's study did not include research on the more general employee-to-employee relationships.

In contrast, this research found that managerial relationships were not distinct components of the employee experience as they significantly cross-loaded to other items, and as a consequence were removed during analysis in order to reduce the data to the distinct components of the employee experience of IM communication (Hair et al., 2010). Therefore, it appears in this case that the relationships closest to the employee are most distinctive and relevant. Notably, Stan, Landry and Evans (2004), in their study on the influence of internal communication on a support

service for sales people in a large US financial investment service firm, found bi-directional communication with managers (comprising feedback about the internal service) was negatively related to service quality. The authors concluded that where management communication was involved, it most likely resulted from an employee complaining or raising an issue about the service provided. However, they also stated that further research would be required. Meantime, these authors' findings support this research in identifying that managerial communication relationships are experienced differently from collegial and inter-departmental relationships.

However, as a result of the importance placed on feedback with colleagues and other departments, it is possible that the IM communication experience may have more in common with the concept of the 'service profit chain' founded on internal service quality, where understanding the impact of a job on the role of another employee's job is posited as influential (Heskett et al., 2008). Similarly, as outlined in Chapter 2, Goebel et al. (2004) identified that inter-functional dynamics (in the form of friendly team spirit) was influenced by resource dependence. In contrast, however, Stan et al. (2004) found that bi-directional communication such as feedback around the office did not influence internal service quality. Nonetheless, the IM communication outcomes measured in this study were related to promise enablement, thus further research would be required to determine whether the importance of intra and inter-team communication relationships found in this case also related to internal service quality.

Further similarities are noted with earlier research on role clarity, for example the research of Mukherjee & Malhotra (2006) which illustrated the cogent influence of role clarity was associated with employee perceptions of service quality in a call centre study. In turn, the role of feedback from an employee's supervisor was also

noted. However, in contrast to this research, these authors focused on vertical communication in the feedback loop, and only explored employee perceptions of “supportive and helpful co-workers who co-operate with one another as a team in delivering quality service to the customers” (p. 449). In so doing, the authors do not specifically address IM communication, but rather focus on attitude and cooperation. Similarly, Bouranta, Chitiris and Paravantis (2009), who studied the relationship between internal and external service quality in Greek restaurants (researching both the perceptions of customers and waiters), found internal responsiveness of team members to be a key dimension of internal service quality. However, once again, the authors focused on the service quality dimensions of team helpfulness and promptness rather than addressing the direct influence of IM communication illustrated in this study. Such findings do raise the question of whether the collegial feedback relationships found in this research may have some significant relationship to role clarity and perceptions of internal service quality.

On the basis that the most important communication relationships are those closest to the employee and their job role, the question remains about what may be driving that influence. While, previous studies have shown job location, age, tenure and function to be influential to IMO (Naude et al., 2003), these authors also suggested that location may have been “acting as a proxy for a more complicated underlying factor” such as “job function” (p. 1217). This research supports the suggestion by Naude et al. that a key driver of the association with an employee’s own team and other departments may be more closely related to job proximity rather than geographic proximity, as three of the four companies studied had geographic barriers between some functional roles. Therefore, taking the service value chain perspective outlined earlier, employees may be reliant on one another for information

necessary to carry out their role and as a result, the communication experience between employees becomes more significant to their overall experience of IM communication.

Notably, this study found knowledge and understanding to be an outcome of the intra and inter-team feedback process. Similarly, although measuring the outcome of customer satisfaction, a comparative qualitative study of two divisions in the financial services sector found greater levels of inter-team coordination within the higher performing division (Ambrosini, Bowman, & Burton-Taylor, 2007). These authors concluded that inter-team coordination was critical to the service value chain, and that inter-team activities contributed to shared knowledge.

However, in terms of inter-team influences, the IM literature outlined in Chapter 2 appears to be constrained to a discussion on the benefits of IM for reduction of inter-departmental conflict (Ahmed & Rafiq, 2002; Piercy & Morgan, 1991). Nevertheless, the importance of collegial relationships found in this study suggests much more widespread benefits than simply conflict reduction. Furthermore, according to Ahmed and Rafiq (2003), the “how of inter-functional coordination remains relatively under researched” (p. 1178). Therefore this empirical example of the importance of collegial communication relationships offers a new perspective into existing IM knowledge.

Employee perceptions reported in this study provide further insight into the need for inter-team communication. Notably, the items which measured communication relationships within the employee’s own team also factored together with those items for inter-departmental relationships, indicating horizontal communication was most influential to the IM communication experience. Further research may determine the influencing factors in these intra and inter-team

experiences. Emphasis on exploring the feedback loop process further would also provide greater definition of specific influences.

6.1.3 Stage 3: Enabling outcomes

The final stage of the IM communication framework describes the outcomes found and links those outcomes to the existing knowledge of IM and promise enablement. The key outcomes of IM communication in this study were, first, knowledge and understanding, and second, values commitment. While exploratory, each of these components provides a potential measure of the quality and effectiveness of IM communication in retail electricity companies in New Zealand.

The findings show that each of the components in Stage 3 of the IM communication framework (knowledge and understanding and values commitment) provide support for some aspects of previously proposed, but untested IM outcomes. For example, as outlined in Chapter 2, Ballantyne (2000) earlier suggested that commitment, trust, obligation and re-commitment were found during the four phases of knowledge renewal. This study also found commitment to be an important outcome of IM. Therefore, this study extends Ballantyne's findings by determining that it is values-based commitment which results from identified IM communication practices. However, Ballantyne's research was designed to generate new customer orientated processes and procedures. This study measured the outcome of knowledge and understanding of a company's existing promises and strategies, therefore providing a potential measure of the effectiveness of implementation of IM communication practices in generating expected outcomes. The enabling IM communication outcomes found in this study are discussed in more detail in the sections that follow.

Knowledge and understanding

The predominant component of employee perceptions of internal communication was found to be related to knowledge and understanding. In particular, employees' understanding of their company's strategy and marketing programmes and their role in implementation of those programmes made up this component. As outlined earlier, knowledge and understanding as a key outcome of IM communication lends some empirical support to the earlier proposition from Ballantyne (2000) who described internal marketing as "a strategy for relationship development for the purpose of knowledge renewal" (p. 285). However, in contrast to Ballantyne, who observed knowledge renewal as an outcome of cross-functional project workgroups focused on improving customer service, this study measured knowledge and understanding as an outcome of ongoing IM communication practices, rather than as the result of a specific change initiative. The different outcome of knowledge and understanding appears relevant, given this research was founded on exploring company practices for communicating marketing programmes and enabling brand promises, rather than studying a process of change. Therefore, the findings provide evidence to support communication practices such as selection of effective communication channels and design of systems to support the knowledge and feedback processes which were influential to the outcome of knowledge and understanding of the companies' strategies and marketing programmes.

Learned knowledge from team support and supervisor feedback has also been found to influence role clarity, which in turn has a significant relationship to service quality (Mukherjee & Malhotra, 2006). However, as outlined earlier in this chapter,

in contrast to this study, team support was based on perceptions of supportive and helpful co-workers and did not address team communication or the influence of inter-team communication. Furthermore, intra and inter-team feedback was found in this study to be more influential to the employee experience than the supervisor feedback, identified by Mukherjee and Malhortra as important to outcomes of service quality.

Importantly, knowledge and understanding demonstrates a link to the promise enablement element of knowledge (Bitner, 1995; Little et al., 2006). However, while knowledge is posited by Bitner as an outcome of IM, this research provides empirical support that knowledge and understanding is an outcome of employee IM communication experiences. Therefore, the scale developed for this study may offer a useful tool for measuring the effectiveness of a company's IM communication. However, further research would be required to generalise beyond the retail electricity sector in New Zealand.

Values commitment

Notably, it was found that the items included in the questionnaire to measure the relational variables of commitment and shared values factored together forming a component referred to as values commitment. In addition to supporting the influence of organisational culture on IM communication outcomes, this was an important finding because of the link between commitment and motivation (Baruch, 1998), which has been described earlier as an element of enabling promises (Bitner, 1995) resulting from IM practice (Ahmed & Rafiq, 2002; Piercy & Morgan, 1991). Similarly, employees with a higher level of affective commitment have been found to be more likely to display a positive attitude towards customers (Lings et al., 2008),

in the form of customer orientation, which in turn was found to influence service delivery. However, in contrast to this study, where a relationship was found between values commitment and employee perceptions that customers could trust their company to deliver on its brand promises, Lings et al.'s sea-ferry research did not find a direct relationship between affective commitment and service delivery. However, Lings et al. did not attempt to determine customers' level of trust in the delivery of promises made, which arguably may differ from their measures of service delivery such as giving customers individual attention, having customers' best interests at heart and giving them prompt service, all of which may or may not have been related to promises made by the company. While the authors found implicit communication influential to creating committed employees, in contrast to this study, the measure of implicit communication was founded on an IMO scale (Lings & Greenley, 2005), and did not include reference to the influence of organisational values.

Arguably, the component of values commitment also demonstrates that company values were shared by employees, reflecting a relational outcome to their experience of IM communication as suggested by Morgan and Hunt (1994) and Sin et al. (2005). Furthermore, the RM literature suggests that organisations with cultures that embrace shared values and open communication are more likely to show a greater level of trustworthy behaviour (e.g. Whitener et al., 1998). In this respect, the findings of this study support the earlier research by Morgan and Hunt (1994). However, because Morgan and Hunt did not explore internal stakeholder relationships, and at the time of this study the commitment-trust theory did not appear to have been explored from the perspective of employees as stakeholders, this research extends earlier findings.

Finally, values commitment offers direction for development of a potential measure for Varey's (1995) conceptual proposal that an outcome of IM is that employees internalise "an appropriate set of values" (p. 42). At the time of this study, there were no identified empirical measures of values-based commitment as an outcome of IM communication. Thus, this study provides empirical support that values are indeed important to IM communication in the context of the New Zealand retail electricity sector, which may be explored in future research.

6.2 RELATIONSHIP BETWEEN IM COMMUNICATION AND PROMISE DELIVERY

An underlying presupposition of the research questions was to explore how IM communication experiences influenced the enabling of employees to deliver on promises made. As IM is the method recommended in the literature to enable employees to deliver on those promises, an evaluation of whether the identified IM communication outcomes were associated with the outcome of promise keeping was fundamental to this study.

Key finding 4: The outcome of values commitment demonstrated a significant relationship with employee perceptions of their company's ability to deliver on customer promises.

As reported in Chapter 5, this study found the multi-item scale reflecting values commitment was moderately but significantly correlated with employee perceptions that customers could trust the company to deliver on its promises (0.409 at the 0.01 level). The remaining outcome of knowledge and understanding was also significantly, although weakly (0.252 at the 0.01 level) correlated with perceptions of promise delivery. Therefore, this study found IM communication was influential to employee perceptions of promise delivery as an outcome.

Furthermore, the results of this research serve to illustrate several possible linkages between the IM communication framework and the elements of promise enablement outlined in the conceptual promise framework suggested by Bitner (1995), and more recently the revised framework from Little et al. (2006). As the elements described by both of these studies are broad ranging, they appear to suggest that promise enablement is the function of business management, rather than simply a marketing function. However, this research focused primarily on the role of communication in promise enablement. In so doing, identified communication components demonstrate possible relationships to elements discussed by Bitner and Little et al. to enable employees to deliver on promises made, as illustrated in Figure 14 below.

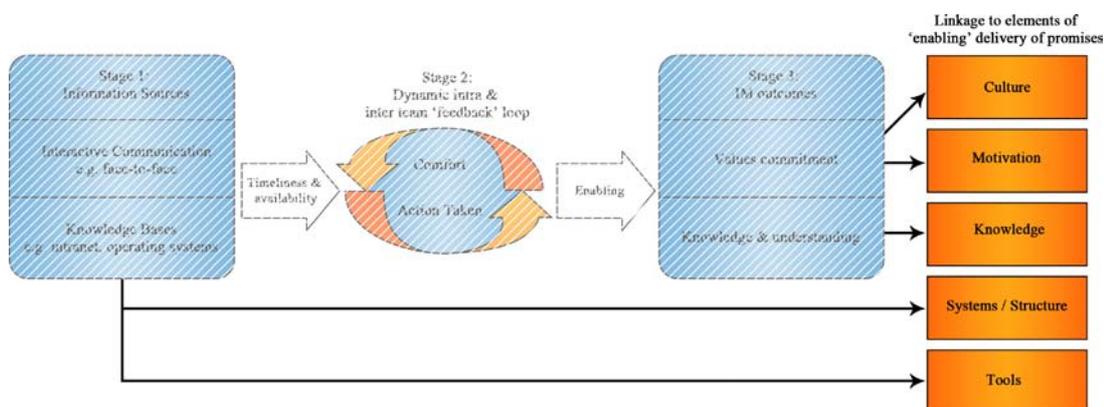


Figure 14: Linkage between the IM communication framework and enabling promise delivery

While the relationships posited between the IM communication framework and the existing literature on promise enablement are based on the New Zealand retail electricity sector and therefore further research is required, it is possible that some components are influential to outcomes proposed by Bitner and Little et al. for enabling employees to deliver on promises made. For example, the information sources shown in Stage 1 of the framework may be considered tools, postulated by

some (e.g. Bitner, 1995) as important to enable employees to deliver on promises made. Employees reported that sources of knowledge such as face-to-face communication provided them with the ability to ask questions and clarify information. Furthermore, the company's systems and intranets were sources of knowledge which *enabled* staff to access the information required at the time of providing service to a customer. Thus, knowledge bases in particular, may be considered 'tools' for enabling employees to carry out their job role. In addition, knowledge bases may be considered core components of broader systems and structures (e.g. Little et al., 2006) designed for enabling employees.

The IM communication outcome of values commitment found in this research also indicate a possible relationship with the promise enabling element of culture as suggested by Little et al. (2006). As outlined in Chapter 2, values are an important element of culture. Therefore, the component of values commitment which was influential to the employee experience of IM communication may indicate a linkage to the enabling element of culture. Furthermore, according to Baruch (1998), studies have found that higher organisational commitment results in greater loyalty and motivation. Therefore, this component also indicates a possible linkage to the element of motivation suggested by Bitner (1995). While this study focused on IM communication, it is possible that, because of the relationship between commitment and motivation, the component of values commitment may also offer some insight into the motivation of employees to deliver on promises made.

Finally, the IM communication outcome of knowledge and understanding appears be associated with the promise enabling element of knowledge also proposed by both Bitner (1995) and Little et al. (2006). Furthermore, it is possible that the

component of knowledge and understanding may be associated with the concept of role clarity that appears influential to the employee perceptions of service quality suggested by Mukherjee and Malhotra (2006).

In total, each of the stages of the IM communication framework provides a more detailed understanding of IM communication practices than previously offered. Furthermore, confirmatory studies of how IM practices and outcomes relate to elements of promise delivery would be beneficial in future research.

6.4 CONCLUSION

The preceding discussion has provided examples that present a number of new perspectives on IM communication. It could be argued that a relationship between employee perceptions of overall communication, values based commitment, and perceptions of promise delivery may not have been surprising. However, the results of Baruch's (1998) two meta-analyses of organisational commitment, including concepts such as identification with the goals of the company, found that the correlation between commitment and organisational outcomes appeared to be declining. While the outcome measured in this study (employee perceptions that customers can trust their company to deliver on its brand promises) differs from the organisational outcomes that Baruch studied (performance, turnover and absenteeism), the results of this study demonstrate a significant relationship between IM communication and promise delivery.

This research has brought forward recognition of the influence of posited IM outcomes. As discussed earlier, nearly two decades ago, Piercy and Morgan (1991) suggested the "payoffs" for IM might be "people's attitudes towards the marketing plan and their commitment to putting it into practice, or customers' perceptions of

our success in delivering our promise to them” (p. 85). In this research, the finding of values commitment and its relationship to perceptions of promise delivery provides empirical evidence supporting these earlier views of the benefit of IM practices. However, significantly, this study further identified that IM communication was not perceived independently of overall company communication, which means an integrated approach to communication is integral to successful outcomes in this context.

Furthermore, knowledge and understanding as an outcome of the employee experience also provides potential direction for the development of a new measure of IM communication. While interpersonal communication remains the preferred channel for receiving information, the communication structures which facilitated information availability and timeliness were also found to be critical. Furthermore, the component of knowledge and understanding was influenced by feedback, *both* the employees’ level of comfort in providing feedback and the action being taken on that feedback.

Notably, the feedback components were associated with horizontal employee-to-employee relationships rather than the vertical communication usually measured in IM studies (between employees and management). Furthermore, a new component, comfort in providing feedback, appeared to be more relevant to employee experiences of IM communication than the well-recognised RM variable of trust found in previous studies of marketing relationships. While it is possible that comfort in providing feedback may be influential to an environment of trust, notably this study found that items relating to trust between various employees with differing organisational relationships (such as those of the employee with senior managers or

other departments), were distinct from items relating to comfort in providing feedback.

In drawing together the findings from the research questions to form an IM communication framework for enabling promise delivery, several linkages have been identified which influenced both IM outcomes and elements of enabling promise delivery in this study (as shown earlier in Figure 14, p. 185). In so doing, the framework provides enhanced detail to further explicate the influence of IM communication as an integral element of promise enablement.

Furthermore, the importance of interactive communication, comfort in providing feedback, and values commitment indicates support for a relational communication experience, and in so doing, provides a response to the call of Ahmed and Rafiq (2003) who posited that a relational approach may be appropriate for IM. The IM communication framework resulting from this research also contributes to the RM literature, where it has been argued that communication has “not previously been studied to any great extent” (Finne & Grönroos, 2009, p. 191).

Although the research was conducted within the context of the New Zealand retail electricity sector, the key IM communication components offer empirical measures of employee experiences relevant to the process, and in so doing, offer a contribution to the IM communication and promise management body of knowledge. However, it is recognised that further research is required before any attempt is made to generalise the findings to other industries, marketing and geographical environments.

The following and final chapter concludes with a summary of the key findings from this research, both from a theoretical and applied perspective, and identifies opportunities for future research.

CHAPTER 7: CONCLUSIONS

In this thesis, the multi-method approach has drawn together the multiple strands of evidence to explore how companies in the New Zealand retail electricity sector communicate their brand promises and associated marketing programmes to internal stakeholders, and with what effect, in order to enable their employees to deliver the promises made. The inductive approach taken in the research provided context to the collective case study, and also revealed the potential influence of the elements described in the theoretical framework. The iterative process between the theoretical variables and data informed Phase 1 of archival and interview research. In turn, resulting data facilitated the establishment and subsequent analysis of Phase 2 of the study, an employee survey to obtain feedback about IM communication practices to address each of the research questions.

As keeping promises is a valuable marketing and organisational outcome, there is considerable value for organisations to understand the role of IM communication in both effectively informing employees of those promises, and also identifying how they can be enabled to best deliver those promises. Although this study was exploratory and the findings need to be interpreted with caution, a number of conclusions are drawn.

Drawing together the complementary strands of data in this research revealed key outcomes that have contributed to the existing knowledge of IM communication practices, pointed out by Ahmed and Rafiq (2002), Ballantyne (2000), De Bussy et al. (2003), Gounaris (2006, 2008a), Mitchell (2002), Pappasolomous-Doukakis and Kitchen (2004), and Shultz (2006). The systematic focus on IM communication practices and the influence on promise delivery provide a cogent perspective that

both confirms and challenges many of the earlier studies and measures proposed for IM and IMO. From a communication point of view, Ferdous (2008) recently posited that marketing communication needed to be integrated with internal communication to ensure consistency of messages to employees. While Ferdous did provide a conceptual framework for integrated internal marketing communication (IIMC), this perspective did not appear to have been explored empirically at the time of this study.

Furthermore, despite the paradigm of RM being recognised as foundational to IM (Gounaris, 2008b; Grönroos, 2009), there was an apparent void referenced in the literature about what influence relational concepts may have on IM communication outcomes (Ahmed & Rafiq, 2003). While communication has been proposed as an important element of enabling employees to deliver on promises made (Bitner, 1995; Little et al., 2006), little guidance has been offered on *what* aspects of communication were shown to be important.

This study highlights the significance of key factors that provide greater understanding of both the explicit communication structures and the influence of implicit IM communication on enabling employees to deliver on brand promises. As IM has been posited as the method for enabling employees to deliver on promises made, the proposed framework (Figure 14, p. 185) illustrates the components of IM communication that emerged from this study and how they may be related to the extant literature on promise enablement. For example, it is possible that the communication channels and systems illustrated in Stage 1 of the IM communication framework as knowledge bases are related to the promise enabling elements of systems and structure found by Little et al. (2006) and the element of tools suggested by Bitner (1995). Furthermore, the IM communication outcome of values

commitment found in this study may relate to the promise enablement elements of culture described by Little et al., and that of motivation, as suggested by Bitner. Finally, the component of knowledge and understanding illustrated as an outcome of IM communication in this research may be influential to the promise enablement elements of knowledge which were suggested by both Little et al. and Bitner. However, further confirmatory research would be required to verify these relationships.

7.1 THEORETICAL CONTRIBUTION AND IMPLICATIONS

According to Hunt (2002), the litmus test for making a contribution to marketing research is “what we will know about marketing in *general* that we do not know now” (p. 4, emphasis in original). While this study was exploratory and therefore not generalisable without further research, the theoretical contribution of the research can be broken down into several parts. First, the study provides an empirical study of IM communication practices in a sample of energy companies in New Zealand, by demonstrating how these companies communicated brand promises and marketing programmes to employees, and how those employees experienced that IM communication both in terms of perceived effectiveness and resulting outcomes. In so doing, the research demonstrates a relationship between IM communication outcomes and employee perceptions of promise keeping, thus providing insight into the influence and components of IM communication practices in this setting.

A proposed framework illustrates these IM communication practices and employee experiences. Notably, however, the outcomes of this research give precedence to factors that influence channel effectiveness, such as timeliness and availability. The findings further demonstrate in Stage 2 of the framework the

importance of collegial relationships, both in comfort in providing feedback and action being taken on that feedback, thus providing evidence to support the significant influence of intra and inter-team relationships within this context. In so doing, the study illustrates the value of horizontal employee communication. This stage of the framework, also introduces a self-reinforcing feedback loop where employees are comfortable giving feedback and when action is taken on feedback, they may in turn be more confident in providing further feedback.

Second, the study reinforces the importance of knowledge and understanding; both from a structural perspective in that sources of information are required, and also from an experiential perspective, where a key IM communication outcome presented in Stage 3 of the framework was knowledge and understanding in this environment.

This research supported relational outcomes as a result of IM communication practices. In particular, the relational aspects of shared values and commitment, which have previously been found to be influential to customer-supplier relationships (Morgan & Hunt, 1994), were demonstrated from the perspective of employees through the component of values commitment, as an outcome of the employee experience of IM communication practices in this research.

7.2 PRACTICAL CONTRIBUTION AND IMPLICATIONS

The relevance and contribution of the study to practitioners is that the significant relationship between IM communication and overall company communication suggests that each area is not sufficient on its own. Therefore, integration of marketing communication (both external and internal) and overall organisational communication is critical to alignment of employees with company

strategies and goals. These findings provide support for the view that promise management, while founded in a philosophy of marketing, is a management responsibility (Day, 2004; Grönroos, 2009). It may be marketing's job to focus on customer outcomes; however, significant influences on the employee experience of IM communication were found from components which traditionally sit in different functional disciplines as illustrated in the proposed IM communication framework (Figure 13, p. 166).

The framework provides a potential methodology for both designing IM communication strategies and measuring the effectiveness of implementation, based on outcomes achieved. For example, applying the proposed IM communication framework requires managers to carefully consider what channels of communication are likely to be most effective for conveying marketing messages to employees. Also the significant influence of timeliness of that communication on the resulting effectiveness must be taken account of. In this study, even though face-to-face communication was considered most effective by employees, it was the interactive nature of the communication which appeared critical. This suggests that the channels selected for communication need to be interactive so that employees have opportunities to ask questions and clarify information. In addition, Stage 1 of the framework suggests that the design of knowledge bases must essentially provide both availability and timeliness.

Illustrating the multi-disciplinary contribution of this research, Stage 2 of the framework illustrates the importance of establishing and maintaining an organisational environment where employees feel comfortable providing feedback and where it is transparent that action is being taken on feedback. Arguably, the organisational environment may be more influenced by HR and communication

practices than marketing communication in this context. Furthermore, it is possible that the resulting scale from the Stage 2 component of action being taken on feedback may similarly provide a measure of the responsiveness between and within teams, which could potentially influence the outcomes of promise delivery.

Finally, Stage 3 of the framework provides a practical measure of the effectiveness of IM communication through various influences on outcomes such as values commitment and knowledge and understanding. These are very different measures supporting both an organisational cultural outcome measured through values commitment, and a more explicit influence of the outcome of knowledge and understanding of the company's strategy and marketing programmes on promise delivery. Importantly, this latter measure provides insight into employees' understanding of the role they have in implementation of those programmes, and thus whether or not the marketing communication message has been received in the way in which the organisational sender(s) intended. In so doing, it is possible the outcome may provide an indication of the effectiveness of the service value chain within the organisation. However, further research would be required to determine the relationship between IM communication practices and the service value chain.

It is suggested that each of these stages are important in understanding the influence of IM communication on the elements of enabling promise delivery. However, these results were drawn from an exploratory study in the context of the New Zealand electricity sector. Future research that applied a confirmatory model within different industry and geographical contexts would serve to corroborate these findings in the wider marketing context.

The complexity of the issues identified in this research make it imperative to welcome the input of other disciplines such as organisational communication and

human resources, to develop strategies to support marketing outcomes, in preference to trying to make traditional marketing concepts 'fit' the communication process. For example, much of the IM literature has focused on applying marketing tools and techniques for implementing IM strategies; however, marketers may find the tools found in the disciplines of HRM and organisational communication to be more relevant and unexpectedly influential to communicating marketing messages inside the organisation. Similarly, Schultz and Hatch (2005) have conceptually argued that cross-disciplinary dialogue is necessary to ensure corporate communication is aligned with the marketing function. The findings from this research provide support for the view that marketers would be well advised to embrace a multi-disciplinary approach when considering the enabling of promise delivery.

7.3 OPPORTUNITIES FOR FUTURE RESEARCH

In providing a perspective on IM communication, this study gives rise to a number of further questions worthy of consideration. The significance of the identified key IM communication components offer empirical support for cogent influences on employee experiences of communication, and in so doing, contributes to areas of the IM communication and promise management body of knowledge. However, as this study was limited to a single industry (retail electricity) in a single location (New Zealand), further research in diverse industries and marketing environments will determine whether these findings are generalisable across domain and geographical boundaries. In addition, this research was founded on the perceptions of employees who were predominately employed in customer service and billing/accounts receivable functions, so further research in different functional

areas of the same industry and others may draw on a sample of employees who carry out different customer interfacing functions to further enhance our understanding.

The analysis in this study gives precedence to a further recommendation for IM communication research to include more focus on items of timeliness and availability of information that were identified as pivotal within this study. In addition, given the expressed need for information availability on a timely basis, further research into the use and benefits of technology for IM communication may provide greater insight into specific areas of organisational communication in future studies. For example, video conferencing was not utilised by the companies studied. However, it is possible that this type of technology may enhance the benefits of interactive communication through technology.

Again, further research may provide insight into channels of communication which were not explored within this study. Because employees are also consumers, they are subjected not only to the channels of communication used internally, but also to those that are used to communicate with customers. A limitation of this study was the focus on internal channels of communication; therefore future research could reveal further insights from exploring the influence of external channels of communication on employee perceptions of promise keeping.

The multi-method approach used in this study generated significant findings about the IM communication experience of employees. However, end consumers are also stakeholders. As Herington, Johnson and Scott (2006) argue, the lack of empirical evidence linking the effect of IM relationships on customer relationships lends impetus to the recommendation that data directly from customers to further explicate the relationship to promise keeping would add to the body of knowledge. Future research could explore the relationship between the IM outcomes proposed by

the model developed within this study and those of promise delivery in greater depth as this research was necessarily limited in scope to an internal perspective and thus employee perceptions of service delivery, rather than those of the customer.

In summary, this study offers an empirical contribution to research on IM communication. In so doing, the findings provide a relational perspective, and present a framework to illustrate key factors identified as significant, including both explicit and implicit IM communication, in companies in the New Zealand electricity sector. The experiential outcomes and the relationship with the extant literature on promise enablement were evident in this case. Notably, it was further found that IM communication is related to employee perceptions of overall company communication, and that communication within and between teams is integral to employee experiences of IM communication that will facilitate promise delivery. On this basis, every effort made to align and integrate all communication with the values of the organisation, and to ensure that information is available on a timely basis, has the potential to enable employees to deliver on strategic marketing programmes and promises made. To do so, however, requires a significant commitment from every area of the organisation.

As with all research, there are many questions still to be answered and much to be achieved. Put succinctly by George Bernard Shaw:

The problem with communication ... is the 'illusion' that it has been accomplished.

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LIST OF APPENDICES

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6	Codebook
7	Employee survey
8	Development of Instrument items

APPENDIX 1: INTERVIEW GUIDE

The semi-structured interviews commenced with questions that related to the research framework (see Figure 7, p. 96). Questions that related to specific job functions followed where time permitted.

General questions

If you could sum it all up in a few words – can you tell me what your company promises customers?

What company processes or systems would in your opinion be most important for delivering on those promises?

Can you think of a good example of meeting those promises... can you tell me what happened and how the company met its promise?

What database systems (if any) are in place to capture customer knowledge?

Tell me about your role

How does your role help to deliver your customer promise?

Can you give me some examples of your current work or plans that illustrate that?

What are the most important issues for company at present? (Potentially include key outputs from this question in the staff survey)

What are your key strategies for this year?

What are your company's key communication messages for customers?

What messages do you feel are most important to communicate to customers?

What messages do you feel are most important to communicate to employees?

In your opinion what is the best communication medium used by your company?

Can you tell me about the last advertising campaign launched by the company?

How was the campaign communicated to staff?

What (if any) actions were required by staff to support the campaign?

How would you describe your company's culture?

On the whole how would you describe communication within the organisation?

How would you describe your company's values?

Are those values explicitly stated or implicit from behaviours?

Can you complete the following sentences?

I feel most comfortable working for this company when...

I feel most uncomfortable working for this company when...

Marketing communication roles

How many employees work in the area of marketing communications?

What are their primary roles?

What are your key marketing communication messages?

Who takes responsibility for internal and marketing communication within your company?

How do you assess marketing communication performance?

Operational synergies? *Look for...*

- One voice, one look

- Reduced duplication of effort

- Clear alignment of brand positioning

Campaign measures? *Look for...*

- Synergy between communication mix

- Perception of success of campaigns relative to competitors

- ROCI (return on campaign investment)

Brand performance – Customer impact & asset related? *Look for...*

- Brand equity

- Change in customer awareness

- Change in customer associations, attitudes etc

- ROTPI (return on touch point investment)

Brand Performance – Market impact & position related? *Look for...*

- Lower price elasticity of customers

- Price premiums

- Decreasing sales and service costs

- Decreasing rate of churn and defection

- Share of wallet trend

- Market share position

- Sales and sales growth

Brand Performance – Financial impact? *Look for...*

- Profit and profit growth

- EBIT

- ROI

- ROBI (return on brand investment)

- EVA (economic value add)

MVA (market value add)

Share price

Market capitalisation

Internal Communication roles

What are the primary channels used to facilitate internal communication?

What channels of communication are most frequently used?

What are the key internal messages currently being communicated?

How do you ensure alignment with external communications?

What methods do you currently use for evaluating the effectiveness of your internal communications?

Human resource roles

How do you ensure the development programmes support the company's objectives?

How do you know if staff are satisfied?

If measured... what criteria do you use?

Who undertakes the research?

In what ways do the HR processes or systems within your company support delivery of customer promises?

Market research roles

Who takes responsibility for market research?

What types of research does your company undertake?

How frequently does your company research

Customers?

Potential Customers?

Employees?

What methods do you use?

APPENDIX 2: MASSEY UNIVERSITY ETHICAL APPROVAL

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17 May 2007

Suzanne Flanagan
c/- Dr M Brunton
College of Business
Massey University
Albany

Dear Suzanne

HUMAN ETHICS APPROVAL APPLICATION – MUHECN 06/074
“Delivering the customer promise, a communication perspective”

Thank you for your application. It has been fully considered, and approved by the Massey University Human Ethics Committee: Northern.

Approval is for three years. If this project has not been completed within three years from the date of this letter, a reapproval must be requested.

If the nature, content, location, procedures or personnel of your approved application change, please advise the Secretary of the Committee.

Yours sincerely

Associate-Professor Ann Dupuis
Acting Chair,
Human Ethics Committee: Northern

cc: Dr M Brunton & Associate-Professor A Parsons
College of Business

APPENDIX 3: PARTICIPANT INFORMATION SHEET

You are invited to participate in a business research study, which aims to explore how marketing communication is practised. In particular, the research aims to discover how both internal and external communications are integrated or aligned to create relationship value with customers and employees in the electricity sector.

You have been selected as a member of the company's senior management group, a member of the marketing, customer service or human resources functions, or as a provider of communication services.

The interview will take approximately one hour. If you decide to participate you have the right to:

- Decline to answer any particular question
- Withdraw from the study within two weeks of the interview date
- Ask any questions about the study at any time during participation
- Provide information on the understanding that your name will not be used unless you give permission to the researcher
- Be given access to a summary of the project findings upon request when it is concluded
- Ask for the audio tape to be turned off at any time during the interview

Individual responses will remain confidential. Therefore any published material resulting from the research will exclude individual and organisational names.

For further information regarding the project or for a summary of findings please contact the researcher below.

Researcher (Doctoral Student)	Research Supervisors
Suzanne Flannagan 5/97 Jervois Road Herne Bay Auckland New Zealand Phone: 09 273 9883 (business) 021 751 406 (mobile) Email: Flannagan@xtra.co.nz	Massey University College of Business Private Bag 102 904 North Shore Mail Centre Auckland New Zealand Dr Margaret Brunton Phone: 09 414 0800 Extn. 9223 Email: M.A.Brunton@massey.ac.nz Dr Andrew Parsons Phone: 09 414 0800 Extn. 9455 Email: a.g.parsons@massey.ac.nz

Ethical Considerations

This project has been reviewed and approved by the Massey University Human Ethics Committee: Northern, Application 06/074. If you have any concerns about the conduct of this research, please contact Associate-Professor Ann Dupuis, Acting Chair, Massey University Human Ethics Committee: Northern, telephone 09 414 0800 x 9054, email A.Dupuis@massey.ac.nz.

APPENDIX 4: PARTICIPANT CONSENT FORM

This consent form will be held for a period of five (5) years

I have read the Information Sheet and have had the details of the study explained to me. My questions have been answered to my satisfaction, and I understand that I may ask further questions at any time.

I agree/do not agree to the interview being audio taped.

I wish/do not wish to have a copy of the audio transcript returned to me.

I agree to participate in this study under the conditions set out in the Information Sheet.

Signature:

Date:

.....

Full Name - printed

.....

APPENDIX 5: INTERVIEW SCHEDULE

Company	Date of interview	Interview time
Mountain Energy		
M1	24 th May 07	53 minutes
M2	24 th May 07	1 hour, 1 minute
M3	24 th May 07	1 hour, 12 minutes
M4	24 th May 07	56 minutes
M5	25 th May 07	58 minutes
M6	18 th July 07	1 hour, 6 minutes
M7	18 th July 07	50 minutes
M8	23 rd July 07	1 hour, 2 minutes
M9	11 th September 07	1 hour
Tiger Energy		
T1	12 th June 07	47 minutes
T2	12 th June 07	1 hour, 23 minutes
T3	12 th June 07	1 hour, 5 minutes
T4	13 th June 07	51 minutes
T5	13 th June 07	30 minutes
T6	13 th June 07	45 minutes
T7	10 th July 07	58 minutes
T8	11 th July 07	43 minutes
T9	11 th July 07	2 hours
T10	14 th August 07	36 minutes
T11	14 th August 07	45 minutes
T12	14 th August 07	1 hour
Breeze Energy		
B1	3 rd August 07	1 hour
B2	3 rd August 07	1 hour
B3	3 rd August 07	1 hour
B4	31 st August 07	57 minutes
B5	31 st August 07	30 minutes

Company	Date of interview	Interview time
B6	27 th September 07	58 minutes
B7	27 th September 07	1 hour
B8	30 th November 2007	1 hour
Lion Energy		
L1	17 th August 07	1 hour, 30 minutes
L2	4 th September 07	1 hour
L3	7 th September 07	1 hour, 1 minute
L4	12 th September 07	43 minutes
L5	12 th September 07	32 minutes
L6	12 th September 07	1 hour
L7	17 th September 07	44 minutes
L8	24 th September 07	30 minutes

APPENDIX 6: CODEBOOK

The codebook was developed using methodology guidance from a number of authors including Boyatzis (1998) and Thomas (2003). It is founded on the theoretical framework for the case study. The tables below each heading demonstrate the themes and sub themes, which were coded.

Rationale for case selection

Theme	Commodity product
Definition	Themes, which relate to the case selection rationale... a lack of differentiation in the core product, which means companies, distinguish themselves through their brand communication and service delivery.
Sample coding associated with the theme	<p><i>Unfortunately we are not in an exciting industry where the product is physically differentiated. We can't sell you red electrons (T2).</i></p> <p><i>Its not really an industry you can distinguish yourself on the product, because you know everyone just expects power and as long as there's not a problem people don't make contact (L3).</i></p> <p><i>You can be a little skeptical about the value of these things. I mean, we are dealing with commodity; we are dealing with a grudge purchase product; we are dealing with something that people don't think too much about... I think it is important that people know it's a good company and what it stands for in terms of the environment, in terms of how it helps our communities and whatever... (M4).</i></p>

Message content: Expressed brand or customer promises

Theme	Industry brand promises
Definition	Brand promise and differentiation statements used within the industry...
Sub categories	<p>Has the best customer service</p> <p>Has the friendliest staff</p> <p>Is the most community orientated</p> <p>Is the most environmentally friendly</p> <p>Is the most innovative and progressive</p> <p>Is the most reliable source for electricity</p> <p>Offers the best pricing plans/rates</p> <p>Offers the widest range of billing options</p>
Sample coding associated with the sub categories	<p><i>We are all aiming to deliver the best customer service... (M7).</i></p> <p><i>Security of supply. That's where we are going at the moment. Demand for electricity is higher... (L6).</i></p> <p><i>Our key message to customers is that we're innovative. We're always looking</i></p>

Theme	Industry brand promises
	<p><i>for ways to give them better service (T1).</i></p> <p><i>Superior customer service is the promise (T3).</i></p> <p><i>Breeze Energy's positioning around carbon neutrality is part way to capturing the hearts and minds of a section of the community. But it's not going to get everyone... (B6).</i></p> <p><i>The right plan, which is our commitment to making sure our customers are on the right plan (M1).</i></p>
Links to other themes	Sub themes coded from initial company specific brand promise coding

Channels of communication

Theme	Communication channels used
Definition	The types of channels used for communicating internally
Sub categories	<p>Company intranet</p> <p>Company meetings</p> <p>Noticeboards</p> <p>Presentations</p> <p>Videos</p> <p>E-learning</p> <p>Electronic newsletters/magazines</p> <p>Face-to-face</p> <p>Podcasts</p> <p>Policy and procedure manuals</p> <p>Printed newsletters/magazines</p> <p>Rumours/gossip</p> <p>Shared electronic filing/knowledge systems</p> <p>Staff social events</p> <p>Team meetings</p> <p>Telephone calls</p> <p>Written communication e.g. memos and emails</p>
Sample coding associated with the sub categories	<p><i>There are a number of mechanisms. There is the 'what's new' on the intranet, so you go to the intranet page and there is a list of everything that is new. That's used particularly for the contact centre. If there is training required so if something new and you need to be informed of, there is training whether it be little short meetings or other stuff. E-mail is used a lot. Often if you're involvement is required, people come to talk to you. It is really really good... (T2).</i></p> <p><i>Other ways we communicate, we have a quarterly staff magazine, so if it's a, there's obviously potential time lags there, but in terms of educating people about why things are being done or marketing programmes and things like that then that's a good channel (L3).</i></p>

Theme	Communication channels used
	<p><i>Podcasts are increasingly being used for internal communication. For example for sharing presentations including approximately 5 minutes of Q&A's (M9).</i></p> <p><i>Internal communications are carried out via the intranet, or presentations. For example they will launch the new brand fully when it is deliverable. In this case [Brand Manager] is planning to have 'brand champions' in each location to maintain integrity of the brand. There will be a brief, coordination and training (B8).</i></p>
Links to other themes	Links to communication processes and systems
Differentiation	Each channel noted by interviewees was coded as a subcategory (examples included in sample coding)

Internal marketing communication processes

Theme	Communication processes which were expressed by the interviewees
Definition	Processes used within the energy companies for control or management of some communication
Sub categories	<p>Campaign approval processes</p> <p>Cascading information</p>
Sample coding associated with the sub categories	<p><i>In regard to marketing campaigns, there is an internal sign off process whereby the executive get to review it. The corporate services area GM communicates and then it filters down to their teams... Marketing put the information on the intranet e.g. TV commercial. Also there are quarterly company day meetings where there are presentations in the morning followed by lunch. Important changes in direction are communicated at the meetings (L2).</i></p> <p><i>There is a sign off sheet that everyone has to sign before it can be done (M2).</i></p> <p><i>We do everything by cascade communication, so that means that we prepare things... and I would sell them into the senior management team... and then they would be responsible for telling their managers, their managers tell their managers... It falls down somewhat when you have got time constraints especially with geographically dispersed teams because managers sometimes think I'll tell them next time I see them when I'm there and so if you got tight time frames, it is not the best way of communicating (M8).</i></p>

Processes and systems

Theme	Computer systems and processes
Definition	Highlights the influence of company computer systems on communication processes both internally and externally
Sample coding associated with the theme	<p><i>They've got a campaign thing where campaigns are loaded and they've also got a system where once the CSP has read it, that's like 3 light bulbs, red, green and there must be an orange as well I think. So the orange says it's there for them to read. A red comes up if they haven't read it by the deadline date, so once they read it, they have to acknowledge that 'yes, I have read this and I understand this campaign and I know what's going on.' So every CSP and the team leaders can pull a report to see. So therefore if someone give false information about something, I mean that does happen, but it's also a way of</i></p>

Theme	Computer systems and processes
	<p><i>them, they can never turn around and say 'I wasn't told about. I never knew about the campaign.' Because by them having to read. That's on everything; it's not just campaign (L4).</i></p> <p><i>The billing system is rubbish. There is a RFP process in action. Currently we can't use customer data in a meaningful way. We can't even do electronic billing. We use [same system as other electricity providers noted] but others must have modified or built additional systems to offer services such as electronic billing (B8).</i></p> <p><i>One of the reasons again that we're looking at changing from [system name] to another infrastructure system, so that we can give ourselves again give ourselves another five years ahead of our competitors. So technology, customer service. We have been good and we've always been held up as good for customer service, but we can be better. And we need to constantly be looking at how we can improve that (T1).</i></p> <p><i>One of the things we've done communications wise recently with customers that has made a bit of difference is the way we deal with our IVR, everybody hates IVR's of course, but we don't have voice recognition or any of that stuff at this stage, but what we have done recently we've changed it so that it's more intuitive for customers and we did some customer research to help us, some focus group to help us to set it up and try to get it right (L7).</i></p> <p><i>We are a [system name] company and in my view we've got a long way to go. We come from a premise based knowledge, so we know about your house, but we don't know much about you and we need to get to the bit where we know about you. The [system name] world is about account numbers, it's not about people, so there is some work to be done there (M1).</i></p>
Links to other themes	Intranet systems links to communication channels
Differentiation	Each company had differences in their computer systems whether because of modification to a common system or a different operating system (in one case).

Values

Theme	Organisational values
Definition	Expressed promises and/or statements of differentiation...
Sub categories	Company expressed values taken from archival material and interviewees
Sample coding associated with the sub categories	<p><i>Well we actually reviewed and re-launched our values last year (L3).</i></p> <p><i>We have created an internal sort of checklist of values, which are right behind you interestingly, which is [values expressed]. It would be unfair to say that those live anywhere else other than on the walls (M6).</i></p> <p><i>There is the [expressed values headline], but that is more about behaviour. It is good but not widely known about. It's fallen off the radar a bit, but is well known by people who've been with Breeze Energy for a while (B8).</i></p> <p><i>Tiger Energy has an official set of values called [acronym for expressed values], which I assume you've heard of (T2).</i></p> <p><i>It is easy enough to put out statement saying these are the core value.... but it's a lot harder to actually go out and drive that and actually show it from the top down, even give the perception that you might be doing it... (T5).</i></p>

Theme	Organisational values
Links to other themes	Links to brand promises Links to employee perceptions of company culture
Differentiation	Each company had different expressed organisational values which were coded independently for inclusion in the employee survey.

Organisational culture

Theme	Organisational culture
Definition	Examples of company culture: the taken for granted, shared thinking and assumptions
Sample coding associated with the theme	<p><i>I think it's warm, caring, it's a friendly place. People are of a good nature. It's not terribly vibrant as a culture and that's one of the things that I am very conscious of, wanting to lift the energy levels of the business. I think people are pretty comfortable with the way things are and there is not a huge sense of drive, so ... I want to increase that (M5).</i></p> <p><i>I found it's very friendly. It's quite an open culture in terms of suggestions. Overall Lion Energy really looks after its staff and all of the stuff that they give us. They look after us in terms of health and wellbeing. They look after us in terms of superannuation schemes. I was just completely blown away when I came here. When I was talking HR a few months afterwards and I said that I can't believe you have 4 different types of milk (G5).</i></p> <p><i>Breeze Energy has very high ethical values, which are not in the other companies... they are commercially driven but fair (B7).</i></p> <p><i>There are good relationships with colleagues. In exit interviews staff say they like being at Tiger Energy (but may have left for more money or opportunities). Tiger Energy is non-bureaucratic... there is a no bullshit culture. 'All you are not allowed to do is do nothing'. Can be a little unplanned. Management is very hands on and very much in the detail (T11).</i></p>
Links to other themes	Links to brand promises Links to employee perceptions of company values
Differentiation	The responses from interviewees on each company's culture were coded independently (examples included in sample coding)

Other coding considered influential to the results

Theme	Role and cross functional influences
Definition	References to cross functional influences and employee's roles in delivering brand promises
Sample coding associated with the theme	<p><i>[Sponsorship manager] works cross functionally with the marketing team e.g. She can put teasers in the residential and/or business newsletters (L6).</i></p> <p><i>The brand team manages the day to day of the website, but the rest of the business owns or has responsibilities for their areas, so we don't look at each area and tell them what we think they should be doing... it's very much driven from each business unit on what is on the website (L5).</i></p> <p><i>Marketing has to work really close with my lot... it's very unusual place for marketing to sit. If you look around any organisations, it wouldn't be ideal fit</i></p>

Theme	Role and cross functional influences
	<p>(M4).</p> <p><i>If it's about marketing stuff we have a PR person who looks after that. But if its other communications it is a management responsibility (M2).</i></p> <p><i>There is a Communication Manager who sits in there and she interfaces with the marketing people (M8).</i></p> <p><i>The communication team has been set up as an internal agency. They have account managers who deal with other areas of the business. There is also a content team, which is responsible for all written material, and a relationship team (B8).</i></p>

Theme	Timeliness
Definition	The subject of timeliness was raised by employees in the survey feedback
Sample coding associated with the theme	<p><i>Time delays in communicating important things (L).</i></p> <p><i>Often occurs after the fact i.e. we hear about things after they have occurred (M.)</i></p> <p><i>They keep us up to date with things (L).</i></p> <p><i>Quick results (T).</i></p> <p><i>Recommendation - More information when it is available rather than waiting to provide it all at once (B).</i></p>

Theme	Availability
Definition	Having information available at the time required.
Sample coding associated with the theme	<p><i>Majority is email & Internet based so we can refer back to when needed (M).</i></p> <p><i>Give the staff who answer the phones more information and ideas on where to find the information (L).</i></p> <p><i>Shared knowledge (M).</i></p> <p><i>Actually communicating to the whole company not pods of people that they think it affects as roles vary and require a great deal of information for customers and non customers alike (B).</i></p>

APPENDIX 7: EMPLOYEE SURVEY

The employee survey follows. Please note, questions numbered 17-20 and 26-30 were incorporated into the employee survey at the request of one or more of the participating companies. The data was provided for the benefit of those companies, and was neither relevant to, nor included in the Phase 2 analysis.

1. Introduction

You are invited to take part in a research project to explore how internal and external communications are integrated to create value with customers and employees.

You have been selected as a Company employee. If you agree to take part, the following rights apply to you.

- You have the right to ask questions regarding the research at any time.
- You have the right to decline to answer any particular questions.
- You have the right to confidentiality and anonymity. No individual will be identifiable.
- You have the right to receive a copy of the project findings when concluded.

The questionnaire will take up to 20 minutes to complete and has been designed to find out your views of the effectiveness of the Company's communication with employees. It therefore contains a number of questions relating to the sending and receiving of communication. The purpose of the survey is to allow you to openly and honestly tell us how you feel about the way TrustPower communicates with you.

If you should have any questions or would like further information regarding the project or for a summary of findings please contact the researcher below.

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This questionnaire is the property of Massey University. No part of the contents are to be copied, distributed or used by any party without the prior written consent of Suzanne Flannagan and Dr Margaret Brunton.

Please note that this project has been reviewed and approved by the Massey University Ethics Committee: Northern, Application 06/074. If you have any concerns about the conduct of this research, please contact Associate Professor Ann Dupuis, Chair, Massey University Human Ethics Committee: Northern Telephone +64 9 414 0800 ext 9054 or email A.Dupuis@massey.ac.nz

1. Do you agree to take part in the research?

- Yes
- No

2. Company communication and marketing Programmes

Even if you are not directly involved in these, we would like your opinions about the Company brand, marketing programmes and communication.

2. On average how much customer contact do you have each week?

- 0 hours
 1-5 hours
 6-10 hours
 11-15 hours
 16-20 hours
 21-25 hours
 26-30 hours
 30+ hours

3. If you have received communication training, how useful did you find the training?

- Waste of time
 Not very useful
 Some use
 Useful
 Very useful
 Have not received any communications training

4. How well do you feel you understand....

	No understanding	Very little understanding	Some understanding	A good understanding	Full understanding
The company marketing programmes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The company strategy and direction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What is expected from your role to help implement the company's marketing programmes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What is expected from your role to help implement the company's strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. Can you describe a recent marketing program carried out by your company?

6. How was the above marketing program communicated to you?

- Company staff meeting
 Departmental staff meeting
 Intranet/Online information
 Memo
 Podcast (Media file on the Internet)
 Provided with a preview or samples related to the marketing program
 Other (please specify)

7. Did you receive the information you needed about the marketing programme to carry out your job effectively?

- Yes
- No
- There was nothing required from me to help ensure the success of the programme
- If you did not receive the information required, how could the communication have been improved?

8. How much information do you receive about?

	I receive no information	I receive some information	I receive the information I need	I receive more information than I need
The company's strategy and goals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The company's marketing programmes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What is expected from me in my job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The company's values and how they apply to me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Important new service/product developments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How the company is performing on satisfying customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. How effective do you find the following channels for receiving information?

	Very Poor	Poor	Satisfactory	Good	Very Good	Not used by my company
Company Intranet	<input type="radio"/>					
Company Meetings	<input type="radio"/>					
Company Noticeboards	<input type="radio"/>					
Company Presentations	<input type="radio"/>					
Company Videos	<input type="radio"/>					
Company Website	<input type="radio"/>					
E-learning through Online training	<input type="radio"/>					
Electronic Newsletters/Magazines	<input type="radio"/>					
Face to face contact with my manager	<input type="radio"/>					
Face to face contact with people in my work area	<input type="radio"/>					
Podcasts (Media file on the Internet)	<input type="radio"/>					
Policy/procedure manuals	<input type="radio"/>					
Printed Newsletters/Magazines	<input type="radio"/>					
Rumours/Gossip	<input type="radio"/>					
Shared electronic filing or other knowledge systems	<input type="radio"/>					
Staff Social events	<input type="radio"/>					
Team Meetings	<input type="radio"/>					
Telephone calls from my manager	<input type="radio"/>					
Written communication from my manager (including memos and emails)	<input type="radio"/>					

Please add your comments and/or recommendations

3. Communication and Marketing Programmes cont...

10. In what ways do you provide feedback to the person you report to?

	Never used	Rarely used	Sometimes used	Most frequently used
Emails	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Focus groups	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Memos	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Questions during meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff surveys	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Suggestion boxes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

11. To what extent do you feel comfortable providing feedback to:

	Very uncomfortable	Uncomfortable	Comfortable	Mostly comfortable	Very comfortable	N/A
My immediate work colleagues	<input type="radio"/>					
My Manager	<input type="radio"/>					
People in other departments	<input type="radio"/>					
Senior managers	<input type="radio"/>					
Staff who are accountable to me	<input type="radio"/>					

12. How do you feel about the action that is being taken on feedback you send to:

	Not enough action	Some action	Satisfactory	Good	Very Good	N/A
My immediate work colleagues	<input type="radio"/>					
My manager	<input type="radio"/>					
People in other departments	<input type="radio"/>					
Senior managers	<input type="radio"/>					
Staff who are accountable to me	<input type="radio"/>					

13. How would you rate the company's communication with you?

	Very Poor	Poor	Satisfactory	Good	Very Good
In regard to marketing programmes	<input type="radio"/>				
In regard to overall communication	<input type="radio"/>				

14. What are the three things you like best about communication within the company?

1.
2.
3.

15. What are the three things you like least about communication within the company?

- 1.
- 2.
- 3.

16. In what ways could the company's communication with you be improved?

4. Customer Promises

The purpose of this section is to collect feedback on the type of promises your company makes to customers.

17. What importance do you feel CUSTOMERS attach to the following?

	No importance	Very low importance	Low importance	Some importance	High importance	Very high importance
Answering telephone calls promptly	<input type="radio"/>					
Being community orientated	<input type="radio"/>					
Being known as having a secure source of supply of electricity for customers	<input type="radio"/>					
Being known as the easiest electricity supplier to deal with	<input type="radio"/>					
Having the best customer service	<input type="radio"/>					
Offering an electricity bill review service to ensure customers are on the best rate/plan	<input type="radio"/>					
Price discounts e.g. prompt payment	<input type="radio"/>					
Providing the best overall price	<input type="radio"/>					
Providing the best overall value (taking into consideration both price and service)	<input type="radio"/>					
The ability for customers to have their home and bach on one bill	<input type="radio"/>					

18. What importance do you feel CUSTOMERS attach to the following cont...?

	No importance	Very low importance	Low importance	Some importance	High importance	Very high importance
Being able to obtain other products and services in addition to electricity e.g. Gas	<input type="radio"/>					
Being carbon neutral	<input type="radio"/>					
Being known as innovative	<input type="radio"/>					
Doing monthly meter reads	<input type="radio"/>					
Having a good environmental record	<input type="radio"/>					
Having company branded meter readers	<input type="radio"/>					
Having friendly staff	<input type="radio"/>					
Internet service	<input type="radio"/>					
Offering a wide range of billing options	<input type="radio"/>					
Offering a wide range of services	<input type="radio"/>					

19. How much importance do you feel the COMPANY attaches to meeting the following?

	No importance	Very low importance	Low importance	Some importance	High importance	Very high importance
Answering telephone calls promptly	<input type="radio"/>					
Being community orientated	<input type="radio"/>					
Being known as having a secure source of supply of electricity for customers	<input type="radio"/>					
Being known as the easiest electricity supplier to deal with	<input type="radio"/>					
Having the best customer service	<input type="radio"/>					
Offering an electricity bill review service to ensure customers are on the best rate/plan	<input type="radio"/>					
Price discounts e.g. prompt payment	<input type="radio"/>					
Providing the best overall price	<input type="radio"/>					
Providing the best overall value (taking into consideration both price and service)	<input type="radio"/>					
The ability for customers to have their home and bach on one bill	<input type="radio"/>					

20. How much importance do you feel the COMPANY attaches to meeting the following cont...?

	No importance	Very low importance	Low importance	Some importance	High importance	Very high importance
Being able to offer other products and services in addition to electricity e.g. Gas	<input type="radio"/>					
Being carbon neutral	<input type="radio"/>					
Being known as innovative	<input type="radio"/>					
Doing monthly meter reads	<input type="radio"/>					
Having a good environmental record	<input type="radio"/>					
Having company branded meter readers	<input type="radio"/>					
Having friendly staff	<input type="radio"/>					
Internet service	<input type="radio"/>					
Offering a wide range of billing options	<input type="radio"/>					
Offering a wide range of services	<input type="radio"/>					

21. How do you feel the company DELIVERS on its promises to customers?

	Never	Rarely	Usually	Almost always	All of the time
Customers can trust the company to deliver on its promises to them	<input type="radio"/>				

22. In your opinion which one of the following statements do you think customers are most likely to associate with your company?

- Has the best customer service
- Has the friendliest staff
- Is the most community orientated
- Is the most environmentally friendly
- Is the most innovative and progressive
- Is the most reliable source for electricity
- Offers the best pricing plans/rates
- Offers the widest range of billing options

Other (please specify)

23. In your opinion what (if any) of the company's systems or processes need further improvement to better meet customer requirements?

5. Trust and Values

The purpose of this page is to determine how you feel about the level of trust, commitment to values and customer orientation of the company.

24. To what extent do you agree with the following statements?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
Overall I trust the staff who are directly accountable to me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall I trust my immediate work colleagues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall I trust people in other departments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I trust my immediate manager	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall I trust the company's senior managers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel free to express how I feel about internal services provided to me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our managers are concerned about customer satisfaction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our company Values are important to me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The company's communication with customers is a good reflection of the company's Values	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

25. Thinking about your company and what the company stands for, please complete the following:

	None	Very Low	Low	Moderate	High	Very High
I feel a strong sense of belonging with this organisation	<input type="radio"/>					
I feel optimistic about the future of the company	<input type="radio"/>					
I feel a strong affinity with the goals and values of the company	<input type="radio"/>					
I identify more strongly with my professional role rather than as an employee of the company	<input type="radio"/>					

30. Overall how would you rate YOUR electricity supplier?

	Very Poor	Poor	Satisfactory	Good	Very Good	Don't Know
Being community orientated	<input type="radio"/>					
Being environmentally friendly	<input type="radio"/>					
Being innovative	<input type="radio"/>					
Customer Service	<input type="radio"/>					
Easy to deal with	<input type="radio"/>					
Having friendly staff	<input type="radio"/>					
Information provided by the bill	<input type="radio"/>					
Internet/Online services	<input type="radio"/>					
Reliability	<input type="radio"/>					
Response time to queries	<input type="radio"/>					

Comments

7. Background Information

Finally we would appreciate some background information. This will help us to understand any differences based on your background and experience.

31. What is your gender?

- Male
 Female

32. What is your age?

- Under 20 years
 21-30 years
 31-40 years
 41-50 years
 Over 50 years

33. How long have you been employed by the company?

- Less than 1 year
 1-5 years
 6-10 years
 More than 10 years

34. Which best describes the organisational group you belong to?

- | | | |
|---|---|--|
| <input type="radio"/> Customer Service/Contact Centre | <input type="radio"/> Marketing/Communications | <input type="radio"/> Finance/Administration |
| <input type="radio"/> Billing | <input type="radio"/> Sales | <input type="radio"/> Generation |
| <input type="radio"/> Metering | <input type="radio"/> HR/Organisational Development | |
| <input type="radio"/> Other (please specify) | | |

8. Thank you.

Thank you for your time in completing this questionnaire. Your responses are important to the overall understanding of communication practices with employees and customers of the company.

APPENDIX 8: DEVELOPMENT OF INSTRUMENT ITEMS

An overview to the instrument items, which were developed to explore the research questions, are outlined in sections beneath each research question as follows (see Appendix 7, p. 229 for a copy of the questionnaire):

RQ1: How do companies in the New Zealand electricity sector communicate with their employees about marketing programmes and brand promises?

Given the increasing focus on new technologies for communication, and that the responses to the semi-structured interviews, focussed primarily on channels of communication, it was important to how employees received information. Furthermore, the earlier review of the IM communications literature appeared to offer a paucity of guidance on the types of communication channels used to convey marketing information.

Therefore to explore the research question further, employees were asked to name a recent marketing programme and how it was communicated. The purpose of asking them to name a marketing programme in the first instance was to ensure they referenced actual communication practices. Employees were then asked how that programme was communicated to them. The communication channels extracted from the interview data were offered as options for employees to choose from. In addition employees were able to choose other and specify their own channel choice.

Can you describe a recent marketing programme carried out by [the company]?
How was the above marketing programme communication to you? [Channel options provided for selection]

Furthermore, to identify the channels used for upward communication, employees were asked to say how frequently they used a selected range of channels

to provide feedback to their managers. Again the choices provided were sourced from the earlier interview data.

In what ways do you provide feedback to the person you report to? [Channel options provided for selection]

RQ2: How effective did employees find their company’s IM communication?

Given the focus on communication channels which resulted from the interviews, and the increase in types of communication channels being used within organisations, such as the use of technology for communication, then it was important to explore how effective employees found each channel used to communicate with them. Employees were provided with a comprehensive list of communication channels, which emerged from the interview data, and asked to rate them on a 5 point Likert-type scale from 1 (very poor) to 5 (very good) in relation to how effective they found those channels for receiving information.

How effective do you find the following channels for receiving information?
[Communication channels identified from the interviews as used within the industry were listed as items for rating]

RQ3: What outcomes result from employee experiences of their company’s IM communication?

A clear understanding of the brand is important to gaining commitment to brand service delivery (de Chernatony & Segal-Horn, 2003). Furthermore, communication effectiveness includes that “the message receiver understands and responds to the message in the way that the message sender intends” (Daniels, Spiker, & Papa, 1997, p. 9). Therefore understanding message content is relevant to exploring how aware employees may be about the company’s promises made to customers (de Chernatony & Cottam, 2006). To assess how well employees understood the company’s messages about strategy and marketing programmes, and

their role in implementing those programmes, along with brand promises, product and service offers, employees were asked three major questions.

First, employees were asked to rate on a 5-point scale from (1) no understanding to (5) full understanding, how well they understood the strategy and marketing programmes along with their role in implementing them.

How well do you feel you understand:

... *[The company's] marketing programmes?*

... *[The company's] strategy and direction?*

... *What is expected from your role to help implement the company's marketing programmes?*

... *What is expected from your role to help implement the company's strategy?*

Second, employees were asked for their perceptions about what promises customers were likely to associate with their company. To assess this later question, data was extracted from the earlier archival and interview phase to offer employees a choice of industry-wide promise statements that they perceived customers may associate with their company. Because each company's messages were slightly different, the themes were re-phrased to simplify the options and to offer a greater level of anonymity whilst still conveying the core message. Employees were able to select more than one statement as being associated with promises made by their company.

In your opinion which one of the following statements do you think customers are most likely to associate with [the company]? [Industry brand promise statements were provided as options for selection]

Finally, the amount of information being received and sent are key components of a communications audit (Hargie & Tourish, 2002). Therefore to determine whether employees felt they were receiving the appropriate amount information; employees were asked to rate how much information they received on a

4-point scale from 1 (I receive no information) to 4 (I receive more information than I need) about the company's strategy, goals and marketing programmes, values, products and services and what was required from the employee for their job role.

How much information do you receive about:

- ... [The company's] company's strategy and goals?
- ... [The company's] marketing programmes?
- ... What is expected from me in my job?
- ... [The company's] values and how they apply to me?
- ... Important new product/service developments?
- ... How [the company] is performing on satisfying customers?

RQ4: What influence do employee IM communication experiences have on enabling them to fulfil brand promises?

The IM communication experiences explored were developed from the research framework and further informed by the interview data from Phase 1 of the study. The areas explored within survey included those that related to responsiveness, comfort, trust, commitment, shared values, and an assessment of employee perceptions of IM communication and overall communication. In addition, employees could provide qualitative feedback on their company's communication and systems and processes.

Responsiveness - Action being taken on feedback

While two-way communication is important, the literature suggested that responsiveness was a key component of IMO. Responsiveness is described as the fifth dimension of Lings and Greenley's (2005) model of IMO, where the responsiveness of the organisation to information on the needs and wants of employees was measured. In contrast, Gounaris (2006) described responsiveness as a willingness of supervisors or managers to listen. Responsiveness has also been

found to be a key dimension of service quality (Parasuraman et al., 1988). While only one element of service quality, it is posited that an assessment of organisational responsiveness may influence an employee's perceptions of the quality of IM communication. Furthermore, action being taken on information sent by employees is a core element of a communications audit (Hargie & Tourish, 2002).

However, responsiveness did not appear to have been explored from the perspective of differing organisational relationships, therefore, in a series of items, employees were asked to rate on a 5-point Likert type scale how they felt about the action which was being taken on feedback they sent to colleagues, their manager, their staff, people in other departments and senior managers.

How do you feel about the action that is being taken on feedback you send to: [5 items reflecting differing organisational relationships]?

Comfort providing feedback

On the basis that relational communication is reliant on two-way communication resulting from open dialogue (Lindberg-Repo, 2001); then it was important to explore both the channels used for feedback and how free employees felt to give feedback. This was carried out in two ways, the first being an assessment of how comfortable employees felt about providing feedback and the second was in the next section which explored items of trust.

Similarly, Naude, Desai and Murphy (2003) in their study designed to assess the influencing factors on employee perceptions of IMO, included items relating to feeling at ease and openness of communication. The authors utilised items of organisational socialisation developed by Kelly (1992), which incorporated "I feel comfortable in this organisation" (p. 34). However, in this study the item was

adapted to differentiate the level of comfort of differing organisational relationships to explore the potential influence of inter-departmental relationships in particular.

“Two-way communication” also has the purpose of establishing “mutual understanding and trust” between managers and employees and particularly between various functions or departments” (Varey, 1995, p. 47). Therefore, employees were asked to rate on a 5-point Likert-type scale to what extent they felt comfortable providing feedback to colleagues, their manager, their staff, people in other departments and senior managers.

To what extent do you feel comfortable providing feedback to: [5 items reflecting differing organisational relationships]?

Trust

Trust is a key mediating variable to relationship marketing (Morgan & Hunt, 1994), and was therefore of interest for its potential influence on internal communication from a relational perspective. Furthermore, given barriers to promise delivery have been described as inter-departmental differences (Schultz & Hatch 2005), then a measure of situational trust or “a culture of trust” was considered relevant (Connell et al., 2003, p. 114). Employee perceptions of openness and trust were also found to be an early measures of organisational climate (Kogler Hill & Northouse, 1978), and influential to the outcomes of shared vision, service focus, empowerment, and commitment (Asif & Sargeant, 2000). Therefore, it was considered valuable to measure the level of trust between employees with different relationship types, and the level of openness within the organisation.

In a series of items, employees were asked to rate on a 5 point Likert-type scale from 1 (strongly disagree) to 5 (strongly agree) the extent to which they trusted their staff, colleagues, people in other departments, their manager, and senior

managers. They were also asked to rate on the same scale, how free they felt to express how they felt about internal services provided to them.

Overall I trust the staff who are directly accountable to me

Overall I trust my immediate work colleagues

Overall I trust people in other departments

Overall I trust my immediate manager

Overall I trust the company's senior managers

I feel free to express how I feel about internal services provided to me

Customer Satisfaction

Customer satisfaction is perceived to be an important outcome of IM (Lings & Greenley, 2005), therefore whether employees perceived that managers were concerned about customer satisfaction was included. This was measured on the same 5 point Likert-type scale as trust.

Our managers are concerned about customer satisfaction

Shared Values

Shared values have been found to influence both relationship commitment and trust (Morgan & Hunt, 1994; Sin et al., 2005). Elizur and Koslowsky (2001) also found that "a strong belief in and acceptance of the organization's goals and values" was a key factor of the commitment concept (p. 596). Therefore to assess the extent to which employee's shared their company's values, they were asked to rate on the same 5 point Likert-type scale as trust, whether company values were important to them and whether their company's communication with customers was a good reflection of the company's values.

Our company values are important to me

The company's communication with customers is a good reflection of the company's values

Commitment

Affective commitment has been found to increase an employees' likelihood to show positive feelings toward the organisation and deliver a higher level of service to the customer (Lings et al., 2008). Furthermore, the authors found that implicit communications (in the form of IMO) was positively correlated to affective commitment. Therefore it is possible that stronger commitment to the company may influence an employee's willingness to deliver customer promises.

While there are those who may be critical of established measures of organisational commitment such as the OCQ (organisational commitment questionnaire) (Baruch, 1998), some items, which were drawn from the commitment literature have been included in the questionnaire. The literature appeared to indicate that a feeling of global commitment was the key mediating factor and that other bases of commitment were often associated with global commitment (Hunt & Morgan, 1994). Furthermore, in contrast to earlier authors (Churchill, 1979; Nunnally & Bernstein, 1994); Bergkvist and Rossiter (2007) found that single-item measures were equally valuable in their predictive ability for concrete single component measures. Therefore a decision was made to reduce the scale of questions to a minimum number as the questionnaire was already extensive.

The result was inclusion of an item from Allen and Meyer's (1990) eight item scale for affective commitment. The question was adapted to be worded in a positive manner rather than the originally reversed question asked which was "I do not feel a strong sense of belonging to my organization" (p. 6). A similar adaptation was later used by Johnson, Sivados and Garbarino (2008), "I feel a sense of belonging to the..." (p. 361). Similarly, Edwards and Peccei's (2007) scale for organisational identification included the question... "I feel strong ties with the NHS" (p. 47).

Employees were asked to think about what the company stood for, and rate on a 6 point Likert-type scale from 1 (none) to 6 (very high)...

I feel a strong sense of belonging with this organisation

In addition two further items were included. Using the same scale as the earlier item, employees were asked to rate...

I feel a strong affinity with the goals and values of [the company]

I feel optimistic about the future of [the company]

The remaining question incorporated the recommendation from Boshoff and Mels (2000) that internal marketing efforts should “incorporate identification with the profession as a theme in their internal marketing efforts” (p. 268). They described the strongest influence on organisational commitment as “commitment to profession” and therefore a final question was added which asked employees to state on the same scale as that used for the earlier questions, how strongly they identified with their profession compared to being an employee of the company.

I identify more strongly with my professional role rather than as an employee of [the company]

In summary, commitment was explored using employee evaluations of their sense of belonging to the organisation, their level of optimism about the future of the company, their degree of affinity to the goals and direction of the company and finally, whether they felt more strongly about their professional role than their role as an employee of the company.

Overall communication

To assess a broader feeling of overall communication effectiveness, employees were invited to rate on a 5-point Likert type scale their company's communication in regard to marketing programmes and overall.

How would you rate the company's communication with you – in regard to marketing programmes?

How would you rate the company's communication with you – in regard to overall communication?

Employee perceived strengths and weaknesses of company communication

Finally, some qualitative items were included within the survey to explore how employees experience internal communication. Using slightly adapted questions from the communications audit outlined by Hargie and Tourish (2002, p. 319), employees were invited to provide feedback in open ended questions about what they liked best and least about their company's communication.

What are the three things you like best about communication within [the company]?

What are the three things you like least about communication within [the company]?

In what ways could [the company's] communication with you be improved?

Systems and processes

Company systems have been found to influence how enabled employees are to deliver customer promises (Little et al., 2006). Therefore, in an open-ended question, employees were invited to describe ways in which the company's systems could be improved. The open-ended responses were thematically coded for their contribution to the study.

In your opinion what (if any) of the company's systems or processes need further improvement to better meet customer requirements?

RQ5: Do employees in the electricity industry perceive customers can trust their company to deliver on their marketing promises?

While there has been some debate that self evaluations of service may be inflated, Mukherjee and Malhotra (2006) argued that on the basis of using anonymous questionnaires that these biases could be reduced. Sergeant and Frenkel (2000) also argued that previous studies (Schneider & Bowen 1985) had found customer contact employees were well placed to effectively judge the quality of service that they deliver. Therefore while a direct customer response may have been more desirable, the questionnaire asked the responding employee for their perceptions about the ability of their company to deliver on its promises as a proxy for a direct customer feedback. Using a 5-point Likert-type scale, from 1 (never) to 5 (all of the time). Employees were asked to rate whether their company delivers on its promises to customers.

Customers can trust [the company] to deliver on its promises to them

Furthermore, given employee perceptions have been found to be a valid measure of service performance (Schneider & Bowen 1985) , this item was used as a dependent variable to explore the influence of employees' communication experiences (from RQ3) on the resulting levels of promise delivery.

Background and demographic information

The questionnaire also included questions on demographic information such as the number of years employed by the company, gender, age group and organisational group.