AN INTERNAL COMMUNICATION ASSESSMENT OF THE GEORGE
MUNICIPALITY

by

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II. DISSERTATION DEDICATION

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I declare that **"AN INTERNAL COMMUNICATION ASSESSMENT OF THE GEORGE MUNICIPALITY"** is my own work and that all the resources that I have used or quoted have been indicated and acknowledged by means of complete references.

Y Opperman   Date

IV. SUMMARY

The concept of a service-oriented approach and the role of communication in such an approach is nothing new. Service management and marketing are two constructs that are deemed invaluable for an organisation operating in the current competitive and seamless globalised business environment.

Literature proposes that a market-oriented point of view is not enough anymore to achieve a competitive advantage; the core solution to an organisation's problems should lie in a management perspective that understands the internal value-generating processes of customers and employees alike. This study strives to assess the role of internal communication in creating a service-oriented approach.

Particular attention is given to the support that communication can provide to an organisation wishing to establish a service-oriented approach. The evolution of the service-oriented approach is discussed along with the internal and external changes that took place in the organisational environment. A service-orientation as a possible answer to environmental changes is discussed.

An assessment of the contribution of communication to service orientation was undertaken. The results of the research undertaken have led to the deduction that internal communication at George Municipality is not effective.

V. KEY TERMS

Service management

Service marketing

The Gap Analysis Model

Internal communication

Communication models

Service-oriented approach

Internal communication assessment

Communication solutions

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CHAPTER ONE – INTRODUCTION

1.1   Purpose of the study

The primary aim of this study is to perform an assessment of the internal communication requirements of a local authority with specific reference to George Municipality. The study focuses on communication, but is performed within the theoretical framework of service management and marketing. Particular attention is given to the support that communication can provide to an organisation wishing to establish a service-oriented approach. The study is confined to the employees and the political body of George Municipality.

1.2   Research objectives

This study is an assessment of the communication requirements of local authorities, specifically focused on internal stakeholders in support of a service-oriented approach. The study has the following objectives:

  I. to define the constructs "service quality" and "service-orientation";
 II. to define the roles that various communication disciplines could play in establishing a service-oriented approach;
III. to assess the current position of internal communication in George Municipality;
IV. to assess the degree to which internal communication currently supports a service-oriented approach at George Municipality;
 V. to identify the internal communication requirements of George Municipality;
VI. to provide communication solutions to support service management and a service-oriented approach at George Municipality.

1.3   The theoretical foundation of the study

The primary source for the theoretical foundation of this study is the service management and marketing approach of Grönroos (2000). The primary source is supported by additional literature pertaining to the communication disciplines and their functions, service and its characteristics, quality and service management and marketing.

The approach offered by Grönroos focuses on the idea of gaining a competitive advantage based on customer relationship building through a service-oriented perspective. The theoretical foundation provided by this approach offers insight into the points where communication can be measured, applied and adapted in an endeavour to cultivate a service-oriented culture amongst employees in George Municipality.

Landman (2005:74) highlights the necessity of a service-orientation amongst employees as a prerequisite for successful service marketing in an ever-changing internal and external environment.

Grönroos (2000:3) defines the customer perspective as the process where a customer does not only buy goods and services, but the benefits that goods and services provide them with: "They buy offerings consisting of goods, services, information, personal attention and other components. Such offerings render *services* to them, and it is this customer-perceived service of an offering that creates value for them" (Grönroos 2000:3). For Grönroos the service-oriented approach is a strategic approach that can be followed by an organisation to achieve competitiveness. Grönroos (2000:7) defines the strategic service perspective as the view that an enhanced offering is required to support the customer's value-generating processes. Grönroos (2000:7) says that all components, including the physical product, the service, information, personal

attention and other elements should be combined to establish a *total service offering.*

This study discusses the integration of communication as a holistic tool that can provide sustainable solutions to communication requirements in a service-oriented approach.

1.4   The pertinence of the study

There are three approaches to the applicability of this study: the contribution towards the theoretical literature; the applicability of the study of the trend of relationship, experiential and internal marketing; and the role the study is intended to play in assessing the internal communication needs of George Municipality.

In the first instance, the study will contribute towards the theoretical literature pertaining to holistic communication solutions to organisational problems with specific reference to the service-oriented communication of organisations.

Secondly, the study falls within the ambit of current trends towards relationship marketing, experiential marketing and integrated marketing communication (Grönroos 1997:327; Murphy, Murphy, Woodall & O'Hare 1999:9; Strydom 1999:170; Yudelson 1999:65) within the sphere of communication methods intended to increase customer satisfaction. Relationship marketing is grounded in the idea of establishing a learning relationship with customers to increase customer satisfaction and minimise problems.

Thirdly the study is applicable to the organisation that is assessed, namely George Municipality.   The assessment of the internal communication requirements of George Municipality is intended to provide insight into the organisation's internal communication and in turn to offer solutions that will

address the needs to manage service quality and promote service delivery. Provisional indications are that George Municipality is a typical service organisation with a bureaucratic and traditional management approach, displaying characteristics such as a traditional pyramid structure with a clearly defined hierarchy with limited scope for shared leadership opportunities, as described by Hellriegel, Jackson and Slocum (1999:431). There is a restriction on encouragement of active dialogue and promotion of systems thinking in the organisation as described by Smit and Cronjé (2002:52).

1.5   Delimitation of key constructs

The following are the key constructs of the study:

Corporate communication: Steyn and Puth (2000:5) define corporate communication as managed communication on behalf of the organisation, aiming to increase organisational effectiveness by creating and maintaining relationships with stakeholders.

Van Riel's (1999:325) definition of corporate communication corresponds closely with that of Steyn and Puth, stating "Corporate Communication concentrates on management decision-making regarding the orchestrated implementation of all consciously used forms of internal and external communication, aimed at the creation of a favourable reputation with all relevant stakeholders the organisation depends upon".   Earlier Van Riel (1997:289) describes it as: "mutual interdependency between 'organisational performance' on the one hand and 'corporate identity, corporate reputation and orchestration of communication' on the other hand".

Intraorganisational communication: Intraorganisational communication is the channels and systems of communication within the organisation (Du Plessis, Du Plessis, Hanekom, Schoonraad, Theron & Van Der Walt 2004:27).

Du Plessis *et al* (2004:31) further state that intraorganisational communication is perceived as a component of the communication process in the organisation, and, in addition the "encompassing whole or context of all levels of communication in the internal environment of the organisation". It entails the continuous design of interaction between all members of an organisation forming an all-inclusive device that joins people and structures within that organisation. Intraorganisational communication forms part of internal communication. Internal communication includes many configurations and disciplines of communication, for example interpersonal communication, intrapersonal communication, intraorganisational communication and management communication (Van der Walt in Verwey & Du Plooy-Cilliers 2002;68; Landman 2005:7).

Internal stakeholders: Employees, including all levels of the organisation and the political body for the purposes of this study, are regarded as internal stakeholders. These stakeholders are internal to the organisation as opposed to stakeholders external to the organisation, e.g. suppliers, shareholders and, for the purposes of this study, other spheres of government. Steyn and Puth (2000:5) state that a stakeholder becomes a public when a potential problem arises between itself and the organisation. They further distinguish between latent and aware publics, the difference being that an aware public becomes aware of the potential problem.

Internal customers: This is the concept of customer-service provider relationships inside the organisation; employees providing a service to other employees or departments in the organisation as opposed to providing a service to clients external to the organisation. Services should be provided to fellow employees and departments with the same commitment to customer satisfaction as for external clients (Grönroos 2000:307; Landman 2005:7).

External customers: This is the party/parties external to an organisation who enter into an association/relationship with an organisation with the purpose of

buying an offering consisting of goods, services, information, personal attention and other components; these offerings render services to them and it is this customer-perceived service of an offering that creates value for them (Grönroos 2000:3).

Internal marketing: Kotler (1991:20) defines internal marketing as the task of successfully hiring, training and motivating able employees to serve the customer well. Pitt and Foreman (1999: 26) state that internal marketing rests on the assumption that organisations should interact with employees in a way similar to that in which they transact with external customers; the interaction rests on a degree of participation by the employees in the management, operations and delivery of the organisation's activities and offerings. Internal marketing is utilised to ensure the support of traditional non-marketing employees. The non-marketing employees should be trained to act as part-time marketers and should be committed, prepared and informed; it does not only include customer-contact employees and back office employees, but also supervisors, middle management and top management (Grönroos 2000:256-7).

Internal marketing is the process of marketing ideas first to employees (Du Plessis *et al* 2004:45). It is the creation of internal relationships between people in the organisation, regardless of their positions in the organisation, to motivate them to provide services to internal and external customers in a customer-orientated way (Grönroos 2000:335).   The people in the organisation form the internal market (Duncan & Moriarty 1998:3).

Intellectual assets: Intellectual assets are the knowledge internal to individual employees gained through "understanding the implications of incoming information and data and drawing on that understanding to either take action or ignore the stimulus" (Kock, McQueen & Baker 1996:33). Intellectual assets could for example be knowledge gained by the employee through training, work experience or interaction with fellow employees.   Despres and Chauvel

(1999:113) define intellectual capital as an emerging tool to measure and evaluate intellectual assets.

Knowledge management: Knowledge management is defined by Smit and Cronjé (2002:465) as "an integrated, systematic approach to identifying, managing and sharing an organisation's information assets".

The knowledge era, as described by Smit and Cronjé (2002:466), demands of employees to expect the unexpected, to be spontaneous and creative, take risks and collaborate with people. Kock *et al* (1996:33) have a similar argument in that they believe knowledge has a predictive capability. Tucker, Meyer and Westerman (1996:2) suggest the "process of generating explicitly coded objective knowledge refers to the use of 'public' language which allows interaction of knowledge between individuals in an organisation." This concept links to the concept of intellectual assets in that the *intellectual assets* are the knowledge of employees that is to be managed.

Relationship marketing: Grönroos (1997:327) defines relationship marketing as the process whereby the organisation "attracts the customer and builds a relationship with the customer so that the economic goals of that relationship are achieved". Yudelson (1999:65) suggests the concept of perception, being "all the information that affects the perception of either buyer or seller". Goldsmith (1999:180) and Vignali (2001:98) introduced the possibility of additional p's to add to the traditional marketing mix (being price, place, promotion and product), of which personalisation is one. The idea is that all items pertaining to the relationship between the supplier and the consumers should be personalised. Yudelson (1999:65) further suggests yet another corresponding p, namely partners, where a partnership is formed between the supplier, the consumer and other relevant stakeholders.

Integrated marketing communication: Integrated marketing communication is defined by the American Association of Advertising Agencies (adapted from Du

Plessis, Bothma, Jordaan and Van Heerden 2003:10) as the added value derived from a combination of the various communication disciplines such as direct selling, advertising, new media technologies, et cetera. Factors such as greater physical and emotional contact between customers and marketers, increased competition and greater consumer selectivity have led to the *integrated marketing communication* approach (Strydom 1999:170). Barker and Du Plessis (2002:2) define integrated communication as "…the application of analysis, communication and evaluation techniques to create and manage integrated, multi-faceted communication interventions combining information, collaboration, business process design, feedback and incentive systems to improve human performance and productivity in the workplace in order to achieve organisational communication goals and objectives". Barker and Du Plessis (2002:2) also hold the opinion that integration mainly occurred because of the increased challenges of maintaining the image of an organisation and the aim to remain competitive in the ever changing global environment.

Service quality: Robinson (1999:23) defines service quality as an attitude or global judgement about the superiority of a service. Grönroos (2000:101) says service quality is the degree to which a customer's service expectations are matched by the actual service experience. Grönroos (2000:81) identifies seven characteristics of good perceived service quality. These characteristics are professionalism and skills, attitudes and behaviour, accessibility and flexibility, reliability and trustworthiness, service recovery, serviscape and reputation and credibility. Parasuraman, Zeithaml and Berry (in Woodall 2001:595) distinguish between five service quality dimensions, namely tangibles, reliability, responsiveness, assurance and empathy, to measure perceptions of service. Barnes and Morris (2000:474) further distinguish between technical quality (providing the customer with a technical solution) and functional quality (all the components that influence the experience of the customer during an interface with the organisation).

Service marketing: Grönroos's (2000:7) perspective on service marketing describes it as an organisation taking the view that an enhanced offering is required to support the customers' value-generating processes and that the core solution of a physical product, service or combination of services and goods, is not sufficient to differentiate the offering from those of competitors.   Landman (2005:8) defines service marketing as an approach to an organisation's market that recognises that the external customer becomes an active part of its processes, and that an organisation in its totality and in all its facets determines the quality of service delivered to the customer.   Landman (2005:17) says that service marketing is distinguished from traditional marketing by two factors:

I. An organisation that is in service competition should understand and embrace the fact that the customer becomes an active part of its processes, instead of being an amorphous entity separate from the organisation.

II. The organisation in all its facets determines the production, delivery and quality of the service to the customer.   It is not the exclusive responsibility of a dedicated function in the organisation, such as marketing or sales.

Onkvisit and Shaw (2001:13) state that the effective marketing of services requires the development of a desirable image. They emphasise the importance of distinguishing between the two levels of service in service marketing, namely service form and service brand, citing that service brand is merely a subset of service form (Onkvisit & Shaw 2001:14).

Services: Schneider (2004:144) states that services and goods represent two opposite ends of a continuum, and may be measured in terms of relative intangibility, relative customer participation in production and relative simultaneity of production and consumption. Services tend to be less tangible, they frequently require the customer's interaction as co-producer and they are more likely to be

produced, delivered and consumed simultaneously. Grönroos (2000:49) mentions the absence of ownership in many definitions of services; it is, however, sometimes possible in some cases that the consumption of the service of a service organisation may result in the ownership of tangible goods. The service concept has two components, namely the degree to which the customer needs are satisfied and the benefit that the customer receives (Dale 2003:13; Hsieh, Chou & Chen 2002:901). Blankson and Kalafatis (1999:108) refer to another characteristic of services, namely standardisation, focusing on the difficulty to keep service delivery consistent.

Service-orientation: Service-orientation is a planned, goal-oriented and coordinated approach to all internal activities as part of an internal service chain, formalised or non-formalised, with a view to optimising external service delivery according to the customer's requirements and expectations (Landman 2005:8). Organisations need to obtain a competitive edge and a sustainable corporate image to succeed in a changing environment enforcing adaptability and a tendency towards interactivity (Berry & Parasuraman 1997:66; Duncan & Moriarty 1998:8; Goldsmith 1999:178). The competitive edge is established through a "new" corporate strategy focused on a service-oriented approach within the organisation and communicating the service-orientation message to all internal as well as external stakeholders of the organisation.

Service delivery: Grönroos (2000:101) defines service delivery as the execution of the service process; the outcome of a production process is moved from the place of production or storage to the place of use or sale (Grönroos 2000:14). Grönroos (2000:14) sees the service process as the process in which the service is emerging for and is perceived by customers, often in interaction with customers.

Service competition: This is a competitive situation where the core solution is the prerequisite for success, but where the management of a number of services,

together with a core solution, forms a total service offering which will determine whether an organisation is successful or not (Grönroos 2000:6; Landman 2005:7).

Service perspective: Grönroos (2000:7) defines the service perspective as the organisation taking the view that an enhanced offering, including all components such as goods, services, personal attention and information, is required to support the customer's value-generating processes.

Local Authority: A local authority is the governing body of a town or city that addresses the administration of the town and delivers municipal services such as water, health services, library services, roads infrastructure, traffic services, et cetera. The local authority is also referred to as the municipality.

Category A Municipality (Metropole): Category A municipalities (metropoles) have their own legislation and executive powers within a jurisdictional area including a district.   These include the big cities such as Cape Town and Johannesburg incorporating multiple suburbs spread over a wide geographical area.

Category B Municipality: Category B municipalities have their own legislation and executive powers within a jurisdictional area excluding a district.

Category C Municipality (District Municipality): Category C Municipalities have their own legislation and executive powers across the boundaries of B Municipalities included in their jurisdictional area.

Council: A Council is the political body of a municipality, democratically elected by the community members entitled to vote.   The Council may consist of members of more than one political party.   The Council makes decisions within

the context of official Council meetings and the officials of the particular municipality then execute the decisions.

Director: The head of a directorate (department) within George Municipality. There are seven directorates within George Municipality and therefore seven directors assisted by deputy directors, section heads and lower-level employees.

Directorate: A department within George Municipality including related Sections clustered together in a manner where functions of the Sections are aligned and logically associated with each other.

Official Committee Meetings: Official committees, consisting of elected Council members, meet on a regular basis to discuss relevant topics and to adjudicate on recommendations or requests submitted to them. These committees are sub-committees of the official Council Committee and the Executive Mayor-in-Committee.

Executive Mayor: The political head of Council, usually a member of the ruling political party. This person has executive powers pertaining to decision-making.

Speaker: The chairperson of official Council meetings. The Speaker also regulates the code of conduct for councillors, is responsible for rules and order, and manages the ward committees. It should be noted that this person only chairs Council meetings and not the sub-committee meetings.

Councillors: Members of the Council, democratically elected by voters. The councillors may be from different political parties and can either be allocated a ward and thus be known as a ward councillor or can be a proportional councillor (without a ward).

Item: A written and official document that is submitted to an official sub-committee and contained in an official agenda for the respective sub-committee meeting. Items are all prepared in a specific format consisting of the purpose of the document, the background, the motivation and the financial implications. An item is usually concluded with recommendations that need to be approved by the respective committee members.

1.6 Structure of this dissertation

This dissertation comprises five chapters. The structure of the next four chapters is as follows:

Chapter 2: Theoretical Discussion

I. The evolution of a service-oriented approach

In this section the internal and external changes that took place in the organisational environment, are discussed. A discourse of the changes that forced organisations to adopt a more service-oriented approach to remain competitive, is further provided.

II. The answer to environmental changes: service-orientation as a corporate strategy

This section investigates the role of service-orientation as a strategic tool. The essential characteristics of services, the service process and experience, the concept of service quality, service marketing, the service system model and the measurement of service quality are discussed.

The functions of several communication disciplines in a service-oriented approach and the role of communication are further discussed.

III.   Communication viewed from the gap analysis perspective

This chapter concludes with a discussion of the Gap Analysis Model and its relationship to communication.

Chapter 3: Overview of George Municipality

I.   General overview of George Municipality

The services delivered by George Municipality, the physical characteristics of the organisation and relevant geographical and demographical information are reviewed in this chapter.

An account is also given of the organisational transformation that has taken place in George Municipality.

II.   Description of corporate identity and image

A description of the visual and related cues that depict the current corporate identity and corporate image of George Municipality is provided. This section includes graphical representations of some of the tools utilised by George Municipality to establish a corporate image and corporate identity.

III.   An overview of the current communication in George Municipality and its relation to service delivery

The chapter concludes with a description of the current role of communication in the service delivery of George Municipality.

Chapter 4: Operational Framework

I.   Research methodology

In this section the research question is formulated.   The research design, methodology and sampling process are further described.

II.   Constructs to be measured

In the second section the constructs and variables to be measured are identified. The derivation of the statements for the questionnaire is described and linked to the literature.

The chapter concludes with a brief description of the responses.

Chapter 5: Results and Conclusion

The results of the research are discussed.   These results are then utilised to provide   certain   recommendations   pertaining   to   internal   communication requirements to George Municipality.   The recommendations are based on the communication requirements identified by means of the research conducted in Chapter 4.

1.7   Summary

This chapter commences with the identification of the purpose of the study, namely assessing the internal communication requirements of a local authority. The research objectives are further provided.

Three views are listed to support the applicability of the study, namely the contribution of the study towards the literature, the contribution of the study

towards supporting the concepts of relationship and experiential marketing and the impact that the study will have in finding proper solutions for internal communication requirements at George Municipality.

The central concepts (key constructs) investigated in the study were briefly defined and in some cases described in more detail. The chapter concluded with a brief outline of the structure of the dissertation.

The next chapter focuses on the environmental changes that have led to organisations adapting a more service-oriented approach, and secondly on the requirements of a service-orientation, service marketing, the service system model and service quality. The role of communication in supporting a service-oriented approach is also discussed.

CHAPTER TWO – COMMUNICATION AND THE SERVICE-ORIENTATION

2.1   Introduction

The first segment of this chapter focuses on the internal and external changes that took place to force organisations to adopt a more service-oriented approach to remain competitive.

In the second segment of this chapter the role of a service-orientation as a strategic tool, the aspects of communication that lead to a service-orientation as well as the requirements of a service-orientation, the characteristics of service and service quality are discussed. These concepts may all act as facilitators to address the challenge of establishing a service-oriented culture.

The various communication disciplines, their functions and their possible contributions towards a service-oriented approach are defined. The discussion of these concepts is supported by a description of service marketing and the service system. This chapter concludes with a brief discussion of the Gap Analysis Model and points where communication leading to a service-orientation can be measured.

The overview of the literature assists in ascertaining the points at which communication leading to a service-orientation can be measured (the Gap Analysis Model). The study aims to describe and implement a diagnostic tool to ascertain the internal communication needs of the organisation under investigation.

2.2   The evolution of a service-oriented approach

Changes in the environment (internal in the organisation as well as external) forced organisations to adopt a service-oriented approach. Organisations are

compelled to re-evaluate their operational schemes to cope with a dynamic and volatile organisational environment.

2.2.1 External changes

External environmental forces are also known as the macro-environment, comprising variables outside the organisation and over which the organisation has little or no control. Smit and Cronjé (2002:65) depict six external variables, namely the technological environment, the economic environment, the social environment, the political environment, the ecological environment and the international environment.

2.2.1.1 Technological environment

The development of new technology had an impact on customer behaviour according to Barwise (1995:126).

De Chernatony and Dall'Olmo Riley (2000:137) denote the advances in information technology and the consequent emergence of direct marketing and Internet-hopping as triggers for mass marketing companies to seek the development of relationships with different consumers.

Customer attitudes and behaviour have changed significantly over the past few years, establishing a customer force that is more sophisticated, informed and discerning (Zineldin 2000:10). Zineldin (2000:9) describes the phenomenal impact of information technology on the information levels of consumers as follows: "It is very obvious that nowadays organisations and people (consumers) will find it difficult to separate a relationship from information technology and other technological advances".

A shift in power from manufacturer and marketer to the customer is brought about by technology (Schultz 1996:143), in addition to the development of new media (Mc Kenna 1995:87; Stewart 1996:147). Through these technological developments customers have access to a much more complicated and diverse wealth of information, products and services.

2.2.1.2 Economic and international environments

According to Barwise (1995:126) economies with excess supply impacted on the behaviour of customers towards service delivery. Blurring industry boundaries, mainly due to the borderless economies available due to information technology also served to change customer behaviour (Barwise 1995:126).

Grönroos and Lindberg-Repo (1998:4) delineate the variety of choices customers now possess, the information and choice provided to customers through a global economy and the heightened degree of competitiveness in the current marketplace.

Nadler and Tushman (1999:48) refer to the prevalence of capitalism over other socio-economic systems and the end of the Cold War that changed the economic landscape with resultant changes in customer behaviour. Beckett-Camarata, Camarata and Barker (1998:71) state that post-industrial economies such as the United States experienced a decline in their manufacturing sectors and an increasing number of service organisations.

2.2.1.3 Social environment

Social resistance and the resultant emergence of the concept of corporate social responsibility is manifesting primarily in the financial sector, but even in the public sector the merging of companies or public authorities and acquisitions are evident (Ogrizek 2001:215).

2.2.1.4 Political environment

Global political change as well as political instability also influenced customer behaviour. The end of the cold war, ongoing wars in the Middle East, the involvement of America (an economic giant) in wars and the effect of terrorist acts such as the "9/11" disaster in America all act as determinants of changed customer behaviour.

Political differences and resultant hostile relationships between countries also influence the prices customers pay for services and thus force customers to expect a better product in relation to price increases.

Barwise (1995:126) also lists new power relationships, globalisation and new regulations as possible influencing factors on customer behaviour.

2.2.1.5 Ecological environment

Natural disasters such as floods, hurricanes and the tsunami disaster in 2004 hugely affected the way in which consumers conducted business. Customers value services as much as the physical products they pay for.

The paradigm shift towards conservation, due to factors such as the hole in the ozone layer, also influences the behaviour of customers.

2.2.1.6 The role of external environmental changes on customer behaviour

According to authors such as Fournier, Dobscha and Mick (1998), Grönroos (2000) and Kapner (2004), changes in the external environment force organisations to adopt a service-orientation and a customer relationship approach. The birth of a more informed customer is inevitable.

Fournier *et al* (1998:43) states that customer satisfaction in the United States of America at an all-time low; the mere changing of communication methods, communication frequency and new distribution channels will not address this problem effectively. Kapner (2004:17) states that organisations will remain non-competitive on a global level if they fail to shift from a traditional manufacturing/supply approach to a service approach.

Grönroos (2000:23) holds the view that the mass marketing approach is less effective and profitable presently and that more markets are mature and oversupplied. The management of the whole customer relationship, including the quality and value of goods as well as services, will become very important to change a customer's perception of an organisation as trustworthy and a good service provider with quality products (Grönroos 2000:23).

Beckett-Camarata *et al* (1998:71) state that fierce global competition and other environmental changes increase uncertainty and complexity in an already highly competitive environment; developing strategic customer partnerships on all levels has become a necessary fact of organisational life.

2.2.2 Internal changes

Whilst customers are external stakeholders, one should take cognisance of the fact that internal stakeholders (employees) are just as, or even more, important. Internal stakeholders, and the internal organisational environment, have also changed radically in the recent past. The emergence of the internal marketing concept (Ahmed, Rafiq & Saad 2002; Joseph 1996; Naudé, Desai & Murphy 2002) emphasised the rising notion that employees' perceptions have changed and that these changes need to be addressed to promote an internal marketing orientation.

Burger and Ducharme (2000:59) refer to the information age forcing service organisations such as local governments to obtain new capabilities for competitive success. These capabilities are reflected as intangible or invisible assets and are viewed as far more important than the management of physical assets (Burger & Ducharme 2000:59). Some of the intangible assets mentioned by Burger and Ducharme (2000:59) are motivated and skilled employees, responsive and predictable internal processes and satisfied and loyal customers.

According to Beckett-Camarata *et al* (1998:71) the work force diversity, evolving work and family roles and skills shortages force organisations to take a critical look at their strategic internal relationships.

2.2.2.1 *Internal organisational changes*

A wealth of literature proposes the devolution of control to other levels of the organisation and thus implies restructuring from more traditional hierarchical structures to a flatter organisational structure. According to Varadarajan and Clark (1994:102) increased complexity (primarily brought about by globalisation, advanced technology and dynamic business environments with more informed customers) will require more hierarchical levels and a spread of control. This theory corresponds with that of the concept of a learning organisation promoted by Senge (2001) and discussed further in 2.2.2.6. The more traditional pyramid structure with a clearly defined hierarchy, does not normally allow for many opportunities for shared leadership (Hellriegel *et al* 1999:431), encouraging active dialogue in the organisation and promoting systems thinking (Smit & Cronjé 2002:52).

The concept of an "emerging corporate landscape" is depicted by Marlow and Wilson (1997:37) to identify the changes undergone by organisations. Marlow and Wilson (1997:37) identify upsizing (competition through acquisition) and downsizing (growth through reduction) as influences on the emerging corporate

landscape and it could have negative effects on morale, the management of expertise and the effectiveness of communication in organisations. These aspects may all be listed under the umbrella of organisational structure transformation.

2.2.2.2 Changed employees

The new employee contract (Marlow & Wilson 1997:37) symbolises an equal working relationship between employee and employer. This contract is characterised by aspects such as more frequent, deliberate career movements, a premium placed on competencies that revolve around synthesising ideas into practical implementation, the ability to integrate patterns of awareness into common vision and the alignment of individual contributions to overall organisational goals. Feurer and Chaharbaghi (1995:18) regard the distribution of the ownership of strategy formulation and implementation as important and resulting in the widening of the value system.

Williams (2001:64) proposes the fostering of a climate where a work context is supportive of creativity (for example the degree of autonomy an employee receives) and proper evaluation of creative performance is the basis of promoting creativity in employees.

2.2.2.3 New leadership styles

Puth (2002:16-21) identifies a dislodgement of task-orientated leadership in favour of people-orientated leadership. People-orientated leadership allows for less control and supervision as well as increased delegation of authority, combined with a focus on interpersonal relationships.

This approach can also be referred to as the "democratic" style of leadership and it corresponds with the concept of participative management (Smit & Cronjé 2002:287).

In this leadership approach employees are permitted to make decisions and tasks are assigned only after relevant input from all concerned. The key advantages of this approach are the ability of employees to exercise more responsibility, resulting in high levels of creativity and motivation. Independent thinking and job enlargement are encouraged, thereby increasing job satisfaction and productivity.

According to Swanepoel (2003:345) democratic leadership involves an "active two-way flow of upward and downward communication", as opposed to the one-way downward communication in the task-orientated environment. The integration of the personal needs of employees has a positive effect on their self-confidence, motivation and sense of responsibility and duty levels.

Employees are thus more empowered and informed due to a people-orientated democratic leadership approach.

2.2.2.4 The knowledge era

Thurow (cited in Lee and Chen 2005:661) states that the era of the third wave of the industrial evolution has arrived and that in this era the main force of competition has shifted from land, finance, equipment, etc. to the innovation, master, management and application of knowledge. Employees are now subjected to the influences of knowledge management, forcing change in organisational behaviour and services. Knowledge management is defined by Smit and Cronjé (2002:465) as "an integrated, systematic approach to identifying, managing and sharing an organisation's information assets". ` Employees can store information and this information should be managed to ensure fast retrieval.

Hellriegel *et al* (1999:686) further describe knowledge as the "concepts, tools and categories to create, store, apply and share information".   The knowledge era, as described by Smit and Cronjé (2002:466), demands of employees to expect the unexpected, to be spontaneous and creative, to take risks and collaborate with people, which is yet another significant change in the internal environment.

2.2.2.5   *Hierarchical organisational structures challenged*

Robbins (2003:434) says that there is little room for modification in a bureaucratic and formalised environment where efficiency is only possible provided problems have predefined solutions.   Formalisation in this regard is synonymous with the term standardisation, as defined by Hellriegel *et al* (1999:325), being the "uniform and consistent procedures that employees are to follow in doing their jobs".   A bureaucratic organisation displays a high degree of formalisation, including explicit job descriptions, many organisational rules and clearly defined procedures covering work processes (Robbins 2003:431).

Ensign (1998:5), Landman (2005:14) and Power and Rienstra (1999) state that the concept of a traditional hierarchical organisational structure is continuously challenged as the prevailing model.   Jenner (1994:8-21) claims that hierarchically structured businesses are structurally incapable of competing effectively in the contemporary economic environment.   More horizontal structures are proposed, corresponding with the concept of a learning organisation, defined by Johnson and Scholes (1999:498) as "capable of benefiting from the variety of knowledge, experience and skills of individuals through a culture which encourages mutual questioning and challenge around a shared purpose or vision".

A high level of agreement seems to be evident amongst various authors pertaining to the reduction of traditional hierarchical structures (Berry & Parasuraman 1997:66; Duncan & Moriarty 1998:8; Goldsmith 1999:178; Schneider 2004:144).

2.2.2.6 *Learning organisations*

The views discussed in 2.2.2.5 above, with specific reference to vastly reduced bureaucratic control, power sharing with employees and a vast array of horizontal communication channels correspond with that of Peter Senge's concept of a learning organisation which encompasses mainly five building blocks, namely shared leadership, culture, strategy, organisation design and use of information (Hellriegel *et al* 1999:431).

Smit and Cronjé (2002:51-52) define a learning organisation as becoming committed to lifelong learning, challenging one's own assumptions about the organisation, sharing a vision for the organisation, encouraging active dialogue in the organisation and promoting systems thinking. Johnson and Scholes (1999:498) are of the opinion that a learning organisation is "capable of benefiting from the variety of knowledge, experience and skills of individuals through a culture which encourages mutual questioning and challenge around a shared purpose or vision". The concept of a learning organisation is one of the most current trends of change in the internal organisational environment.

2.3 The answer to environmental changes: service-orientation as a corporate strategy

The internal and external changes discussed in the previous section forced organisations to rethink their approach to business, marketing and their customers (Grönroos 1996:7).

Grönroos (1998 and 2000), Langerak (2003) and Schneider (2004) propose a new approach to marketing and the development of a corporate strategy, namely service management and marketing.

Schneider (2004:145) emphasises that the creation of the service experience creates the opportunity for distinction in the marketplace. He also emphasises the difference between the production of goods, normally accompanied by the elimination of variability (standardisation) and services, where variability is inherent to delivery (Schneider 2004:145). Each customer and each situation will require a different tactic, but the adhesive factor is a service-orientation.

Organisations need to obtain a competitive edge and a sustainable corporate image to succeed in a changing environment enforcing adaptability and a tendency towards interactivity (Berry & Parasuraman 1997:66; Duncan & Moriarty 1998:8; Goldsmith 1999:178). The competitive edge is established through a "new" corporate strategy focused on a service-oriented approach within the organisation and communicating the service-orientation message to all internal as well as external stakeholders of the organisation.

Chang, Yeng and Sheu (2003:408) state that each organisation that renders services should have a service strategy, providing a focal point for all in the organisation according to which they can direct their efforts to render a customer oriented service that will satisfy the customer.

An integrated holistic approach focused on the customer seems to be the ideal tool to cope with the dynamic and volatile environmental changes to which organisations are subjected.

2.3.1 The essential characteristics of services

A service is described as an activity or gain that one party can offer to another, being essentially non-physical and not resulting in the ownership of anything; the production of a service may or may not be tied to a physical product (Kotler, cited in Blankson & Kalafatis 1999:107).

Grönroos (2000:1-2) describes services utilising the following terms of reference:

   I. Intangibility (impalpability; not a physical or material value)
  II. Heterogeneity (the quality of being diverse)
 III. Incapable of being separated from production to consumption (the customers consume what is produced and delivered simultaneously)
 IV. Keeping services in stock is an impossible action; the organisation should strive to keep customers in stock (Grönroos 2000:48). Blankson and Kalafatis (1999:108) describe this characteristic as the perishability of services.

Grönroos (2000:49) also mentions the absence of ownership in many definitions of services; it is, however, sometimes possible in some cases that the consumption of the service of a service organisation may result in the ownership of tangible goods. The service concept has two components, namely the degree to which the customer needs are satisfied and the benefit that the customer receives (Dale 2003:13; Hsieh *et al* 2002:901). Blankson and Kalafatis (1999:108) refer to another characteristic of services, namely standardisation, focusing on the difficulty to keep service delivery consistent. Onkvisit and Shaw (2001:13) refer to the fact that services are either a commodity or a product, stating that a commodity is an undifferentiated product and a product is a value-added, differentiated commodity. Services can be branded and transformed into products and branding will assure buyers of uniform service quality (Onkvisit & Shaw 2001:13). An example could be the Protea chain of hotels which utilises the brand name to assure customers of uniform service standards and experiences.

2.3.2 The service process and experience

Experiential marketing, where the service process forms part of the service *experience* (Loschke 1998), is an essential part of the positive outcome of

service delivery for customers. This implies the application of interactive service processing. Interactivity is thus utilised to adapt to the synergistic nature of services.

Kotler, Wong, Saunders and Armstrong (2005) state that most organisation offerings to customers contain an element of service, which may be illustrated by the service continuum:

Tangible dominant

Salt

Soft Drinks

Detergent

Cosmetics

Car

Fast-food outlets

Fast-food outlets

Ad Agency

Airline

Financial Services

Consulting

Teaching

Intangible dominant
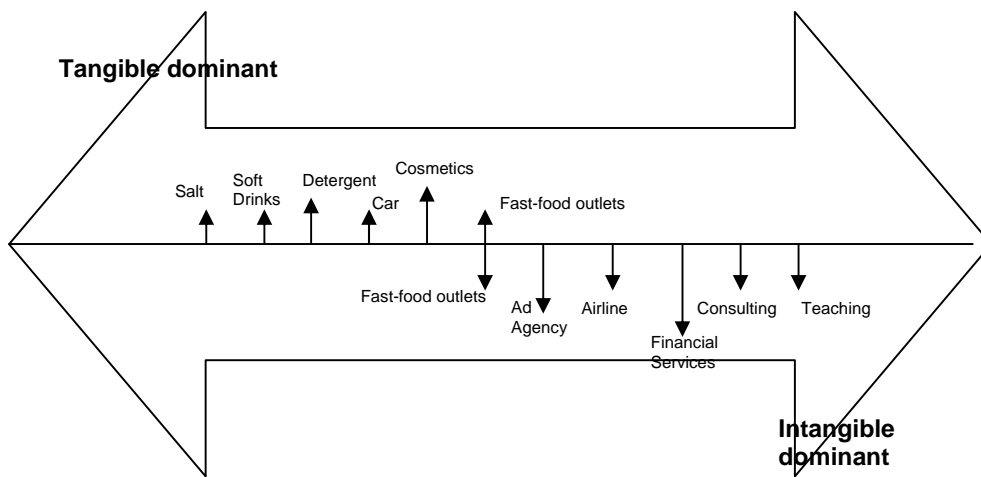
Figure 2.1 The Service Continuum (Kotler *et al* 2005)

According to Kotler *et al* (2005) offerings may be categorised along the service continuum as pure tangible goods, tangible goods accompanied by one or more service, hybrid offers consisting of equal parts goods and services, service accompanying minor goods and pure service. Kotler *et al* (2005) emphasise the service-profit chain where internal service quality is important (superior selection and training of staff), as well as satisfied and productive service employees. According to Kotler *et al* (2005), service companies are faced with three major marketing tasks, namely increasing competitive differentiation, increasing service quality and increasing productivity.

Padgett and Allen (1997:52) describe the service experience as the cognitive, affective and behavioural reactions associated with a specific service event. The

service should thus be *experienced* in such a way that certain meanings and feelings will occur during the consumption of the service.

Hammer and Champy (2000:26) consider service to be a process that goes through various stages. In each stage, certain inputs are required from the service provider. If the quality of the service is inferior at any stage, it will result in the end product (the service) not meeting the customer's expectations. The service process is in most cases the result of interaction between the provider of the service and the customer and customers usually experience this interaction as extremely personal.

2.3.3 Good perceived service quality

Grönroos (2000:81) identifies seven characteristics of good perceived service quality. The seven characteristics are depicted in the table below:

Characteristic	*Description*
Professionalism and Skills	The organisation, its employees, physical assets and operational systems should be of such a standard that it convinces the customer that their problems will be solved in a professional way (outcome-related criteria)
Attitudes and Behaviour	Service employees should make customers feel comfortable, cared about and relaxed in the knowledge that their problems will be solved in a friendly way (process-related criteria)
Accessibility and Flexibility	The location, operating hours, employees and operational systems of the organisation should be designed in such a way that the customer feels it is easy to gain access to the service and that solutions can be easily adapted and are perceived as flexible (process-related criteria)
Reliability and	Customers should be secure in the knowledge that

Trustworthiness	whatever happens, they can expect the organisation to keep its promises and to be committed to the customer's needs (process-related criteria)
Service Recovery	Customers should always have the perception that in the event of an unpredictable problem the service provider will immediately and actively take action to rectify the situation and find a new solution (process-related criteria)
Servicescape	The physical surroundings and other aspects of the environment of the service encounter ensure a positive experience for the customer during the service process (process-related criteria)
Reputation and Credibility	The organisation is perceived as a trustworthy service provider that provides adequate value for money; good performance and values can be shared with customers (image-related criteria)

Table 2.1 The characteristics of good perceived service quality (Grönroos 2000:81)

Parasuraman *et al* (cited in Woodall 2001:595) distinguish between five service quality dimensions, namely tangibles, reliability, responsiveness, assurance and empathy, to measure perceptions of service. Robinson (1999:23) defines service quality as an attitude or global judgement about the superiority of a service.

Parasuraman, Berry & Fall (1985:47) identify ten determinants of perceived service quality. These causal factors are tabled below:

Determinant	*Description*
Reliability	Consistency of performance and dependability
Responsiveness	Willingness or readiness of employees to provide service
Competence	Possession of required skills and knowledge of employees and support personnel

Access	Approachability and ease of contact
Courtesy	Politeness, respect, consideration, friendliness of contact personnel
Communication	Keeping customers informed in a language they can understand and also listening to them
Credibility	Trustworthiness, believability, honesty and having the customer's best interest at heart
Security	Absence of danger, risk and doubt, including physical and financial safety as well as confidentiality
Understanding/Knowing the customer	Making the effort to understand the customer's needs and requirements
Tangibles	Physical evidence of the service including the physical facilities, appearance of personnel, tools utilised and physical representations such as cards

Table 2.2 Ten determinants of perceived service quality (Parasuraman *et al* 1985:47)

Many similarities are evident when Table 1 and Table 2 are compared; it is indeed clear that communication has an impact on the quality of service rendered.

The relationship between the dimensions of service quality and the service quality model is illustrated in Figure 2.2. Figure 2.2 shows perceived service quality representing the discrepancy between customer expectations and perceptions. The key factors of personal needs, past experience and word-of-mouth communications influence consumer expectations with the nine dimensions representing the evaluation criteria consumers use to assess service quality.
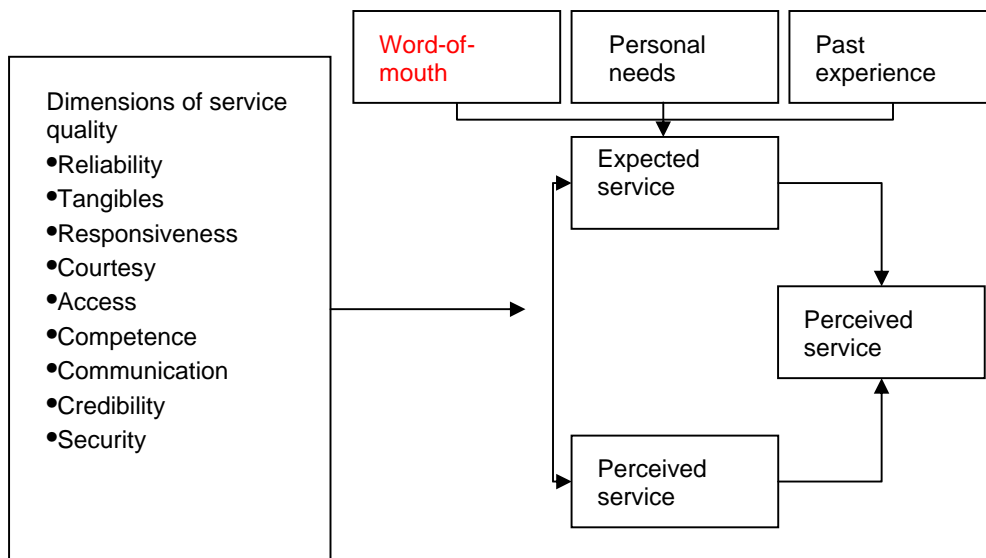
Figure 2.2 Determinants of perceived service quality (Parasuraman *et al* 1985:47)

Each dimension is viewed as being self-contained and distinct with a degree of overlap recognised. However, Parasuraman, Berry and Zeithaml (1994:202), Schonberger and Knod (1997:48), Sureshchandar, Rajendran and Kamalanabhan (2001:113) and Van Riel, Semeijn and Janssen (2003:439) point out that research has shown that the above dimensions of service quality may be reduced to five general dimensions. These are tangibles, reliability, responsiveness, assurance and empathy.

Barnes and Morris (2000:474) further distinguish between technical quality (providing the customer with a technical solution) and functional quality (all the components that influence the experience of the customer during an interface with the organisation).

Grönroos (2000:37) distinguishes between instrumental performance and expressive performance. Instrumental performance in this instance refers to the technical dimension of the product, or the technical quality mentioned by Barnes and Morris. Grönroos arrived at the concept of instrumental performance as one of the two elements of perceived service quality. According to Grönroos there is,

however, another variable of service quality, namely expected service (Grönroos 2000:37). Promises delivered to target customers influence expected service.

Tschohl (1998:421) acknowledges the role of employee empowerment in the quality of service. However, Tschohl (1998:422) emphasises that an empowered workforce must also be educated and trained to ensure quality service. Beckett-Camarata *et al* (1998:72) state that employee motivation occurs most significantly when employees perceive that there is a quality, two-way relationship between themselves and the organisation.

The aforementioned roles of employee empowerment and employee motivation in service quality support the argument by Landman (2005:22) that there is a correlation between an internal orientation towards service delivery and the actual quality of service. Perhaps one of the most important functions of internal communication is motivation. Wiley (1997:265) emphasises this idea when identifying motivation as one of the three major determinants of employee performance, the other two being the work environment and ability. Wiley (1997:265) is also of the opinion that the best source for motivational problems is the employee.

2.3.4 Service Marketing

Grönroos's (2000:7) perspective on service marketing describes it as an organisation taking the view that an enhanced offering is required to support the customers' value-generating processes and that the core solution of a physical product, service or combination of services and goods, is not sufficient to differentiate the offering from those of competitors.

Yudelson (1999:65) supports this view by highlighting the vantage point of a relationship perspective where a partnership is formed between the supplier and the consumer. Goldsmith (1999:180) and Vignali (2001:98) both mention

procedures and processes such as the establishment of public participation programmes and customer care initiatives as a possible additional "P" in the marketing mix, supporting a relationship marketing approach.

Grönroos (2000:25) summarises the marketing of services as the focus of marketing on value creation and the facilitation and support of a value-creating process in contrast to simply distributing ready-made value to customers. The importance to practice service management and the necessity of committed employees in a service system where customers take a much more active role, is also emphasised by Grönroos (2000:32).

Kotler *et al* (2005) state that the phenomenal growth of services and the resultant shift towards a service economy attributed to a rising affluence and growing complexity of products that require servicing, has elevated services marketing to a higher and more significant level.

Onkvisit and Shaw (2001:13) state that the effective marketing of services requires the development of a desirable image. They emphasise the importance of distinguishing between the two levels of service in service marketing, namely service form (e.g. credit cards that have several service forms that vary in degree of prestige) and service brand (e.g. the service brands of credit cards such as Visa and MasterCard), citing that service brand is merely a subset of service form (Onkvisit & Shaw 2001:14).

According to Onkvisit and Shaw (2001:18) a service should be endowed with a proper, desirable image and an image for each service level should also be developed. The "image" referred to in this regard may be established through effective corporate and marketing communication strategies.

Grönroos (1996:5) distinguishes between three strategic issues of a typical relationship marketing approach:

I. re-definition to a service business with the key competitive element being service competition with a complete service offering;

II. change from a functionalistic approach to a process management perspective; managing the process of creating value for customers; and

III. establish partnerships and a network to handle the service process.

Both Grönroos (1998:324-325) and Schneider (2004:144) distinguish between a product-orientated perspective and a service-orientated perspective. Schneider (2004:144) states that service delivery and goods production represent two opposite ends of a continuum, and may be measured in terms of relative intangibility, relative customer participation in production and relative simultaneity of production and consumption. Services tend to be less tangible, they frequently require the customer's interaction as co-producer and they are more likely to be produced, delivered and consumed simultaneously. Grönroos (1998:324-325) distinguishes between service-orientation and product-orientation as follows:
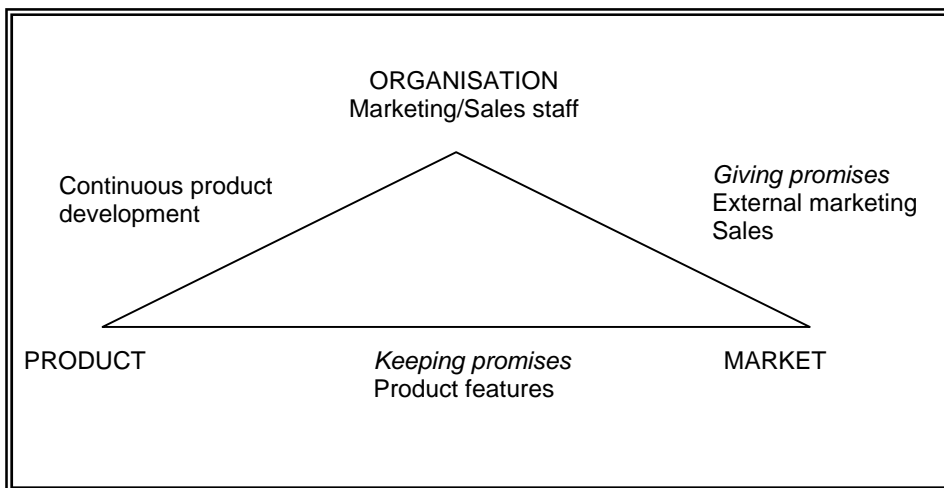
Figure 2.3 The product-orientated perspective (Grönroos 1998:324)

```
                    ORGANISATION
              Full-time marketers and salespeople


Continuous development;                          Giving promises
Internal marketing                               External marketing
                                                 Sales



PERSONNEL              Keeping promises
TECHNOLOGY            Service Process                    CUSTOMERS
KNOWLEDGE            Interactive marketing/Part-time marketers
CUSTOMER'S
TIME
```
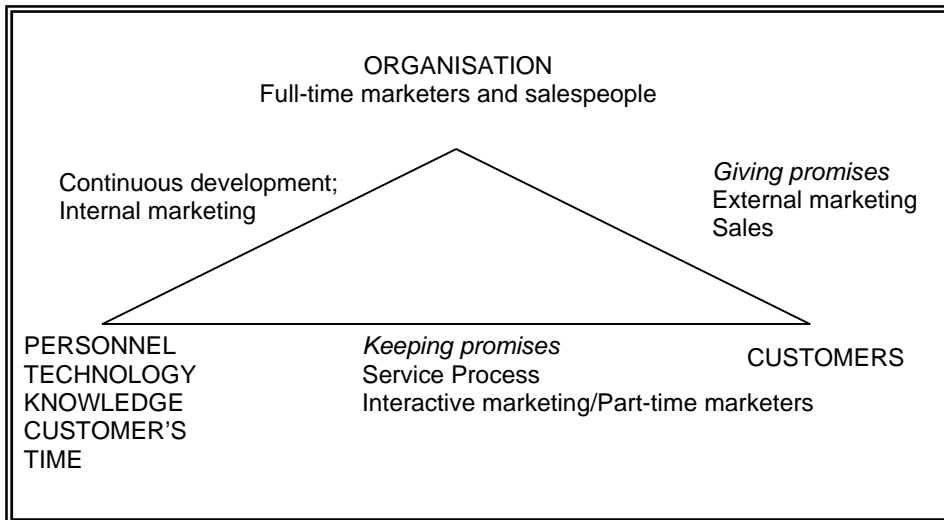
Figure 2.4 The service-orientated perspective (Grönroos 1998:325)

Grönroos (1998:324) bases Figure 2.3 on the notion of outcome consumption and that of Figure 2.4 on process consumption. Service organisations only have a set of resources, which they can utilise in a well-planned way as soon as the customer enters the arena; customer-perceived value follows from a successful and customer-oriented management of resources relative to customer sacrifice (Grönroos 1998:326).

An organisation therefore needs to apply a service-oriented approach to the internal stakeholders of the organisation (the employees) and the external stakeholders of the organisation (the customers). All systems, procedures and people involved in the value creation process should be incorporated in the operations of the organisation, focused on a total service quality oriented approach. This can only be established through effective communication. The importance of employees' attitudes is emphasised by Tornow and Wiley ([sa]:105) when they state that their research data supported the thesis that service customers are responsive to the same kinds of organisational service practices and procedures that affect employees and that a significant positive relationship exists between branch employees' perceptions of working human resources practices and branch customers' attitudes about services received.

Service marketing thus in effect means that an organisation should see the customer as a dynamic component of the organisation's processes in totality and not only as a function of the marketing department.

2.3.5 The Service System Model

The following illustration depicts the service system model proposed by Grönroos (2000:319):

Business mission

Service concepts

| •Personal needs and values |
| •Previous experiences |
| •Organisation/local images |
| •Marketing communications |
| •Word of mouth |
| •Absence of communications |

	Support part		Interactive part
Totally invisible part	Technology & systems know-how Systems support	Line of visibility	Systems & operational resources
	Managers & supervisors Management support		Contact persons
	Support functions & support persons Physical support		Physical resources & equipment

Customers

Expectations

Corporate culture

Figure 2.5 The Service System Model (Grönroos 2000:319)

Grönroos (2000:321) indicates that management support is the most important type of support as management maintain the corporate culture. One must remember that organisations, when aligned with the systems theory, may be an open system where inputs are converted into outputs through transformation processes (Hellriegel *et al* 1999:60). Effective communication, especially from management, is essential in converting inputs from the staff (human resources) into outputs.

The corporate culture of a service-oriented organisation will obviously be characterised by a service culture which should be distributed from management to all employees. In this regard several communication disciplines can play a significant role, for example intraorganisational communication, internal marketing, management communication and corporate communication. Customer support staff should be regarded as internal customers (Grönroos 2000:322) and be supported as such to promote the service-oriented culture.

The visible, or interactive, part of the service system model corresponds to the service encounter where the customer meets the service organisation (Grönroos 2000:318). What happens in the invisible part of the service system model, however, has an impact on what can be accomplished in the interactive part, thereby influencing the quality of service. Hence it is important that total integration takes place; internal and external services should be regarded as equally important to ensure a holistic service-oriented approach.

Dall'Olmo Riley and De Chernatony (2000:139) convey the concept of a trust-based relationship acting as guarantee of quality, reducing perceived risk and increasing customers' confidence in their expectations being met.

The central theme of the discussions above is that all levels of an organisation should be incorporated in service quality and service-orientation to cover all the needs of the customers and to ensure continuous service quality. This theme corresponds with Total Quality Management (TQM), which is concerned with the following:

 I. meeting the needs and expectations of customers;
 II. covering all parts of the institution;
 III. including every person in the institution;
 IV. examining all costs which are related to quality;

V. developing the systems and procedures which support quality and improvement; and

VI. developing a continuous process of improvement (Pycraft, Singh & Phihlela 2000:736).

TQM can be viewed as a natural extension of earlier approaches to quality management and can be illustrated as follows:
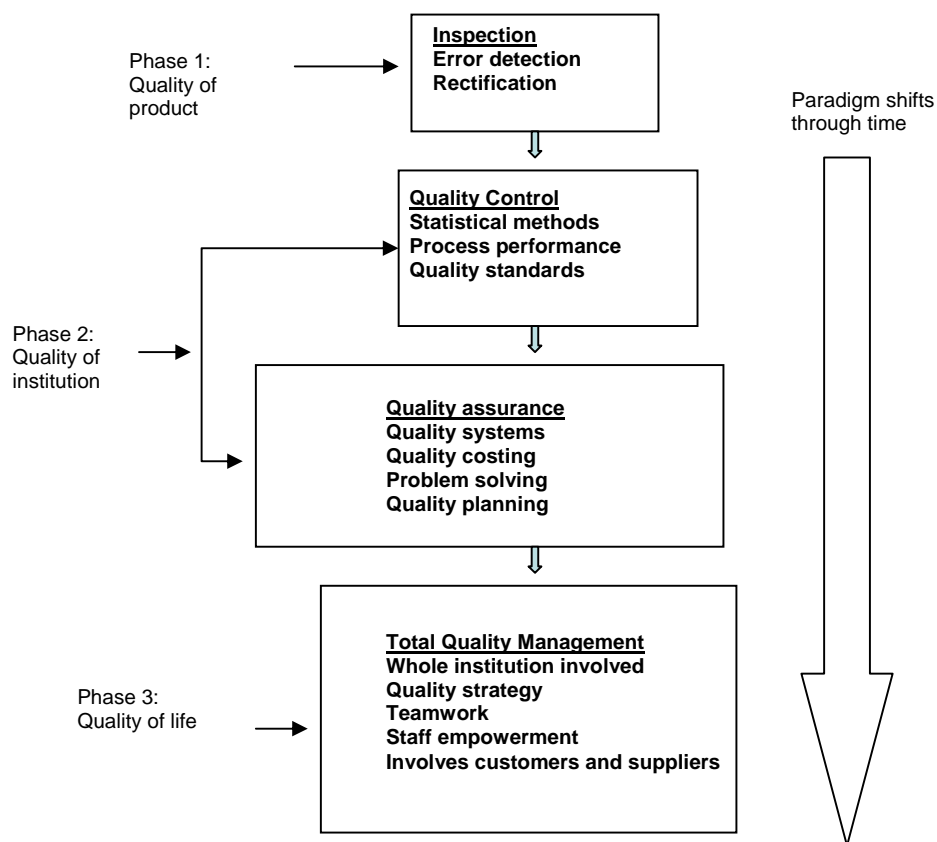
Figure 2.6 The evolution of TQM (Adapted from Dale [2003:21] and Pycraft *et al* [2000:737])

Oschman (2004:69) developed the following definition of TQM for the purposes of his research: "TQM is a strategy and process to manage institutions as an integrated system of principles, methods and best practices that provide a framework for institutions to strive for excellence in everything they do under the leadership and commitment of top management, supported by education and training, open communication, change management, regular self-assessment,

support structures, systems and resources, which empower employees through investing in them to improve their performance as teams to deliver continuously improved quality products and services. Through this approach a corporate TQM culture will be established, to satisfy and exceed agreed internal and external customer requirements at the lowest overall cost to increase institutional performance in all areas such as service results, financial results, marketing results, operational results, society results, customer results and employee results to obtain world-class quality".

It is obvious from the above discussion that various communication disciplines can play an important role in the establishment of a service-orientation and service quality management. This will be discussed in more detail in the next section.

2.3.6 The analysis and measurement of service quality

Muller (2000:63) defines quality as excellence within a given service, where excellence is delineated through standards and criteria in accordance with the expectations of the different role-players.

A conceptual model of service quality to analyse and identify sources of quality problems and suggestions for improvements has been developed by Parasuraman, Berry and Zeithaml (1988:36). This concept is named the Gap Analysis Model. Service quality is measured through comparing expected service and perceived service. Expected service relies on past experiences, personal needs and word-of-mouth communication whilst perceived services are dependent on decisions and activities internal to the organisation, influencing the quality perception of the customer (Grönroos 2000:101). If a customer expects good service but perceives bad service, the quality aspect will receive a low mark during the measurement process.

Cronin and Taylor (1992:56) describe service quality as a form of attitude, related but not equivalent to satisfaction, which results from the comparison of expectations with performance. They also support Carman (cited in Cronin and Taylor 1992:56) in that little if any theoretical or empirical evidence supports the relevance of the expectations-performance gap as the basis for measuring service quality.

The tool utilised in the Gap Analysis method is SERVQUAL. The rationale behind the Gap Analysis Model is the realisation that the expectations of a customer is not determined by an individual but is rather the combined opinions of various groups. The respective groups commonly comprise functions/sections in an organisation that each influence the final service delivery to the customer. Each of these groups will therefore have its own communication needs (Auty & Long 1998:9). The following illustration of the Gap Analysis Model is adapted from Grönroos (2000:101):

CONSUMER

| Word of mouth communications | Personal needs | Past experience |

Expected service

GAP 5

Perceived service

MARKETER

Service delivery (including pre- and post- contacts

GAP 4

External communications to consumers

GAP 3

Translation of perceptions into service quality

GAP 1

GAP 2

Management perceptions of consumer expectations
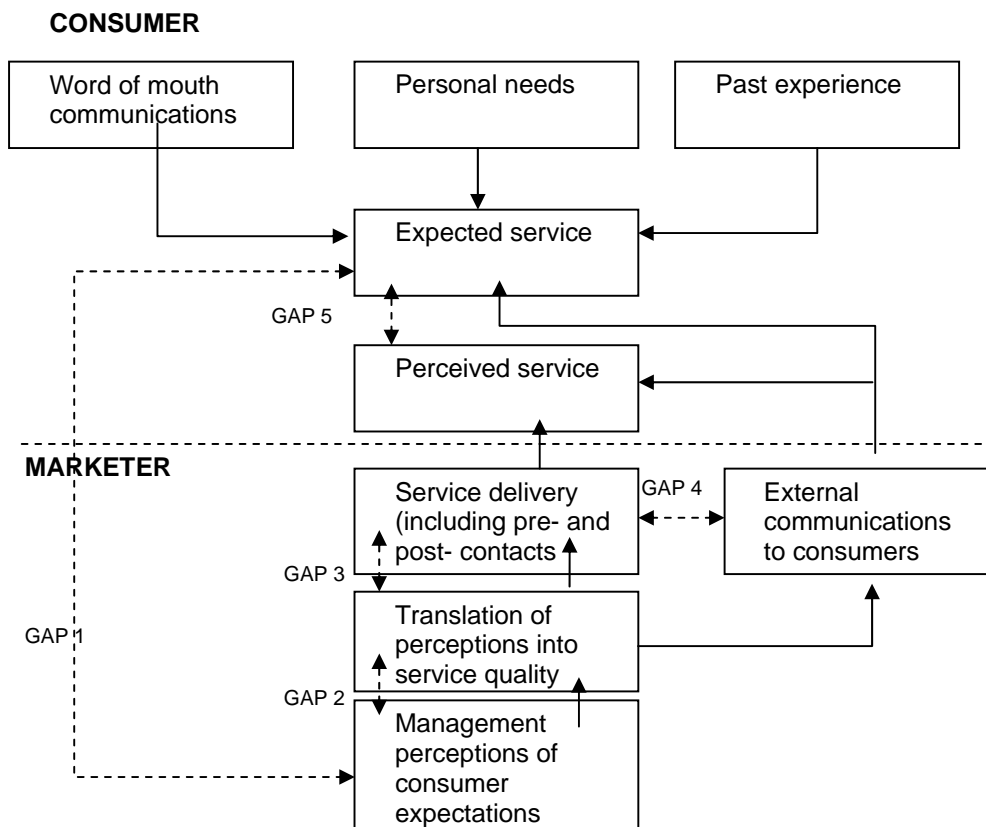
Figure 2.7 The Gap Analysis Model (Grönroos 2000:101)

Grönroos (2000:102-105) distinguishes between five quality gaps as follows:

I. GAP 1 (Management Perception Gap) – the incorrect perception of management pertaining to the quality expectations of customers.

II. GAP 2 (Quality Specification Gap) – inconsistency between the organisation's service quality specifications and management perceptions of quality expectations.

III. GAP 3 (Service Delivery Gap) – Performance in the service production and delivery process do not meet the quality specifications.

IV. GAP 4 (Market Communication Gap) – Inconsistencies between promises made by market communication and the actual service delivered.

V. GAP 5 (Perceived Service Quality Gap) – the perceived or experienced service is inconsistent with the expected service.

It is evident from the above illustration and definition of quality gaps that various internal and external processes and actions will influence the service quality of an organisation. The Gap Analysis Model will assist the organisation in identifying quality gaps that can be remedied by communication solutions.

2.4   The functions of communication in a service-oriented approach

Grönroos (2000:265) introduces the concept of total communication impact (everything the organisation says about itself and its performance and everything the organisation does that has an impact on the customer and the service-oriented approach) to minimise the size of the gap between the expectations and experiences, determining the quality perception**.** The interrelation of the various means of communication and their effects are highlighted together with the factors such as the technical quality of services, culminating in the total service-oriented image or brand of the organisation (Grönroos 2000:265).

It is important to note that several authors regard poor institutional communication, lack of employee empowerment, lack of employee trust in senior management and inflexible and highly bureaucratic institutional structures as some of the most important barriers of total quality management (Claus 1991:139; Djerdjour & Patel 2000:27; Grib 1993:31; Macdonald 1992:237; Mani, Matherly & Lasater 1992:84; Murugan & Rajendran 2003:396; Nwabueze 2001:666). All of these barriers relate to communication problems, thus creating gaps according to the Gap Analysis Model.

A brief overview of the common communication disciplines and their functions are supplied below as background literature for the study.

2.4.1 Management communication

2.4.1.1 Definition of the concept

Steyn and Puth (2000:6) define the term "management communication" as integration between communication and management, incorporating skills as well as knowledge, focusing on internal communication and utilising it to achieve organisational goals. Smeltzer, Glab and Golen (1983:75) describe managerial communication as integrating function, skill and knowledge orientation.

2.4.1.2 The functions of management communication

I. *Utilised to achieve organisational goals* (Shelby 1993:254-5; Steyn & Puth 2000:6).
II. *Increases motivation, decreases conflict and resistance to change, increases effective transfer of information in culturally homogeneous settings and increases team-building coupled with creative thinking and problem solving* (Du Plessis *et al* 2004:26; Van Rekom 1997:412).
III. *Assists in establishing a corporate culture and corporate identity through shared beliefs* (Gee & Burke 2001:135; Moran & Brightman 2001:113; Wilson 2001:357).

2.4.2 Intraorganisational communication

2.4.2.1 Definition of the concept

Du Plessis *et al* (2004:31) state that intraorganisational communication is perceived as a component of the communication process in the organisation, but that it is in actual fact the "encompassing whole or context of all levels of communication in the internal environment of the organisation. These levels are determined by the hierarchical structure arranging the members of the

organisation and include intrapersonal communication, interpersonal communication and small-group communication (Du Plessis *et al* 2004:31).

Intrapersonal communication focuses on the individual and its ability to interpret messages from the environment. Interpersonal communication usually occurs between two people in a face-to-face encounter (Du Plessis *et al* 2004:31) and may take the form of written, oral or non-verbal communication methods. Small-group communication is the process of three or more people communicating to achieve a common goal.

2.4.2.2   The functions of intraorganisational communication

   I. *Knowledge branding* (Eppler & Will 2001:447).
  II. *Interaction of knowledge between individuals in an organisation* (Tucker *et al* 1996:2).
 III. *Fosters a work climate that is supportive of creativity* (Williams 2001:64)
  IV. *Delivers the service quality message to all employees* (Schneider 2004:146).
   V. *Assists in developing mental models, intellectual capital and a knowledge database* (Parasuraman *et al* cited in Grönroos 2000:75; Senge 2001:279; Yen & Chou 2001:80).
  VI. *Promotes internal marketing to improve employee performance, involve aspects of recruitment, training, motivation, retention, affiliation and the provision of long-term employee satisfaction* (Hardaker & Fill 2005:367).
 VII. *Strategic alignment by communicating the "big picture"* (Mersham & Skinner 2001:69; Puth 2002:204).

2.4.3 Marketing communication

2.4.3.1 Definition of the concept

Marketing communication forms part of the marketing mix, designed to influence potential and existing customers to buy a certain product or service. This concept is also referred to as promotion, one of the four traditional "P's" of the marketing mix. The other three "P's" forming part of the marketing mix are product, place and price. Marketing communication is exceptionally important to market the service-oriented approach which the organisation strives for in an ever-changing environment.

2.4.3.2 The functions of marketing communication

I. *Informs, persuades, incites and reminds internal and external consumers* (Keller 2001:819; Parasuraman *et al* cited in Grönroos 2000:75).

II. *Improves customer perception and personalisation* (Goldsmith 1999:180; Vignali 2001:98; Yudelson 1999:65).

III. *Promotes synergy (*Du Plessis *et al* 2003:9; Garber & Dotson 2002:1)

IV. *Promotes consistency of messages* (Wilson 2001:353).

V. *Strengthens the correlation between employee satisfaction and service quality* (Beckett-Camarata *et al* 1998:76; Grönroos 2000:330; Homburg & Stock 2004:144; Luthans 1992:143).

2.4.4 Corporate communication

2.4.4.1 Definition of the concept

Steyn and Puth (2000:5) define corporate communication as managed communication on behalf of the organisation, aiming to increase organisational effectiveness by creating and maintaining relationships with stakeholders. The

relationship with consumers and employees is very important within an organisation with a service-oriented approach. An organisation would want to build an image/identity/reputation of high standard quality, of continuous after sales support and of sustainable performance; all elements of a service-oriented approach.

2.4.4.2 The functions of corporate communication

I. *Identifies internal and external influences and stakeholders* (Steyn & Puth 2000:17-18).
II. *Promotes the image of the organisation.*
III. *Promotes the idea that the organisation is part of the community* (Tixier 2000:154).

The corporate identity should correlate closely with the service brand image. Padgett and Allen (1997:50) define service brand image as the attributes, functional consequences and symbolic meanings consumers associate with a specific service; it could be summarised as the consumer's mental picture of the brand.

2.4.5 IT / computer mediated communication

2.4.5.1 Definition of the concept

New Media Communication can be viewed as a collective term for information technology and computer mediated communication, also referred to as electronic communication (Du Plessis *et al* 2004:58). Du Plessis *et al* (2003:366) define new media as "cutting-edge technologies that represent new ways of communicating with customers".

2.4.5.2 The functions of IT/computer mediated communication

I. *Consumers can be reached more frequently and with greater impact* (Du Plessis *et al* 2003:339).

2.4.6 Customer relationship marketing

2.4.6.1 Definition of the concept

Grönroos (1997:327) introduces the concept of relationship marketing, where the organisation "attracts the customer and builds a relationship with the customer so that the economic goals of that relationship are achieved".

2.4.6.2 The functions of relationship marketing

I. *Building a relationship with consumers as well as suppliers through personalisation, procedures, processes and physical assets* (Goldsmith 1999:180; Parasuraman *et al* cited in Grönroos 2000:75; Vignali 2001:98).

II. *Added value for consumers.*

III. *Forming partnerships between the provider and the consumer* (Grönroos 1997:330; Yudelson 1999:65).

IV. *Information exchange between the customer and the organisation – relationship dialogue* (Grönroos 2000:78; Grönroos 2000:279).
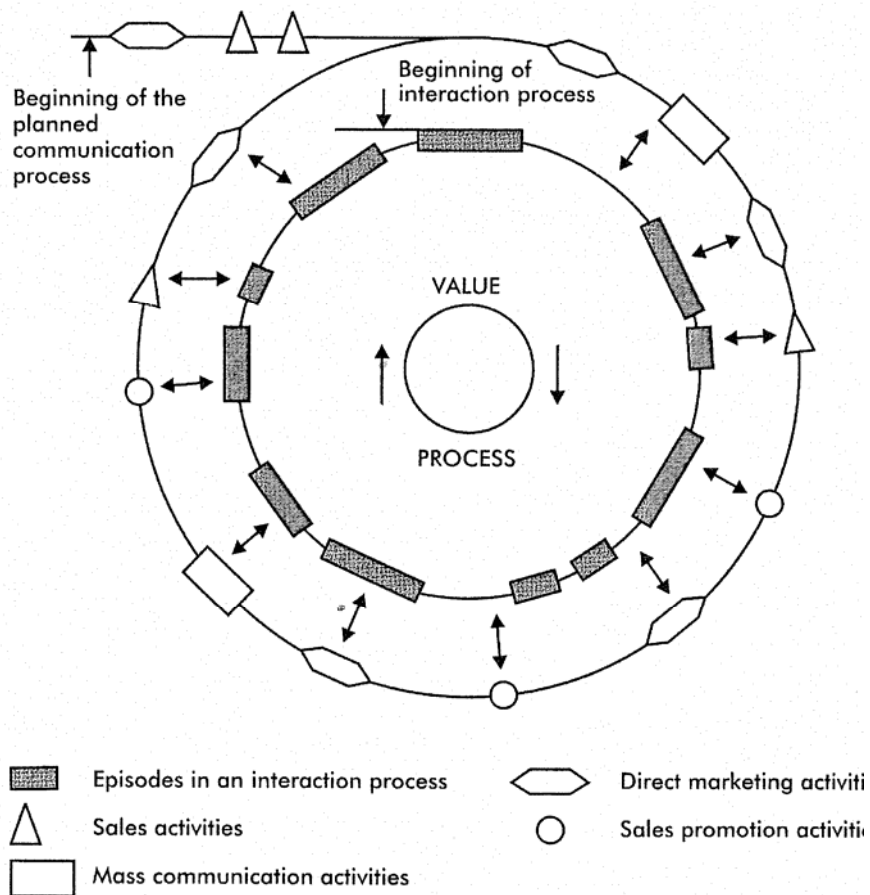
Figure 2.8 The relationship dialogue process model (Grönroos 2000:280).

2.4.7 Integrated marketing communication

2.4.7.1 Definition of the concept

Grönroos (2000:265) describes integrated marketing communications as the total communication concept, based not only on planned communication efforts but utilising separate and distinct communications media to communicate the organisation's message to its internal and external stakeholders. Duncan and Moriarty (cited in Grönroos 2000:266) distinguish between four sources from which communication messages can originate, namely planned messages, product messages, service messages and unplanned messages.

Figure 2.9 illustrates the integrated marketing communications triangle, adapted from Grönroos (2000:267), incorporating the three sources from which messages can originate:

The organisation says (planned messages)
•*Sales*
•Advertising
•Direct response
•Sales promotion
•Web sites

The organisation does (product and service)
•Deliveries
•Usefulness of products
•Production processes

What the organisation SAYS

What the organisation DOES

What others SAY and DO

Others say and do
•Public relations
•News stories
•Word of mouth
•Customer impact on service processes

Figure 2.9 The integrated marketing communications triangle (Grönroos 2000:267)

2.4.7.2   The functions of integrated marketing communication

I. *Forcing a holistic approach* (Tsai 2005b:13).

II. *Coordinating communications* (Tsai 2005a:434).

III. *Ensuring that others "say" and "do" in a positive manner about the organisation* (Grönroos 2000:266).

2.4.8 Internal Marketing

2.4.8.1 Definition of the concept

Grönroos (cited in Chaston (1995:2), suggests that internal marketing is a holistic process which integrates multiple functions of the organisation by ensuring employees understand all aspects of business operations and are motivated in a service-oriented manner. Lee and Chen (2005:662) state that Grönroos (1981) believes that employees are internal clients and jobs are internal products. Dennis, cited in Lee and Chen (2005:663), proposes the idea of internal marketing as a strategic management philosophy which attracts, develops, motivates and maintains outstanding employees thereby integrating marketing concepts and human resource management functions. Communication is the means by which internal marketing can effectively be achieved.

In an organisation which essentially sells services, both the external customer as well as the user-service provider relationships inside the organisation are important (Grönroos 2000:307). Fundamentally, this concept translates into support required by employees and departments in direct contact with the customer. Other employees and departments in the organisation (Grönroos 2000:307) should provide the required support. Grönroos, cited in Lee and Chen (2005:63), identifies seven structural aspects of internal marketing, including: training, management support and mutual internal communication, support for internal communication and information, personnel administration tools and human resource management, external communication, market research and market dividers.

Grönroos (2000:308) emphasises the fact that when the importance of internal customer relationships are realised by employees it will be much easier to change the attitudes amongst employees to "serve" each other.

2.4.8.2 The functions of internal marketing

  I. *Utilises the skills and attitudes of employees upon which service quality can be based* (Chaston 1995:2).

 II. *Forces management to view employees as internal customers and their jobs as internal products* (Berry 1981:34).

III. *Ensure that all relationships within the organisation are viewed as important* (Chaston 1994:1).

IV. *Involve all employees in the organisation in facilitating, building and maintaining relationships* (Colgate & Stewart 1997:454).

 V. *Assist employees in understanding the interdependence between departments and to view themselves as components of the system* (Deming cited in Kuei 1999:783).

Employees need to view their colleagues and co-departments as their customers. Kuei (1999:790) further states that a perceived quality-oriented climate is the most important factor for determining the level of perceived intangible internal service quality.

2.4.9 The role of corporate identity and corporate image

What is corporate identity? Christensen and Askegaard (2001:295) use the definition of Margulies pertaining to organisational identity, describing it as the sum of symbols and artefacts designed and managed in order to communicate the ideal self-perception of the organisation to its external publics. Balmer and Dinnie (1999:183) describe corporate identity as the attributes that make an organisation distinct, viewed as a multi-disciplinary approach including several management disciplines namely corporate communication, corporate image and reputation, corporate strategy and organisational structure and design.

Balmer and Grey (2000:256) hold a similar view, identifying corporate identity as the reality and uniqueness of an organisation which is integrally related to its external and internal image and reputation through corporate communication.

2.4.9.1   The benefits of an effective corporate brand and image

It is an accepted fact that a good corporate image (brand) and good corporate identity have several advantages. These benefits may include, inter alia:

I. *Increasing the chances of successful mergers/acquisitions* (Balmer & Dinnie 1999:182).
II. *Coping with the acceleration of product life cycles, deregulation and privatisation programmes* (Balmer & Grey 2000:257).
III. Consistent use and exposure of corporate identity in all forms of marketing and advertising is believed to *aid in the public's learning about the organisation* (Alessandri 2001:173);   Boosting of sales through consistency in visual and marketing communications is a result of this.
IV. *Improve the management of public expectations for corporate social responsiveness* (Balmer & Grey 2000:57).
V. *Managing the increased competition in the service sector* (Balmer & Grey 2000:257).
VI. Corporate communication nowadays *function at a strategic level* (Alessandri 2001:174).
VII. *Promoting effective issues management.*
VIII. The corporate image (or corporate identity) of an organisation can be negatively affected by *negative non-generated publicity* (Scriven 2001:38) but publicity can also be positive as the public views it as *more credible than paid advertisements*.

Bernstein (1984:63) crystallises the pure visual approach of corporate identity as the planned assembly of visual cues by which the audience can recognise the

organisation. These visual cues may include, inter alia, the logo, letterheads, credo, buildings and uniforms. The visual cues of George Municipality are discussed in the next chapter.

Olins (1991:29-30) further holds that corporate identity is not only an instrument of marketing; it is a complex concept with depth, something that originated in the heart of the organisation and cannot be displayed by only a logo. The definition by Olins relates to the concept of internal branding (De Chernatony, Drury & Segal-Horn 2003:17) and motivation (Grönroos 2000:330; Luthans 1992:143; Wiley 1997:265) to cultivate a corporate culture based on service-orientation (Gee & Burke 2001:135; Wilson 2001:357).

The image of the organisation is branded through the tangibles visible to the customers (Onkvisit & Shaw 2001:13; Tixier 2000:154; Yudelson 1999:65). Tangibles may include marketing material, buildings and corporate messages with the official logo and letterhead.

Buildings fall within the ambit of the concept of "physical assets" (Goldsmith 1999:180; Vignali 2001:98); it also corresponds with one of the characteristics of service quality identified by Grönroos (2000:81), namely "Servicescape". A similarity in arguments can also be depicted in the description of "tangibles" by Parasuraman *et al* (cited in Grönroos 2000:75).

The mission statement and the vision also form part of the corporate identity of an organisation. These factors pertaining to George Municipality will be discussed in the next chapter.

Ferrell, Lucas and Luck (1994:76) suggest that the mission statement is "the cornerstone of an organisation's strategic plan", and therefore an integral part of the starting platform when developing a communication plan to support a service-orientation.

2.5 The role of communication considered within the framework of the Gap Analysis Model

2.5.1 What should be measured?

Service-orientation in an organisation should be a plotted and aligned perspective with the specific goal to include all internal actions of the organisation to increase external service delivery. Grönroos (2000:360) states that service-orientation is the shared values and attitudes that influence people in an organisation in such a way that internal interactions between them and interactions between them and external customers are perceived positively. According to Landman (2005:22) the following three characteristics should be evident in an organisation focusing on service-orientation:

    I. the top priorities in the organisation are service quality and customer satisfaction;

    II. the concept of service delivery to internal customers is clear to all employees and applied; and

    III. the requirements of the external customer are the central point towards which all activities are focused.

Grönroos (2000:321) lists three types of support necessary in the interactive service production, namely management support, physical support (from functions and departments) and systems support (technology, offices, tools and equipment). The study should therefore aim to measure if communication supports the three types of support listed by Grönroos as integral to the general definition of a service-orientation.

The main objectives of communication in a service-oriented approach, derived as outcomes from the functions of communication, are listed below:

I. strategic alignment;

II. motivation ;

III. service culture;

IV. relationship development;

V. knowledge management;

VI. internal marketing development;

VII. stakeholder and issues identification;

VIII. effective reaching of consumers;

IX. integration and coordination of messages and services;

X. employee empowerment;

XI. recognising internal customers;

XII. promoting market intelligence; and

XIII. promoting access to customers.

2.5.2 The framework for identification of specific points to be measured

The above discussion refers to the total outcomes of communication. For these outcomes to be achieved, communication should fulfil specific functions at various interfaces in the organisation. The Gap Analysis Model described by Grönroos (2000: 100-105) was utilised to identify the interfaces. The gaps are also referred to as interfaces to indicate the overlap where two theories or phenomena affect each other or have links with each other. The extent to which communication supports a service-orientation can thus be measured by determining what communication should achieve at the interfaces.   The interfaces are:

I. *Interface 1: Management Perception* – the correlation between the expectations of customers and the perception of management pertaining to these expectations.

II. *Interface 2: Quality Specification* – the correlation between quality specifications and management's perception of the quality expectations of customers.

III. *Interface 3: Service Delivery* - the correlation between quality specifications and the actual service production and delivery process.

IV. *Interface 4: Market Communication* – the correlation between actual services delivered and the promises given by market communication activities.

V. *Interface 5: Perceived service quality* – the correlation between the perceived or experienced services and the expected service.

Various indicators of the outcomes of communication at the five interfaces were identified in the theoretical discussion. These indicators are components that are necessary to ensure the avoidance of gaps that could negatively affect service delivery. The components discussed by Grönroos (2000: 102-105) were utilised as a baseline for the development of the table below. The components and their relation to the functions of communication are tabled below:

Interface	The component of communication	The relevant purpose of communication
Interface 1 – Management Perception	▪ Lack of or defective upward communication flow from employees to top management	▪ Knowledge management
	▪ Bad or non-existent demand analysis from management	▪ Stakeholder identification
	▪ Management's commitment to service quality not visible	▪ Motivation ▪ Internal relationship development
	▪ Management lacks market intelligence	▪ Stakeholder identification
	▪ Lack of access to	▪ Knowledge management

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	customers	
	▪ Bureaucratic hierarchy forces too many layers and causes lack of information flow	▪ Knowledge management
Interface 2 – Quality Specifications	▪ Ineffective planning to promote service quality	▪ Strategic alignment
	▪ Lack of alignment between organisation's goals and customer satisfaction	▪ Strategic alignment
	▪ Employees lack understanding of the organisation's goals	▪ Knowledge management ▪ Internal relationship development
	▪ Lack of commitment from management towards quality planning	▪ Motivation ▪ Strategic alignment
Interface 3 – Service Delivery	▪ Employees do not understand quality specifications pertaining to external customers	▪ Knowledge management ▪ Strategic alignment
	▪ Employees do not understand quality specifications pertaining to internal clients	▪ Strategic alignment ▪ Knowledge management ▪ Internal relationship development
	▪ Lack of alignment between corporate culture and quality specification	▪ Strategic alignment
	▪ Lack of management of service operations	▪ Knowledge management ▪ Motivation
	▪ Lack of technology, systems and training to facilitate service performance	▪ Knowledge management
Interface 4 – Market Communication	▪ Lack of integration between market communication planning and service operations	▪ Strategic alignment ▪ Knowledge management

	• Lack of ability of the internal market to deliver on promises made by external marketing • Insufficient coordination between traditional external marketing and operations	• Knowledge management • Motivation • Strategic alignment • Knowledge management
Interface 5 - Perceived Service Quality	• Lack of alignment between the expected service and the delivered service • Negatively confirmed quality • Negative impact on corporate image	• Strategic alignment • Stakeholder identification • Issues identification • Knowledge management • Coordination between services and messages • Corporate image development

Table 2.3 Schematic illustration of the relation between the components and relevant functions of communication to fill the gaps

2.5.3 Constructs to be measured

A preliminary identification of gaps according to the Gap Analysis Model was briefly discussed in 2.3.6 of this study.

The theoretical discussion as well as Table 2.3 in 2.5.2 identified various components contributing to each construct. These components will form the basis of the measuring instrument to be applied in the survey. The literature utilised for the derivation of the constructs and variables includes the sources listed in 2.4 to identify the functions of communication, Grönroos (2000:100-105) and Landman (2005:45).

The following table outlines the variables contained in each construct for the five interfaces:

Interface	Construct	Variables
1	• Information flow between customer-level employees and management	• Effectiveness of information flow
	• The availability of a demand analysis (information on external customer needs)	• Quality of information • Availability of information (access, storage and retrieval)
	• The visibility of management's commitment to service quality	• Motivational effect of communication of management commitment to service quality and customer satisfaction • The motivation levels of directorates to deliver on external client needs due to communication
	• The influence of a possible bureaucratic hierarchy on information flow	• Effectiveness of information flow
2	• The availability of information on quality specifications due to effective planning	• Quality of information • Access, storage and retrieval of information
	• Understanding the goals of the organisation	• Understanding directorate's role in meeting the goals of the organisation • Understanding individual roles in meeting the goals of the organisation
	• Alignment of organisational goals with customer satisfaction	• The extent and effect of communication between employee and superior regarding customer

		satisfaction (vertical communication)
	▪ The commitment of management towards service quality planning	▪ The effect of downward communication from management on motivation levels
3	▪ Availability of information on external client needs	▪ The effectiveness of information flow about external client needs ▪ Quality of information ▪ Access, storage and retrieval of information
	▪ Availability of information on internal client needs	▪ Degree to which inter-directorate communication on meeting customer satisfaction takes place ▪ Effectiveness of inter-directorate communication ▪ Effect of the organisational structure on inter-directorate communication
	▪ Availability of training and resources to meet service delivery guidelines	▪ The effect of available resources and training on employee motivation levels ▪ The effectiveness of training and resources
	▪ The relation between the corporate culture and service delivery effectiveness	▪ The effect of the current corporate culture on motivation levels ▪ The degree to which communication facilitates commitment in employees to a corporate culture based on

			service quality
4	▪ The availability of external marketing messages to internal clients	▪ The quality of information ▪ Access, storage and retrieval of information ▪ The effect and extent of communication between individuals and external marketing employees	
	▪ Understanding the effect of individual roles on the success of external marketing messages	▪ Understanding individual role in customer satisfaction	
	▪ Understanding directorate's role in the success of external marketing messages	▪ Understanding the role and priorities of the directorate in the service delivery process ▪ The extent and effectiveness of inter-directorate communication ▪ The effectiveness of feedback on the directorate's performance	
5	▪ The external perception of the service quality of the organisation	▪ The effectiveness of the corporate image of the organisation ▪ The effect of "word-of-mouth" on the quality perception about the organisation	
	▪ The attitude (positive/negative) of external clients towards the service quality of the organisation	▪ The effect of external (corporate) communication on external clients ▪ The commitment levels of external clients towards the organisation ▪ The effect and extent of communication between the	

		organisation and external clients

Table 2.4 Particular variables to be measured at the five interfaces

2.6 Summary

It is evident from the above discussion that communication (both internal and external) plays a vital role in the strategic plan of an organisation and thus in the creation of a service-oriented approach. The next step is to assess the current role of internal communication in the George Municipality in order to identify the degree to which the municipality complies with the requirements of a service-oriented approach by means of communication.

In the following chapter the strategic role of communication in service delivery currently employed at George Municipality as well as a general overview of the organisation, will be investigated.

CHAPTER THREE – OVERVIEW OF GEORGE MUNICIPALITY

3.1   Introduction

The first section of this chapter focuses on a general overview of George Municipality.   The services delivered by George Municipality, the physical characteristics of the organisation and relevant geographical information are reviewed in this section.   The visual cues pertaining to the current corporate image, identity and brand of the organisation are described.

A graphic illustration as well as description of the organisational structure is also presented in the first section to identify the organisational transformation changes that influence the organisation.

The second section of this chapter discusses the current communication in George Municipality that addresses service delivery.

3.2   General overview of George Municipality

Municipalities in South Africa are divided into three categories namely metropoles (Category A), local municipalities (Category B) and district municipalities (Category C). Category A municipalities (metropoles) have their own legislation and executive powers within a jurisdictional area including a district.   These include the big cities such as Cape Town and Johannesburg incorporating multiple suburbs spread over a wide geographical area.   Category B municipalities have their own legislation and executive powers within a jurisdictional area excluding a district. Category C Municipalities have their own legislation and executive powers across the boundaries of B Municipalities included in their jurisdictional area. George Municipality is a local municipality (Category B) with the primary responsibility to ensure that all its communities, particularly disadvantaged communities, have equal access to resources and

services.   George Municipality resorts under the auspices of Eden District Municipality (Category C). The services provided by George Municipality include, inter alia:

    I.   water supply;
   II.   sewage collection and disposal;
  III.   refuse removal;
  IV.   electricity and gas supply;
   V.   municipal health services;
  VI.   roads and storm water drainage;
 VII.   street lighting;
VIII.   parks and recreation;
  IX.   general administration of George;
   X.   marketing and tourism related functions pertaining to George;
  XI.   local economic development;
 XII.   town planning and building control; and
XIII.   public participation functions (managing of ward committees).

3.3   Relevant geographical and demographical information

The physical location of George Municipality reveals its position as approximately 450 km east of Cape Town and 330 km south from Port Elizabeth.   The geographical area extends over 1 068 square kilometres (George Municipality Economic Analysis 2005:4) and includes the following:

    I.   the city of George
   II.   the villages of Wilderness and Herolds Bay
  III.   various coastal resorts including Victoria Bay, Kleinkrantz and the Wilderness National Park
  IV.   rural areas such as Wilderness East, Geelhoutboom, Herold and Waboomskraal.
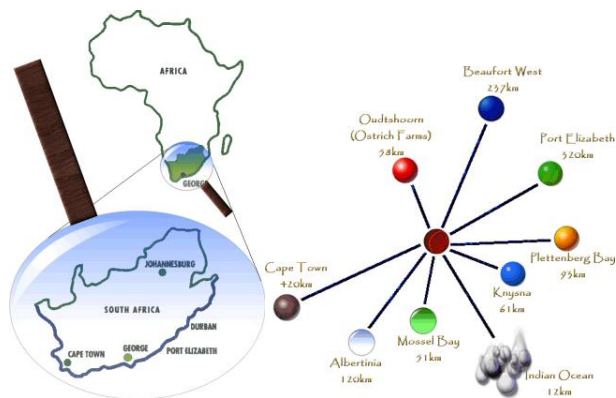
Figure 3.1 Physical proximity of George Municipality (George Municipality Short-term Marketing Plan 2007:10)

George features an attractive coastline, moderate climate, lush indigenous vegetation, water resources and beautiful scenery, contributing to the prospects of economic growth in the area but also leading to relatively high population growth and competition for scarce resources, particularly land.

The high population growth inevitably leads to increased unemployment, which is estimated to be 21% of the labour force of an approximated labour force of 66 500 (roughly 41% of the population). A recent forecast revealed that 30% of the households live below the poverty line (George Municipality Economic Analysis 2005:8). The housing backlog is also estimated to be at least 12 000 affordable housing units.

The current population of George is estimated at 160 000 with a population growth rate of 4.6% between 1996 and 2001. The average population growth rate of the Western Cape is 2.7% (George Municipality Integrated Development Plan 2005:2).

The following statistics were obtained from the revised Integrated Development Plan of George Municipality (2005:15):

I. the total population of George is growing at a rate greater than that of the average of the Western Cape, the Eden District and even that of the Cape Town Metropolitan area;

II. the black population is growing at a faster rate than anticipated and at the current rate will double in just over six years;

III. the white population group is ageing; and

IV. the number of households with no income at all and the lowest income groups are growing at an alarming rate.

Although the George Municipality has long-term plans in place for the development and maintenance of infrastructure, it can be deduced from the abovementioned statistics that the demands on the organisation will increase in future. These demands will in turn have an impact on service delivery and will require effective service management.

One should take cognisance of the fact that approximately 70% of the residents in the municipal area cite Afrikaans as their home language; the remainder being a mixture between English, Xhosa and other African languages. (George Municipality Short-term Marketing Plan 2007:12).

The dominant home language obviously influences the communication media utilised by George Municipality as does access to communication media, especially information technology and electronic media.

George Municipality supports the Eden District Municipality as the largest local authority in the district, directing the main infrastructure and development initiatives. The urban economy is well balanced and diversified including significant contributions by agriculture, manufacturing, trade, tourism, business, and professional services.

The city is strategically located on the route between Cape Town and Port Elizabeth and its central location in relation to the towns of Mossel Bay and Knysna, Plettenberg Bay and Oudtshoorn has resulted in the town becoming a regional hub of considerable importance. George boasts roughly 160 000 residents. George has become the largest rural town in the Western Cape, exceeding Paarl, Worcester and Stellenbosch (George Municipality Economic Analysis 2005:4).

3.4 General organisational characteristics of George Municipality

In 2.2.2.1 of this study, internal changes in the form of upsizing are mentioned as one of the influences of a changing environment that forces a more service-oriented approach. One should therefore take cognisance of the fact that upsizing took place in the recent past (in 2000) when the former Wilderness Municipality, Thembalethu Municipality, Pacaltsdorp Municipality and other areas were merged into one grade 10 (category B) municipality named George Municipality. Many employees were therefore transferred from their previous workplace to offices in the main municipal building in George, their job descriptions were amended, and appointment conditions were brought into line with that of the organisation as a whole. Staff was "placed" in positions according to the close-match principle after amalgamation of the different municipalities.

Major organisational transformation has taken place in the organisation since 2003 and some aspects have not yet been completed. The previous Executive Committee system for the political structure of Council was revised in 2003 and the Executive Mayoral system was adopted. This resulted in a large number of powers being delegated exclusively to the Executive Mayor as well as to his Mayoral Committee. Below is a graphical illustration of the previous and current structure of Council's political body:

```
                          ┌─────────────┐
                          │    Mayor    │
                          │             │
                          └──────┬──────┘
          ┌────────┬────────┬────┴───┬────────┬────────┐
    ┌─────┴──┐ ┌───┴───┐ ┌──┴────┐ ┌─┴─────┐ ┌┴──────┐ ┌┴──────┐
    │ Deputy │ │Speaker│ │Council│ │Council│ │Council│ │Council│
    │ Mayor  │ │       │ │  lor  │ │  lor  │ │  lor  │ │  lor  │
    └────────┘ └───────┘ └───────┘ └───────┘ └───────┘ └───────┘
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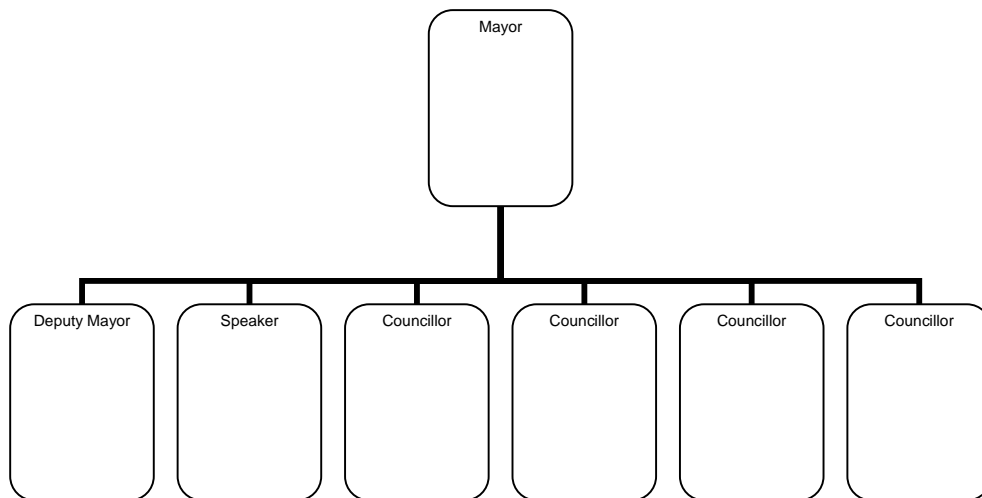
Figure 3.2 Previous structure of Council's political body

```
                          ┌─────────────┐
                          │  Executive  │
                          │    Mayor    │
                          └──────┬──────┘
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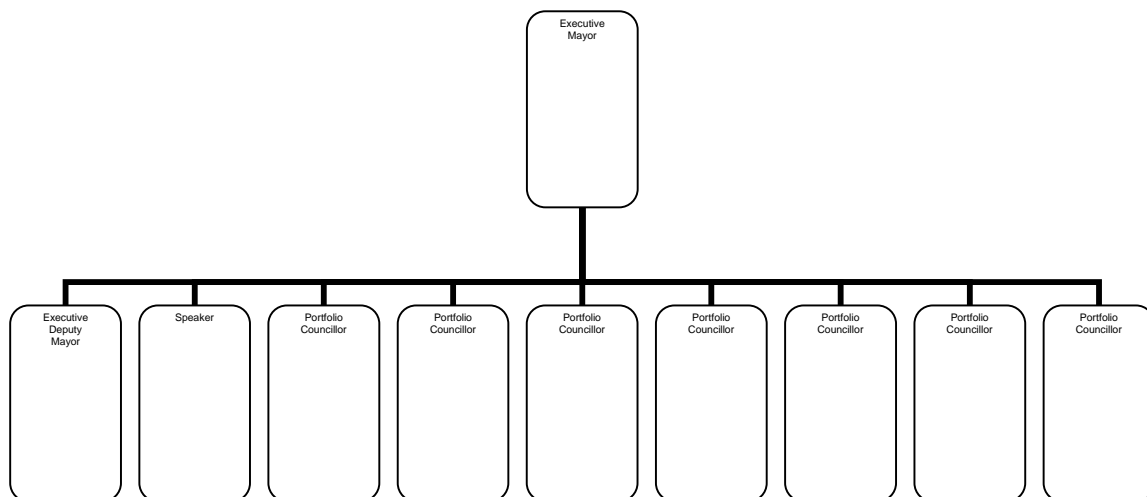
Figure 3.3 Current structure of Council's political body

The political party/parties controlling a Council can change every five years with the local government elections and even during the five-year period due to factors such as resignations, death or even the annual walk-over period in September whereby councillors may change political parties without losing their seat. This creates a culture of instability concerning the political leadership of a Council. In the previous structure fulltime councillors only fulfilled a ceremonial role and attended meetings on behalf of the Mayor. In the new structure seven of the fulltime councillors became portfolio councillors, each assigned to one of the seven directorates of George Municipality. They now occupy permanent offices

in the municipal building as opposed to only the Mayor and the Deputy Mayor who had offices in the previous structure.

During 2003 a new organisational structure was also developed. This resulted in the establishment of seven directorates as opposed to five departments in the old structure. All five previous departmental heads applied for the positions of directors in the new structure but only one was appointed. Two of the remaining three previous departmental heads are now employed as deputy directors and two resigned.

The new organisational structure was only formally approved in 2004. Currently changes to the organisational structure are once again being considered and early indications are that the process may take another two years to complete. Legislation forced the organisation to develop new job descriptions according to the TASK evaluation system. These job descriptions have still not all been completed and the evaluation to identify post levels is expected to be completed by December 2007. This impacts very negatively on employees as their salary scales and post levels cannot be adapted before their new job descriptions are completed *and* approved. They now perform tasks as described in the new job descriptions but they cannot yet be remunerated on the correct salary scales. It also influences their retirement packages as well as their motor vehicle allowances in certain instances.

Many employees have also had to be transferred from previous departments to new directorates as outlined in the new organisational structure. They have therefore had to adapt to new positions, new job descriptions, a new organisational environment, a new director, and new co-workers. Several positions on the new organisational structure have also not yet been filled resulting in current employees having to perform tasks not contained in their job descriptions. The vacant positions are not expected to be filled in the near future as Council has committed itself to low increases in tariffs. Low increases in

tariffs, without the expansion of Council's tax base, translate into insufficient funds to appoint employees in vacant positions.

Below are two graphical illustrations of the previous and the new organisational structure pertaining to top management:
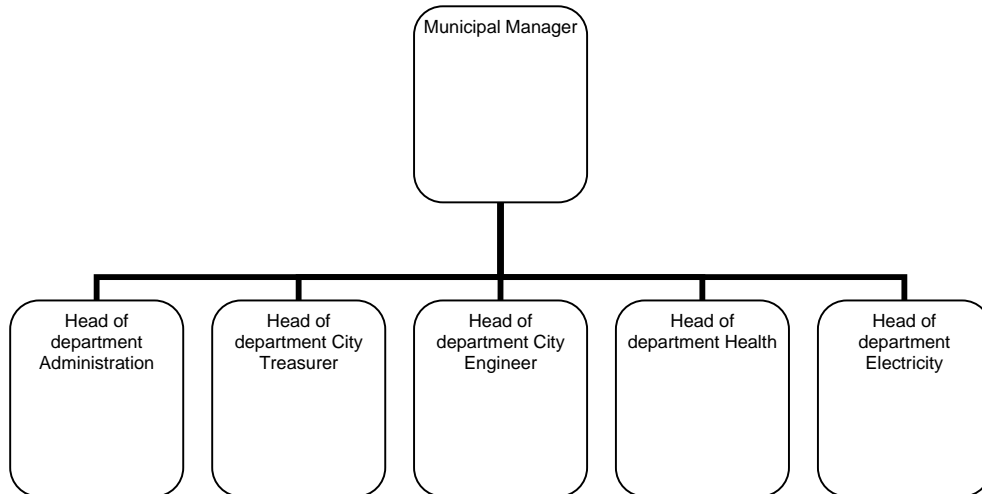

Figure 3.4 Previous structure of top management
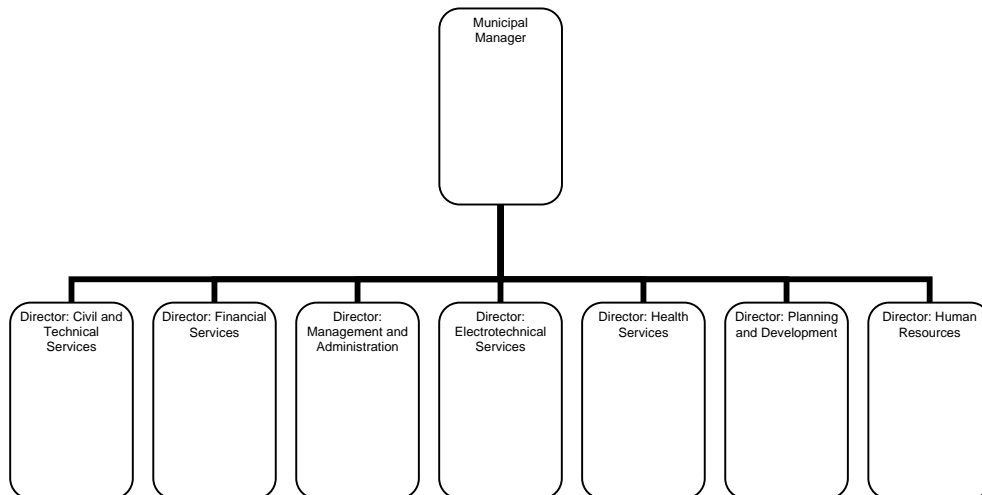
Figure 3.5 Current structure of top management

The previous Municipal Manager took an early retirement package in 2004 and an acting Municipal Manager was appointed. The incumbent was the Director: Management and Administration at that stage and an acting director for Management and Administration then had to be appointed. A Municipal Manager

was only appointed in July 2006. He was the previous Director: Planning and Development and he took up his position on 1 August 2006. This resulted in the previous acting Municipal Manager and the previous acting director: Management and Administration returning to their original positions. Three acting directors: Planning and Development were appointed and three deputy directors are currently acting in the director's position on a rotational basis. The whole structure of the Directorate: Planning and Development is currently again under investigation and it is possible that certain sections will be transferred to other directorates or alternatively, the directorate will in turn incorporate sections from other directorates. This exercise will result in the need for restructuring, usually a very time-consuming process as inputs from all the trade unions must be obtained (to be discussed and negotiated at length), and approval from the full Council is needed (usually only four full Council meetings are scheduled per year and decisions are postponed when a quorum is not present). Due to the political differences between all the political parties represented on Council it frequently happens that councillors fail to attend Council meetings, thus ensuring that a quorum is not present to deliberately delay decisions.

New legislation also provided that a large part of the Directorate: Health Services will have to be transferred to the Western Cape Provincial Government and the related services are now the responsibility of the Provincial Government even though the staff have not yet been transferred. Only a few responsibilities will remain on local government level, including certain social services such as Youth, Gender and Disability. Once the Primary Health Care staff has been transferred, the remaining part of the Directorate: Health Services will be very small and may not make provision for a director with such a large salary scale. The salaries of directors are allocated according to the size and responsibilities of their respective directorates. Restructuring of this directorate is currently being investigated and it is estimated to be completed by March 2007. There is a possibility that certain functions will be transferred from other directorates to the Directorate: Health Services. Environmental Health Services are now a function

of the District Municipality and only environmental-related functions such as noise and air pollution and overgrown erven have remained with the local municipality.

The concept of REDS (Regional Electricity Distribution Supply) has also been discussed at various levels. The Western Cape and specifically the Southern Cape will be the first region in the country to adopt the REDS system with the establishment of REDS 1. Even though Council has resolved that George Municipality does not wish to be part of the REDS, the municipality may be forced to become part of REDS 1 if all the other municipalities join the REDS implementation. This will have a major impact on the organisation with much of the Directorate: Electrotechnical Services no longer being part of George Municipality. Loss of income from the sale of electricity will also result in an overall reduction in income for the municipality which could impact on other services.

Library Services are a function of the Provincial Government, but staff is at present employed by George Municipality. The subsidy received from the Provincial Government of the Western Cape is completely inadequate to cover the service, with the result that equipment is outdated and posts remain vacant for a long time before they are filled.

The aforementioned transformational changes have had an impact on employees, their morale and levels of motivation have to be determined.

3.5 Visual and related cues pertaining to the corporate identity and image of George Municipality

The vision of George Municipality reads as follows: "Our vision is to establish George as the leading city in the region attracting people to it by means of its success in creating an environment which is conducive to the improvement of the

well-being of all our people" (George Municipality Integrated Development Plan 2005:1).

The following primary values are identified by George Municipality in its Integrated Development Plan, henceforth referred to as the George Municipality IDP:

   I.   **G**overnance;
  II.   **E**conomy;
 III.   **"O**mgewingsveiligheid" (Environmental Safety and Security);
 IV.   **R**ecreation, Sport and Tourism;
  V.   **G**ood infrastructure and Services; and
 VI.   **E**ducation, Health and Social Services.

The mission statement identifies George Municipality as a sphere of local government striving to promote the provision of public services of a high standard at affordable tariffs, sustainable growth for the city and surrounding areas and developments to the benefit of the community as a whole (George Municipality Integrated Development Plan 2005:1).

The credo or slogan of the George Municipality is "A city for all reasons". This slogan was developed during 2002, replacing the previous credo "The heart of the Garden Route".

Figure 3.6 Heraldic Coat of Arms of George Municipality (George Municipality Economic Analysis 2005:1)

Figure 3.7 Official logo of George Municipality (George Municipality Economic Analysis 2005:1)

No formal communication strategy has been developed yet; however, a policy for internal use pertaining to the utilisation of the heraldic coat of arms, the official city logo, prescribed fonts and specifically selected marketing photographs exists. The coat of arms is displayed on the official letterhead of Council and the official logo is utilised for branding purposes and internal memorandums.

The municipality's website's address is www.george.org.za. This website is updated regularly with information, inter alia, pertaining to local events, the municipal budget, official legal notices and tenders, Local Economic Development (LED) projects, issues relating to health, initiatives supported by the Executive Mayor (e.g. HIV/Aids Awareness Campaigns), profiles on top management staff and a list of councillors.

Figure 3.8 www.george.org.za/ (2005).

A newsletter, titled the "George Focus", comprising two A4 pages, is published monthly. The newsletter is full-colour and is distributed with the monthly municipal accounts. News published in this newsletter reaches every person that is registered for municipal services. This newsletter therefore plays an important role in informing external customers regarding changes and supporting a service-oriented approach. Below is an example of the front page of a monthly newsletter:
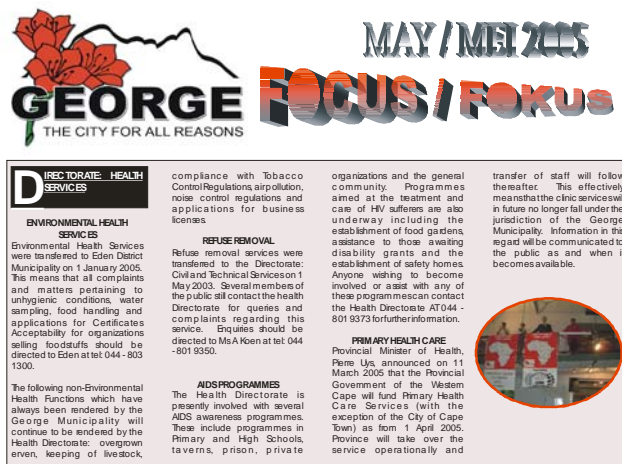
Figure 3.9 Example of the front page of a monthly newsletter (George Municipality. George Focus Archives: May 2005)

A bi-weekly insert is done in the local newspaper, the George Herald. Council strives to rotate information in this insert between the seven primary directorates of George Municipality. The insert is approximately 30cm x 20cm and is located directly beneath the Letters Column, a very popular part of the newspaper. The publication (insert) is titled "Focus On…. / Fokus Op….".

Figure 3.10 Example of the bi-weekly insert in the local newspaper (George Municipality. Focus On Archives: April 2006)

The George Focus newsletter and the Focus On… publication are bilingual and in some instances information is also translated into Xhosa.

The Executive Mayor, full-time councillors and top management periodically hold roadshows ("imbizo's") and public participation meetings to inform the community regarding services and rates and to provide an opportunity for the public to give comments and suggestions. Below is an example of an advertisement for a roadshow in 2005, published in the local as well as regional newspapers and distributed via pamphlets:

Figure 3.11 Screen print of an advertisement in the local newspaper (George Municipality. Newspaper Advertisements Archives: George Herald February 2005)

An annual report of the George Municipality is also published and distributed. A video was produced and completed in March 2005, specifically pertaining to tourism opportunities and attractions in and around George. This video was made available to local tourism bureaus and tourism agencies, as well as to the Local Economic Development (LED) unit of the George Municipality and Eden District Municipality for perusal by potential investors and visitors.

George Municipality also invested in a new administrative building with a modern design that still reflects the architectural style of the city. Apart from being the highest building in the city, the design of this building is intended to ensure that

the corporate image of George Municipality is heightened through a perception of a professional and spacious administrative environment.

Another video, particularly focusing on the infrastructure of the city, its natural resources, economic and sociological benefits as well as other marketable features was completed during November 2005. This video was produced in conjunction with a professional company and is utilised for marketing purposes during major sports events and other publicity events.

Council has also strived during the past few years to establish George as a major player in the sport tourism arena. George played host to the Presidents Cup World Golf Tournament in 2003, the Women's Golf World Cup in 2005, the IRB International Sevens Rugby Tournament in 2003, 2004, 2005 and 2006 (with an extension for three years recently approved) as well as various national sports events. The national sports events include a wide range of sporting activities, including bowls, athletics, cycling, mountain biking, surfing, pool, rugby, tennis, netball and cricket. Apart from hosting these events in local sport stadiums (the infrastructure of which is the responsibility of George Municipality), the Executive Mayor also hosted several welcoming and farewell functions and receptions for the participating teams.

A "46664" concert was held in George at the Fancourt Hotel and Country Club Estate early in 2005. The city of George received wide television coverage from this event. It is also noteworthy that apart from Fancourt, a world-renowned golf resort, seven of the top ten golf courses in the country are located in and around George. An interim steering committee to lobby support to establish George as a possible host for one of the participating teams during the 2010 Soccer World Cup was also recently formed.

The aforementioned events, in combination with awareness campaigns pertaining to HIV/Aids, teenage pregnancies, Youth Day and Women's Day

celebrations, emphasise tangible aspects of the corporate social responsibility of George Municipality.

3.6 Current communication in George Municipality that relates to service delivery

No formal communication strategy has been developed to date. One possible reason for this could be the fact that no formal communication department currently exists in the organisation and only one person is partly dedicated to perform communication related duties, namely the acting Public Relations Officer. The budget for communication related activities is extremely limited and the specific function of communication is not regarded as a core priority of the organisation.

A vision and a mission statement are in place and are contained in the official George Municipality IDP document. Strategic master plans (ranging from five to ten-year plans) are in place for housing delivery, water and electricity matters. A Local Economic Development strategy as well as a HIV/Aids strategy were developed and are readily available to senior level employees.

Two directorates have internal newsletters containing relevant issues and news from within their respective environments. As mentioned previously in this chapter a monthly newsletter is distributed with the municipal accounts to all ratepayers and the bi-weekly column in the local newspaper contains relevant information pertaining to municipal matters. The municipal website contains important information in addition to ad hoc publications in the local newspaper. The Local Economic Development Section has developed two information brochures and two information flyers on their services and functions in addition to several quick screens to be utilised during exhibitions and workshops. This section also publishes a weekly column in the local newspaper on relevant economic development matters.

A draft communication policy that specifically addresses public participation inputs to be utilised in the compulsory revisions of the Integrated Development Plan of Council has been developed but is restricted to matters pertaining to the specific strategic plan. No formal communication strategy or policy is in place for the organisation. The Head: Local Economic Development fulfils approximately 50% of the tasks related to the position of a Public Relations Officer. This position is on the organisational structure but has not been filled to date. No other formal communications incumbent, section or functions are in place. Several directorates have a Customer Services Section with the sole purpose of addressing complaints and enquiries from external customers.

The George Wilderness Tourism Bureau is considered part of the George Municipality although the institution has been set up as a separate entity with employees appointed on a contractual basis. The George Municipality funds the bureau but the constitution of the bureau makes provision for the appointment of an independent board of directors. Two representatives of George Municipality act on the board. The bureau submits an annual proposed budget to George Municipality to be reviewed and funds are allocated accordingly. Although a director manages the bureau, the institution in effect reports to George Municipality. The bureau assists with the marketing of George as a tourism destination and with general marketing activities and events. These marketing functions are primarily focused on tourism and the attraction of events rather than the marketing of George in general. The Local Economic Development Section envisages developing a comprehensive tourism strategy in addition to a marketing and place destination campaign.

Vertical information flow between employees and management occurs with certain directors conducting regular meetings with their respective section heads, which in turn relay information to subordinates during section meetings. A demand analysis on internal and external customer needs is sometimes performed during these meetings, primarily driven by complaints and enquiries

from external customers. Official Council meetings pertaining to matters specifically driven by the directorates (e.g. civil services, housing services, administrative services, etc.) are held on a monthly basis where items are submitted to a committee (consisting of political office bearers) to be reviewed and approved or referred to the Executive Mayor or back to the committee for further investigation.

Quality specifications pertaining to building plans, development proposals, spatial and environmental conditions are available to key senior employees dealing directly with these issues. A training officer was recently appointed and this employee is currently conducting a skills needs analysis within the organisation. Resources pertaining to equipment, technology, protective clothing and relevant aspects are available to some extent.

Several directorates and sections plan their own social gatherings to support social interaction between employees. The Executive Mayor hosts a quarterly lunch and a year-end function for councillors and directors.

The seven directors have a bi-weekly meeting but there is little other inter-directorate interaction except when employees are attending the same meetings. Two directorates have had team building sessions over the past year and the Executive Mayoral Committee has had two strategic planning sessions with the directors over the past three years.

The discussion under 3.4 pertaining to the current organisational structure of George Municipality, indicates that the organisational structure is in a state of flux. Uncertainty amongst staff encourages the informal communication channels with staff "filling in" gaps in information or speculating through the "grapevine".

3.7 Summary

In this chapter a summary of George Municipality and the services delivered by the organisation was provided. The physical characteristics of the organisation and relevant geographical information were further discussed. A description of the visual cues referring to the current corporate image, identity, and brand of the organisation was presented.

Graphical illustrations to support the possible influence of organisational transformation changes were presented. The chapter concludes with an overview of the current communication in George Municipality that addresses service delivery. Specific reference was also made to the lack of a formal Communication Section, a communication strategy, and dedicated communication activities.

CHAPTER FOUR – OPERATIONAL FRAMEWORK

4.1   Introduction

Chapter 2 provides a theoretical foundation for the execution of the study and describes the role of communication in a service-oriented approach. In Chapter 3 a broad overview of George Municipality in general and the specific nature of communication as it currently exists in the organisation are illustrated. The aim of this study is to assess the contribution of internal communication to a service-orientation amongst the employees of George Municipality. This chapter describes the research design, including the methodological foundation and the measuring instrument. The variables underlying the statements in the questionnaires and its linkages to the literature are discussed. The chapter concludes with a brief description of the responses.

4.2   The research question

The research question of this study is formulated as follows:

"To what degree does internal communication support a service-orientation in George Municipality?"

The objective is to identify gaps and the solutions that internal communication could provide in establishing a service-orientation in the organisation.

4.3   Research Design

4.3.1 Methodological Foundation

Berry, Parasuraman and Zeithaml (cited in Moolla and Du Plessis 1997:65) studied the quality of services by reseaching customer-perceived service quality

and expressing the results of the research as ten factors of dimension, namely *tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication* and *understanding*. These dimensions were later reduced to five namely *tangibles, reliability, responsiveness, assurance* and *empathy*. Parasuraman *et al* (cited in Moolla & Du Plessis 1997:65) found that customers' expectations of service exist on two levels namely *adequate* and *desired*. Parasuraman *et al* (cited in Moolla and Du Plessis 1997:65) also developed the Gap Analysis Model described in this study; the gaps arising in diverse parts of the service process, indicating the deviation between expected and perceived quality result in this model being viewed as a process-oriented model.

Parasuraman *et al* (cited in Moolla & Du Plessis 1997:66) developed SERVQUAL, a multiple item survey tool to measure service quality. The measuring process is based on two steps: to establish customers' perceptions of an ideal service, and then measure customers' perceptions of the actual service that is delivered (Moolla & Du Plessis 1997:66). Twenty-two statements, recast into two statements (one requiring what organisations *should* provide and one requiring what organisations *did* provide) were developed and respondents were requested to react to the statements on a Lickert scale with seven intervals ranging from "strongly agree" to "strongly disagree" (Moolla & Du Plessis 1997:67). The SERVQUAL score is calculated as the perception score minus the expectation score and the variables depicting the biggest deviation in turn provide guidelines for quality improvement (Moolla & Du Plessis 1997:68). Parasuraman *et al* (quoted in Moolla & Du Plessis 1997:68) differentiate between the measurement of service quality and satisfaction, stating that SERVQUAL measures perceived service quality, being a judgement or attitude relating to the superiority of service, as opposed to satisfaction relating only to a service encounter.

Chaston (1995:332) conducted a study evaluating branch-level perceptions of internal customer management processes within UK clearing banks. He states that the deductive approach of surveying respondents is the most effective manner to investigate internal management practices. According to Chaston (1995:333) SERVQUAL is the most common tool for the evaluation of service management processes and has been strictly tested for reliability and validity in several service situations. Chaston's pre-testing showed that certain respondents experienced difficulty with the original seven point scale of SERVQUAL and he therefore reduced it to a five point scale.

As an internal communication assessment will be performed in this study it was decided to apply the methodology for the study based on that of Chaston (1995:334). The Gap Analysis Model developed by Parasuraman *et al* (1985:44) was utilised by Chaston to develop his adapted version of SERVQUAL to measure internal management practice perceptions. This study focuses on measuring internal communication practice perceptions within the framework of service management and marketing and the degree to which communication can promote a service-oriented approach. The methodological foundation utilised by Chaston is adapted to address the specific research question posed in this study.

4.3.2   The measuring instrument

Based on the work of Chaston (1995:334) a survey is utilised as the measuring instrument in this study. The structure of the survey instrument is presented in the format of a questionnaire to collect relevant data for analysis purposes. The questionnaire is designed to obtain data to assess the degree to which internal communication supports a service-orientation in the organisation.

4.3.2.1   The derivation of the measuring instrument

The Gap Analysis Model is discussed earlier Chapter 2 and is tabled below:

Gap 1	**The management perception gap** – the inaccurate perception of management pertaining to quality expectations of customers
Gap 2	**The quality specification gap** – the inconsistency between management's perceptions of quality expectations and service quality specifications
Gap 3	**The service delivery gap** – the performance in the service production and delivery process do not meet service quality specifications
Gap 4	**The market communication gap** – inconsistency between market communication promises and service delivery
Gap 5	**The perceived service quality gap** – inconsistency between service delivery and service expectations

Table 4.1 The service quality gaps (Grönroos 2000:102-105)

The gaps are also referred to as interfaces to indicate the convergence of two theories or phenomena affecting each other or having links with each other. The use of the term "interface" in the first column of Table 4.2 below, as opposed to the use of the term "gap" in the first column of Table 4.1 above, therefore indicates the link between the constructs and the variables deduced from them. Specific constructs relating to the gaps are identified in Chapter 2 and variables to be measured are deduced in Table 2.4 of Chapter 2.

Interface 3 specifically refers to the gaps that may have an impact on internal stakeholders. Interface 4 is included in this study as external communication and does have a *minor, reflected,* but relatively important effect upon internal stakeholders and employees. For this limited purpose Interface 4 was therefore admitted in this study. For the purposes of this study Interface 4 refers to *Interface 4 Effect on internal stakeholders.* This study will not assess Interface 4 in its entirety, but only in the limited context referred to above and only as far as it has a reflected impact on internal groups. Interface 5 is more focussed on the gaps that affect external customers. Interfaces 1 and 2 do not directly relate to the aim of this study. The purpose of this study is to perform an assessment of

internal communication in George Municipality. Thus, for the purposes of this study, Interfaces 1, 2 and 5 will not be measured as they fall outside the scope of the study. The measuring instrument will focus on questions relating to Interface 3 and Interface 4 Effect on internal stakeholders.

The functions of internal communication along the service delivery chain (as discussed in Chapter 2) will be most evident at Interface 3 and Interface 4 Effect on internal stakeholders as their desired outcomes impact on service delivery at these two interfaces. Measuring the effectiveness of communication at these two interfaces will therefore provide a substantial indication of the extent to which communication meets the desired outcomes in support of a service-orientation.

The variables underlying the statements in the questionnaire are described below:

Interface	Construct	Variables
3	• **The availability of information on quality specifications to internal clients (Berry 1981:34; Grönroos 2000:307; Grönroos 2000:322; Hardaker & Fill 2005:367; Johnson & Scholes 1999:498; Keller 2001:819; Schneider 2004:146; Smit & Cronjé 2002:465; Steyn & Puth 2000:17-18; Thurow in Lee & Chen 2005:661; Tornow & Wiley [sa]:105; Tsai 2005a:434; Tucker *et al* 1996:2)**	• **Quality of information (Parasuraman cited in Grönroos 2000:75; Yen & Chou 2001:80)** • **Availability of information (access, storage and retrieval) (Grönroos 2000:307; Johnson & Scholes 1999:498; Keller 2001:819; Schneider 2004:146; Senge 2001:279; Smit & Cronjé 2002:465; Thurow in Lee & Chen 2005:661; Tucker *et al* 1996:2;)**
	• The degree to which specifications are communicated to internal clients (Beckett-Camarata *et al* 1998:76; Chaston 1995:2; Dennis quoted in Lee & Chen 2005:663; Grönroos 2000:307; Grönroos 2000:322; Smit & Cronjé 2002:51-52; Steyn & Puth 2000:17-18; Wiley 1997:265)	• Degree to which inter-directorate communication supports the understanding of specifications by internal clients (Deming quoted in Kuei 1999:783; Macdonald 1992:237; Matherly & Lasater 1992:84; Mersham & Skinner 2001:69; Smit & Cronjé 2002:51-52; Tucker *et al* 1996:2;) • Effectiveness of inter-directorate communication (Claus 1991:139;

			Deming quoted in Kuei 1999:783; Grönroos 2000:265; Grönroos 2000:321; Mani *et al* 2003:396; Schneider 2004:146; Tsai 2005a:434;Tucker *et al* 1996:2)
			▪ Effect of the organisational structure on the ability of inter-directorate communication to clarify internal quality specifications (Claus 1991:139; Djerdjour & Patel 2000:27; Grönroos 2000:321)
		▪ **The degree to which information flow on quality specifications to internal clients is effective (Claus 1991:139; Djerdjour & Patel 2000:27; Grönroos 2000:102; Swanepoel 2003:345)**	▪ **Effectiveness of information flow (Claus 1991:139; Djerdjour & Patel 2000:27; Du Plessis *et al* 2004:26; Grib 1993:31; Matherly & Lasater 1992:84)**
		▪ The degree to which management's commitment to service quality motivates employees to agree with service quality specifications (Beckett-Camarata *et al* 1998:72; Berry 1981:34; Grönroos 2000:321; Macdonald 1992:237; Nwabueze 2001:666; Pycraft *et al* 2000:736; Schneider 2004:146; Wiley 1997:265;)	▪ Motivational effect of communication of management commitment to service quality (Beckett-Camarata *et al* 1998:72; Burger & Ducharme 2000:59; Chaston 1995:2; Colgate & Stewart 1997:454; Du Plessis *et al* 2004:26; Grönroos 2000:32; Grönroos 2000:321; Hardaker & Fill 2005:367; Mani *et al* 2003:396; Van Rekom 1997:412; Wiley 1997:265;)
			▪ The motivation levels of directorates to deliver on service quality specifications due to communication (Beckett-Camarata *et al* 1998:72; Claus 1991:139; Chaston 1995:2; Colgate & Stewart 1997:454; Du Plessis *et al* 2004;26; Hardaker & Fill 2005:367; Mani *et al* 2003:396; Nwabueze 2001:666; Van Rekom 1997:412; Wiley 1997:265;)
		▪ **Understanding of the goals of the organisation (Chang *et al* 2003:408; Deming cited in Kuei 1999:783; Du Plessis *et al* 2003:9; Feurer & Chaharbaghi 1995:18; Grönroos 2000:102; Marlow & Wilson 1997:37; Mersham & Skinner 2001:69; Puth**	▪ **Understanding of directorate's role in meeting the goals of the organisation (Chang *et al* 2003:408; Deming in Kuei 1999:783; Du Plessis *et al* 2003:9; Mersham & Skinner 2001:69; Puth 2002:204; Shelby 1993:254-5;Smit & Cronjé**

	2002:204; Shelby 1993:254-5;Smit & Cronjé 2002:51-52; Steyn & Puth 2000:6)	2002:51-52; Steyn & Puth 2000:6)
		▪ **Understanding of individual roles in meeting the goals of the organisation (Beckett-Camarata *et al* 1998:76; Chang *et al* 2003:408; Deming in Kuei 1999:783; Garber & Dotson 2002:1; Marlow & Wilson 1997:37; Mersham & Skinner 2001:69; Puth 2002:204; Smit & Cronjé 2002:51-52; Steyn & Puth 2000:6; Williams 2001:64)**
	▪ The influence of a possible bureaucratic hierarchy on information flow that enable employees to agree with service quality specifications (Claus 1991: 139; Djerdjour & Patel 2000:27; Duncan & Moriarty 1998:8; Grönroos 2000:104; Johnson & Scholes 1999:498; Landman 2005:14; Mani *et al* 2003:396; Power & Rienstra 1999; Robbins 2003:434; Schneider 2004:144; Smit & Cronjé 2002:52; Swanepoel 2003:345; Varadarajan & Clark 1994:102)	▪ Effectiveness of information flow in the organisational structure (Duncan & Moriarty 1998:8; Grönroos 2000:104; Johnson & Scholes 1998:498; Landman 2005:14; Power & Rienstra 1999; Robbins 2003:434; Schneider 2004:144; Smit & Cronjé 2002:52; Swanepoel 2003:345)
	▪ **Availability of training and resources to meet service delivery guidelines and quality specifications (Du Plessis *et al* 2003:339; Puth 2000:17-18; Pycraft *et al* 2000:736; Steyn & Wiley 1997:265; Tschohl 1998:422)**	▪ **The effect of available resources and training on employee motivation levels to adhere to quality specifications (Du Plessis *et al* 2003:339; Grönroos 2000:321; Pycraft *et al* 2000:736; Tschohl 1998:422)** ▪ **The effectiveness of training and resources to support commitment to quality specifications (Du Plessis *et al* 2003:339; Grönroos 2000:321; Hardaker & Fill 2005:367)**
	▪ The degree to which the corporate culture supports the message that the customer is the main focus of the organisation (Gee & Burke 2001:135; Grönroos 2000:265; Olins 1991:29-30; Puth 2002:204)	▪ The effect of the current corporate culture on the motivation of employees to view the customer as the main focus of the organisation (Gee & Burke 2001:135; Grönroos 2000:265; Hardaker & Fill 2005:367; Moran & Brightman 2001:113; Olins 1991:29-30; Wilson 2001:357) ▪ The degree to which communication

		facilitates commitment in employees to a corporate culture based on adherence to quality specifications for a customer-oriented focus (Claus 1991:139; Djerdjour & Patel 2000:27; Gee & Burke 2001:135; Hardaker & Fill 2005:367; Homburg & Stock 2004:144; Mani *et al* 2003:396; Olins 1991:29-30; Puth 2002:204; Wilson 2001:357)
4	▪ **The degree to which external marketing messages are marketed to and coordinated with internal clients (Goldsmith 1999:180; Senge 2001:279; Tucker *et al* 1996:2; Yen & Chou 2001:80; Yudelson 1999:65;)**	▪ **The effectiveness of information flow about external marketing messages to internal customers (Du Plessis *et al* 2003:339; Smit & Cronjé 2002:51-52; Tsai 2005a:434; Tucker *et al* 1996:2)** ▪ **The quality of information (Parasuraman cited in Grönroos 2000:75; Senge 2001:279; Yen & Chou 2001:80)** ▪ **Access, storage and retrieval of information (Schneider 2004:146; Senge 2001:279; Tucker *et al* 1996:2; Yen & Chou 2001:80)** ▪ **The marketing of external marketing messages to internal customers to ensure alignment between external marketing activities and internal processes (Grönroos 2000:104; Kanji & Asher in Barnes & Morris 2000:477-478)**
	▪ Understanding of individual roles in the delivery on external marketing promises (Mersham & Skinner 2001:69; Puth 2002:204; Shelby 1993:254-5; Steyn & Puth 2000:6; Van Rekom 1997:412)	▪ The effect and extent of communication to clarify individual roles in delivering on and external marketing messages (Claus 1991:139; Djedjour & Patel 2000:27; Grib 1993:31; Macdonald 1992:237; Tucker *et al* 1996:2)
	▪ **Understanding of directorate's role in the delivery on external marketing promises (Mersham & Skinner 2001:69; Puth 2002:204;Shelby 1993:254-5; Steyn & Puth 2000:6)**	▪ **The effect and extent of communication to clarify own directorate's role in delivering on external marketing messages (Du Plessis *et al* 2004:26; Steyn & Puth 2000:6)**

		• **The extent and effectiveness of inter-directorate communication to support coordination with external marketing messages (Grönroos 2000:321; Tucker *et al* 1996:2)** • **The effectiveness of feedback on the directorate's performance according to external marketing messages (Tucker *et al* 1996:2)**

Table 4.2Constructs and deducted variables to be measured

The statements contained in the questionnaire are derived from the constructs and variables in Table 4.2 above. The following is a list of the statements and a reference to their original source in the literature:

Statement	Derivation from the literature
Information on quality specifications is current and regularly updated	Quality of information (Grönroos 2000:75; Parasuraman cited in Yen & Chou 2001:80)
Information on quality specifications are readily available	Availability of information (access, storage and retrieval) (Grönroos 2000:307; Johnson & Scholes 1999:498; Keller 2001:819; Schneider 2004:146; Senge 2001:279; Smit & Cronjé 2002:465;Thurow in Lee & Chen 2005:661; Tucker *et al* 1996:2)
Information on quality specifications is stored in an easily accessible format	Availability of information (access, storage and retrieval) (Grönroos 2000:307; Johnson & Scholes 1999:498; Keller 2001:819; Schneider 2004:146; Senge 2001:279; Smit & Cronjé 2002:465;Thurow in Lee & Chen 2005:661; Tucker *et al* 1996:2)
There is a strong emphasis on inter-functional and inter-directorate teamwork to support information transfer	Degree to which inter-directorate communication supports the understanding of specifications by internal clients (Deming quoted in Kuei 1999:783; Macdonald 1992:237;

	Matherly & Lasater 1992:84; Mersham & Skinner 2001:69;Smit & Cronjé 2002:51-52; Tucker *et al* 1996:2)
Information flows quickly and freely on a horizontal level between directorates	Effectiveness of inter-directorate communication (Claus 1991:139; Deming 1986, 1993 in Kuei 1999:783; Grönroos 2000:265; Grönroos 2000:321; Mani *et al* 2003:396; Schneider 2004:146; Tsai 2005a:434;Tucker *et al* 1996:2)
The organisational structure of George Municipality supports inter-directorate communication and enhances synergy between directorates	Effect of the organisational structure on the ability of inter-directorate communication to clarify internal quality specifications(Claus 1991:139; Djerdjour & Patel 2000:27; Grönroos 2000:321)
Clear communication methods and systems support effective information flow	Effectiveness of information flow (Claus 1991:139; Djerdjour & Patel 2000:27; Du Plessis *et al* 2004:26; Grib 1993:31; Matherly & Lasater 1992:84)
Management exhibits commitment to service quality that motivates me	Motivational effect of communication of management commitment to service quality (Beckett-Camarata *et al* 1998:72; Burger & Ducharme 2000:59; Chaston 1995:2; Colgate & Stewart 1997:454; Du Plessis *et al* 2004:26; Grönroos 2000:32; Grönroos 2000:321; Hardaker & Fill 2005:367; Mani *et al* 2003:396; Van Rekom 1997:412; Wiley 1997:265)
My directorate is motivated to deliver on service quality specifications because management communicates it regularly	The motivation levels of directorates to deliver on service quality specifications due to communication (Beckett-Camarata *et al* 1998:72; Chaston 1995:2; Claus 1991:139; Colgate & Stewart 1997:454; Du Plessis *et al* 2004;26; Hardaker & Fill 2005:367; Mani *et al*

	2003:396; Nwabueze 2001:666; Van Rekom 1997:412; Wiley 1997:265)
The goals, vision and mission are clear to me because they are regularly communicated to me	(Chang *et al* 2003:408; Deming quoted in Kuei 1999:783; Du Plessis *et al* 2003:9; Mersham & Skinner 2001:69; Puth 2002:204; Shelby 1993:254-5; Smit & Cronjé 2002:51-52; Steyn & Puth 2000:6)
I understand the role of my directorate in meeting the goals of the organisation	Understanding of directorate's role in meeting the goals of the organisation (Chang *et al* 2003:408; Deming quoted in Kuei 1999:783; Du Plessis *et al* 2003:9; Mersham & Skinner 2001:69; Puth 2002:204; Shelby 1993:254-5; Smit & Cronjé 2002:51-52; Steyn & Puth 2000:6)
I understand my own role in meeting the goals of the organisation	Understanding of individual roles in meeting the goals of the organisation (Beckett-Camarata *et al* 1998:76; Chang *et al* 2003:408; Deming quoted in Kuei 1999:783; Garber & Dotson 2002:1; Marlow & Wilson 1997:37; Mersham & Skinner 2001:69; Puth 2002:204; Smit & Cronjé 2002:51-52; Steyn & Puth 2000:6; Williams 2001:64)
The structure and levels of the organisation enhances effective information flow	Effectiveness of information flow in the organisational structure (Duncan & Moriarty 1998:8; Grönroos 2000:104; Johnson & Scholes 1998:498; Landman 2005:14; Power & Rienstra 1999; Robbins 2003:434; Schneider 2004:144; Smit & Cronjé 2002:52; Swanepoel 2003:345)
I am motivated and committed to adhere to quality specifications	The effect of available resources and training on employee motivation levels to adhere to quality specifications (Du Plessis *et al*

because I have sufficient resources and training to do so	2003:339; Grönroos 2000:321; Pycraft *et al* 2000:736; Tschohl 1998:422) The effectiveness of training and resources to support commitment to quality specifications (Du Plessis *et al* 2003:339; Grönroos 2000:321; Hardaker & Fill 2005:367)
The corporate culture in the organisation supports the view that the customer is the main focus	The effect of the current corporate culture on the motivation of employees to view the customer as the main focus of the organisation (Gee & Burke 2001:135; Grönroos 2000:265; Hardaker & Fill 2005:367; Moran & Brightman 2001:113; Olins 1991:29-30; Wilson 2001:357)
I am committed because the principle focus on strategic customer needs is regularly and clearly communicated to me	The degree to which communication facilitates commitment in employees to a corporate culture based on adherence to quality specifications for a customer-oriented focus (Claus 1991:139; Djerdjour & Patel 2000:27; Gee & Burke 2001:135; Hardaker & Fill 2005:367; Homburg & Stock 2004:144; Mani *et al* 2003:396; Olins 1991:29-30; Puth 2002:204; Wilson 2001:357)
Due to strong inter-functional linkages, external marketing messages are communicated and coordinated to employees regularly	The marketing of external marketing messages to internal customers to ensure alignment between external marketing activities and internal processes (Grönroos 2000:104; Kanji & Asher quoted in Barnes & Morris 2000:477-478)
Information on external marketing messages is readily available	The effectiveness of information flow about external marketing messages to internal customers (Du Plessis *et al* 2003:339; Smit & Cronjé 2002:51-52; Tsai 2005a:434; Tucker *et al* 1996:2) The quality of information (Parasuraman cited in Grönroos 2000:75; Senge 2001:279; Yen &

	Chou 2001:80)
	Access, storage and retrieval of information (Schneider 2004:146; Senge 2001:279; Tucker *et al* 1996:2; Yen & Chou 2001:80)
I am clear on my own role in delivering on external marketing messages	The effect and extent of communication to clarify individual roles in delivering on and external marketing messages (Claus 1991:139; Djedjour & Patel 2000:27; Grib 1993:31; Macdonald 1992:237; Tucker *et al* 1996:2)
My directorate's role in delivering on external marketing messages is clear to me	The effect and extent of communication to clarify own directorate's role in delivering on external marketing messages (Du Plessis *et al* 2004:26; Steyn & Puth 2000:6)
Inter-directorate communication enhances alignment with external marketing messages	The extent and effectiveness of inter-directorate communication to support coordination with external marketing messages (Grönroos 2000:321; Tucker *et al* 1996:2)
My directorate receives regular feedback on its performance on external marketing messages	The effectiveness of feedback on the directorate's performance according to external marketing messages (Tucker *et al* 1996:2)

Table 4.3 Statements derived form the literature

4.3.2.2 *The implementation of the measuring instrument*

The questionnaire was distributed to the employees at George Municipality. The employees are not all situated in the same building but most of the buildings are connected via e-mail (e-mail is identified as the method of distribution for the questionnaires to employees with access to e-mail). A printed questionnaire was also distributed to the councillors and employees without access to e-mail at George Municipality in an envelope. The councillors and employees without

access to e-mail were provided with a pre-addressed return envelope to post the completed questionnaire. The questionnaires for the councillors and employees without access to e-mail were distributed via the internal delivery system for official mail and they were requested to return the completed questionnaires via the same route.

The questionnaire comprises a total of 22 statements. A Likert scale requires respondents to rate a particular statement by selecting one of five responses (*Strongly Agree, Agree, Neutral, Disagree* and *Strongly Disagree*) (Du Plooy 2002:128). The Likert scale provides two advantages: the ease with which the scale can be developed; and the fact that reliability can be tested (Du Plooy 2002:129).

For the purposes of this study, respondents are requested to react to statements on a five point scale (as proposed by Chaston 1995:335) ranging from "Strongly Agree" (1) to "Strongly Disagree" (5). It was decided that the statements are one-dimensional, only measuring the internal perceptions and not expectations. The reasoning behind this decision is the criticism mentioned by Smith quoted in Moolla and Du Plessis (1997:72) in that the expectancy scale can affect both the diagnostic utility of the measure and the underlying conceptual interpretation. The questions are all phrased in the positive to avoid confusion amongst respondents whose first language is not English, as proposed by Landman (2005:48).

The research question indicates an investigation into service strengths and weaknesses to which communication solutions can be attached. The statements contained in the questionnaire are therefore based on the deduced variables in Table 4.2 above.

4.3.3 *Sampling Procedure*

The sampling procedure designed by Landman (2005:48) was utilised for this study. The objectives to be achieved by the evaluation are:

I. The detection of a variance between the perceptions of three levels of employees (Top management, other management and other employees).
II. The perceptions of employees in totality.
III. The detection of a variance between the perceptions of employees and councillors.

The following strata are utilised to divide the accessible population:

I. Top management.
II. Other management.
III. Other employees.
IV. Councillors.

The population is identified as follows:

I. All councillors (including new councillors elected in the March 2006 elections).
II. All Section 57 appointments (Top management).
III. All permanently employed employees on a post level 2 to post level 6 (other management) being in the employ of Council for a period of twelve months or longer.
IV. All permanently employed employees on a post level 7 to post level 12 (other employees) being in the employ of Council for a period of twelve months or longer.

After consultation with the Directorate: Human Resources a list of all councillors (39 in total), a list of top management (8 in total) and a list of employees employed for a period of twelve months or longer (634 in total) were obtained. The list of employees indicated their post levels to easily differentiate "other management" employees from "other employees". The stratum of "other management" and the stratum of "other employees" are derived from this list based on their post levels. An additional list was then obtained from the Directorate: Human Resources containing the names of employees who were unavailable due to vacation leave, sick leave, maternity leave, leave for official purposes, study leave and family responsibility leave. The total accessible population numbered 547.

4.3.4   Validity

A stratified random sample was utilised for the purposes of this study. As a probability sample, the stratified random sample enables a researcher to estimate sampling error, a term referring to the unrepresentativeness of a sample (Welman & Kruger 1999:47-48). In the stratified random sample drawn from the accessible population in this study, the samples had the exact properties in the exact same proportions as the population, thus making it representative of the population (Welman & Kruger 1999:49).

Babbie (quoted in Du Plooy 2002:104) states that convention has established that researchers should aim for a 95% confidence level.   A stratified random sample is drawn when the researcher draws a representative sample and also includes representative subgroups (or strata) (Du Plooy 2002:108). Du Plooy (2002:108) suggests a random selection of 30% from the accessible target population to ensure a 95% confidence level with a 5% error tolerance.

A sample of 30% (rounded up) was therefore drawn from each stratum by means of the random selection capability in Microsoft Excel. Du Plooy (2002:109) states

that the validity of a sample can be increased with stratified random sampling because sampling bias is eliminated, sampling error is reduced and the sample is drawn from homogeneous subgroups (or strata). A summary of the drawn sample is tabled below:

Stratum	Accessible population	Sample
Top management	8	4
Other management	116	40
Other employees	384	115
Councillors	39	12
Total	547	171

Table 4.4 Description of the drawn sample

A calculation of the standard error, an estimation of the amount of error present in a sample (Du Plooy 2002:102), was performed based on the size of the sample and the knowledge of the population parameters. It is a known fact that women are underrepresented in the top management stratum and the other management stratum which could result in a skew distribution when interpreting standard error differences against a normal curve. The sample size for the top management stratum and the other management stratum was therefore increased to resemble a normal (bell-shaped) curve.

Should a sample of only 20% of the accesible population be drawn, the drawn sample would reflect as follows:

Stratum	Accessible population	Sample
Top management	8	2
Other management	116	23
Other employees	384	77
Councillors	39	9
Total	547	111

Table 4.5 Description of a 20% drawn sample

The smaller drawn sample could significantly decrease the external validity, referring to the extent to which conclusions can be generalised to the *real world*.

In the accompanying letter distributed with the questionnaire respondents were ensured of the confidentiality of their responses to eliminate the possibility of biased responses from respondents feeling that they needed to respond positively about their working environment (Chaston 1995:342).

The questionnaire was e-mailed to the employees identified through the stratified random sampling process and this further ensured confidentiality because no identifiable handwriting was involved. The covering letter also indicated that the returned questionnaires would be deleted from the George Municipality's network (and the recipient's mailbox) immediately after receipt thereof to eliminate the possibility of leaking of confidential information. The questionnaires to the councillors and employees without access to e-mail were mailed in a sealed envelope containing the questionnaire and a return envelope with a pre-printed address.

The questionnaires were all e-mailed (to employees) and delivered through the internal mail delivery system for official mail (to councillors and employees without access to e-mail) on the same day to ensure that variances due to a time delay between distribution to various employees were eliminated.

4.3.5   Pre-testing for clarity and understanding

Prior to distributing the questionnaires the questionnaire was pre-tested by interviewing a selection of employees whose names did not appear in the 30% samples that were drawn. The pre-testing indicated that the questionnaire was clear and the interviewed candidates suggested that it was well understood. The only suggestion made by the interviewed candidates was that the deadline for the return of the questionnaires should be emphasised.

4.3.6 Roll-out of the study

The questionnaires, an example of which is attached as Appendix A to this document, were distributed with a covering letter (attached as Appendix B) via e-mail to the employees and via the internal mail delivery system for official mail to councillors and employees without access to e-mail, respectively identified in the sample, on the same date.

A follow-up e-mail was sent to employees with access to e-mail, a follow-up note was sent via the internal mail system for official mail to employees without access to e-mail, and a SMS (Short Message Service via mobile phone) reminder to councillors that did not respond within 5 days of the initial e-mail and mail delivery date.

4.3.7 Response

A total of 115 respondents returned the questionnaire. From the total 115 responses, 5 responses were not usable, representing 3% of the sample and 1% of the accessible population. The total number of usable questionnaires amounted to 110, representing 64% of the sample and 20% of the accessible population. The following table indicates the response detail:

Stratum	Sample	Response	Percentage
Top management	4	0	0%
Other management	40	36	90%
Other employees	115	65	64%
Councillors	12	9	75%
Total	171	110	64%

Table 4.6 Description of the responses

The non-participation of the top management stratum was addressed through the following attempts:

I. A follow-up e-mail was sent to the participants of the original drawn sample five days after the first e-mail. No responses were obtained from the follow-up e-mail.

II. A new sample was then drawn from the top management stratum and the questionnaire was e-mailed to the new sample. No responses were obtained, and a follow-up e-mail was sent five days after the first e-mail to the new drawn sample. Again no responses were obtained.

The fact that none of the top management samples, even after a new sample was drawn, returned the questionnaires, is a matter of concern and could indicate that this level of the organisation does not value the importance of internal communication.

Grönroos (2000:362-367) identifies four requirements for a service culture: developing a service strategy, developing the organisational structure, developing leadership and service training programmes. Several of these requirements include actions or functions to be performed by top management to support a service-oriented approach. These include, inter alia:

I. Top management's commitment to creating a service-oriented organisation.

II. Establishing service-oriented leadership (management should be supportive, inspirational and attuned to the individuals they manage).

III. Managers and supervisors should develop a service culture to be followed.

IV. Regular communication by managers.

V. Avoidance of ambiguity.

VI. Top person in the organisation (Municipal Manager and Executive Mayor for the purposes of this study) should constantly give service strategy top priority and support.

VII. Managers and supervisors should change from the traditional role of technical manager only controlling employees, to a service-oriented management style of guiding employees and leadership through coaching.

The non-participation by the top management stratum could indicate that the aforementioned functions are not performed effectively, and could contribute to the overall scores not reaching a satisfactory level of agreement; a lack of motivation and commitment is visible from this stratum and it could contribute to the negative perceptions by other employees. In terms of the deviations between the four strata, the most evident finding is the fact that the response rate for top management was 0%.

The top management stratum is removed from the discussion of findings in the next chapter. The exclusion of this group is not an insurmountable problem because they are located at Interface 1. Although the non-participation of this group seem to have a negative effect on the study, it is viewed as a realistic self-evaluation. For the limited purposes and delimited scope of this study it is only deemed important to recognise this problem, but not to rectify it.

4.4 **Summary**

In this chapter the research design is described. An account of the methodological foundation and the measuring instrument is provided. The variables that are fundamental to the statements in the questionnaires and their associative relations to the literature are discussed.

Every possible measure, within the time constraints and the limited scope of this study, was implemented to ensure the validity and reliability of the data. Four strata were identified to ascertain that all levels of the organisation, including the political body, are included in the assessment.

The chapter concludes with a brief description of the responses. The responses will be analysed in the next chapter. The findings will finally be employed to provide practical applications and recommendations for the utilisation of internal communication to promote a service-orientation in the selected organisation.

CHAPTER FIVE – FINDINGS AND RECOMMENDATIONS

5.1   Introduction

In the first section of this chapter the interpretation of the findings are discussed. The second section of the chapter provides a discussion on the analysis of the findings. The third section of this chapter furnishes recommendations for internal communication at George Municipality viewed from a service-oriented approach. A discourse of the four communication requirements that are identified for George Municipality, i.e. knowledge management, strategic alignment, internal relationship building, and motivation are further provided. A brief discussion on the role of the organisational culture and image is offered. The chapter concludes with additional recommendations for internal communication at George Municipality.

5.2   Factual rendition of the findings

Chapter 4 indicated that Interface 3 specifically refer to the gaps that may have an impact on internal stakeholders. It was further decided to include Interface 4 in this study, as external communication does have a *minor, reflected,* but relatively important effect upon internal stakeholders and employees. For this limited purpose, Interface 4 was therefore admitted in this study. For the purposes of this study, Interface 4 refers to *Interface 4 Effect on internal stakeholders.* This study did not assess Interface 4 in its entirety, but only in the limited context referred to above and only as far as it has a reflected impact on internal groups. Due to the fact that the purpose of the study is an assessment of internal communication, the aforementioned two interfaces were analysed. The statements in the questionnaire were thus derived from Interface 3 and Interface 4 Effect on internal stakeholders according to the variables identified in Table 4.2. Statements 1 to 16 relate to Interface 3 and statements 17 to 22 relate to Interface 4 Effect on internal stakeholders.

The results are categorised in a table format according to:

   I. overall mean score per interface for the total number of responses;
  II. overall mean score per interface for each of the four strata;
 III. mean score per statement for the total number of responses; and
 IV. mean score per statement for each of the four strata.

The Likert scale utilised in the questionnaire required from respondents to rate a particular statement by selecting one of five responses (*Strongly Agree, Agree, Neutral, Disagree* and *Strongly Disagree*). The following values were assigned to the responses:

   I. strongly disagree = 1;
  II. disagree = 2;
 III. neither agree or disagree = 3;
 IV. agree = 4; and
  V. strongly agree = 5.

The mean score interpretation proposed by Landman (2005:51) was utilised for the purposes of this study. Mean scores are construed as follows:

Mean Score	*Interpretation*
4 and higher	Majority of respondents agree or strongly agree with the statement; translating into issues requiring no action
Between 3.5 and 4	Majority of respondents have neutral to more positive response; translating into issues requiring monitoring and prevention of decline
Between 3 and 3.5	Majority of respondents have a neutral

	to more negative response; translating into issues requiring alert status and measures for action
Lower than 3	Majority of respondents disagree or strongly disagree with the statement; translating into issues (gaps) requiring immediate action

Table 5.1 Interpretation of mean scores

The top management stratum is removed from the discussion of findings, and the analysis of results in the next section. As this group is located at Interface 1, the non-participation of the group is not viewed as an insurmountable problem. The non-participation of this group was addressed by means of re-sending e-mails and by means of drawing a new sample. The lack of responses from this group is considered as a realistic self-evaluation and should not have a negative impact on the study. For the limited purposes and delimited scope of this study, it was only deemed important to recognise this problem, but not to rectify it.

5.2.1 Account of the findings for Interface 3 – The Service Delivery Gap

The Service Delivery Gap refers to instances where the performance in the service production and delivery process does not meet service quality specifications. The first sixteen statements relate directly to Interface 3 and the following results were obtained:

Interface 3 – Mean rating on a 5-point scale				
Statement	Overall mean score per statement	Mean score per statement for councillors	Mean score per statement for other management	Mean score per statement for other employees
1. Information on quality specifications is regularly	2.53	2.2	2.6	2.8

updated				
2. Information on quality specifications is readily available	2.56	2.3	2.7	2.7
3. Information on quality specifications is stored in an easily accessible format	2.46	2.1	2.6	2.7
4. There is a strong emphasis on inter-functional and inter-directorate teamwork to support information transfer	2.40	1.9	2.7	2.6
5. Information flows quickly and freely on a horizontal level between directorates	2.53	2.2	2.8	2.6
6. The organisational structure of George Municipality supports inter-directorate communication and enhances synergy between directorates	2.43	2.0	2.7	2.6
7. Clear communication methods and systems support effective information flow	2.50	2.0	2.8	2.7
8. Management exhibits commitment to service quality that motivates me	2.60	2.2	2.9	2.7
9. My directorate is motivated to deliver on service quality specifications because management communicates it regularly	2.66	2.1	3.1	2.8
10. The goals, vision and mission of the organisation are clear to me because they are regularly communicated to me	2.66	2.0	3.0	3.0
11. I understand the role of my directorate in	2.70	2.1	3.0	3.0

meeting the goals of the organisation				
12. I understand my own role in meeting the goals of the organisation	2.80	2.1	3.2	3.1
13. The structure and levels of the organisation enhance effective information flow	2.43	2.0	2.6	2.7
14. I am motivated and committed to adhere to quality specifications because I have sufficient resources and training to do so	2.70	2.1	3.0	3.0
15. The corporate culture in the organisation supports the view that the customer is the main focus	2.66	2.0	3.0	3.0
16. I am committed to service delivery because the principle focus on strategic customer needs is regularly and clearly communicated to me	2.66	2.0	3.1	2.9
Overall mean score for Interface 3	2.58	2.08	2.86	2.80

Table 5.2 Mean score interpretation for Interface 3

5.2.2 Account of the findings for Interface 4 Effect on internal stakeholders – The Market Communication Gap

The Market Communication Gap refers to instances where inconsistency between market communication promises and service delivery are detected. Statements 17 to 22 relate to Interface 4 Effect on internal stakeholders and the following results were obtained:

Interface 4 Effect on internal stakeholders – Mean rating on a 5-point scale				
Statement	*Overall mean score per statement*	*Mean score per statement for councillors*	*Mean score per statement for other management*	*Mean score per statement for other employees*
17. Due to strong inter-functional linkages, external marketing messages are communicated and coordinated to employees regularly	2.66	2.0	3.0	3.0
18. Information on external marketing messages is readily available	2.66	2.0	3.0	3.0
19. I am clear on my own role in delivering on external marketing messages	2.66	2.0	3.0	3.0
20. My directorate's role in delivering on external marketing messages is clear to me	2.66	2.0	3.0	3.0
21. Inter-directorate communication enhances alignment with external marketing messages	2.66	2.0	3.0	3.0
22. My directorate receives regular feedback on its performance on external marketing messages	2.30	1.9	3.0	2.0
Overall mean score for Interface 4	2.60	1.98	3.0	2.83

Table 5.3 Mean score interpretation for Interface 4

5.3 Discussion of findings

This section provides an account of the findings of the study for Interface 3 and Interface 4 Effect on internal stakeholders. A brief discussion of the findings for each of the two interfaces is also furnished.

5.3.1 Discussion of the findings for Interface 3 – The Service Delivery Gap

The general impression is that there is a low score for Interface 3 in general. A discrepancy between the overall mean score for councillors and the overall mean score for other management and other employees is evident. The councillor stratum has a much more negative perception of Interface 3 as a whole, indicating that they perceive a definite gap between the service production and delivery process and actual service quality specifications.

The first three statements all focus on the availability of information on quality specifications and the mean scores indicate that other management and other employees view this group of statements in a much less negative manner than councillors. Councillors gave an extremely low score on statement 4, pertaining to the inter-functional and inter-directorate teamwork. Statements 6 and 13 both refer to the organisational structure of George Municipality and on both these statements councillors also gave very low mean scores. It is further evident that the exceedingly low mean scores of councillors for statements 10 and 15, relating to the organisational goals and culture, as well as for statements 7 and 16, relating to communication systems and the regularity of communication, depict a very negative perception by councillors. It should further be noted that five of the nine councillor stratum respondents have been in the employ of Council for less than twelve months. They could thus be classified as "new" councillors and may not be fully aware of the communication systems and methods employed at George Municipality.

The fact that none of the overall mean scores of the respondent groups for the sixteen statements for Interface 3 provided a mean score of 4 indicates that the majority of the respondents did not agree or *strongly* agree with the statements. As the statements were all phrased in the positive, this could only highlight the overall negative perception of the respondents pertaining to quality specifications.

The highest scores achieved by other management and other employees were for statement 12, pertaining to the understanding of individual roles in the organisation. For both the other management and the other employees strata this was the statement with the highest overall score; councillors again scored very low on this statement in comparison with the other strata. Other management and other employees also scored relatively better on statement 11, in comparison to other statements and referring to the role clarification of directorates in meeting the goals of the organisation.

The majority of statements received a mean score of lower than 3, suggesting that the respondents did not agree or strongly disagreed with the statements, showing issues that require immediate action and attention. Both statements 6 and 13 refer to the organisational structure's effect on information flow, especially between directorates. Other management received one of their lowest scores on statement 13 and other employees on statement 6.

A relative discrepancy is also evident at statement 9, concerning the commitment of a directorate due to regular management communication. The other management stratum received a comparatively higher mean score for this statement than the other employees stratum, and a much higher score than the councillors stratum. Statement 16 also refers to regular communication and here other management again scored a little higher than other employees. other management also scored higher than other employees on statement 8, referring

to management's commitment to service quality that result in higher motivation levels for others.

Statement 1 refers to the regular updating of quality specifications. It is interesting that a variance between other management and other employees indicate that the latter perceive this statement a little more positively. Other employees also gave a slightly higher score on statement 3, referring to information accessibility.

The statement with the lowest overall mean score is statement 6, relating to the inter-functional and inter-directorate teamwork to support information transfer.

None of the mean scores achieved were above 3.0, indicating that the majority of respondents had a neutral to more negative response to the statements. As all the statements were phrased in the positive, this clearly indicates an overall negative perception of the first sixteen statements.

5.3.1.1   Brief interpretation of the findings for Interface 3

One of the many possible reasons for the discrepancy between the overall more negative perception of Interface 3 by councillors, could be the fact that not all the councillors occupy offices permanently in the municipal buildings and are thus not directly involved in the service delivery process.

The first 3 statements all focus on the availability of information on quality specifications and the mean scores indicate that other management and other employees view this group of statements in a much less negative manner than councillors. Again, this could indicate that councillors do not have the same level of access to information on quality specifications than employees.

It was mentioned earlier in the study that the majority of the councillor stratum respondents have been in the employ of Council for less than 12 months; they are thus classified as "new" councillors. It is thus possible that they are not yet fully aware of the communication systems and methods employed at George Municipality.

The highest overall score given by other management and other employees was for statement 12, pertaining to the understanding of individual roles in the organisation. The relatively high scores in comparison with all the other statements could indicate that although employees and middle management perceive their own roles in the organisation as clear, they do not perceive sufficient support from the organisation to utilise this understanding in a positive manner. Other management and other employees also scored relatively better on statement 11, in comparison to other statements and referring to the role clarification of directorates in meeting the goals of the organisation. Provisional indications are that George Municipality is still structured in a traditional pyramid organisational structure and this could again strengthen the perception that although clear guidelines and role classifications are available, a negative perception of support and empowerment is evident.

Statements 6 and 13 refer to the organisational structure's effect on information flow, specifically between directorates. Other management received one of their lowest scores on statement 13 and other employees on statement 6. With the exception of top management not having any results, this could indicate that all other employees view the current structure of the organisation as negative in supporting internal communication and information flow.

The other management stratum received a comparatively higher mean score than the other employees stratum for statement 9, concerning the commitment of a directorate due to regular management communication. This could be an indication that top management communicates more regularly with other

management than other management with other employees. Other management should supposedly be the link between top management and other employees. Statement 16 also refers to regular communication and here other management again scored a little higher than other employees. Other management also scored higher than other employees on statement 8, referring to management's commitment; this could indicate that other management experiences top management's commitment on motivation levels in a more positive light.

Other employees perceived statement 1, referring to the regular updating of quality specifications, more positively than other management. This variance could be attributed to the other employees functioning on an operational level (and thus more responsible for this type of data gathering) and other management operating more often on the planning and strategic level, probably not being as involved in information updating. Other employees further scored statement 3 slightly higher, referring to information accessibility. This tenuous variance could also possibly be attributed to the different levels of operation of the two strata.

The lowest overall mean score was given to statement 6, relating to the inter-functional and inter-directorate teamwork to support information transfer. It could be deduced that inter-directorate communication is thus relatively poor and further examination into the matter could be useful.

The fact that none of the top management samples returned the questionnaires is a matter of concern and could indicate that this level of the organisation does not value the importance of internal communication. This could also contribute to the overall scores not reaching a satisfactory level of agreement; a lack of motivation and commitment is visible from this stratum and it could contribute to a negative perception by other employees.

Since none of the mean scores achieved were above 3.5, all the issues addressed in the first sixteen statements require alert status and corrective measures. It could prove useful to encourage further investigation of the variances between councillors and all other employees, especially since the overall mean score for councillors for Interface 3 is far below the general overall mean score for Interface 3.

5.3.2 Discussion of the findings for Interface 4 Effect on internal stakeholders – The Market Communication Gap

The overall mean scores are very low in general. Although the overall mean scores for the other management stratum and the other employees stratum were a little higher at Interface 4 Effect on internal stakeholders than at Interface 3, the highest overall mean score was only 3.0 (for the other management stratum). The councillors stratum's overall mean score was lower at Interface 4 Effect on internal stakeholders than at Interface 3, and again relatively lower than that of the other two strata.

An interesting difference can be detected between the perceptions of other employees and councillors on the one hand (both achieving their lowest scores on statement 22) and other management on the other hand (achieving a notably higher score on statement 22). Statement 22 refers to the feedback on a directorate's performance on external marketing messages. Other management perceives feedback on a directorate's performance much higher than the other two strata.

With the exception of statement 22, relating to a directorate's feedback on performance on external marketing messages, the other management stratum and the other employees stratum scored evenly on all five other statements concerning Interface 4 Effect on internal stakeholders. The remaining five statements are primarily concerned with the perceptions of inter-functional

linkages, the availability of information on external marketing messages, the clarity of individual and directorate's roles in delivering on external marketing messages and inter-directorate communication. Other management and other employees consistently scored higher on all six statements relating to Interface 4 Effect on internal stakeholders than did councillors.

None of the scores achieved for the six statements referring to Interface 4 Effect on internal stakeholders were higher than 3.0, indicating that the majority of respondents had a neutral to more negative response to the statements concerning this interface. The overall mean score per statement for all respondent groups for Interface 4 Effect on internal stakeholders was also lower than the overall mean score per statement for all respondent groups for Interface 3; this could indicate that the gap between market communication promises and service delivery is higher as perceived by the internal stakeholders.

5.3.2.1 Brief interpretation of the findings for Interface 4 Effect on internal stakeholders

The overall mean score for the councillors stratum was again relatively lower than that of the other two strata at Interface 4 Effect on internal stakeholders. This reinforces the deduction that councillors, especially recently elected councillors, are not properly informed and perceive internal communication in a relatively negative light.

Statement 22 refers to the feedback on a directorate's performance on external marketing messages. Feedback on own directorates' performance was perceived more positively by the other management stratum than the other two strata. The difference could again be ascribed to the possibility that other management communicates more regularly with top management and thus feel more informed. This could again suggest that other management does not properly convey important information received from top management to other

employees (Other management being the link between other employees and top management) and that councillors are marginalised pertaining to information transfer.

The overall mean scores given for Interface 4 Effect on internal stakeholders were not higher than 3.0, indicating that the majority of respondents either had a neutral perception of the positively phrased statements or disagreed with the statements in varying degrees. All the issues contained in the six statements concerning Interface 4 Effect on internal stakeholders thus require alert status and immediate action.

5.3.3 General discussion of the findings

In terms of Interface 3 and Interface 4 Effect on internal stakeholders, the most significant divergence is apparent in the overall lower rating of Interface 4 Effect on internal stakeholders. Although Interface 4 is not assessed in its entirety, but only in the limited context of the *minor, reflected* but relatively important effect of external communication upon internal stakeholders, and only as far as it has a reflected impact on internal groups, the overall lower mean score for Interface 4 Effect on internal stakeholders is noteworthy. An investigation into possible generative forces or tendencies at both Interface 3 and Interface 4 Effect on internal stakeholders could prove useful for internal communication advancement and enhancement within the organisation.

In terms of the deviations between the four strata, the most evident finding is the fact that the response rate for top management was 0%. The second important deviation is manifested in the general overall lower scores for councillors at both Interface 3 and Interface 4 Effect on internal stakeholders. The remaining two strata, other management and other employees generally concur with each other.

Particular issues that were identified as especially fallible, based on the overall mean scores per statement lower than 2.5, include:

I. accessibility of information on quality specifications.
II. degree to which inter-functional and inter-directorate teamwork supports information transfer.
III. degree to which the structure of the organisation supports inter-directorate communication and synergy.
IV. degree to which the structure of the organisation supports effective information flow.
V. the lack of feedback on directorates' performance on external marketing messages.

5.4 The effectiveness of internal communication functions at Interface 3 and Interface 4 Effect on internal stakeholders

Earlier in the study, in Table 2.3 of Chapter 2, the functions of communication at all the interfaces were depicted. The following table specifically illustrates the functions of communication at Interface 3 and Interface 4 Effect on internal stakeholders:

Interface	*Component of communication*	*Relevant purpose of communication*
Interface 3 – Service Delivery	▪ Employees do not understand quality specifications pertaining to external customers	▪ Knowledge management ▪ Strategic alignment
	▪ **Employees do not understand quality specifications pertaining to internal**	▪ **Strategic alignment** ▪ **Knowledge management** ▪ **Internal relationship**

	clients	**development**
	▪ Lack of alignment between corporate culture and quality specification	▪ Strategic alignment
	▪ **Lack of management of service operations**	▪ **Knowledge management**
	▪ Lack of technology, systems and training to facilitate service performance	▪ Motivation ▪ Knowledge management
Interface 4 Effect on internal stakeholders – Market Communication	▪ **Lack of integration between market communication planning and service operations**	▪ **Strategic alignment** ▪ **Knowledge management**
	▪ Lack of ability of the internal market to deliver on promises made by external marketing	▪ Knowledge management ▪ Motivation
	▪ **Insufficient coordination between traditional external marketing and operations**	▪ **Strategic alignment** ▪ **Knowledge management**

Table 5.4 The functions of communication at Interface 3 and Interface 4 Effect on internal stakeholders

A mean rating of 4 or higher was identified as the score at which the majority of respondents agree or strongly agree with the statement, translating into issues requiring no action, monitoring or prevention measures. A mean rating of less

than 4 would therefore indicate issues requiring monitoring, prevention measures, immediate action, or all of the aforementioned. It could thus be argued that a mean rating of 4 would be an indication of effectiveness. The extent to which the internal communication functions operating in Interface 3 and Interface 4 Effect on internal stakeholders as indicated above are executed effectively, in terms of the results, can be illustrated as follows:

Interface	Overall Mean Score	Effectiveness	Internal Communication Functions
3	2.58	*Ineffective*	**Knowledge management** Strategic alignment **Motivation** Internal relationship development
4 Effect on internal stakeholders	2.60	*Ineffective*	**Knowledge management** Strategic alignment **Motivation**

Table 5.5 Effectiveness of internal communication functions at Interface 3 and Interface 4 Effect on internal stakeholders

Grönroos (2000:360) states that a service culture is required for a service-orientation in an organisation. A service culture is "*a culture where an appreciation for good service exists, and where giving good service to internal, and ultimately external, customers is considered by everyone a natural way of life and one of the most important values*" (Grönroos 2000:360). Against the background of this study, the aforementioned definition could be interpreted as employees utilising internal communication functions effectively to enhance service delivery to internal and ultimately external customers.

The key features of a service-oriented approach could be listed as follows:

I. shared values and beliefs between employees to enhance relationships with internal as well as external customers;

II. service is the primary focus of the organisation; and

III. the coordination and integration of all organisational functions to enhance service quality (Grönroos 2000:360-361).

Table 5.5 indicates that none of the internal communication functions is executed effectively at Interface 3 and Interface 4 Effect on internal stakeholders. It could thus be argued that internal communication does not support a service-orientation in George Municipality.

5.5 Internal communication requirements of George Municipality

The primary focus of this study is to perform an assessment of the internal communication requirements of George Municipality within the framework of a service-oriented approach. Should the variables identified in Table 4.2 be logically grouped together per interface, four primary communication functions can be distinguished at Interface 3 and Interface 4 Effect on internal stakeholders. These communication functions (Requirements) are listed in Table 2.3 of Chapter 2 and are as follows:

I. knowledge management;

II. strategic alignment;

III. internal relationship building; and

IV. motivation.

The results of the study clearly indicate that the current internal communication functions at George Municipality are ineffective

Recommendations to address the aforementioned four communication requirements identified for George Municipality and their relation to the five particularly weak issues identified in 5.3.3 will be discussed in the next section.

5.6 Recommendations for internal communication at George Municipality viewed from a service-oriented approach

The functions of the various communication models, systems, and trends were discussed in the perusal of the literature provided in Chapter 2. This section will primarily focus on recommendations and internal communication solutions, derived from the literature review in Chapter 2. The recommendations will address the weak issues referring to internal communication identified in 5.3.3 and the communication requirements briefly listed in 5.5.

According to Grönroos 2000:265, the relationship and synergy between the respective means of communication and communication models should be emphasised and integrated with factors such as the technical quality of services, culminating in the total service-oriented image or brand of the organisation. This approach was one of the reasons behind the decision to include various communication disciplines in the literature review and in the provision of recommendations.

5.6.1 Knowledge management

In Table 5.4, the components of communication at the two assessed interfaces were illustrated. This table indicated that employees do not understand quality pertaining to external customers, that service operations are not managed properly, that the internal market lacks the ability to perform on external market messages and that coordination between traditional external marketing and operations is insufficient. The overall mean scores given for these components of communication indicated that the internal function of communication described as knowledge management, is ineffective.

The first three statements referred to the availability, accessibility, and regular updating of information. None of the mean scores for these statements were of

an acceptable level, especially the scores for councillors. Councillors also gave particularly low scores to statements 7 and 16, relating to communication systems and the degree to which communication is regular. This indicates clearly that information is not managed properly in the organisation, and that the councillor group is especially marginalised pertaining to information accessibility. The information, or knowledge, could be managed more effectively through the application of knowledge management techniques.

Knowledge management is defined by Smit and Cronjé (2002:465) as "an integrated, systematic approach to identifying, managing, and sharing an organisation's information assets". Senge (2001:279) suggests the concept of mental models and replicating individuals' knowledge. Electronic technology can be utilised in the George Municipality to develop a prototype of a knowledge database, keeping in mind that such a database should be continuously updated. By utilising the accumulated knowledge of all individuals in the George Municipality, and then sharing it with all levels of the organisation, knowledge loss will be prevented and employees will be informed through new knowledge types.

Exploiting and developing the variety of skills, knowledge and experience of all employees, may increase the possibilities for effective problem resolution as well as employee motivation. In short, effective knowledge management should be applied.

Du Plessis *et al* (2004:31) state that intraorganisational communication is the "encompassing whole or context of all levels of communication in the internal environment of the organisation". Intraorganisational communication can be applied to create knowledge branding (Eppler & Will 2001:447), enhance interaction of knowledge between individuals in the organisation (Tucker *et al* 1996:2) and may assist in fostering a work climate that is supportive of creativity (Williams 2001:64). It was noted that five of the nine councillors in the councillor stratum have been in the employ of Council for less than 12 months. They could

be classified as "new" councillors. It is recommended that relevant documentation be made available to employees, and especially councillors, who are directly involved with certain issues, by utilising intraorganisational communication in the form of regular memorandums, briefing documents, reports, minutes, and where possible, e-mail messages. A possible solution could be the establishment of an intranet where information relating to specific directorates and relevant issues, is made available on a regular basis. The information on the intranet should be updated regularly. Councillors serving on the applicable committee relating to the issues grouped per directorate should be supplied with the documentation in writing, if they not have access to computers and the intranet.

The overall mean score for councillors for Interface 3 is far below the general overall mean score for Interface 3, indicating a variance with the employees forming part of the other two strata. The councillors stratum's overall mean score was even lower at Interface 4 Effect on internal stakeholders than at Interface 3, and again relatively lower than that of the other two strata. Although Interface 4 Effect on internal stakeholders was only assessed as far as it has a reflected impact on the internal stakeholders, it is evident that the councillor group does not perceive information transfer positively. As councillors, as a group, are more in contact with external stakeholders and their constituency, it is imperative that they are properly informed through effective information transfer. By making councillors more involved, the knowledge they have as a group pertaining to the needs of external customers, could be managed and utilised to the benefit of the organisation. It is therefore recommended that an induction programme be developed for councillors, educating them on the communication methods and systems utilised at George Municipality. It was mentioned earlier that not all councillors occupy offices in the municipal buildings and are thus not as involved in the service process. Particular attention should thus be given to involve councillors actively in the service process by making information available to them. Employees, especially those from the other employees stratum, not

necessarily previously included in the process of information availability, could be invited to attend the induction programme.

Intraorganisational communication could further be employed to assist in developing mental models, intellectual capital and a knowledge database (Parasuraman *et al* cited in Grönroos 2000:75; Senge 2001:279; Yen & Chou 2001:80).

Internal marketing could assist in utilising the skills and attitudes of employees on which to base service quality on (Chaston 1995:332). New ideas, or even changes on existing issues, should be marketed to employees first to obtain their buy-in and to extract possible knowledge and skills they could provide.

Regular section meetings could assist George Municipality in drawing out and distributing knowledge internal to employees, thus capitalising on the intellectual assets of the employees.

Statements 6 and 13 refer to the organisational structure's effect on information flow, especially between directorates. The other management group gave a particularly low score for statement 13 and the other employees group for statement 6. It is therefore recommended that an investigation into the structure of the organisation be conducted to determine exactly where the flow of information is hampered. Regular inter-directorate meetings could be conducted to enhance information flow between directorates. Should it prove impossible to conduct inter-directorate meetings involving all applicable employees, only the section heads could be involved in inter-directorate meetings. Section heads could in turn relay applicable information to their subordinates during regular section meetings. The fact that the lowest overall mean score for Interface 3 was given for statement 6, relating to inter-functional and inter-directorate teamwork to support information transfer, emphasises the necessity for regular inter-directorate communication. Provisional indications reveal that George

Municipality is structured on the traditional pyramid and bureaucratic model, promoting a top-down approach and prohibiting more horizontal levels of control. Inter-directorate meetings could increase information transfer on more horizontal levels without dispersing control too much.

Statement 1 refers to the regular updating of quality specifications. The other employees group perceived this statement more positively than the other management group. This could be due to the fact that the other employees group function more on the operational level than the other management group, and are thus more responsible for this type of data gathering. The other employees group further gave a slightly better score for statement 3, referring to information accessibility. This variance could also possibly be attributed to the different levels of operation for the two strata. A possible solution could be regular reports on updated information to the other management group.

The overall mean score per statement for all respondent groups for Interface 4 Effect on internal stakeholders was lower than the overall mean score per statement for all respondent groups for Interface 3. This could indicate that all respondent groups perceive the gap between market communication promises and service delivery more negatively than the service delivery gap. Interface 4 Effect on internal stakeholders was not assessed in its entirety, but the *minor, reflected* effect it has on internal groups indicate that information on external marketing messages is not effectively transferred. Information on external marketing messages could be marketed to respondent groups first and be made available on the intranet for easy reference.

The non-participation of the top management stratum could be an indication that this group's non-committal attitude negatively influences other groups' perceptions of knowledge transfer. It could further signal the possibility that important information is withheld by the top management group; maybe not intentionally, but by way of not communicating information effectively.

Knowledge internal to the top management group should be transferred to deputies, and even sections heads, on a regular basis to ensure that all levels of the organisation are informed properly. The expansion of the knowledge base via this route could contribute to the enhancement of service delivery.

5.6.2 Motivation

Statement 9, concerning the commitment of a directorate due to regular management communication, revealed a notable discrepancy. The other management stratum gave a comparatively higher score for this statement than the other employees stratum, and a much higher score than the councillors stratum. Statement 16 also refers to regular communication and here other management gave higher scores than other employees. Other management also scored higher than other employees on statement 8, relating to management's commitment to service quality that results in higher motivation levels for others.

It is also evident from the scores that regular management communication and management's commitment are ineffective, as none of the scores reached 4, where 4 indicates a level of effectiveness.

Perhaps one of the most important functions of management communication is motivation. Wiley (1997:265) emphasises this idea when identifying motivation as one of the three major determinants of employee performance, the other two being the work environment and ability. Wiley (1997:265) is also of the opinion that the best source for motivational problems is the employee itself; effective management communication methods are therefore recommended.

Du Plessis *et al* (2004:26) and Van Rekom (1997:412) state that effective management communication increases motivation, decreases conflict and resistance to change, increases effective transfer of information in culturally

homogeneous settings and increases team building coupled with creative thinking and problem solving. It could also assist in establishing a corporate culture and corporate identity through shared beliefs and thus enhance motivation to adhere to the shared values and beliefs (Gee & Burke 2001:135; Moran & Brightman 2001:113; Wilson 2001:357).

The literature supports the recommendation that management should communicate more regularly to increase motivation levels of employees at George Municipality. Management should make their commitment to service delivery visible through meetings involving all employees in a directorate on at least a bi-monthly basis. Internal memorandums, e-mail messages, and monthly meetings with deputies and section heads could demonstrate management's commitment to other levels of employees.

The other management stratum and the other employees stratum gave their highest scores for Interface 3 on statement 12, referring to the understanding of their individual roles in the organisation. Although the councillors stratum again scored very low on this statement in comparison to the other two strata, it indicates that the majority of respondents understand their own roles in the organisation. If these high scores, however, should be compared to the overall low rating for statements pertaining to regular management communication and management's commitment, it could indicate that employees, and councillors to a lesser extent, do understand their own roles but do not feel motivated to act out their own roles. The relatively high scores for clarity on own roles, in comparison with all the other statements, could indicate that employees do not perceive sufficient support from management to utilise the understanding of roles in a positive manner.   Provisional indications are that George Municipality is structured in a traditional pyramid organisational structure; this type of organisational structure is not supportive of empowerment and motivation and adheres more to clear guidelines and a set of rules.

Top management at George Municipality, together with more regular communication, could employ flatter and more horizontal structures, and a dispersement of control, to enhance motivation amongst employees and councillors. This recommendation is supported by the fact that the other management stratum gave a comparatively higher score than the other employees stratum on statement 9, referring to the commitment of a directorate due to regular management communication. The more positive perception by the other management stratum could be due to the fact that top management communicates more regularly with the other management stratum than with the other employees stratum. Flatter and more horizontal structures within George Municipality could enhance the probability of top management communicating more regularly with other levels of employees.

The other management stratum also scored higher on statement 16, referring to regular communication, and statement 8, referring to management's commitment, than the other employees stratum. Other management thus experiences top management's commitment more positively. Should it prove impossible to flatten the structures within George Municipality significantly to enhance the possibility of top management communicating with all levels of employees, the already recommended section meetings should be employed by top management to communicate with other levels of employees. The bi-monthly directorate meetings recommended earlier could also be utilised by top management to emphasise their commitment and to increase the degree to which regular communication by them takes place.

Integrated marketing communications, defined by Grönroos (2000:265) as the absolute communication idea, employing a variety of communication media to communicate the service message to internal stakeholders, can ensure that others "say" and "do" in a positive manner about the organisation (Grönroos 2000:266). The variety of communication media referred to in the aforementioned statement, could include a quarterly directorate social gathering,

a monthly newsletter by the director to be made available to employees in the directorate, a quarterly newsletter by the Municipal Manager to be made available to all employees, internal memorandums, the intranet and e-mail.

With the limited assessment of Interface 4 Effect on internal stakeholders, and specifically relating to statement 22, referring to the feedback on a directorate's performance on external marketing messages, a variance could be detected. The perceptions of the other management stratum were more positive relating to feedback, than that of the other employees stratum and the councillors stratum. This could again indicate that top management communicates more regularly with the other management stratum, reporting directly to them, than with the other two strata. The other management stratum thus feel more motivated due to regular feedback from top management.

Again, the pyramid type structure of George Municipality could influence the levels of the organisation with which top management communicates regularly. This variance could also suggest that the other management stratum does not properly convey important information received from top management to other employees. Other management is supposed to be the link between other employees and top management within this type of organisational structure. The recommended section meetings could be utilised to convey important information and the intranet, e-mail and internal memorandums could further improve management communication.

Councillors gave their lowest score for Interface 4 Effect on internal stakeholders to statement 22, referring to the feedback on a directorate's performance. The Municipal Manager as well as the political leader should ensure that communication from them as top-level managers, reach the councillors on a regular basis and in an effective manner. The caucus meetings of the respective political parties could be employed to enhance effective management communication to councillors, as could the monthly committee meetings.

The particular issues identified as especially fallible, discussed in 5.3.3, included the degree to which the structure of the organisation supports effective information flow and the lack of feedback on directorates' performance on external marketing messages. Again, a dispersement of control and more horizontal structures are recommended to ensure that all levels of employees and councillors at George Municipality are included in the information flow process to enhance motivation.

Statement 14 refers to the effect that the availability of resources and training has on motivation levels. Councillors gave an especially low score to this statement, and all three respondent groups gave a score of 3 or lower to the statement, indicating that resources and training is ineffective. It is therefore recommended that a thorough needs analysis be conducted of the needs of employees, and especially councillors, with regard to training and resources. The needs identified through the recommended analysis, should be prioritised, and budgeted for as soon as possible. It could also prove useful to conduct a cost analysis pertaining to the purchasing of laptop computers for councillors and employees attending official Council meetings, as opposed to providing information in printed format. The current method of printed agendas and minutes results in a high cost for printing equipment and paper on the one hand, and slow delivery of documents on the other hand. Computer technology could reduce the long-term printing costs and the time constraints of delivery of documents significantly. Both employees and councillors would feel more empowered and motivated should such a "perk" be considered.

It is essential that employees and councillors further receive proper training to utilise the proposed computer equipment and software. Training on subjects specifically related to local government, e.g. applicable legislation, supply chain procedures, and internal policies could further increase the motivation levels of employees and councillors. The aforementioned training could be combined with

the induction programme recommended in the discussion on knowledge management.

Vocational training for employees, either further education for already skilled employees or basic training for employees showing promise in a certain field, will undoubtedly contribute to increased motivation levels and a reduction of turnover in employees. A thorough skills audit is recommended to identify skills gaps and the possibilities for skills enhancement.   Skilled employees will feel more motivated and empowered, and will thus contribute to service delivery in a positive manner supporting a service-orientation in George Municipality.

Motivation is decreased by the lack of ability of the internal market to deliver on external marketing messages. Even with the limited assessment of Interface 4 Effect on internal stakeholders, it is thus evident that sufficient training and resources will motivate employees and increase their ability to deliver on promises made by external marketing efforts.

The non-participation of the top management stratum indicates a lack of motivation and commitment from this stratum, contributing to the negative perception of this stratum's communication by other employees. A workshop on the benefits of effective management communication and its effect on the motivation levels of employees could be held to sensitise top management to the importance of regular management communication.

5.6.3 Strategic alignment

Shelby (1993:254-5) and Steyn and Puth (2000:6) posit that effective communication by management may be utilised to achieve organisational goals. Intraorganisational communication can enhance strategic alignment by communicating the "big picture" to all internal stakeholders and ultimately to external stakeholders as well (Puth 2002:204; Mersham & Skinner 2001:69).

Marketing communication, operating primarily at Interface 4, may promote synergy (Du Plessis *et al* 2003:9; Garber & Dotson 2002:1) and consistency of messages (Wilson 2001:353). Effective marketing communication could strengthen the correlation between employee satisfaction and service quality (Beckett-Camarata *et al* 1998:76; Grönroos 2000:330; Homburg & Stock 2004:144; Luthans 1992:143).

Grönroos (2000:265) describes integrated marketing communications as the total communication concept, based not only on planned communication efforts but also on utilising separate and distinct communications media to communicate the organisation's message to its internal and external stakeholders. Integrated marketing communications can be employed to force a holistic approach (Tsai 2005b:13) and to coordinate communications (Tsai 2005a:434).

The application of internal marketing techniques could assist employees in understanding the interdependence between directorates and sections and to view themselves as components of the system (Deming quoted in Kuei 1999:783). This technique could ensure strategic goal alignment in the organisation.

The organisation should strive to instill a culture of community upliftment and improved living standards in all internal stakeholders (employees); cooperative governance should be promoted at all times.

Aligning functional departmental goals with overall organisational goals, will allow employees to prepare for the unexpected by not having to follow rigid rules and regulations. This type of strategic alignment could refer to the breakdown of the traditional bureaucratical organisational structure of George Municipality.

It is proposed that a workshop then be conducted between top management and all councillors (not only full-time councillors), facilitated by a consultant with

objective views, to develop a summarised list of organisational goals. These goals should be developed in line with the current mission and vision of the organisation and directed towards addressing the needs of the organisation's stakeholders (the community) as set out in the Integrated Development Plan. Quarterly workshops, involving all employees from a specific directorate, should then be conducted be each director to convey these organisational goals to the lower echelons of the organisation. Such quarterly workshops will ensure that each directorate's role and individual goals are aligned with the overall organisational goals. It will further re-emphasise the mission and the vision of the organisation to each employee and remind them of their individual roles in achieving success and service delivery for the organisation.

An organisational booklet should be developed, containing the organisational goals, the vision, and the mission of the organisation. The booklet could also include a message from the Municipal Manager and the Executive Mayor, motivating employees to align their individual goals with the organisational goals. The overall objective of service delivery and the management of services should be emphasised in the booklet and each employee should understand his/her own role in the overall service-orientation of the organisation. Each director could also develop a five-year vision and a mission for his/her directorate, aligned with the vision and mission of the directorate, and it could further be included in the booklet.

These booklets should be distributed at the first quarterly directorate workshop and it should be stressed that the individuals should bring the booklets to all ensuing quarterly workshops. This would ensure that employees are forced to regularly compare their own goals and performance with that of the organisation.

The booklets should be revised every five years, preferably as soon as the local government elections took place. Revision will ensure that the goals are retooled to include the goals of a newly elected Council and a new Municipal Manager.

Should a Council, Municipal Manager, or a director be replaced any time within the proposed five-year period, a revision of the booklet and the goals it contains should be imperative.

5.6.4 Internal relationship building and internal marketing

Management communication can also increase team-building attitudes combined with creative thinking and problem solving (Du Plessis *et al* 2004:26 & Van Rekom 1997:412). Intraorganisational communication can aid in delivering the service quality message to all employees (Schneider 2004:146). Hardaker and Fill (2005:367) state that effective intraorganisational communication can promote internal marketing to improve employee performance, involve aspects of recruitment, training, motivation, retention, affiliation and the provision of long-term employee satisfaction. The proposed section meetings and quarterly workshops will all contribute to strengthen internal marketing of ideas to employees and will enhance management communication.

Marketing communication, relating to Interface 4, may assist in Informing, persuading, inciting and reminding internal and external consumers (Keller 2001:819; Parasuraman *et al* cited in Grönroos 2000:75) . It could further improve customer perception and personalisation (Goldsmith 1999:180; Vignali 2001:98; Yudelson 1999:65), and will thus influence the perceptions of internal stakeholders. Any new ideas affecting employees, located either in a specific directorate or employees in general, should be marketed to employees first. A possible solution could be to discuss items to be submitted to official Council meetings at the section meetings. Employees can thus be involved in the decision-making process and can assist in identifying possible solutions or even obstacles.

Steyn and Puth (2000:5) state that corporate communication is managed communication on behalf of the organisation, aiming at increasing organisational effectiveness by creating and maintaining relationships with stakeholders. The

relationship with consumers and employees is very important within an organisation with a service-oriented approach. Corporate communication can assist in identifying internal and external influences and stakeholders (Steyn & Puth 2000:17-18) to enhance relationship development. Again regular section meetings could enhance corporate communication in the organisation. The proposed newsletters by directors and the Municipal Manager can further promote effective corporate communication.

IT/Computer Mediated communication may assist the organisation to reach consumers (and thus internal consumers as well) more frequently and with greater impact (Du Plessis *et al* 2003:339). Grönroos (1997:327) defines relationship marketing as the process where the organisation "attracts the customer and builds a relationship with the customer so that the economic goals of that relationship are achieved". Relationship marketing could enhance building a relationship with consumers (specifically internal consumers) as well as suppliers through personalisation, procedures, processes, and physical assets (Goldsmith 1999:180; Parasuraman *et al* cited in Grönroos 2000:75; Vignali 2001:98). Relationship marketing could assist in the forming of partnerships between the organisation (the provider) and the employees as internal consumers (Grönroos 1997:330; Yudelson 1999:65). Improved information exchange between the internal customer and the organisation, referred to as relationship dialogue, could be achieved by applying effective relationship marketing techniques (Grönroos 2000:78; Grönroos 2000:279). Personalisation can take place by designing a letterhead for each directorate to be utilised for internal memorandums and other inter-directorate communication. Physical assets could be personalised by branding each directorate's offices with their own logo and credo and even corporate colours. Employees will feel proud to be associated with their respective directorates should such personalisation techniques be applied and will build a relationship with the organisation as a whole and specifically the directorate.

Internal marketing, emphasising the functional relations of the organisation, can enhance employees' understanding of the total business operation concept and motivate them to adopt a service-oriented approach. Grönroos (1981) (in Lee and Chen 2005:662) is of the opinion that employees are internal clients and jobs are internal products. Internal marketing can thus act as a strategic management philosophy, which attracts, develops, motivates, and maintains outstanding employees thereby integrating marketing concepts and human resource management functions (Dennis quoted in Lee and Chen 2005:663). Communication is the means by which internal marketing can effectively be achieved.

Grönroos (2000:307) states that an organisation which essentially sells services (e.g. George Municipality) should regard user-service provider relationships inside the organisation as equally important to external customers. In practice, this concept refers to the support required by employees and directorates in direct contact with the customer. Other employees and departments in the organisation (Grönroos 2000:307) should provide the required support. Grönroos cited in Lee and Chen (2005:63) identifies seven structural aspects of internal marketing including: training, management support and mutual internal communication, support for internal communication and information, personnel administration tools and human resource management, external communication, market research and market dividers. The proposed inter-directorate meetings will enhance information transfer between directorates and will serve as a platform to identify the needs of other directorates.

Grönroos (2000:308) emphasises the fact that employees will be more willing to "serve" each other when the importance of internal customer relationships are realised by them.

Applying internal marketing techniques will force management to view employees as internal customers and their jobs as internal products (Berry 1981:34) and

ensure that all relationships within the organisation are viewed as important (Chaston 1994:1). All employees in the organisation should be involved in facilitating, building, and maintaining relationships (Colgate & Stewart 1997:454). Employees should regard their fellow employees and directorates as their customers. Kuei (1999:790) further states that a perceived quality-oriented climate is the most important factor for determining the level of perceived intangible internal service quality.

Du Plessis *et al* (2003:9) describe integrated marketing communication as "a cross-functional process for creating and nourishing profitable relationships with customers and other stakeholders by strategically controlling or influencing all messages sent to these groups and encouraging data-driven, purposeful dialogue with them"; the George Municipality needs to focus on developing an integrated communication strategy to achieve this objective. The establishment of a Communication Section will ensure that the development of an internal as well as external communication strategy will address the needs of internal and external stakeholders.

Van Riel (1999:325) defines corporate communication as the concentration of management decision-making regarding the orchestrated implementation of all consciously used forms of internal and external communication, aimed at the creation of a favourable reputation with all relevant stakeholders the organisation depends upon. The proposed communication strategy should include the idea of branding each directorate's offices and stationery to market the directorate as part of the organisation to employees and external customers.

5.7   Organisational culture and image

Corporate communication may aid in promoting the image of the organisation and the idea that the organisation is part of the community (Tixier 2000:154). Kuei (1999:790) states that a perceived quality-oriented climate (or culture) is the

most important factor for determining the level of perceived intangible internal service quality.

Balmer and Grey (2000:256) state that the corporate identity (which could be integrated with the corporate image and culture) is the reality and uniqueness of an organisation, which is integrally related to its external and internal image and reputation through corporate communication. A positive corporate identity, organisational culture and image, could increase employees' abilities to cope with the acceleration of product life cycles, deregulation and privatisation programmes (Balmer & Grey 2000:257). It could further improve the management of public expectations for corporate social responsiveness (Balmer & Grey 2000:57), the management of increased competition in the service sector (Balmer & Grey 2000:257) and effective issues management.

Olins (1991:29-30) states that the corporate identity is a complicated construct, originating in the heart of the organisation. This statement relates to the idea of internal branding (De Chernatony, Drury & Segal-Horn 2003:17) and motivation (Grönroos 2000:330; Luthans 1992:143; Wiley 1997:265) to cultivate a corporate culture based on a service-oriented approach (Gee & Burke 2001:135; Wilson 2001:357).

The mission statement and the vision also form part of the corporate identity of an organisation and according to Ferrell *et al* (1994:76) the mission statement is "the cornerstone of an organisation's strategic plan", therefore an integral part of a service-oriented approach. The employees of the organisation should all be aware of the vision and mission of the organisation and be constantly reminded to re-enforce the message. This could be achieved by the production of the proposed booklet to be utilised at the quarterly directorate workshops. The importance of a directorate vision and mission, aligned with that of the organisation's mission and vision, is once again re-emphasised. The vision and mission of a specific directorate, as well as the vision and mission of the

organisation, should be printed in poster size and professionally framed. These posters should be displayed at the main reception area of each directorate and at the points where external customers make contact with the organisation directly, such as pay-points and customer service sections.

Wilson (2001:353) argues that those involved in the management of corporate marketing activities should be aware of the influence the corporate culture has on employees, hence the idea of informing the employees as well. Top management at the George Municipality should adopt the idea of allowing employees to be involved in strategic decision-making and thereby positively enhancing the corporate culture.

Stuart (1999:204) suggests that management communication can be utilised to translate the reality of the identity into corporate images held by various stakeholders, underlying the importance of management communication in creating an effective corporate identity supporting a service-oriented organisational culture. It could also assist in establishing a corporate culture and corporate identity through shared beliefs and thus enhance motivation to adhere to the shared values and beliefs (Gee & Burke 2001:135; Moran & Brightman 2001:113; Wilson 2001:357). The quarterly workshops and section meetings will assist in re-establishing the corporate culture and organisational beliefs.

A corporate culture and corporate identity is built through a system of shared beliefs. Often such beliefs, whether by employees or by regular consumers, are established over many years and influenced by major role players in the organisation such as Municipal Managers or Mayors in a local government environment. Duffy and Palmer (1994:27) suggest the possibility of capturing in-house interviews, oral histories, and mixed-media boilerplate about the organisation and capturing and storing them on compact disc for recombinant use in multimedia publications. The establishment of a resource centre is thus proposed. The resource centre could provide the opportunity for employees, as

internal customers, to have access to information pertaining to their specific jobs as well as information pertaining to the culture and history of the organisation. Where possible, photographs of previously employed key figures, such as Municipal Managers, Executive Mayors, Council members and even directors, should be made available as part of the resource centre. The resource centre will also provide a platform for distributing this information as well as other strategic information such as policies, by-laws, and strategies to external customers.

George Municipality should strive to build a corporate culture focusing on service delivery and quality and follow the three criteria for a corporate identity, originally formulated by Albert and Whetten quoted in Van Rekom (1997:413), to strengthen this service culture:

I. features considered as the essence of the organisation;
II. features that set the organisation apart from others; and
III. the continuity and sameness of these features over time.

Dowling (cited in Van Rekom 2001:411) defines the image of the organisation as the "set of meanings by which an object is known and through which people describe, remember, and relate to it". Van Rekom (2001:411) elaborates on this idea by delineating the image as the net result of the interaction of a person's beliefs, ideas, feelings and impressions about an object, residing in the head of that person. The corporate culture based on the customer as the primary focus should thus be instilled in employees at George Municipality by incorporating a variety of communication media to translate this message.

According to Margulies (1977:66), cited in Christensen & Askegaard (2001:295) the difference between corporate identity and corporate image is that corporate identity is the sum of all the ways an organisation can utilise to identify itself to all

its publics and stakeholders and corporate image is the perception of the organisation by these publics and stakeholders.

Van Rekom (2001:411) expresses the view that the difference is that corporate image resides in the heads of the stakeholders and corporate identity resides in the organisation. Image may thus be regarded as the perception of the receiver pertaining to the received projection of the corporate identity coupled with own interpretations of attributes form several sources (Cornelissen 2000:120). Bernstein (1984:15) already referred to this view earlier when he claimed that image could not be manufactured but only perceived; an organisation's corporate identity, however, can be changed.

5.8   General additional recommendations

Grönroos (2000:362-367) identifies four requirements for a service culture, namely:

I.   *Developing a service strategy*

- Top management's commitment to creating a service-oriented organisation;
- development and enforcement of an organisational mission and vision;
- definition of service concepts relating to the organisational mission and vision (stating *what* should be done, to *whom, how*, and with *which resources* and *what benefits* customers should be offered); and
- Human Resource Management (including good recruitment procedures, career planning, reward systems).

II. *Developing the Organisational Structure*

- all aspects of organisational design should be geared to the service process (more complicated formal structures will create more service related problems);
- easy access to services and quick and flexible decision-making (requiring cooperation between various departments in designing, developing and executing services);
- good informal organisational structure (a service-oriented organisation usually requires a flatter organisational structure with few hierarchical levels; the roles of managers and supervisors change and support and contact employees receive more responsibility);
- good operational systems, routines and work flows (simplified ways of doing things and avoidance of unnecessary delays promote customers' positive perceptions and employee motivation); and
- effective information technology (introduction of intranets to create a feeling of belonging and strengthening the corporate identity among employees; information should be easily retrievable, constantly updated and relevant).

III. *Developing Leadership*

- establishing service-oriented leadership (management should be supportive, inspirational and attuned to the individuals they manage);
- managers and supervisors should develop a service culture to be followed;
- regular communication by managers and supervisors (they should be willing, and know how to communicate with employees);

- avoid ambiguity (managers and supervisors should talk about the importance of good service and demonstrate this by their actions and their belief in this);

- top person in the organisation (Municipal Manager and Executive Mayor for the purposes of this study) should constantly give service strategy top priority and support;

- managers and supervisors should change from the traditional role of technical manager only controlling employees, to a service-oriented management style of guiding employees and leadership through coaching; and

- involve employees in planning and decision-making on issues directly relating to their functions (hereby communicating the strategy and objectives of the organisation and achieving employee commitment to the service strategy and goals).

IV. Service Training Programmes

- training employees to achieve the knowledge and attitude requirements for good service forming an integral part of internal marketing;

- providing employees with training on how the organisation operates, what makes up customer relationships, what their role in the organisation is and what is expected from them as individuals;

- training focused on the awareness of the organisation's mission, strategies and overall objectives;

- service training on developing a holistic view of the organisation and its sub functions as a service organisation (a general understanding of the service strategy and how to implement it);

- service training pertaining to developing skills concerning how various tasks are to be performed (vocational training providing skills to

employees to perform their tasks efficiently, especially tasks that changed after the introduction of a service strategy); and

- service training on developing specific communication and service skills (providing employees with specific skills as far as communication tasks and service-mindedness are concerned).

All of the aforementioned requirements should be taken cognisance of when developing a service strategy for George Municipality. The service strategy will support the objective of a service-orientation in the organisation and can be assisted by the communication strategy. The development of a service strategy and a communication strategy can both form part of the primary functions to be performed by the proposed Communication Section.

Power and Rienstra (1999:501) state that effective and coherent internal communication is essential for managing change in organisations; it is recommended that the George Municipality develop an effective internal and external communication strategy to support the overall business strategic objectives.

Some other primary functions of the proposed Communication Section could include, inter alia:

I. assistance with the development of five-year visions and missions for the organisation and the respective directorates;

II. assistance with the development of an over-arching long-term vision for the organisation;

III. development of branding material for the organisation and the respective directorates, e.g. corporate letterheads, internal memorandum letterheads, branded corporate material (pens, blotters, calendars, folders, bookmarks, etc.);

IV. development and maintenance of the municipal website;

V. development and maintenance of the resource centre;

VI. assistance with the development of summarised communication plans for each directorate;

VII. development of directorates' newsletters and the newsletter by the Municipal Manager;

VIII. regular inserts in the local newspaper informing the community of decisions, by-laws, policies, etc.;

IX. production of monthly newsletters;

X. conduction of community information workshops;

XI. development, maintenance, implementation and revision of a marketing strategy; and

XII. assistance with tourism-related marketing functions.

The more traditional pyramid structure of the George Municipality, with a clearly defined hierarchy, does not normally allow for more opportunities for shared leadership (Hellriegel *et al* 1999:431), encouraging active dialogue in the organisation and promoting systems thinking (Smit & Cronjé 2002:52). Structures that are more horizontal are proposed, corresponding with the concept of a learning organisation, defined by Johnson and Scholes (1999:498) as "capable of benefiting from the variety of knowledge, experience, and skills of individuals through a culture which encourages mutual questioning and challenge around a shared purpose or vision". A revision of the organisational structure, incorporating inputs from all levels of employees, is proposed.

Employees should be provided with sustained training with regard to technology. The alignment of functional departmental goals with overall organisational goals will allow employees to prepare for the unexpected by not having to follow rigid rules and regulations. Although the basic bureaucratic culture and structure of the George Municipality is appropriate for the civil service organisation it essentially is, the style should be adaptable to allow opportunities for skills variety and job autonomy. The organisation does not have competitors, but it

can still strive to be the best provider of services and adaptation and transformation will increase job satisfaction and therefore productivity. Sufficient training in and implementation of change management is further proposed.

5.9 Conclusion

In summary, this study provided a substantive model for the assessment of the internal communication requirements of a local authority, with specific reference to George Municipality. The theoretical foundation of the study depicted in a successful manner the importance of a service-oriented approach in an organisation and the results obtained through the research indicated clearly the ineffectiveness of a service-orientation within the selected organisation.

The findings proved that none of the four identified internal communication objectives were achieved effectively in George Municipality. A particular issue of concern was the overall negative perception portrayed by councillors and the non-committed attitude of top management. The overall results indicate several issues of concern demanding immediate attention and corrective measures.

Important recommendations were provided to George Municipality to include in an internal communication strategy approach to support a service-oriented approach in the organisation. The strategic orientation of organisations, also referring to strategic communication, is emphasised by Olve, Roy and Wetter (cited in Burger & Ducharme 2000:60) when they define a high-performance organisation, strengthening the vantage point that the strategic orientation of George Municipality should focus on service management and marketing.

Grönroos (2000:360) states that a service-orientation is the shared values and attitudes that influence people in an organisation in such a way those internal interactions between them and interactions between them and external customers are perceived positively. A comprehensive internal communication

strategy and regular communication audits to determine the effectiveness of this strategy is therefore imperative for the successful operation of the organisation in the current dynamic environment.

The conclusive reasoning behind the importance of this study for George Municipality can be summarised in this statement from Grönroos (2000:1): "Everyone faces service competition. No one can escape from it."

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LIST OF ILLUSTRATIONS.

Figure 3.1: 2007. George Municipality. *Short-term Marketing Plan*. South Africa: George Municipality.

Figure 3.6: 2005. George Municipality. *Economic Analysis*. South Africa: George Municipality.

Figure 3.7: 2005. George Municipality. *Economic Analysis*. South Africa: George Municipality.

Figure 3.8: George Municipality. 2005. [O].
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Figure 3.9: 2005. George Municipality. *George Focus Archives: May 2005*. South Africa: George Municipality.

Figure 3.10: 2006. George Municipality. *Focus On Archives: April 2006*. South Africa: George Municipality.

Figure 3.11: 2005. George Municipality. *Newspaper Advertisements Archives: George Herald February 2005*. South Africa: George Municipality.

ANNEXURE A

Dear Respondent

Ms Y Opperman is conducting an assessment of the internal communication in George Municipality.

Apart from obtaining relevant data for the intents of her study, the results of this survey will also serve as a tool to enable George Municipality to identify possible internal communication gaps. Recommendations can then be made to provide solutions that will promote internal communication within the organisation with the aim of empowering internal customers and heightening service delivery and service quality. The information derived from this study will also serve as platform and point of departure for the internal and external communication audit planned for George Municipality within the next few months.

Various factors to ascertain the effective utilisation of communication are addressed in the attached questionnaire. Through the statistical analysis of answers provided by participating respondents, the research aims to produce valid and reliable data to be employed by George Municipality.

I therefore urge you to respond to the questionnaire timeously and to complete it as thoroughly as possible. This data can tremendously enhance a service orientation based on effective internal communication.

Your cooperation in this regard is highly appreciated. Please be assured of the confidentiality of your answers.

Yours faithfully

C M AFRICA
MUNICIPAL MANAGER

Dear Respondent

All information provided in this questionnaire will be kept confidential and the anonymity of your answers is hereby guaranteed. Please complete the attached questionnaire as per the instructions provided in the document and return it via e-mail it or in the envelope provided for printed questionnaires (participants whom received printed questionnaires will receive stamped and pre-addressed envelopes with their questionnaires) to the writer within 7 days.

Your participation in this survey is imperative and your cooperation in this regard is very much appreciated. Thank you for your willingness to participate in this survey. You are very welcome to contact me on 044-8019453 during office hours to discuss the research project.

Kind Regards

Yvonne Opperman
Head: Local Economic Development

INSTRUCTIONS

- Please start with Question 1.
- Please read the instructions in the questionnaire carefully before answering the questions

Number	Question	Answer
GENERAL DETAILS		
Instructions: Alternative answers for each question are provided in the right-hand column. Please circle the option that applies to you.		
1	Directorate	1. Civil and Technical Services 2. Financial Services 3. Management and Administration 4. Electrotechnical Services 5. Health Services 6. Planning and Development 7. Human Resources 8. Councillor
2	Gender	1. Male 2. Female
3	Post Level	1. 1 (Section 57 appointments – Top Management) 2. 2 – 6 (Other Management) 3. 7 – 12 (Other Employees) 4. Councillors
4	Period employed by George Municipality	1. 0 - 12 months (only newly elected Councillors) 2. 1 - 4 years 3. 5 - 10 years 4. 11 - 15 years 5. 16 years or longer

6	Age		6.	18 - 25
			7.	26 - 35
			8.	36 - 45
			9.	46 - 55
			10.	56 +

SURVEY QUESTIONS

Instructions:

Several statements pertaining to the internal communication situation at George Municipality are provided in the following table. Please read the statements carefully and choose the answer most applicable to you and based on your personal experience. Indicate your choice for each statement by making a cross (X) in the appropriate box.

The organisational entity referred to in this questionnaire is George Municipality. Following is a brief explanation of the terminology utilised in the questionnaire:

Quality Specifications: Rules, regulations, guidelines, policies, by-laws or general principles relating to service quality within the organisation. This could also include actions necessary to ensure customer satisfaction and activities that will show commitment towards service quality as a priority within the organisation.

Inter-functional teamwork: Teamwork between employees performing functions similar to each other **and** between employees performing functions not directly related to each other.

Synergy: The working together of two things (e.g. Directorates) to produce an effect greater than the sum of their individual effects.

External marketing messages: Messages that market services, procedures, options or available resources to customers or clients of George Municipality.

		I strongly disagree	I disagree	I neither agree nor disagree	I agree	I strongly agree
1	Information on quality specifications is regularly updated					
2	Information on quality					

	specifications is readily available				
3	Information on quality specifications is stored in an easily accessible format				
4	There is a strong emphasis on inter-functional and inter-Directorate teamwork to support information transfer				
5	Information flows quickly and freely on a horizontal level between Directorates				
6	The organisational structure of George Municipality supports inter-Directorate communication and enhances synergy between Directorates				
7	Clear communication methods and systems support effective information flow				
8	Management exhibits commitment to service quality that motivates me				
9	My Directorate is motivated to deliver on service quality specifications because management communicates it regularly				
10	The goals, vision and mission of the organisation are clear to me because they are regularly communicated to me				
11	I understand the role				

	of my Directorate in meeting the goals of the organisation					
12	I understand my own role in meeting the goals of the organisation					
13	The structure and levels of the organisation enhance effective information flow					
14	I am motivated and committed to adhere to quality specifications because I have sufficient resources and training to do so					
15	The corporate culture in the organisation supports the view that the customer is the main focus					
16	I am committed to service delivery because the principle focus on strategic customer needs is regularly and clearly communicated to me					
17	Due to strong inter-functional linkages, external marketing messages are communicated and coordinated to employees regularly					
18	Information on external marketing messages is readily available					
19	I am clear on my own role in delivering on external marketing messages					

20	My Directorate's role in delivering on external marketing messages is clear to me					
21	Inter-Directorate communication enhances alignment with external marketing messages					
22	My Directorate receives regular feedback on its performance on external marketing messages					