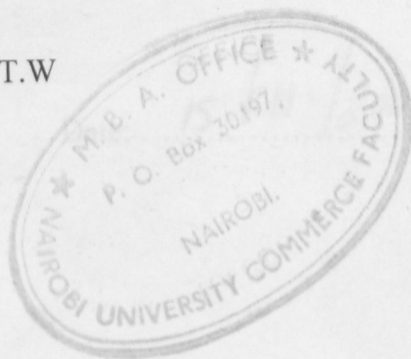


RELATIONSHIP BETWEEN FLEXIBLE WORK PRACTICES AND  
ORGANISATIONAL PERFORMANCE: A SURVEY OF ADVERTISING  
AGENCIES IN KENYA

MBUTHIA, T.W



A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL  
FULFILMENT OF THE REQUIREMENTS FOR THE  
DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA)

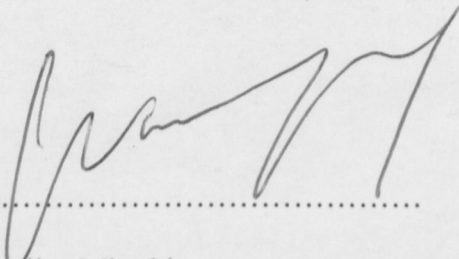
FACULTY OF COMMERCE  
UNIVERSITY OF NAIROBI

SEPTEMBER 2005

DEDICATION  
**DECLARATION**

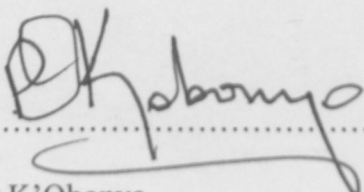
To my great family

This project is my original work and has not been submitted for a degree in any other University.

Signed:   
Teresia Wanjiru Mbuthia

Date: 15/11/2005

This project has been submitted for examination with my approval as university supervisor

Signed:   
Prof. Peter K'Obonyo

Date: 15/11/2005

University of Nairobi

## ACKNOWLEDGEMENT

To my great family

I would like to thank those individuals and encouragement made completion of this project and my MBA possible. Although I may not be able to list all of them here I am grateful for the contributions they made.

My thanks go to my supervisor, Prof. Peter K'Obonyo for his invaluable advice, support, patience and keenness for detail. I would also like to thank my various lecturers and classmates for a stimulating and rewarding course.

Last and by no means the least, my wonderful family, my rock; my parents, my brothers and my sisters for their never ending support. Thank you!

# TABLE OF CONTENTS

	Page
Declaration	ii
Dedication	iii
Acknowledgment	iv
Abstract	i
<b>1.0 CHAPTER ONE: INTRODUCTION</b>	
1.1 Background	2
1.2 Statement of the Problem	10
1.3 Objectives of the Study	11
1.4 Scope of the Study	24
1.5 Flexible Work Practices and Performance	25
1.6 Research on Advertising Agencies	27
<b>2.0 CHAPTER TWO: LITERATURE REVIEW</b>	
2.1 Introduction	28
2.2 Theoretical Framework	29
2.3 Conceptual Framework	30
2.4 Empirical Review	34
2.5 Summary of Literature	39
2.6 Researcher's Review: Flexible Work Practices & Performance	42
2.7 Relationship between the different Dimensions of Flexible Work Practices and Performance	46
<b>3.0 CHAPTER THREE: RESEARCH METHODOLOGY</b>	
3.1 Introduction	47
3.2 Research Methodology and Approach for Further Research	48
3.3 Limitations of the Study	50
<b>REFERENCES</b>	
50	
<b>APPENDICES</b>	
Appendix I: Advertising Agencies in Kenya	51
Appendix II: Top Advertising Industry Executives	52
Appendix III: Questionnaire	53
Appendix IV: Interviewees	54

## ACKNOWLEDGEMENT

I would like to thank those individuals whose support and encouragement made completion of this project and my MBA possible. Although I may not be able to list all of them here I am grateful for the contributions they made.

My thanks go to my supervisor, Prof. Peter K'Obonyo for his invaluable advice, support, patience and keenness for detail. I would also like to thank my various lecturers and classmates for a stimulating and rewarding course.

Last and by no means the least, my wonderful family, my rock; my parents, my brothers and my sisters for their never ending support. Thank you!



# TABLE OF CONTENTS

	<b>Page</b>
Declaration	ii
Dedication	iii
Acknowledgment	iv
Abstract	1
<b>ABSTRACT</b>	
<b>1.0 CHAPTER ONE: INTRODUCTION</b>	
1.1 Background	2
1.2 Statement of the Problem	10
1.3 Research Objectives	12
1.4 Importance of the Study	12
<b>2.0 CHAPTER TWO: LITERATURE REVIEW</b>	
2.1 Flexible Work Practices	13
2.2 Performance	20
2.3 Flexible Work Practices and Performance	21
2.4 Research on Advertising Agencies	22
<b>3.0 CHAPTER THREE: RESEARCH METHODOLOGY</b>	
3.1 Research Design	26
3.2 Population of the Study	26
3.3 Data Collection	26
3.4 Data Analysis	26
<b>4.0 CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION</b>	
4.1 Introduction	28
4.2 General Characteristics of the Agencies Surveyed	28
4.3 Flexible Work Practices	34
4.4 Performance	39
4.5 Relationship between Flexible Work Practices & Performance	43
4.6 Relationship between the Different Dimensions of Flexible Work Practices and Performance	44
<b>5.0 CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS</b>	
5.1 Conclusions	47
5.2 Recommendations and Suggestions for Further Research	48
5.3 Limitations of the Study	49
<b>REFERENCES</b>	50
<b>APPENDICES</b>	
Appendix I: Advertising Agencies in Kenya	53
Appendix II: Total Advertising Industry Spends	54
Appendix III: Cover Letter	55
Appendix IV: Questionnaire	56

## CHAPTER ONE

### INFORMATION

### ABSTRACT

It has been argued in the literature that flexible work practices affect organisational performance. However, no examination of the relationship among these has been performed in the Kenyan context. The objective of the study was to understand this relationship and illustrate the potential impact of the theoretical development of flexible work practices in practice. Investing in 'progressive' human resource practices have been shown to lead to a greater degree of commitment and motivation amongst the workforce as well as increased ability and greater opportunities to work more productively. In this paper based on a field study of 11 advertising agencies in the service industries we sought to find out the relationship, if any, between flexible work practices and organisational performance. Data was collected using questionnaires, which were completed by the General Managers, Managing Directors or the Human Resources Manager. The data was analysed using descriptive statistics. The findings provide no evidence of a relationship between flexible work practices and organisational performance in locally owned agencies, but a positive relationship in foreign owned agencies. At the same time, it was clearly evident that the dimensions of flexible work practices that were embraced by foreign agencies were different from those embraced by local agencies. Plausible explanations could be that most African organisations do not engage in participative forms of management practices, most are authoritarian, insensitive and personalised, characteristics that are opposite of flexible work practices. Consequently, it is important to note that flexible work practices are implemented in different ways depending on the internal structure of organisations.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background

New technologies require new work patterns, incentive systems, occupational mobility and fresh attitudes towards change. They alter employees training needs, organisation structures, and possibly employee job satisfaction and perspectives on work (Graham & Bennet, 1995). Morris *et al* (2002) describe “Flexibility” as one of the great buzzwords of our time. The very term has positive overtones, being flexible is a good thing, its converse, inflexibility a negative attribute.

The demand for flexible work systems derives from firms’ desires to control costs in order to obtain competitive advantage; from the need to adapt quickly to changes in market demand and production technologies; and from alterations in organisation structures. Flexibility is one area of study that has fascinated organisational behaviourists, Basil, (1974), Butler (1986), Cole (1986), Gray and Starke (1988), Levitt, Dill & Eyring (1973), Soner and Freeman (1988), Wren & Voich (1984) being just a few. However, Industrial relations specialists have not been left out of such popular area of discourse.

A dominating paradigm in the western industry has been the trade-off between speed, flexibility, quality and cost. This belief in trade off as inevitable is a central part of the mass production mentality (Gilmore, 1993). The business challenges and climate of today is forcing companies to rethink their business approaches. The 1992 US manufacturing future survey (Kim and Miller, 1993) revealed the following anticipations: among the managers regarding changes in business environment:

- Increasingly globalised market competition and cooperation (37%)

- More focus on customers' expectations for quality and time (24%)
- Changing nature of workforce: their tasks, attitude, expectations and capabilities (19%)
- Increasing concerns and regulation of environmental issues (13%)

A clear trend from the above survey showed that competition would increase due to more globalisation and more demanding customers. As customers are exposed to better products and services their expectations for better quality, service and value will increase. Higher expectations have to be met by improved performance to obtain customer satisfaction. Gilmore (1993) expects a change from mass production to mass customisation.

Flexible work practice has been accorded the 'magic charm' status, which has held that in greater flexibility there is the potential for achieving a host of organisational objectives. All the management 'gurus' and many organisation theory scholars are suggesting that the enterprise of the future will be, if not completely unstructured, very loosely organised. It will be flexible, entrepreneurial, innovative, boundary less and a learning organisation. The days of command and control machine bureaucracies are numbered, many claim, (Sisson, 1996).

Since the early 1980s, the issue of flexible work practice has received considerable attention. Policies such as labour market deregulation to remove restrictions on the form of employment contracts, which employers can offer, have been aimed specifically at increasing flexibility both in the labour market and in employment. In work organisations, practices such as relaxing job boundaries, increasing the number of non-permanent staff, introducing new working time patterns and wage payment systems, extending the use of self employed and sub contract workers have all been discussed as potentially important sources of flexibility. In turn, this flexibility has been seen as playing a potentially important role in achieving various organisational objectives, including lower labour cost, improved responsiveness to market uncertainties, greater utilisation of plant and



equipment and higher quality output. Indeed, the pursuit of greater workforce flexibility is widely regarded as key policy in the development of human resources management and the achievement of a closer relationship between business strategy and personnel practice (Blyton 1996).

According to Atkinson (1984), employers have sought four types of flexibility:

Functional flexibility – enables employees be redeployed between tasks, through multi skilling and team working, in response to changes in production methods and product demand. This enables a standard, full time workforce to respond flexibly to the new environment.

Financial flexibility – attacks the ‘rate for the job’ aspect of the standard employment relationship by attempting to link pay more directly to local labour market conditions, business performance or individual effort.

Numerical flexibility – allows the employee headcount to be increased or decreased in line with changes in the level of demand for labour, so that the number of employees at any one time exactly matches the number required. The most obvious method of achieving this is by increased use of part-time and temporary employees who can be hired and fired more easily.

Distancing, or subcontracting – takes this process a stage further by replacing the employment contract and the restrictions of employment legislation with a short-term commercial contract which can be terminated or cheapened easily.

Flexible working patterns tend to be used as a response to the changing demographics within the labour market. The lack of a skilled labour force has forced greater use of time flexibility. Schemes offering all or certain groups greater access to part-time work, job-sharing, term time employment and career breaks have been seen as a means of retaining or enticing back into the labour market categories of staff who are unable to work full time. In recent years this demand –led rationale has been replaced with focus on organisational cost-effectiveness. In other sectors there has been an

increase in international competition, which has put additional pressure on management to increase productivity with reduced wage costs, (Storey, 1995).

It is common knowledge that changes are taking place in the workforce. The working population is ageing, many more women are working, ethnic diversity is growing, more people with disabilities are employed, an increasing gap exists between highly educated persons and the larger number of persons who cannot read and write well enough to hold simple jobs and employees values are becoming more personal and more divergent. It is therefore imperative that the implications of the changes be identified and managed in today's workforce (Jamieson & O'Mara, 1991). Sisson (1996) states that as domestic and international trading conditions became increasingly turbulent and unpredictable during the 1980s attention naturally switched to ways of improving flexibility and responsiveness through work and organisational redesign.

The nature of work has changed in some significant ways, while the fundamental processes through which people are linked to their work remain the same. Staffing, motivation and learning are as important today as they were in the past. That is not to say, however, that the staffing, motivation and learning practices in today's organisations should be like those of the past. In fact, shifts are not only needed, but have begun and will continue to occur in these key human resource practices in response to changes in the work processes and the nature of work. Within a generation, the demand for skills involving physical strength and stamina declined dramatically as skills involving cognitive and analytical ability replaced them. The practices and procedures used to appraise performance are being reconsidered and redesigned in attempt to cope with changing demands brought by complexity in the nature of performance itself (Hedge & Borman, 1995).

Torrington and Hall (1995), indicate that there was a time when performance was seen primarily in

terms of individual motivation and individual performance. Increasingly the focus has shifted to emphasise performance of the organisation as a whole. The change of emphasis is drawn starkly by Deming (1986), when he asserts that performance variations are the result not of individual differences but of systems that are implemented and controlled by managers - factors which are outside the control of the individual. Torrington and Hall (1995), point out that Deming's views on individual performance highlights a critical perspective on the importance systems, processes and culture for ultimate organisational performance.

Flexibility is a determinant of organisational performance because it plays a critical role in reducing uncertainty in the markets. Bowman and Hurry (1993) contend that maintaining flexibility allows organisations to enhance performance under uncertainty.

While the assumed benefits of flexible work practices receive much attention in public discussion, little is known on the effects of the different dimensions of flexible work practices and measures of performance in the African context. It is imperative that the HRM practitioners understand the effects of flexible work practices, if flexibility is to be developed as a strategic response to changes in market conditions.

### **Advertising Agencies**

The American Association of Advertising agencies has defined an advertising agency as an independent business organisation composed of creative and business people who develop, prepare and place advertisement in the advertising media for sellers seeking to find customers for their goods and services (Cohen, 1972). An advertising agency is essentially an organisation that provides one or more skills necessary in the management of an advertising campaign and a promotion program in general (Govani *et al* 1986). Kotler (1999) defined advertising as any paid form of non-



personal presentation of ideas, goods and services by an identified sponsor.

The advertising agency forms the link between the advertiser or client and the media houses. According to Davis (1981), advertising agency is a service organisation that prepares the company advertisements, buys space and time and carries out those activities essential to putting the finished advertisement in the hands of the respective media. It may perform marketing research and public relations services and in many cases it provides counsel for the advertiser, not only in advertising but overall marketing strategy. Ogutu (1983) looking at the advertising agencies in Kenya notes that the modern advertising agencies perform the following three basic functions; 1) They help the client plan the advertising campaign, 2) They prepare the advertisement for the client, 3) They help in the placement of the advertisement in the most suitable media.

The advertising agencies perform functions other than the above three. Newton (1965) states that in response to the client needs and competitive pressure of their own, most agencies offer a wide range of services not directly connected with the creation, placement and verification of paid advertising. Batru *et al* (1996) and Govani *et al* (1986) listing the range of services offered by advertising agencies classify them depending on the services offered as follows:

#### 1. Full Service agency

These provide a broad spectrum of services, which include market research, new product introduction, plans, creative services and media purchases for the advertiser and are usually large with independent ownership

#### 2. A la Carte Agency

These are agencies, which sell each service to the advertiser on an optional basis. They charge a separate fee for each service desired by the client based on service charge rather than media



commission.

### 3. In House Agency

These are external departments in the advertising organisation. Like a full service agency, they perform all of the creative and media services. Companies that are big and have a lot of advertising work usually use this in house full service agency type that they see fit to undertake internally so as to be cost effective.

### 4. Creative Boutique Agency

This offers only creative services and is much more specialised. The agency employs a combination of business people and creative people including administrators, accountants, marketing executives, researchers, market and media analysts, writers and artists. They have day-to-day contact with outside professional suppliers who create illustrations, take photos, set type, retouch art, shoot commercials and record sound. They keep abreast of technological advances, price changes and current production problems. The agency provides yet another service by arranging and contracting for broadcast time and magazine or newspaper space. Because of its media experience the agency saves the client time and money. Agencies have the savvy, skill, and competence to serve the needs of a variety of clients because of their daily exposure to a broad spectrum of marketing situations and problems (Arens & Bovée 1994).

Advertising today is a worldwide business. The development of the advertising agency can be divided roughly into four periods:

1. Period of early growth: 1841 - 1865
2. Wholesaling period: 1865 - 1880
3. Semi service period: 1880 - 1917

#### 4. Service period: 1917- present

Many ad agencies were infected by the 80s' merger mania. The aggregation strategies used so extensively by so many companies (both advertisers and agencies) did not always produce the desired results, with the current economic realities, the recent wave of technological innovation, specialisation is becoming the strategy of choice for the 21<sup>st</sup> century. Now some of the biggest companies are spinning off divisions and focusing on their strengths. Many agencies are debating which way to turn: specialise or aggregate. Some companies are specialising in the type of products or services they offer. Others specialise in particular markets or clients (Arens & Bovée, 1994).

Advertising agencies in Kenya have experienced lots of changes taking place in the advertising world with agencies collapsing, having affiliations and being involved in takeovers. In the late 1990's some of the smaller agencies (Advertising Designers, Universal Media House, Exact Powerhouse) collapsed. Early 2000 also saw more collapse of agencies including Tequilla in 2004, Mediacom in 2003, Muthaiga Advertising in 2004 and McCann Erickson 2003. TBWA, an international affiliate moved from Adapt to Creative business in 2001. Proliferation of smaller agencies has been seen in 2002-2004 such as Tomorrow Creations, Spread Marketing, Mike Jones, Muthaiga Advertising and Sarcen. McCann Erickson, one of the major agencies in Kenya was taken over by Lowe Scanad. Lowe Scanad acquired Century Grey after the collapse of Mediacom Century. Ogilvy Kenya, which had a lot of international shareholding, saw an increase in local shareholding. In 2004 a new entry ZK Mccan was formed to handle Celtel and Yellow formed to handle Safaricom, which are major accounts. (Steadman & Associates Ltd)

The advertising industry has grown from Kshs. 3 billion in the late 90' to over Kshs. 6 billion in 2004. With the emergence of new agencies, there has been increased marketing and discounting by media houses hence increased direct advertising adversely affecting agency growth. Currently close

to the 50% of agency business is controlled by Lowe Scanad. [Total advertising industry expenditure is presented in Table 1 - Appendix II]

In terms of advertising as a percentage of gross domestic product measured at market prices, advertising has increased from 0.4% in 1994 to 0.5% in the years (World advertising trends 2002). Agencies need fewer people than businesses in many other industries, five or six people can easily handle \$1 million in annual billing. In agencies with billings of \$20 million or more a year, the ratio is even lower.

## 1.2 Statement of the Problem

Changes are occurring in the structure and process of accomplishing work. However, one critical condition that has not changed is the importance of employee performance. The performance of people at work remains a critical factor both in the viability of organisations and in the well being of their members. In even the most automated organisations, human beings still staff critical functions and their performance have impacts on the effectiveness of those organisations. Although performance is as central to organisational effectiveness' today as it was in the past, key changes in the world of work are having significant impacts on how we conceptualise and assess human work performance, (Howard 1995).

Brief examination of the issues and evidence indicates that in extending various forms of flexibility managers also run certain risks, not least a potential loss of stability, continuity, commitment and quality as well as possibly creating the grounds for considerable workforce and trade union resistance (Blyton, 1996). Guy Standing (1986) remarked that another possible pitfall of flexibility is that it may undermine stability and continuity within organisations. The short-term nature of fixed contracts for example contrasts with the continuity embodied in more permanent employment

relationship. Continued heavy reliance on numerical flexibility impedes the achievement of other objectives and runs contrary to management thinking regarding employee development and team working. If flexibility is to become a part of a long term strategy, rather than reflecting short-term opportunism it will be necessary for management to address the possible inconsistencies arising between flexibility strategies.

Beadwell & Holden (1997), are of the opinion that there has been a tendency for the proponents of the flexibility thesis to see flexibility as something that is non-problematic. They believe that greater workforce flexibility may in some cases only be achieved at the expense of other aspects of employment relations, which are valued by employees. Organisations often perceive that there are significant costs attached to the use of non-standard labour. Temporary workers are seen to be less committed and reliable than permanent staff. Part time workers employed on a permanent basis are seen as reliable but more difficult to manage than full-time workers because they spend less time at work. There seems to be a paradox here-the inflexibility of the flexible workforce! (Hunter and MacInnes, 1991, 1992).

Recent analyses of the relation between firms' innovative activities and firms' growth and employment have found that the use of certain types of flexible work practices have negative effects on measures of performance (Brouwer and Kleinknecht, 1999, Kleinknecht, 1998, Kleinknecht *et al.*, 1997, and Michie and Sheehan, 1999a, 1999b.). K'Obonyo (1998), points that it is not clear as to what kind of flexible human resource practices are prevalent in African and their effects on organisational effectiveness. Most literature reviews on flexible human resource practices and organisational effectiveness are exclusively based on studies conducted out of Africa.



Studies carried out in Europe (Eurostat, 2002) show variations in flexible work practices. Harzing and Ruysseveldt, (2004) argue that variations between countries reflect a combination of cultural differences, legislative differences and trade union influence.

## 1.1 Flexible Work Practices

### 1.3 Research Objectives

- i) To establish the relationship between various forms of flexible work practices and organisations' performance.
- ii) To establish the extent to which the different dimensions of flexibility are practiced and relationship to performance.

### 1.4 Importance of the Study

The study will be important to all the stakeholders in the business community and academics. Employers will also be able to assess their HR practices vis a vis those of others and hopefully adapt.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Flexible Work Practices

The last quarter of the twentieth century has witnessed dramatic changes in the way goods and services are produced. These changes go beyond simple alterations of form and intensity. Just as the transition from agrarian to industrial society was revolutionary, so has been the change from an industrial to a post-industrial (Naisbit, 1982) or post-modern (Featherstone, 1991) world that has occurred in the last quarter of the twentieth century. Technological, social, political and economical forces have brought about significant changes in the way people live and work.

The impact of these forces is perhaps no better illustrated than by the views of William Bridges (1994), duties and responsibilities are bundled together and labelled "jobs" on the basis of interactions between tasks that the organisation needs to have accomplished and the capabilities and limitations of people assigned to the jobs. Once jobs are created and given descriptive labels, the labels themselves serve as efficient means to communicate what needs to be done in the jobs and what experience, skills and other personal characteristics are necessary to perform well in them.

Flexibility is defined by such words as adaptability, (Toffler, 1985) or preparedness, (Ansoff, 1978) and considered as an essential organisational property for survival. This approach assumes that effective organisations have to cope with acceleration of change in the business environment and need flexibility in order to adapt to the environment or to stimulate renewal and innovation processes (Vollereide, 1998). At its simplest, flexibility denotes pliability, adaptability and responsiveness to pressure. Its opposite is inflexibility, rigidity and sclerosis. The term was not applied to any great extent from the 1980s, the ideas underpinning the notion of labour flexibility are far from new. Casual forms of employment, by the hour or the day, typified many industries in the

past (and continue to do so in some cases today). These provided employers with considerable scope to match the volume of labour with the level of demand (Blytons, 1995).

Sisson (1996), describes flexibility as an important theme with the introduction of new technologies and the associated changes in work organisation together with the need to cut labour costs in the face of international competitive pressures have put a premium on securing maximum value from the labour forces. This has led to a greater use of part time and temporary workers and to more subcontracting (ACAS, 1988, national economic development office Institute of Manpower studies, 1986) For the 'core' workforce of full time employees the search for flexibility has led to reduced demarcation between jobs and increased use of individual merit payments and performance related pay.

Storey (1995), states that flexible working patterns tend to be used as a response to the changing demographics within the labour market. The lack of skilled labour force in some countries has forced a greater use of time flexibility. Schemes offering all or certain groups greater access to part-time work, job-sharing, term-time employment and career breaks have been seen as means of retaining or enticing back into the labour market categories of staff who are unable to work full-time, particularly working mothers or older workers. 'Typical' work patterns or contracts, such as temporary, casual, fixed term, home-based and annual hours contracts, are continuing or are on the increase in every European country, despite differing legal, cultural and labour traditions. He continues to state that many of the highest increases in the use of a particular form of flexible working have occurred in countries where that has traditionally been less use of such forms, indicating a levelling out and more widespread use of flexibility across Europe

Employers are taking other steps to accommodate employees scheduling needs such as job sharing allowing two or more people to share single full time job. Work sharing, which refers to a temporary reduction in work hours by a group of employees during economic down times way of preventing layoff. Telecommuting is another option; here employees work at home usually with computers and use phones (Dessler, 2004).

Hall and Goodale, (1986) state that flexible scheduling of work hours has gained widespread popularity since the early 1970s with many employees enjoying flexitime, where they choose when they will report to work and when they will leave outside a core of hours. The total hours however should add up to the number the company requires. Along with flexitime some organisations have been introducing the concept of flexi place, flexi place allows employees the freedom to do some or most of their work at home. With the increase in information processing technology we are finding increased evidence of the emerging electronic cottage. To ensure that employees do not feel socially isolated. Companies provide employees with regular opportunities to attend meetings and get together with other employees periodically.

Graham & Bennet (1995) explain that flexitime or flexitime, allow employees to choose within limits what hours they work. With schemes differing in detail, but frequently containing the following features; i) Employees must all be present during a certain part of the day, usually core time ii) They may choose when they arrive or leave within limits set by the company iii) They may vary the length of the lunch break iv) Hours worked in excess of the standard total for the accounting period (usually monthly) may be taken as whole or half-day holidays.

They outline advantages claimed from the system as; improving employees' satisfaction by giving considerable freedom to individuals to arrange their hours to suit their own circumstances, reducing



absenteeism and enabling the place of work to be staffed outside the usual hours. On the other hand they state that lighting and heating will cost more, and those employees who attend early or late may not be able to work normally because other people on whom they depend are not there.

Hall and Goodale (1986), believe that with a more differentiated workforce employees have differing needs in the area of benefits. Many companies are now using cafeteria benefit programs giving employees a chance of choosing options with of course their being core benefit. They continue to state that another way in which flexibility is being added to the modern workforce is through temporary employment. They are of the opinion that well managed and effective organisations tend to be more flexible and employee centred.

Jamieson & O'Mara (1991), argue that sometimes people's needs and goals change, yet they are still valuable to the company. Redesigning jobs or hours can often help. The use of flexible job modelling helps to ensure that the work an individual does is the best mix of responsibilities based on their competence to perform and contribute to the organisation. This process transcends organisation ethnicity, culture, disabilities, gender, value and even formal qualification; the relevant factor is the individual ability.

Jamieson & O'Mara (1991), believe that flexible job modelling systematically forecasts future organisation requirement; it views the organisation as an open social system that is constantly changing in response to outside influence; focuses on outputs as the major building blocks of organisation design rather than positions, organisation structure or type of technology; Identifies both the job performance requirements and the individual capabilities needed to produce the outputs of a job; Views job design as a process of assigning or reassigning outputs to the jobs on the basis of 1) the organisation's current and future needs; 2) the current capability, motivation and

development needs of individuals; (3) the current capabilities, motives and development priorities of others in the organisation or work teams; supports a view of job evaluation that places individuals in broad salary bands based on the overall types of outputs they produce. This approach to the management of human resources allows maximum flexibility in job design without requiring constant adjustments in the compensating structure; treats description of performance goals as the job description, thus eliminating the traditional job description process and allowing for job design flexibility; provides a conceptual framework for integrating all human resource functions related to organisation and job design, development, performance management, selection/placement and career management. It provides managers and the workers themselves with the information they need to fully participate in defining their jobs, managing performance and guiding development; it is easily updated as organisation strategies and conditions change.

### Types of Flexibility

The idea of the flexible firm was developed during the mid-1980s at the Institute for Employment Studies at the University of Sussex (Atkinson, 1984, 1985). It starts by identifying the different forms of labour flexibility that might be sought by organisations and how they might be achieved. These elements are then brought together in the model of the 'flexible firm'. See Figure 1

Four types of flexible working practices are identified:

**Numerical flexibility** defined as the "ability to adjust the level of labour inputs to meet fluctuations in output" (Atkinson and Meager, 1986: 3-4). This is achieved by altering working hours or by altering the number of workers employed.

**Functional flexibility** defined as "the firm's ability to adjust and deploy the skills of its employees to match the tasks required by its changing workload, production methods and /or technology" (Atkinson and Meager, 1986:4). Functional flexibility is obtained by training workers to perform a wider variety of tasks and breaking down barriers to the deployment of workers across tasks.

**Distancing** This involves replacing employees with subcontractors. Contracts of service, i.e. employment contracts are replaced by contracts of services, i.e. commercial contracts. Distancing enhances numerical flexibility of the organisation.

**Pay flexibility** “is concerned with the extent to which a company’s pay and required structure supports and reinforces the various types of numerical and /or functional flexibility which are being sought” (Atkinson and Meager, 1986:4).

Taken together these elements amount to ‘a reorganisation of firms’ internal labour markets and their division into separate components in which the worker’s experience and the employer’s expectations of him / her are increasingly differentiated’ (Atkinson and Gregory, 1986: 13). The form of this reorganisation is illustrated in Figure 1. The segmentation of the employed workforce is into ‘core’ and ‘peripheral’ workers.

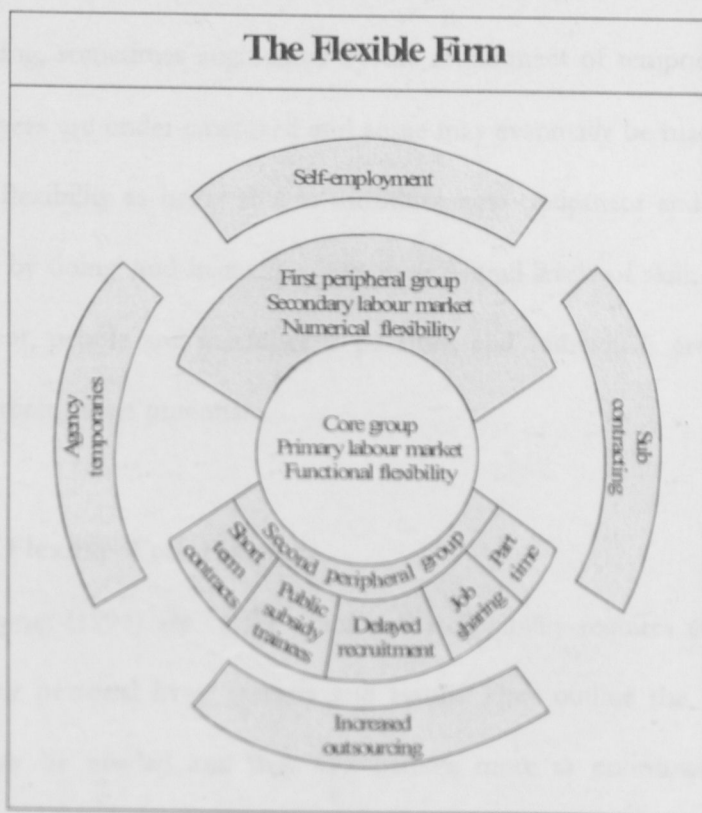


Figure 1 The 'flexible firm'

Source: Institute for Employment Studies, 1985

The *core workers* deliver functional flexibility by virtue of training, retraining and redeployment across tasks. The size and composition of the core will depend on organisational decisions on work organisations and the design of jobs.

Peripheral workers supply numerical flexibility. That is, they are subject to variation in hours and to layoffs and rehiring as required. Again, the size of the periphery will reflect the nature of skills sought by the organisation (Beadwell & Holden, 1997).

### **Need for Flexibility**

Towers (1996), states that rapid technological change has encouraged, if not predicated, a greater flexibility both among a workforce and within the organisation as a whole, to achieve synergy between operator and machine, output and market. Graham & Bennet (1995), believe that companies experience variable demand for work. When demand is high the usual response is overtime working, sometimes augmented by the recruitment of temporary employees. When it is low the employees are under-employed and some may eventually be made redundant. They outline advantages of flexibility as being able to introduce new equipment and working methods quickly; Workers 'learn by doing' and hence improve their overall levels of skill; The fullest possible use of plant, equipment, people and machines is possible; and Individuals are able to contribute to the firm's work to their fullest potential.

### **Challenges of Flexible Work Practices**

Graham & Bennet (1995) are of the opinion that flexibility requires employees to accept drastic changes in their personal lives, security and status. They outline the changes as follows: Fewer supervisors may be needed and they will behave more as coordinators and advisors than as disciplinarians. Job satisfaction will almost certainly be increased. Some changes in trade union organisation to accommodate the multiskilled worker. The employee's leisure time might be affected



by irregular hours. Employees engaged temporarily or as members of a sub-contracting firm must accept insecurity of employment. Job specification can no longer be detailed; Job evaluation systems must be changed in order to cope with flexibility; Pay structures based on output may be impossible and systems based on merit difficult to operate; The training function of the company will become very important and probably expensive; New working arrangement will be resisted unless through some kind of consultative machinery they are discussed and possibly amended before they become effective; Contract of employment must be revised on the one hand to encourage stability among the core group of workers and on the other to provide fair conditions for those who work temporarily

## 2.2 Performance

Performance has been previously defined by three dimensions: efficiency, effectiveness and adaptability (Bredrup and Bredrup, 1994a). K'Obonyo (1998, p.79), states that "...One of the critical aspects of the management of a company is the performance evaluation. Traditional approach to performance evaluation focussed exclusively on financial measures such as return on equity, cash flow and earnings per share. However companies are realising that there are other key success factors which may prove critical to long-term success. These non-financial measures include human resources, customer satisfaction, product quality, markets share, innovation and learning".

Performance has been used to describe such aspects as: bottom-line profits; other financial indicators such as share price; doing better than competitors – i.e. moving up the league table; maximum organisational effectiveness, given the resources redeployed; and achieving specified organisational objectives (Torrington and Hall, 1995).

Ezzamel (1994), writes that the call for the use of non-financial, quantifiable performance measures

is not new; it has underlined much of the literature which has sought to expose the limitations of short-term financial measures of performance in organisations.

Armstrong (1994), states that performance measures may refer to such matters as income generation, sales, output, units processed, productivity, costs, delivery-to-time, 'take up' of a service, speed of reaction or turnaround, achievement of quality standards or customer / client reactions.

The measurement of organisational performance appears to have been undergoing a welcome broadening during the 1990s, away from the traditional dominance of financial performance measures criticised by writers such as Eccles (1991) and Grasso *et al* (1995), and towards the use of portfolio' approaches such as the Balanced Scorecard (Kaplan and Norton 1992, 1996) and European Model for total quality management or Business Excellence Model (EFQM 1993). Activities such as benchmarking and environmental audit concentrate attention on causal relationships and can reveal unintended effects of processes, which may be damaging to the organisation effectiveness or efficiency (Halloway, 1999).

### 2.3 Flexible Work Practices and Performance

In emerging markets, both strategic conformity and strategic flexibility are critical determinants of organisational performance, because they play a critical role in reducing uncertainty in the markets. Bowman and Hurry (1993) contend that maintaining flexibility allows organisations to enhance performance under uncertainty. Evans (1991) argues strategic flexibility has an expedient capability for managing uncertain environment. Johnson *et al* (2001) emphasises that market-focused flexibility determines how an organisation gains superior performance. Courtney, Kirkland and Viguerie (1997) contend that more flexibility is required for organisations in uncertain market environment.

Torrington and Hall (1995), while trying to highlight the link between flexibility and performance state that, functional flexibility is particularly important where employees with wide job responsibilities and a wide range of skills can reduce waiting time (for example maintenance activities on breakdown) and give employees a greater sense of doing a whole job and greater responsibility. All these factors have potential to improve performance.

Critical to performance effectiveness in work organizations is linking human beings to production process. Three key human resource processes; staffing, employee motivation and employee learning link people to production Schneider, (1987).

Beadwell & Holden (1997) identify human resource management policies such as individual performance pay, relaxation of job demarcation and participative approaches to work organisation as examples of flexibility which reduce inefficiencies in the employment relationship and lead to competitive labour market outcomes.

Storey (1995), suggests that if an organisations culture could be changed so as to remove restrictions on movement between erstwhile separate jobs then productivity would be improved.

Towers (1996) expects that if policies and practices achieve high flexibility, the result will be more effective performance outcomes.

## 2.4 Research on Advertising Agencies

### Advertising Trends in Kenya

According to the media monitoring company - Steadman & Associates Ltd (2004) there are 17 advertising agencies operating in Kenya today who are members of the Advertising Practitioners Association. This figure is up from a total of 14 in 1983 (Ogutu, 1983). Research company reports

that turnover in Kenya's advertising industry stood at Kshs. 6.1b in 2002 (up from 3.29b in 1991) (Okungu, 2003). To survive, an agency must make profit. But recent trends in business - mergers of large "super agencies", lower media advertising budgets, shifts in emphasis from advertising to sales promotion, increased production costs and the fragmentation of media vehicles have all cut into agency profits. Moreover, different clients demand different services, forcing agencies to develop various compensation methods (Arens & Bovée 1994).

#### Structure of Agencies in Relation to Work Flexibility

Major income of agencies is from media commission, mark-ups and fees or retainer. There has been a gradual standardisation of media commissions at 15% which account for 76% of agency income. Agencies save the media the expense of sales and collections so the media have traditionally allowed agencies to retain 15% media commission on the space or time they purchase for clients. For large accounts, the agency typically provide creative media, the accounting and account management services, among a host of other 'free' services such as public relations or sales promotion assistance for this commission. For small accounts, commissions do not cover the cost of even basic services; so the agency may require additional fees (Arens & Bovée 1994).

#### Fees and Mark-ups

To create a magazine advert, the agency normally buys type, photography, illustrations and a variety of other services or materials from outside suppliers. The agency pays a set fee and typically adds 17.65% mark-up. Today many agencies find that 17.65% does not cover their costs so they are increasing their mark-ups to 20 or 25%. While this helps agency, profits are still under pressure forcing many agencies to a fee system in place of or in addition to commissions and mark-ups. More and more clients expect agencies to solve problems rather than just place adverts. So, fees are becoming more common. There are two pricing methods in the fee system. With the fee commission's combination, the agency charges basic monthly fee for all its services to the client and



retains any media commission earned. In the straight fee or retainer method, agencies charge for all their services and credit any media commissions earned to the client. Today accountability is a major issue in client agency relationships with a new type of agency compensation - the incentive system. With this system, the agency earns more if the campaign attains specified agreed on goals (Arens & Bovée 1994).

### **Structure of Agencies in Relation to Work Flexibility**

According to Arens & Bovée (1994), advertising agency organises its functions, operations and personnel according to the types of accounts it services, its size and its geographic scope. They further state that in small agencies employees may wear many hats. The owner or president usually supervises daily business operations, client services and new business development. Account executives and Account supervisors generally handle day-to-day client account. The Account executive may also do creative work and write copies. Artwork may be produced by an agency art director or purchased from an independent studio or freelance designer. Most small agencies have a production and traffic department or an employee who fulfils these functions. They may have a media buyer but in very small agencies the account executive also purchase media time and space.

Medium and large agencies generally have a formal organisation and are usually structured in a departmental or group system. In the departmental system, the agency functions; account services, creative services, marketing services and administration are handled by separate departments. The account executive handles client contact. The creative department writes and lays out advertisement and media people select media. In the group system the agency is divided into a number of title agencies or groups. Each group may serve one large account or in many cases three or four smaller ones. An account supervisor heads each groups' staff of account executives, copywriters, art directors and media directors and many other necessary specialists. A very large agency may have

dozens of groups with separate production and traffic units for each (Arens & Bovée 1994).

## RESEARCH METHODOLOGY

### 3.1 Research Design

Research design is a detailed blueprint used to guide the implementation of research study, towards realization of its objectives. A descriptive research design was used for this exploratory study.

### 3.2 Population of Study

The population consisted of all the systematic advertising agencies in Kenya listed with the Advertising Association of Kenya. The list was obtained from Strudwick & Associates Report (2004) see Appendix B. All the agencies were included in the study.

### 3.3 Data Collection

The data collection instrument was through personal interviews. A guideline of questions (see Appendix C), mainly consisting closed ended questions with a few open ended questions was used. The questions were aimed at obtaining qualitative data on flexible work practices and performance. The questions were divided into three sections: A, B and C. Section A sought to explore respondents' beliefs on traditional design work practices, and Section C was designed to explore their views on performance. The respondents targeted were General Managers, Managing Directors and Design Executive Managers.

### 3.4 Data Analysis

The first step was to follow the usual steps for the coding of the raw data to ensure accuracy, consistency, reliability and transparency. This was followed by coding of data. The coding was to identify broad conceptual content such as issues, themes, perceptions, frequency distribution and

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Research Design

Research design is a detailed blueprint used to guide the implementation of research study towards realisation of its objectives. A descriptive research design was used for this exploratory study.

#### 3.2. Population of Study

The population comprised of all the seventeen advertising agencies in Kenya listed with the Advertising Practitioners Association. The list was obtained from Steadman & Associates Report (2004) (see Appendix I). All the agencies were included in the study.

#### 3.3. Data Collection

The data collection instrument was through personal interviews. A guideline of questions (see Appendix IV) mainly comprising closed ended questions with a few open-ended questions was used. The questions were aimed at obtaining qualitative data on flexible work practices and performance. The questions were divided into three sections A, B and C. Section A sought biographical information. Section B addressed flexible work practices and Section C was designed to capture data relating to performance. The respondents targeted were General Managers, Managing Directors and Human Resources Managers.

#### 3.4 Data Analysis

The data was analysed as follows: the initial step was the editing of the raw data to ensure accuracy, consistency, uniformity and completeness. This was followed by coding of data. The coding was to facilitate basic statistical analysis such as mean, modes, percentages, frequency distribution and

simple and cross tabulations. The data was tabulated and classified as per common characteristics.

## DATA ANALYSIS AND PRESENTATION

To check the strengths of the relationship between the flexible work practices and performance, non-parametric Spearman's Rho Correlation Coefficient was used. Spearman correlation coefficient is a non-parametric form of Pearson Correlation Coefficient and is based on the ranks rather than the actual values. The data was tabulated using computer packages such as SPSS.

### 4.2 The General Characteristics of the Agencies Surveyed

The characteristics of the agencies that responded are presented in Figure 1, Figure 2 and Tables 4 to 6. These include the response rate, ownership, agency affiliation and levels, services offered to clients and number of employees in the different departments.

#### 4.2.1 Response Rate

This study targeted seventeen (17) advertising agencies in which only eleven (11) responded. The response rate of 64.7% response rate. The agencies that responded were:

- |                           |                              |
|---------------------------|------------------------------|
| 1. MCI Services in Manila | 2. Norman Bates              |
| 3. DWA                    | 4. White Lane Network        |
| 4. Law Group              | 5. Media Services for Africa |
| 6. Agency for Nations     | 6. The Advertising Company   |
| 8. Communications Group   | 10. The Agency for Nations   |
| 11. Agency for Nations    |                              |



## CHAPTER FOUR

### DATA ANALYSIS AND PRESENTATION

#### 4.1 Introduction

This chapter presents the analysis of data from the survey. The data is both quantitative and qualitative. Once the raw data was obtained, it was edited, coded, entered into the computer and screened for accuracy. Coding was achieved by assigning each response a number, categorising them and converting the data into numerical codes representing attributes. The Statistical Package for Social Sciences (SPSS) was used to analyse the data. Descriptive statistics were used to summarise, organise and simplify the findings in a systematic way. The results are presented in tables and charts.

#### 4.2 The General Characteristics of the Agencies Surveyed

The characteristics of the agencies that responded are presented in Figure 1, Figure 2 and Tables 1 to 6. These include the response rate, ownership, agency affiliation, staff levels, services offered to clients and number of employees in the different departments.

##### 4.2.1 Response Rate

This study targeted seventeen (17) advertising agencies out of which only eleven (11) responded.

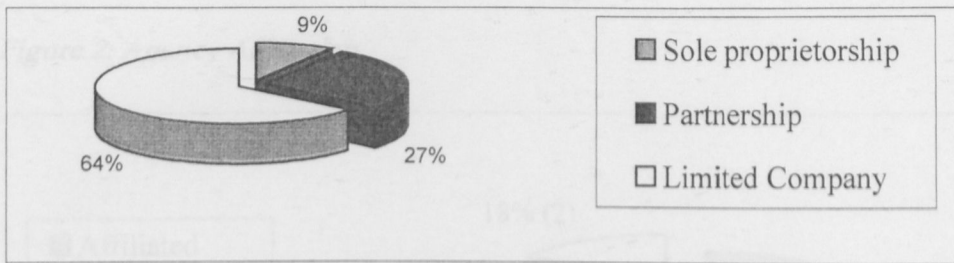
This constituted 64.7% response rate. The agencies that responded were:

- |                           |                                 |
|---------------------------|---------------------------------|
| 1. MCL Saatchi & Saatchi  | 2. Nurtum Bates                 |
| 3. TBWA                   | 4. Mike Jones Software          |
| 4. Lowe Scanad            | 6. Media Initiative East Africa |
| 5. Access Leo Burnett     | 8. The Advertising Company      |
| 6. Communication Concept  | 10. Thompson Kenya              |
| 11. Ayton Young & Rubicam |                                 |

#### 4.2.2 Type of Ownership

Majority (64%) of the agencies in the study were limited companies, 27% were partnership and 9% were sole proprietorship. Among the limited companies were: MCL Saatchi & Saatchi, Nurturn Bates, Lowe Scanad, Media Initiative East Africa, The Advertising Company, Thompson and TBWA. The partnerships were: Communication Concept, Access Leo Burnett, and Ayton Young & Rubicam. Sole proprietor was only Mike Jones Software. These results are presented in Figure 1.

**Figure 1: Type of Ownership**



#### 4.2.3 Company Ownership

Table 1 shows that 63.6% of the agencies were locally owned, while 18.2% were owned by foreigners and another 18.2% were owned by both locals and foreigners. The agencies that were owned by locals were; Communication Concept, MCL Saatchi & Saatchi, Nurturn Bates, Lowe Scanad, Media Initiative East Africa, The Advertising Company, and Thompson Kenya. Foreign owned companies were: Mike Jones Software and Access Leo Burnett. The other agencies that were owned by both locals and foreigners were: Ayton Young & Rubicam and TBWA.

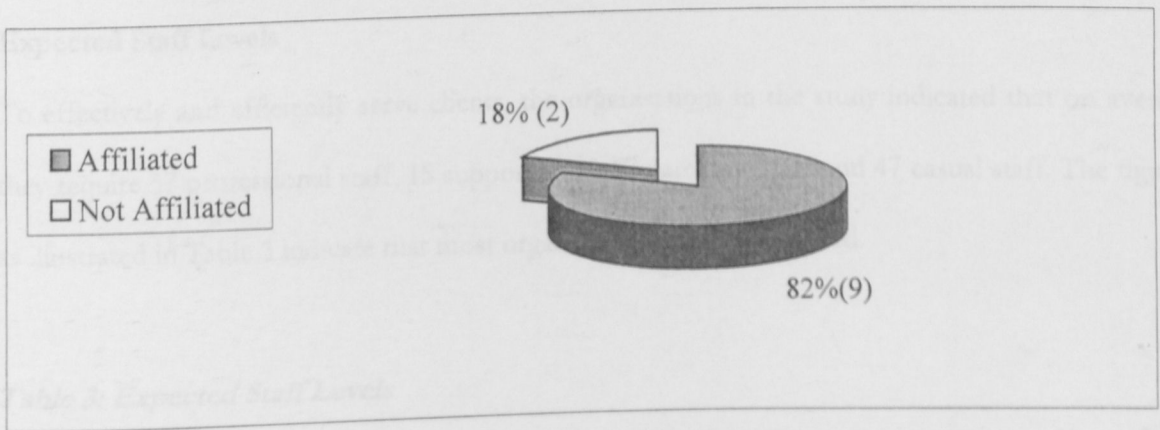
**Table 1: Company Ownership**

	Frequency	Percent
Local	7	63.6
Foreign	2	18.2
Joint ownership by Local and Foreign	2	18.2
Total	11	100.0

#### 4.2.4 Agency Affiliation

A total of 82% (9) of the agencies in the study were affiliated to international advertising agencies while 18% (2) were not affiliated to any international agency. Some of the international agencies affiliated to MCL Saatchi & Saatchi, Nurturn Bates, TBWA, Lowe Scanad, Media Initiative East Africa, Access Leo Burnett, Communication Concept and Ayton Young & Rubicam are; Saatchi & Saatchi Worldwide, Bates, TBWA, Lintas Worldwide, Initiative Media-UK, Leo Burnett, Koote Cone & Belding, JWT and Young & Rubicam Brands and Wunderman.

*Figure 2: Agency Affiliation*



#### 4.2.5 Staff Levels

##### Current Staff Levels

As shown in Table 2, most of the organisations had an average of forty-three professional staff; the least had eight, whilst the largest had two hundred and fifty. Under support staff the minimum was two and the highest number fifty. On the average, organisations had about 11 staff members working on part-time basis with a high of 60. Those working as casuals were on average nineteen with some organisations having as many as one hundred.

**Table 2: Current Staff Levels**

	Minimum	Maximum	Mean	Std. Deviation
Professional	8	250	43.55	69.545
Support staff	2	50	11.78	15.320
Part time	0	60	11.63	20.290
Temporary/Casual staff	0	100	19.71	36.082

### Expected Staff Levels

To effectively and efficiently serve clients, the organisations in the study indicated that on average they require 57 professional staff, 15 support staff, 22 part-time staff and 47 casual staff. The figures as illustrated in Table 3 indicate that most organisations are understaffed.

**Table 3: Expected Staff Levels**

	Minimum	Maximum	Mean	Std. Deviation
Professional	8	300	57.29	107.155
Support staff	2	60	15.50	22.385
Part time	0	80	22.00	33.466
Temporary/Casual staff	0	200	47.00	86.139



#### 4.2.6 Services Offered to Clients

As shown in Table 4, 20.8% of the agencies offer creative services to their clients. Other services offered to clients are accounts (18.8%), marketing (18.8%), media planning (16.7%), sales promotion (10.4%) and research and public relations services (8.3%).

*Table 4: Services Offered*

Services	Frequency	Percent
Creative service	10	20.8
Account Service	9	18.8
Marketing Services	9	18.8
Media Planning	8	16.7
Sales Promotion	5	10.4
Research Services	4	8.3
Public Relations	3	6.3
Total responses	48	100.0

#### 4.2.7 Number of Employees in the Various Departments

As shown in Table 5, accounts departments in most of these organisations had between 1 to 15 employees; only 10% had more than 15 employees. 60% of the agencies had between 1 to 10 employees in marketing services. 33.3% of the agencies had 11 and above employees. In research department, 75% organisations had between 1 to 10 employees and 25% with 16 employees. In sales promotion, the distribution of the number of employees was even, with some having between 1 and 5 employees, others had 6 to 10 and still others with 21 and above. In media planning, 44.4% of the agencies had 1 to 5 employees, 33.3% had 11 to 15 and 11.1% had 6 to 10 employees.

**Table 5: Percentage of Employees in Various Departments**

Employees	Accounts %	Creative %	Marketing %	Research %	Sales Promotion %	Media Planning %
1 to 5	30.0	20.0	22.2	25.0	33.3	44.4
6 to 10	30.0	30.0	44.4	50.0	33.3	11.1
11 to 15	30.0	30.0	11.1	0.0	0.0	33.3
16 to 20	0.0	10.0	11.1	25.0	0.0	0.0
21 and above	10.0	10.0	11.1	0.0	33.3	11.1
Total	100.0	100	100	100	100	100

#### 4.2.8 Advertising Media Used

The advertising media used by most organisations were radio, television, newspaper, magazines, outdoor advertising and cinema. Other media used are directory advertising, travel advertising, direct mail and public relations. These are shown in Table 6. Reasons given by agencies for not using some of the media above was that they were not required by the clients the agencies deal with.

**Table 6: Advertising Media Used**

	Frequency	Percent
Radio	11	11.8
Television	11	11.8
Newspaper	11	11.8
Magazines	11	11.8
Outdoor advertising	11	11.8

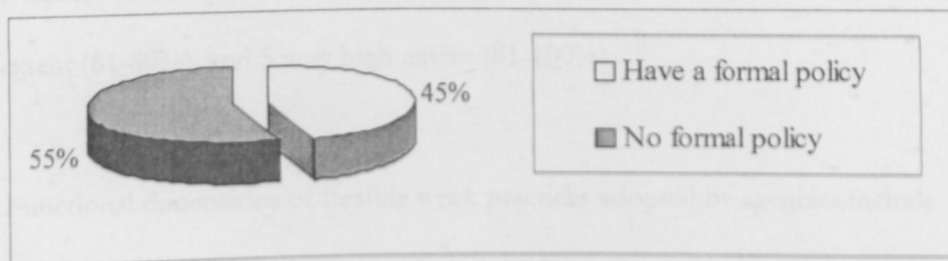
Cinema	10	10.8
Directory Advertising	8	8.6
Travel advertising	8	8.6
Direct Mail	8	8.6
Public Relations	2	2.2
Website	1	1.1
Community Theatre	1	1.1
Total responses	93	100.0

### 4.3 Flexible Work Practices

#### 4.3.1 Policy on Flexible Work Practices

Figure 3 shows that 55% of the agencies do not have a formal policy on flexible work practices while 45% do have a formal policy.

*Figure 3: Policy on Flexible Work Practices*



#### 4.3.2 Formal Policy on Flexible Work Practices by Company Ownership

It is apparent that all (100%) of the foreign-owned agencies have formal policy on flexible work practices, 42.9% of the locally-owned companies also have such a policy; but 57.1% of the local agencies do not have. All the companies that jointly owned by locals and foreigners do not have formal policy on flexible work practices. These results are presented in Table 7.

**Table 7: Company Ownership and Policy on Flexible Work Practices**

		Have formal policy on flexible working practices			Total
		Yes	No		
Company Ownership	Local	Frequency	3	4	7
		% of Companies	42.9%	57.1%	100%
	Foreign	Frequency	2	0	2
		% of Companies	100%	0%	100%
	Both Local & Foreign	Frequency	0	2	2
		% of Companies	0%	100%	100%

### 4.3.3 Functional Dimensions of Flexible Work Practices

On a scale of 1 to 5, the organisations were asked to indicate the extent to which they had adopted the different functional dimensions of working practices where:

1 represented very low extent (0-20%); 2 low extent (21-40%); 3 moderate extent (41-60%); 4 high extent (61-80%); and 5 very high extent (81-100%)

Functional dimensions of flexible work practices adopted by agencies include:

- ◆ Movement of personnel from one job function to another
- ◆ Movement of personnel from one department to another
- ◆ Training of employees to increase their skills

The following work practices were less practiced:

- ◆ Job rotation
- ◆ Job-sharing



- ◆ Changing tasks to match workload

**Table 8: Functional Dimension of Flexible Work Practices**

Functional Dimension	Extent of Application				
	0-20%	21-40%	41-60%	61-80%	81-100%
Extent of employees involvement in job-sharing	72.7(8)	9.1(1)	9.1(1)	0.0(0)	9.1(1)
Workers able to perform a wider variety of tasks to match changing workload	72.7(8)	9.1(1)	9.1(1)	0.0(0)	9.1(1)
Employees trained in skills other than those previously trained for in the last 2 years	9.1(1)	36.4(4)	9.1(1)	0.0(0)	45.5(5)
Extent to which the agency practices job rotation	72.7(8)	0.0(0)	9.1(1)	0.0(0)	18.2(2)
Number of employees involved in job rotation in the past 2 years	72.7(8)	0.0(0)	9.1(1)	18.2(2)	0.0(0)
Personnel moved from one function to another in the past 2 years in the same department	36.4(4)	36.4(4)	18.2(2)	0.0(0)	9.1(1)
Personnel moved to different departments in the past 2 years	9.1(1)	9.1(1)	45.5(5)	9.1(1)	27.3(3)

\*\*The number outside the bracket is the percentage of the respondents

\*The number in the bracket is the number of the respondents

#### 4.3.4 Numerical Dimension of Flexible Work Practices

On a scale of 1 to 5, organisations were asked to indicate the extent to which they had adopted the numerical dimension of working practices where:

1 represented very low extent (0-20%); 2 low extent (21-40%); 3 moderate extent (41-60%); 4 high extent (61-80%); and 5 very high extent (81-100%)

Table 9 shows that organisations rarely practice the numerical dimension of flexible work practices. Most of the employees are on fixed working times, thus compressing of hours is utilised to a very small extent. It was also clear that the number of employees involved in shift work schedule and working during holidays was quite low.

**Table 9: Numerical Dimension of Flexible Work Practices**

Numerical Dimension	Extent of Application				
	0-20%	21-40%	41-60%	61-80%	81-100%
Percentage of employees have fixed time working times (arrive and leave at specific times)	18.2(2)	0.0	9.1(1)	0.0	72.7(8)
Percentage of employees engaged in weekend working, shift work and night work.	54.5(6)	0.0	27.3(3)	9.1(1)	9.1(1)
Percentage of employees engaged in night work	72.7(8)	9.1(1)	18.2(2)	0.0	0.0
Percentage of employees engaged in holiday	72.7(8)	18.2(2)	9.1(1)	0.0	0.0
Percentage of employees involved in compressed hours (reducing working week by extending working	72.7(8)	9.1(1)	9.1(1)	0.0	9.1(1)

\*\*The number outside the bracket is the percentage of the respondents

\*The number in the bracket is the number of the respondents

#### 4.3.5 Distancing Dimension of Flexible Work Practice

On a scale of 1 to 5, organisations were asked to indicate the extent to which they had adopted the distancing dimension of working practices where:

1 represented very low extent (0-20%); 2 low extent (21-40%); 3 moderate extent (41-60%); 4 high extent (61-80%); and 5 very high extent (81-100%)

As indicated in Table 10, it is evident that distancing is practiced to a small extent. A high percentage of employees were working on a temporary basis 72.7%. The percentage of employees on a part time basis was 81.8%. Very few employees worked at/from home with 72.7% working from the office.

**Table 10: Distancing Dimension of Flexible Work Practice**

Distancing Dimensions	Extent of Application				
	0-20%	21-40%	41-60%	61-80%	81-100%
Percentage of current employees working on temporary	72.7(8)	18.2(2)	0.0	0.0	9.1(1)
Percentage of current employees working on a part-time basis	81.8(9)	9.1(1)	0.0	0.0	9.1(1)
Percentage of current employees on fixed-term contracts	9.1(1)	0.0	9.1(1)	9.1(1)	72.7(8)
Percentage of employees at least spends over 50% of their working time working at / from home	72.7(8)	9.1(1)	18.2(2)	0.0	0.0

\*\*The number outside the bracket is the percentage of the respondents

\*The number in the bracket is the number of the respondents

#### 4.3.6 Criteria used to Remunerate Staff

Majority of the agencies (66.7%) indicated that they use performance to remunerate the staff, 20% use qualification and experience while 13.3% use market rate (See Table 11).

**Table 11: Criteria used to Remunerate Staff**

	Frequency	Percent
Performance	10	66.7
Qualification and experience	3	20.0
Market rate	2	13.3
Total response	15	100.0

## 4.4 Performance

### 4.4.1 Number of Clients Served by the Agencies

As shown in Table 12, when asked to state the approximate number of clients the agencies serve, 72.8% of the respondents indicated that they serve over 16 clients while 27.3% serve between 6 and 15 clients.

**Table 12: Number of Clients Served**

Clients	Frequency	Percent
16 to 20	4	36.4
Over 21	4	36.4
11 to 15	2	18.2
6 to 10	1	9.1
Total	11	100.0

### 4.4.2 Methods Used to Compensate the Agencies for Services Provided

As shown in Table 13, almost all the organisations stated that most of their earnings were from media commission, which was then used as a measure of financial performance.

**Table 13: Methods Used for Compensation**

	Very low	Low	Average	High	Very High
Media Commission	10%	0%	10%	50%	30%
Service Charges	18.2%	18.2%	27.3%	27.3%	9.1%
Fees	0%	45.5%	18.2%	18.2%	18.2%



#### 4.4.3 Billings for Agency Services *Award Winners*

As shown in Table 13 above, most of the agency earnings were from Media Commissions, which is a certain percentage of the amount paid for advertisements (the percentage is the billings that the advertising agency will receive).

Table 14 shows that 36.4% of the agencies had billings ranging from one million to fifty million shillings. 27.3% of them with over three hundred million, while 18.2% had yearly billings of between two hundred and one million and two hundred and fifty million shillings. 18.2% had billings lower than one hundred and fifty million shillings.

*Table 14: Billings for the Agencies* *Number of Agencies*

Billings in Kshs.	Frequency	Percent
1,000,001 to 50,000,000)	4	36.4
50,000,001 to 100,000,000	1	9.1
100,000,001 to 150,000,000	1	9.1
150,000,001 to 200,000,000	0	0
200,000,001 to 250,000,000	2	18.2
Over 300,000,001	3	27.3
Total	11	100.0

#### 4.4.4 Awards *Number of Agencies*

72.33% of the agencies indicated that they had won some awards. Only 27.27% had not won any award. The organisations that had won awards had as many as four awards and had won about nine times. The results are presented in Figure 4 and Table 15.

Figure 4: Award Winners versus Non-Award Winners

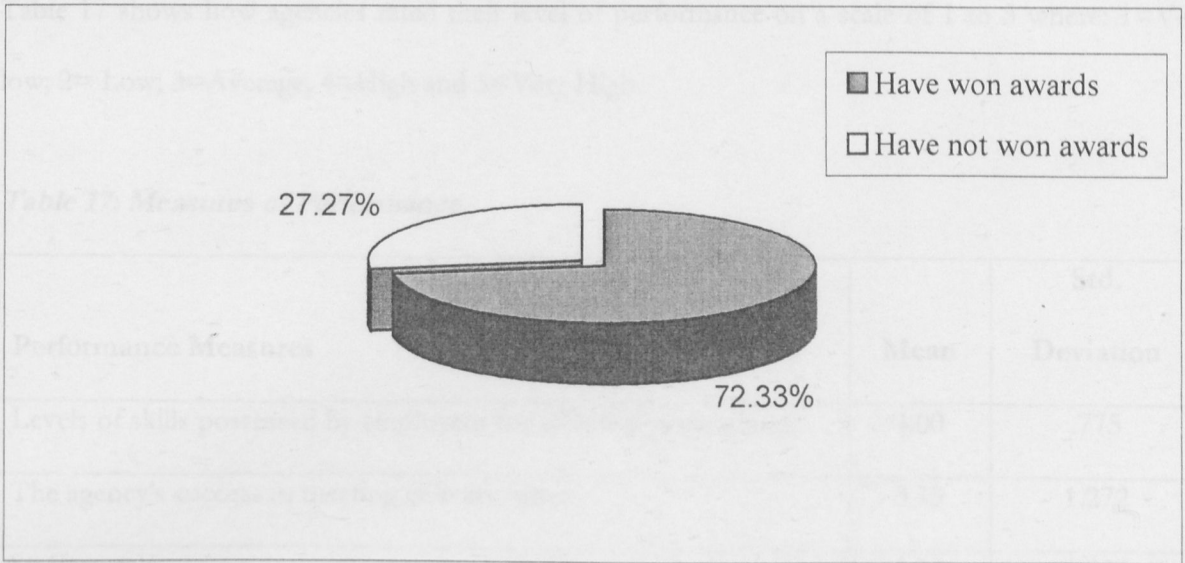


Table 15: Number of Awards and Number of Times Won

	Minimum	Maximum	Mean	Std. Deviation
How many awards	1	4	2.50	1.309
Number of times	1	9	4.43	2.440

#### 4.4.5 Correlation between Awards and Billings

From Table 16, it was observed that there exists a significant and positive relationship between the number of awards an agency had won and the billings. This means that the higher the billings the more awards an agency is likely to have. Pearson correlation coefficient which measures the strength of the relationship is given as 0.883 and the p-value=0.004>0.05.

Table 16: Correlation between Awards and Billings

Number of Awards	Billings	
	Pearson Correlation	.883
	Sig. (2-tailed)	.004
	N	8

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

#### 4.4.6 Measures of Performance

Table 17 shows how agencies rated their level of performance on a scale of 1 to 5 where: 1=Very low; 2= Low; 3=Average; 4=High and 5=Very High.

*Table 17: Measures of Performance*

Performance Measures	Mean	Std. Deviation
Levels of skills possessed by employees for effective performance	4.00	.775
The agency's success in meeting delivery times	3.73	1.272
Staff morale	3.36	1.027
Recruiting success	3.09	1.136
The level of staff turnover in the agency	2.36	1.502
Frequency of rework	2.09	1.136
The levels of customer complaints	1.91	1.221
Number of workdays lost due to strikes	1.55	1.293
The level of absenteeism in the agency	1.18	.405

As shown in Table 17, agencies seemed to have performed well in the following areas:

- ◆ Possessing employees with the right levels of skills
- ◆ Success in meeting delivery times
- ◆ Reducing the frequency of rework
- ◆ Reducing the level of customer complaints
- ◆ Reducing the number of days lost due to strikes

#### 4.5 Relationship between Flexible Work Practices and Performance

There is no significant relationship between flexible work practices and performance. That is, not all organisations that have flexible work practices have high performance. In other words, having flexible work practices does not necessarily translate to higher performance. Table 18 shows the non-parametric spearman's rho correlation coefficient, which though positive, is not significant at  $p \leq 0.05$ .

*Table 18: Correlation between Flexible Work Practices and Performance*

Rho	
Correlation Coefficient	.154
Sig. (2-tailed)	.805

##### 4.5.1 Company Ownership and the Relationship between Flexible Work Practices and Performance

Interestingly, there is a significant positive relationship between flexible work practices and performance for foreign-owned companies that have flexible work practices and not for locally owned companies as shown on Table 19. The Spearman's correlation coefficient is +1.

*Table 19: Company Ownership and the Relationship between Flexible Work Practices and Performance*

Company Ownership	Statistical	
Local	Correlation Coefficient	.500
	Sig. (2-tailed)	.667
Foreign	Correlation Coefficient	1.000**
	Sig. (2-tailed)	0.009

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



## 4.6 Relationship between the Different Dimensions of Flexible Work Practices and Performance

### 4.6.1 Functional Dimension of Flexible Work Practices

Functional dimension of flexible work practices does not have any significant relationship with performance as shown in Table 20. The spearman's rank order correlation coefficient is +0.154, p-value=0.805 for functional dimension which is not significant at the p-value  $\leq 0.05$ .

*Table 20: Correlation between Functional Dimension of Flexible Work Practices*

Statistical Test	
Correlation Coefficient	.154
Sig. (2-tailed)	.805
N	5

### 4.6.2 Numerical Dimension of Flexible Work Practices

Numerical dimension of flexible work practices does not have significant relationship with performance as shown on Table 21. The Spearman's Correlation coefficient for numerical dimension is +0.658, p-value=0.227 which is higher than 0.05 on a 95% confidence level and hence not significant.

*Table 21: Correlation between Numerical Dimension of Flexible Work Practices and Performance*

Correlation Coefficient	.658
Sig. (2-tailed)	.227
N	5

### 4.6.3 Distancing Flexible Work Practice

There exists no significant relationship between distancing form of flexible working practice and performance (Table 22).

*Table 22: Correlation between Distancing Flexible Work Practice and Performance*

Correlation Coefficient	.359
Sig. (2-tailed)	.553
N	5

### 4.6.4 Company Ownership and the Relationship between Flexible Work Practices and Performance

For foreign owned companies, which have flexible work practices, there is a significant perfect positive relationship between two dimensions of flexible work practices (functional and numerical dimensions) and performance. The spearman's correlation coefficient is +1 for functional and numerical and -1 for distancing dimension. This means that the more an agency practices functional and numerical flexible work practices the higher the performance for foreign owned agencies. On the other hand, the more distancing practiced the lower the performance. For locally owned companies, there is no significant relationship between performance, functional and numerical flexible-work practices, but for distancing flexible work practice we have a perfect and significant correlation. The more the locally owned agency practices distancing flexible work practice the higher its performance; this is illustrated in Table 23.

*Table 23: Company Ownership and the Relationship between Flexible Work Practices and Performance*

Company Ownership		Functional flexible work practices	Numerical flexible work practices	Distancing flexible work practices
Local	Correlation Coefficient	.500	.500	1.000**
	Sig. (2-tailed)	.667	.667	0.003
	N	3	3	3
Foreign	Correlation Coefficient	1.000**	1.000**	-1.000
	Sig. (2-tailed)	0.001	0.007	1.000
	N	2	2	2

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

## CHAPTER FIVE

### CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Conclusions

This was a descriptive exploratory study that had the objective of finding out the flexible work practices adopted by the advertising agencies and relationship, if any, between such practices and organisational performance. It sought to determine the extent to which the different dimensions of flexible work practices were utilised and their relationship with performance. The measures of performance in this study were labour productivity, quality, financial performance, employee turnover, absenteeism and industrial disputes.

The study found that depending on ownership the relationship between flexible work practices and performance differed. Foreign owned agencies had a positive relationship between flexible work practices and performance, whereas in the local owned agencies the relationship was not significant. Foreign owned agencies used more of numerical and functional forms of flexibility, while local agencies utilised more of distancing form of flexible work practises, which translated to more use of temporary and part time employees. The use of temporary and part time employees is common with most local companies in the quest for keeping operating costs low. Beadwell and Holden (1997), stated that there is considerable evidence that organisations are making more use of part time workers. K'Oboyo (1998), states that African management practises tend to be highly autocratic with centralised decision making, top down communication, subjective recruitment practices and low degree of openness, which are qualities that are the exact opposite of flexible human resource practices. These could also explain why functional dimensions and numerical dimensions are only practiced to a very small extent.



## 5.2 Recommendations and Suggestions for Further Research

Organisations have responded to competitive pressures to reduce costs by restructuring themselves and their employment systems. In some cases the employment systems have been weakened and eroded. It is evident that organisations respond uniquely to the different dimensions of flexible work practises and consequently relationship between flexible work practices and performance differ. The appropriate degree of flexible work practices adopted would depend on the organisation's objectives, internal organisation and service or product.

The study focused primarily on flexible work practices adopted and their relationship to performance. For the foreign owned agencies that practice flexible work practices there was an indication of a positive relationship between flexible work practices with performance. It would be interesting to investigate what makes foreign owned organisations respond differently to the local owned organisations. Further research could also be done on organisations' internal structures, policies and strategies adopted and relationship with performance.

Although this study provides interesting insights into the relationship among various dimensions of flexible work practices and organisational performance, the results must be interpreted cautiously. It must also be concluded that other determinants of success were not included such as external factors. It would be interesting to include external factors. Future studies, however, should attempt to avoid the methodological pitfall by pragmatically obtaining multiple sources of information within single organisation. It would be an important research issue to examine the impact of dimensions of flexibility on quality of output. Further research could also be done in other sectors of the economy such as manufacturing industries and the government sector.

## 5.4 Limitations of the Study

While interpreting the findings of this study one should bear in mind a number of limitations. First and foremost these findings are based on the response from 11 agencies. Some of the agencies were unwilling to participate in the study because of company policy. The study used a single respondent per organisation. Seeking responses from a single informant to make judgements on complex organisational characteristics may increase subjectivity and bias.

Reddy, J., Clayton, T. & Holden, L. (2002), *Human Resource Management: A Contemporary Approach*, London, Prentice Hall, 2002.

Robins, L. E. & Koontz, L. D. (1988), *Contemporary Management: The Text*, Prentice Hall, Englewood Cliffs, New Jersey.

Deming, W. (1993), *Out of the Mouth of Babes*, MIT Press, Cambridge, Massachusetts, 1993.

Deming, W. (1993), *Human Resource Management*, Prentice Hall, Englewood Cliffs, New Jersey.

Robbins, M. (1994), *Human Resource Management: A Contemporary Approach*, Prentice Hall, Englewood Cliffs, New Jersey.

Graham, H. J. and Pearce, K. (1994), *Human Resource Management*, Prentice Hall, Englewood Cliffs, New Jersey.

Hall, G. D. and Goodale, J. (1994), *Human Resource Management: Strategy, Structure and Implementation*, Prentice Hall, Englewood Cliffs, New Jersey.

Harrison, A. W. and van der Venst, J. (1994), *Human Resource Management: A Contemporary Approach*, Prentice Hall, Englewood Cliffs, New Jersey.

Hughes, D. (1994), *Human Resource Management: A Contemporary Approach*, Prentice Hall, Englewood Cliffs, New Jersey.

Hughes, D. and Mann, J. (1994), *Human Resource Management: A Contemporary Approach*, Prentice Hall, Englewood Cliffs, New Jersey.

Hughes, D. and Mann, J. (1994), *Human Resource Management: A Contemporary Approach*, Prentice Hall, Englewood Cliffs, New Jersey.

Hughes, D. and Mann, J. (1994), *Human Resource Management: A Contemporary Approach*, Prentice Hall, Englewood Cliffs, New Jersey.

Hughes, D. and Mann, J. (1994), *Human Resource Management: A Contemporary Approach*, Prentice Hall, Englewood Cliffs, New Jersey.

Hughes, D. and Mann, J. (1994), *Human Resource Management: A Contemporary Approach*, Prentice Hall, Englewood Cliffs, New Jersey.

Hughes, D. and Mann, J. (1994), *Human Resource Management: A Contemporary Approach*, Prentice Hall, Englewood Cliffs, New Jersey.

## REFERENCES

### Books

- Albrecht, H. M. (2001), International HRM Managing Diversity in the Workplace, Blackwell Publishers, Oxford
- Arens, F W. and Bovée, L. C. (1994), Advertising, Irwin, Illinois
- Beadwell, I. & Holden, L. (1997), Human Resource Management 2<sup>nd</sup> Edition, Pitman Publishing, London
- Beadwell, I., Claydon, T. & Holden, L. (2004), Human Resource Management, A Contemporary Approach, 4<sup>th</sup> Edition, Prentice Hall, London
- Boone, L. E. & Kurtz, L. D (1992), Contemporary Marketing, 7<sup>th</sup> Edition, The Orgden Press, Orlando
- Dessler, G. (1991), Personnel / Human Resource Management, Prentice Hall Inc, New Jersey
- Dessler, G. (2004), Human Resource Management, 9<sup>th</sup> Edition, Prentice Hall of India
- Ezzamel, M. (1994), Business Unit & Divisional Performance Measurement, Academic Press Ltd, London.
- Graham, H.T. and Bennet, R. (1995), Human Resources Management, 8<sup>th</sup> Edition, Longman Group UK Ltd, London.
- Hall, T. D. and Goodale, J. (1986), Human Resource Management, Strategy , Design and Implementation, Scott Foresman and Co., Illinois
- Harzing, A. W. and van Ruyseveldt, J. (2004), International Human Resource Management, Sage Publications, London.
- Hussey, D. (1996), Business Driven Human Resource Management, John Wiley & Son Ltd, West Sussex
- Jamieson, D. and O'Mara, J. (1991), Managing Workforce 2000: Gaining the Diversity Advantage, Dossey-Bass Publishers, San Francisco
- Morris, H. Willey B, Sachdev S. (2002), Managing in a Business Context: A HR Approach, Pearson Education Ltd, Harlow
- Sandage, C.H.S and Fryburger, V. (1975), Advertising Theory and Practice, Richard D. Irwin, Inc Illinois
- Schuler, S. R. & Jackson, E. S. (1999), Strategic Human Resource Management, Blackwell Publishers Ltd, Oxford

- Sisson, K. (1996), Personnel Management: A Comprehensive Guide to Theory and Practice in Britain, Blackwell Inc, Oxford
- Sisson, K. & Storey, J. (2000), The Realities Of Human Resource Management: Managing the Employment Relationship (Managing Work and Organisations Series), St. Edmundsbury Press Ltd, Suffolk
- Storey, J. (1995), Human Resource Management, J Press (Padstow) Ltd, Cornwall
- Storey, J. (1996), Blackwell Cases in Human Resource and Change Management, Blackwell Publishers Inc, Oxford
- Torrington, D. & Hall L. (1995), Personnel Management: HRM in Action, 3<sup>rd</sup> Edition, Prentice Hall, London
- Towers, B. (1995), The Handbook of HRM, Blackwell Publishers Ltd, Oxford
- Towers, B. (1997), The Handbook of Human Resource Management, 2<sup>nd</sup> Edition, Blackwell Publishers Ltd, Oxford
- Vollrerde, W. H. (1998) Building the Flexible Firm, How to Remain Competitive, Oxford University Press, Oxford
- Zingheim, K. P. & Schuster, R. J. (2000), Pay People Right! Breakthrough Reward Strategies to Create Great Companies, Jossey Bass Publishers, San Francisco

#### Articles

- Bowman, E. H. & Dileep, H. (1993). Strategy through the Options Lens: An Integrated View of Resource Investment and Incremental Choice Process. Academy of Management Journal, 43 (3) 429 – 448
- Brouwer, E. and Kleinknecht, A. (1999, “Keynes-plus? Effective Demand and Changes in Firm Level R&D: An Empirical Note”, Cambridge Journal of Economics, vol. 23. No. 3. pp. 385 – 391)
- Chebter, R. K. (2002) “The Factors Considered During the Media Planning Process: A Case of Advertising Agencies Operating in Kenya”, Unpublished MBA Project
- Combes, Andrea 2005 “The Bold Initiative: New twist on flexible scheduling yields productivity”. Gulf Today, 25 July; 27
- Courtney, H., Kirkland, J. & Viguerie, P. 1997 “Strategy under Uncertainty” Harvard Business Review, November-December: 67-79
- Evans, J. S. 1991. “Strategic Flexibility for High Technology Manoeuvres: A Conceptual Framework”. Journal of Management Science, 28 January; 69-87
- Johnson, J. L., Puiwan R. L., Amit S. & Bianca G. 2001 “Market Focused Strategic Flexibility: Conceptual Advances and An Integrative Model.” Working Paper, Washington State University



- Kleinknecht, A. (1998), "Is Labour Market Flexibility Harmful to Innovation?". Cambridge Journal of Economics, Vol. 22, No. 3, pp. 387 – 396.
- Kleinknecht, A., Oostendorp, R. and Pradhan, M. (1997), "Flexible Labour, Firm Growth and Employment: An Exploration of Micro Data in the Netherlands", Mimeo, 2 December 1997
- K'Obonyo P 1998. "The Emerging Paradigm of Human Resource Management", Nairobi Journal of Management Vol. 4 January/April, 1998
- Michie, J. and Sheehan, M. (1999a), "HRM Practices, R&D Expenditure and Innovative Investment: Evidence from the UK's Workplace Industrial Relations Survey (WIRS)", Industrial and Corporate Change, Vol. 8 No. 2, pp. 211-234
- Michie, J. and Sheehan, M. (1999b), "No Innovation without Representation? An Analysis of Participation, Representation, R&D and Innovation", Economic Analysis, Vol. 2 No. 2 pp 85 – 98
- Ogutu M (1993), "Advertising Agencies in Kenya, Their Nature and Operations", Unpublished MBA Project
- Okungu, Jennifer (2003) "A Survey of the Extent of Media Implementation for Leading Brands by Kenyan Advertising Agencies", Unpublished MBA Project

Appendix I: Advertising Agencies in Kenya

No.	Name of Agency
1.	Media Initiative East Africa
2.	Ayton Young and Rubicam
3.	Ogilvy & Mather
4.	Thompson Kenya Ltd.
5.	Adapt /Tequilla
6.	MCL Saatchi & Saatchi
7.	The Advertising Company
8.	Nuturn Bates Ltd.
9.	Lowe Scanad Kenya Ltd
10.	TBWA /Creative Ltd.
11.	Access Leo Burnett Limited
12.	Communication Concept
13.	Media Compete (South Afr ica)
14.	Saracen Media Limited
15.	Muthaiga Advertising
16.	Mike Jones Software
17.	Tomorrow Creations

(Source: Steadman & Associates Ltd, 2004)

Appendix II: Total Advertising Industry Expenditure (Table 1)

Jan-Sept 2004

Sector	2000	2001	2002	2003	2004
Beverages	13%	13%	10%	10%	7%
Clothing Fabrics & Footwear	1%	1%	1%	1%	1%
Foods	6%	7%	4%	6%	6%
Pharmaceuticals	5%	5%	7%	7%	7%
Veterinary & Agriculture	1%	1%	1%	1%	1%
Tobacco	1%	0%	0%	0%	0%
Personal Care	4%	7%	8%	8%	9%
Household	9%	9%	11%	12%	11%
Office Equipments & Serv	6%	8%	10%	1%	1%
Transport	10%	8%	8%	6%	6%
Financial & Insurance Serv	6%	5%	6%	6%	7%
Tourism & Entertainment	6%	6%	6%	6%	6%
Publishing & Education	15%	14%	13%	16%	19%
Corporate & Multibrand	10%	9%	11%	7%	8%
Shopping Places	4%	4%	2%	3%	2%
Communications	N/A	N/A	N/A	9%	9%
Supplements & Congrats	4%	3%	2%	0%	2%
<b>Total Exp Kshs. '000,000</b>	<b>4,231</b>	<b>5,003</b>	<b>6,089</b>	<b>6,661</b>	<b>5,851</b>
<b>% Growth</b>	<b>31%</b>	<b>18%</b>	<b>22%</b>	<b>9%</b>	

(Source: Steadman & Associates Ltd, 2004)

### Appendix III: Cover Letter

Date

Faculty of Commerce  
Department of Business Administration,  
University of Nairobi  
P.O. Box 30197  
Nairobi.

Dear Sir / Madam,

#### **RE: LETTER OF INTRODUCTION**

I am a postgraduate student studying at the University of Nairobi, currently undertaking a research on the relationship between flexible work practices and performance; a survey of advertising agencies in Kenya.

It is toward this end that this questionnaire calls for your assistance in providing the necessary information. You are assured that the information you provide will be treated in the strictest of confidence and will only be used for this academic exercise. At your request a summary of the results will be sent to you.

Your cooperation will be highly appreciated

Yours faithfully,

Teresia Mbuthia  
Student

c.c Prof P. O. K'Obonyo  
Academic Supervisor



## Appendix IV: Questionnaire

### Section A: Biographical Information

1. Name of organisation: .....
2. When was the agency established? .....
3. Type of ownership
  - a) Sole proprietorship [ ]
  - b) Partnership [ ]
  - c) Limited Company [ ]
  - d) Other (specify [ ] .....
4. Company ownership
  - a) Local [ ]
  - b) Foreign [ ]
  - c) Other (specify [ ] .....
5. Is your agency affiliated to an international advertising agency?  
Yes [ ] No [ ]
6. If yes please specify the firm your agency is affiliated to  
.....
7. What are your current staff levels in (numbers)?
  - a) Professional Staff .....
  - b) Support Staff .....
  - c) Part Time .....
  - d) Temporary / Casual Staff .....
8. What is the ultimate number of staff you require to effectively and efficiently serve your clients?
  - a) Professional Staff .....
  - b) Support Staff .....
  - c) Part Time .....
  - d) Temporary / Casual Staff .....
9. What services does your agency offer to your clients (Please tick as appropriate)?
  - a) Account Services [ ]
  - b) Creative Services [ ]
  - c) Marketing Services [ ]
  - d) Research Services [ ]
  - e) Sales Promotion [ ]
  - f) Media Planning [ ]
  - g) Other(s) please specify below [ ]  
.....

10. How many employees are in these service departments in your organisation?

	1-5	6-10	11-15	16-20	21 and above
a) Account Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Creative Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Marketing Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Research Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Sales promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Media Planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Other(s) please specify below	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

.....

11. Which of the following advertising media does your agency deal with?

a) Radio	<input type="checkbox"/>
b) Television	<input type="checkbox"/>
c) Newspaper	<input type="checkbox"/>
d) Magazines	<input type="checkbox"/>
e) Cinema	<input type="checkbox"/>
f) Directory Advertising	<input type="checkbox"/>
g) Travel Advertising	<input type="checkbox"/>
h) Outdoor Advertising	<input type="checkbox"/>
i) Direct Mail	<input type="checkbox"/>
j) Other(s) please specify below	<input type="checkbox"/>

.....

12. If your agency does not deal with some of the media available which of the following could be the main reason;

a) Agency trying to specialise in the use of some media only	<input type="checkbox"/>
b) Agency deals with clients who do not require use of those media	<input type="checkbox"/>
c) Agency lacks personnel who can prepare advertisements for those media	<input type="checkbox"/>
d) Agency would find production of advertisements for those media costly	<input type="checkbox"/>

## Section B: Flexible Working Practices

1. Do you have a formal policy on flexible working practices?

Yes

No

Below are some forms of flexible working practices, please indicate the extent to which your agency has adapted the different practices.

1. 0 - 20%    2. 21 - 40%    3. 41 - 60%    4. 61 - 80%    5. 81 - 100%

		Rate				
		1	2	3	4	5
2.	What percentage of personnel has been moved from the function they have been performing to a different function in the past 2 years in the same department?					
3.	What percentage of personnel was moved to different departments in the past 2 years?					
4.	To what extent are employees involved in job-sharing?					
5.	To what extent does your agency practice job rotation?					
6.	What percentage of employees have been involved in job rotation in the past 2 years?					
7.	What percentage of employees has been trained in skills other than those that they previously had training in the last 2 years?					
8.	What percentage of workers are able to perform a wider variety of tasks to match changing workload?					
9.	Approximately what percentage of current employees are temporary?					
10.	Approximately what percentage of current employees are part-time?					
11.	Approximately what percentage of current employees are on fixed-term contracts?					
12.	What percentage of employees have fixed time working (arrive and leave at specific times)?					
13.	What percentage of employees are engaged in weekend working, shift work and night work?					
14.	What percentage of employees are engaged in night work?					
15.	What percentage of employees are engaged in holiday working?					
16.	What percentage of employees are involved in compressed hours (reducing working week by extending working day)					
17.	What percentage of employees atleast spend over 50% of their working time working at / from home?					

18. What criteria is used to remunerate the staff?

a) Market rate

b) Performance

c) Qualifications and experience

d) Others (please specify)

**Section C: Performance**

1. How many clients does your advertising agency service (please tick one)?

- a) 1
- b) 2 – 5
- c) 6 – 10
- d) 11 – 15
- e) 16 – 20
- f) Over 21

2. How would you rank the frequency of use of the following methods of compensation?

1. *Very Low*    2. *Low*    3. *Average*    4. *High*    5. *Very High*

1    2    3    4    5

- a) Media Commission
- b) Service Charges
- c) Fees
- e) Others (please specify) .....

3. What were your yearly billings in Kshs for advertising services to your clients' for the years indicated?

	2004	2003	2002	2001
a) Less than 1,000,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) 1,000,001 – 50,000,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) 50,000,001 – 100,000,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) 100,000,001 – 150,000,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) 150,000,001 – 200,000,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) 200,000,001 – 250,000,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) 250,000,001 – 300,000,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Over 300,000,001	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Below are some measures of performance; please indicate the performance of your agency at the appropriate point on the scale below.

1. *Very Low*    2. *Low*    3. *Average*    4. *High*    5. *Very High*

		Rate				
		1	2	3	4	5
4.1	Quality of Service					
a)	The levels of customer complaints					
b)	Frequency of rework					
4.2	Human Resource					
a)	The level of absenteeism in your agency					
b)	The level of staff turnover in your agency					
c)	Recruiting success					
d)	Staff morale					
e)	Levels of skills possessed by employees for effective performance					
4.3	Delivery throughput					
	The agency's success in meeting delivery times					



4.4	Industrial relations						
	Number of workdays lost due to strikes						

6. Has the Agency won any award(s)?

Yes [ ]

No [ ]

7. a) If yes what award(s) .....

b) How many times .....

c) What year(s) .....

*Thank you very much for your time and cooperation.*