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The Impact of Employee Satisfaction on Company Image at Chicken Inn Outlets in Bulawayo, Zimbabwe

Sihlobo Nyoni

Accounting and Finance Lecturer, Department of Accounting and Finance, Ba Isago University, Gaborone, Botswana

Douglas Chiguvu

Marketing Management Lecturer & Ph.D. Candidate, Department of Entrepreneurship, Ba Isago University, Gaborone, Botswana

Collen Mahambo

Accounting and Finance Lecturer, Department of Accounting and Finance, Ba Isago University, Gaborone, Botswana

Paul T. Guruwo

Marketing Management Lecturer & Ph.D. Candidate, Department of Entrepreneurship, Ba Isago University, Gaborone, Botswana

Abstract:

The study was focusing on the impact of employee satisfaction on company image at Chicken Inn restaurants in Bulawayo. The main objective of the research was to find the relationship between employee satisfaction and company image. Causal research design was used in this study. Probability and simple random sampling techniques was used in selecting the respondents. A sample size of 123 respondents was used for the study. The data collected was analyzed through the use of SPSS by regressing and correlating the variables in order to determine the strength of the relationship. The research findings from the hypothesis tests explore that there is a strong positive relationship between employee satisfaction and company image. The study recommends Chicken Inn to adopt internal marketing as a way of satisfying employees internally as they are the ambassadors of the company. The company should also apply performance appraisals and several training on monthly bases so that the employees will be equipped with the required skills to cope up with changes in technology in the global environment.

Keywords: Employee satisfaction, Service quality, Company image

1. Introduction

Services quality has attracted many researchers for many years (Cronin and Taylor, 1992; Gronroos, 1984). Service quality is a determinant of whether an organization sinks or swims in the aggressive competition that characterizes the business world (Gronroos, 2007). Providing excellent service quality is widely recognized as a critical business requirement and many organizations are concerned with how they deliver their services (Kotler, 1998). Chicken Inn has been the market leader in the fast food industry for the past 25 years. It has established branches in Zimbabwe, Kenya, Zambia and Ghana offering a wide range of fast foods such as fried chicken, hand-cut chips and fried chicken burgers which helps it to effectively position itself in the mentioned African countries. The food outlet has been operating effectively and efficiently since 1987 when it was first introduced in Harare Zimbabwe. However the invading of other giants such as Chicken Slice, KFC, Food Express, Bhello and Nandos into the industry has led the company to face stiff competition. The statistics from an article by the Herald newspaper (02 /01/ 2014) shows that its market share decreased by 5 percent from 2013 to 2014 as well as the profits which declined by 10 percent.

The shrinking of Chicken Inn profits and market share has led to financial instability. This has resulted in the company employing inadequate staff due to insufficient funds to employ many workers. The company employees are now exposed to 10 working hours instead of 8 normal working hours agreed by the labor law. The employees failed to be consistent in the service delivery which resulted in low performances compromising the service quality in terms of waiting time and cleanliness of Chicken Inn. The company is failing to compensate for the overtime which is against the labor law. The floors, sinks and the serving tables are mostly seen with remaining containers, empty cans and splashes of foods from previously served customers. The order processing of Chicken Inn takes time leading to long waiting period as well as customers' dissatisfaction. Competitors in the fast food industry are adopting innovative practices and focusing into venturing new products lines with different strategies to trap customers. They are mainly concerned with improving service delivery through satisfying the employees by providing good working conditions and hence improving service quality. It is against this background that leads the researcher to explore the impact of employee satisfaction on service quality on Chicken Inn restaurants in Harare.

2. Literature Review

The food industry is the fastest growing sector in the world. In order for an organization to increase the capacity for achieving service quality in this sector requires the theoretical understanding of the relationship between employee satisfaction and company image. The theoretical framework refers to the collection of interrelated concepts and theories supporting the topic (Kotler, 1998). The researcher looked at the theoretical literature on the relationship between employee satisfaction and company image.

2.1. *The Relationship between Employee Satisfaction and Company Image*

Services employees play a vital role in defining organizational success and it is important to understand their role within the organization. Services employees refer to the frontline employee who is directly responsible for the service delivery (Gronroos, 1993). Company image refers to the perceptions of customers towards the organizational activities which can influence the customers to buy the product or service from an organization (Keller, 1993). Employees are ultimately the organization in the customers' eyes and they present the image of the company and the service quality at the same time. The relationship between employee satisfaction and company image is supported by social exchange theory and service profit chain.

2.1.1. Social Exchange Theory

The relationship between employee satisfaction and company image is also supported by the theory of equity in social exchange (Blau, 1964). The theory entails that when the company is engaged in building a relationship with the employees by fulfilling their needs, offering them favorable working conditions and organizational support, the employees will be satisfied and in return they will be committed to their work as well as the organization. The satisfied employees will also be willing to contribute and eager to take extra care of their customer of the organization and become more service oriented. In addition the satisfied employees tend to be more dedicated to work and put extra effort to offer service of high quality and enhance perceived service quality leading to customer satisfaction. Kotler (1983) postulates that, frustrated workforces are terrorist to the organization and this has led to the concept of internal marketing which reveals that, by satisfying the needs of the employee the organization will be in a better position to deliver quality desired satisfaction to customers.

The theory also explains that the employees who appreciate their working conditions will be loyal to their organization and they are prone to delivering services of higher quality to customers, so if the organization creates a positive image to the employees they get favor in many aspects (Lehtinen and Lehtinen, 1982 ; Gronroos, 2001). The customer will also be loyal to the organization due to the high level of the service quality they received and feel satisfied with the services. Dolen, Lemmink, Ruyter, and Jong (2002) assert that if the customers like the performance of the employee and express appreciation this will lead to a higher level of employee satisfaction. Satisfied customers tend to be more loyal to the service providers and make repeat purchases as well as recommending the service provider to other customers leading to recognition of the organization image. This implies that the success or failure of the company depends on employee level of satisfaction. Heskett and Schlesinger (1991) also introduce cycle failure which explains how dissatisfied employees can lead to poor organizational performance in the services environments that is when the organization invests little in employees by paying of low wages, the level of dissatisfaction among employees will increase and customer satisfaction will fall and the organizational performance in terms of perceived service quality will deteriorate.

2.1.2. Service Profit Chain Theory

The services profit chain theory also explains the relationship between employee satisfaction and company image. Brown and Lam (2008) explore that satisfied employees provide better service as compared to less satisfied employees, leading to better perceived service quality hence customers will be satisfied. Heskett, James, Sasser, Earl, Schlesinger and Leonard (1997) asserts that operations to the profits of a service takes the following chain of logical deductions that is (1) profit and growth are stimulated primarily by customer loyalty; (2) loyalty is a direct result of customer satisfaction; (3) customer satisfaction is largely influenced by the value of the services provided; (4) value is created by satisfied, loyal and productive employees and (5) employee satisfaction results primarily from high-quality support services and policies that enable employees to deliver good results to customers. In addition, Parasuraman and Berry (1985) suggested that a service company can be only as good as its employees. Therefore if the employees do not meet the customer expectations then neither does the service because customer evaluates the employees first before they buy the products the company offer. It is good for the company to invest in employees' quality which ultimately means that the company products quality and perceived services quality will be valued by customer due to employee satisfaction.

Heskett et al (1997) also adds on that the relationship between employee satisfaction and company image is shown by the level of contentment that is exposed by the customers and employees after the service delivery process. Thus business success depends on the level employees satisfaction (Schlesinger and Heskett, 1991). The theory entails that providing employees with a superior internal working environment will lead to satisfied employees who are both loyal to the organization and able to provide the customer with an excellent service experience leading to customers being satisfied (Heskett et al, 1999). The relationship between employee satisfaction and company image has proved to have positive relationship on the research conducted by Afshan, et al., (2008) on the impact of employee satisfaction on the success of organization' image. The researcher investigates the factors of employee satisfaction that affect the organizational image and performance. The research uses two self-administered questionnaires to get response from customers and their experiences at a hotel and another was designed to get responses from employees from their job satisfaction using 150 questionnaires. The research exposes that there is a positive relationship between employee satisfaction and company image. The author postulates that employee satisfaction is considered to be important in defining the organizational success especially in services industry. Employee satisfaction is the key to the success of the company image.

Another research conducted by Muhammad and Ifan (2010) show that there is positive relationship between employee satisfaction and company image. The objective of the study were focusing on the concept of the organizational structure, policies and the management commitment exerted to employee plays a positive role for satisfying employees and customers. The study concludes that quality service and the overall picture of the organization strongly depends on employee satisfaction. Mathieu and Zajac (1990) concluded that employee satisfaction has little direct influence on business image. Although much research has been successfully conducted several researches and found that company image correlate with employee satisfaction. In another research conducted by Brown and Peterson (1993) identified a weak relationship between employee satisfaction and company image and concurs with the research carried out by Keeled (1998) in India who concluded that remuneration increases overall employee morale rather than company image on its own. The relationship between employee satisfaction and company image receive empirical evidence which proved that there is a positive relationship between employee satisfaction and company image on the research conducted by Arizi, 2008; Clow and Kurtz, (2003) and Spector, (1997). The researchers reveal that employees who become satisfied with their jobs and their company image together with the working environment become attached to their organizations and have less likely to leave there and they greatly contribute to the quality service for their organization.

3. Research Methodology

The researchers used the causal research design in this study. Casual research design seeks to determine how the independent variable influences the dependent variable after an event has occurred (Saunders et al, 2005). This research design helps to examine and explain the cause and the effect of employee satisfaction on company image at Chicken Inn outlets in Bulawayo. The target population for this study included all employees of Chicken Inn outlets in Bulawayo. The researchers used probability sampling techniques and simple random methods to collect the required data. The sample size for the research was adapted from (Saunders et al., 2005). Questionnaires were used as data collection instruments for collecting primary data. The research questionnaire used in this study was an adapted version of Gronroos, (2004) for measuring services quality and Job descriptive Index was adapted from Lock, Smith, Kendall, Hullin and Miller, (1964) for employee satisfaction. The researchers used seven-point likert scale which stretches from 1= strongly disagree to 7=strongly agree. The reliability and validity was also tested using Confirmatory Factor Analysis. The researchers used Statistical Package for Social Sciences (SPSS) software to analyze the data obtained from the questionnaire. The SPSS software enables the researcher to use regression analysis to estimate the relationships between the variables. The data was presented inform of tables for easy understanding.

4. Findings and Analysis

4.1. The Relationship between Employee Satisfaction and Company Image

The third hypothesis also states that there is a relationship between employee satisfaction and company image. The regression coefficient results are shown by the table below.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.455	3.287		7.355	.000
	Company image	.682	.552	.869	10.329	.000
a. Dependent Variable: employees satisfaction						

Table 1: Regression coefficient of Employee Satisfaction and Company Image

Table 1 show the regression coefficients results from regressing employee satisfaction and company image as indicated above. The result shows a strong positive relationship as proved by a standardised regression coefficient of .869, $p = .000$. Therefore the hypothesis that there is relationship between employee satisfaction and company image is supported.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.869 ^a	.755	.756	1.105
a. Predictors: (Constant), employee satisfaction				

Table 2: The model summary for Employees' satisfaction and Company Image

Table 2 shows the results from the model summary. The result shows that R squared is .756 which means that 75.5% of the deviations in company image are caused by the employee satisfaction. This also implies that a change in the level of employee satisfaction will cause changes on the company image.

4.2. Discussion of Results

The findings also explores that there is a positive relationship between employee satisfaction and company image as shown by the standardised coefficient of .869, $p = .000$ depicted on the 4.1 and the R square which is 75.5% shown on the Table 2. The results were consistent with the findings of Afshan et al., (2008) who also find positive relationship. The researchers discover that employee satisfaction is considered to be important in defining the organizational success especially in services industry. Employee satisfaction

is the key to the success of shaping good organizational image. More so, Ariz et al., (2008) support that there is a positive relationship between employee satisfaction and company image and clearly investigates that satisfied employees become attached to their organization and the work environment. The employees also maximize their efforts for the organization to success and make favors of their company image. Therefore this implies that the company image is characterized by the level of employee satisfaction, so for the company to have a good image in the eyes of the customers there should be enough room for employees to make decisions, exposed to favorable leadership style such as participative leadership and good working condition which enable to boost employee satisfaction. Furthermore, in another research conducted by Muhammand and Ifan (2010) give evidence that management commitment on the employee satisfaction plays a positive role for satisfying employee and come up with the idea that organizational image depends on employee satisfaction. However in the research conducted by Brown and Peterson (1993), Mathieu and Zajac (1990) found that there is little relationship between employee satisfaction and company image whereas Keeled (1998) finds out that employee satisfaction is influenced by remuneration and not by the company image itself. The deviation of the results found it might be caused by the types of the organization in which the studies were carried out. This implies that organization must also take note of the remuneration when motivating employees since other employee are motivated by money despite the working conditions that are provided by the company.

5. Conclusion and Recommendations

In conclusion employee satisfaction is the major determinant of services quality in terms of company image in the fast food industry. Basing on the findings obtained after conducting a detailed analysis the researcher concluded that there is a moderate relationship between functional quality and employee satisfaction. Based on the above conclusion it is recommended that the top management of Chicken Inn should educate their employees on how to deliver their service and this help to improve the standards of the service quality as employees will have enough knowledge. The company must also engage on performance appraisals on certain bases which can help to assess employees to see whether they meet the required standards of the organization or not, so that if there is deviation on the standards they will implement them. This strategy can also be facilitated by introducing performance based paying rate system which helps the organization to have high standards. The company is also recommended to give incentive and competitive remuneration to employees because a competitive remuneration increases employee satisfaction and in turn increase their service standards. Heskett et al (1997), Brudney and Condrey (1993) believe that a good incentive system encourages employees to be productive and creative as well as being loyalty and stimulates innovation. The company is also recommended to provide employee with normal working hours. This will motivate employees so that they will be goal oriented and strive for achieving the objectives of the company they are attached. They would also prevent the company image. The company is recommended to practice adequate orientation of employees and continuous training of the staff periodically. Training is vital since it helps the employees to know what is expected from them. This will address the gap in knowledge of procedures, products and equips the employee to be able to perform to higher standards. Training contributes the understandings of every person with in an organization because frontline employees they do not work in isolation from other departments and every member of the organization should have the knowledge of the whole aspects within the organization. The company should also include employees in decision making which improve communications and helps in dissemination of useful information upwards and downwards between top management and employee which will help everyone to understand what is really on the grounds. This study recommends further research on some practicalities areas such as training of employees and its implication to services outcomes, the use of technology in enhancing service delivery and the roles of employees in service delivery need to be clearly elaborated in order for the organisations that is operating in Food industry to succeed.

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