EFFECT OF RECRUITMENT ON EMPLOYER BRAND IN THE MOBILE TELECOMMUNICATION SECTOR IN KENYA

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Abstract

Organizations both depend on a high degree of employee commitment to their corporate brand and expect a high degree of employee commitment as a result of their corporate brand. The effect of recruitment on employer branding is one of the latest trends and strategies adopted by many organizations so as to remain competitive. This study sought to establish the effect of recruitment employed by the licensed mobile firms in the telecommunication sector in Kenya with the aim of promoting employer branding. The study established the relationship that exists between recruitment and employer branding on selection, hiring process, sourcing and screening in the mobile telecommunication sector. The study used a descriptive design. Data was collected using a structured self-administered questionnaire. The questionnaire was administered to all the four firms identified and the target population was all the top, middle and lower level managers totaling to three hundred and ninety (390). To ascertain the validity and reliability of questionnaire, a pre-test and pilot survey was conducted.

Data analysis involved statistical computations for averages, percentages, coefficient of correlation and multiple logistic regression analysis. Statistical computer software (SPSS and Ms Excel) were used in data analysis. The study found that recruitment factors such as selection, hiring process, sourcing and screening have positive and significant effect on employer branding. The study recommended adoption of a written procedure on employee recruitment by all mobile telecommunication companies. Recruitment process should also be transparent in the organization. This will boost the employer branding.

Key Words: Employer Branding, Recruitment factors, Telecommunication Sector in Kenya
INTRODUCTION

The basic idea of recruitment is to have the right people, in right jobs at right time (CIPD, 2010). An effective employer brand presents an organization as a good employer and a great place to work and can, with recruitment there is no doubt that some companies are more successful than others in their efforts to attract and retain talented people, potential recruits evaluate the information that they receive in order to develop a multifaceted image of employers (Keller 1993). Companies should ensure that the process of recruitment and selection is, and is perceived, fair to avoid giving bad impressions (CIPD, 2010).

Across the globe companies of all sizes have to face the fact that in tough times survival and success depends on attracting, developing and retaining key staff. Companies, like countries, are realizing that their future prosperity depends not only on natural resources or even on financial capital, but also branding. Organizations all over the world operate in a very competitive environment, and this calls for pragmatic strategies to be ahead in any sector.

Employer branding is as a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm” (Sullivan, 2004). In today’s competitive business environment, skills and talent shortages require new staffing and retention strategies. As highlighted in the 2007-2008 Trends List from the Society for Human Resource Management, one such strategy is the increased organizational focus on employer branding. Human resource (HR) occupation has encountered major problems in legitimising its role in business (Sisson 2001) United Kingdom (UK) and United states of America (USA) have also had similar accusation levelled on HR (Strauss,2001).

In the 21stCentury, the telecommunication industry has evolved to become the fastest growing, competitive and the most vibrant industry in Kenya. The mobile phone market is relatively young and evolving fast Chong, (2010a). As a consequence, the ever changing market, the telecommunication companies in Kenya have opted to engage in innovative strategies in order to enhance their competitiveness Cuielenburg & Slaa( 2010). The mobile telephony sector in Kenya is composed of four licensed mobile operators namely Safaricom, Airtel, Telkom Kenya’s Orange and Essar Kenya’s Yu Communication Authority of Kenya, (2010).

This study therefore sought to establish whether there is a relationship between recruitment and employer branding among the four licensed mobile telephony sectors in Kenya.

Statement of the Problem

As the world increasingly becomes a global village, companies are faced with competition for human capital from all over the globe and they have to struggle to remain competitive and employers of choice. Continuing technological innovations have made it possible for corporations to use workforce from outside traditional markets. This has led to more cross boundary competition for skilled labour. This coupled with the increased competition between large and small firms around the world companies are experiencing unprecedented levels of competition to remain more competitive and sustainable even within given jurisdictions.

Existing literature claims that many organizations are not developing or maintaining their employer brand correctly and talent shortages can render organizations vulnerable in terms of competitive sustainability (Minchington, 2010; Boshard & Louw, 2010; Charest, 2011; Prinsloo, 2008). However there is need to clearly establish how organizations use recruitment to become employers of choice (Employer branding) and to remain competitive using the Kenyan perspective.
Companies are facing problems concerning the attraction and retention of talented employees, due to the shortage of individuals with competence. A survey conducted between October and November 2013 by Universum, a New York-based employer branding and human resource consulting company, Unilever’s reputation was among the best choice company selected by students in top universities in the Kenya market over the past year. The company was declared the overall winner of the 2013 Institute of Human Resource Management Awards and was also ranked top employer brand of the year by a global talent management firm. This clearly explains why there was need to establish the relationship that exists between recruitment strategies and employer branding and to completely understand the phenomenon of Employer Branding empirical contributions necessary in the developing world and especially Kenya. This study therefore sought to ascertain the effect of recruitment on employer branding in the mobile telecommunication sector in Kenya.

Objective of the Study

The objective of the study was to determine the effect of recruitment on employer branding in the mobile telecommunication sector in Kenya.

THEORETICAL BACKGROUND AND LITERATURE REVIEW

This study reviewed various theories that informed on recruitment process and Employer branding. The study was based on the following theories; The Resource Based Value (RBV) theory, psychological contract theory Universalistic theory and Organisational support theory (OST). The central proposition of the theory is that a firm represents a collection of unique resources and capabilities, this is based on their theoretical foundation of employer branding, the assumption of the value that the psychological contract theory also suggest that an employer brand can be regarded as the psychological contract with unwritten rules and expectations that define an employee and employer relationship (Grobler, Warnich, Carrell, Elbert and Hatfield, 2006). Brand equity as the underlying reasons why the researcher must anchor the research on the above theories.

Resource-Based View Theory

The resource-based view (RBV) is a business management tool used to determine the strategic resources available to a company. Strategic human resource management has been most concerned with the impact of HR strategies on organizational performance (Boxall & Macky, 2007). The resource-based view (RBV) of the firm provides justification of the importance of human resources and effective human resource management as a source of sustainable competitive advantage (Barney & Wright, 1997; Wright, Dunford, & Snell, 2001). In particular, the RBV emphasizes the role of HR practices in influencing the human capital within organizations in a way that may lead to organizational success. Building upon the RBV, the nature of the relationship between human resource strategies and employer branding has become the focus of the human resource field (Boselie et al., 2005).

Resource-based view (RBV) supports this, suggesting that characteristics of a firm’s resources can contribute to sustainable competitive advantage (Barney, 1991). It adopts two assumptions in analyzing sources of competitive advantage (Barney, 1991; Peteraf & Barney, 2003). The fundamental principle of the RBV is that the basis for a competitive advantage of a firm lies primarily in the application of the bundle of valuable resources at the firm’s disposal (Wernerfelt and Rumelt, 2007). First, this model assumes that firms within an industry (or within a strategic group) may be heterogeneous with respect to the bundle of
resources that they control. Second, it assumes that resource heterogeneity may persist over time because the resources used to implement firms’ strategies are not perfectly mobile across firms some of the resources cannot be traded in factor markets and are difficult to accumulate and imitate). Resource heterogeneity (or uniqueness) is considered a necessary condition for a resource bundle to contribute to a competitive advantage. The argument goes “If all firms in a market have the same stock of resources, no strategy is available to one firm that would not also be available to all other firms in the market” (Cool, Costa & Dierickx, 2002). The RBV points out that firm can develop sustained competitive advantage only by creating value in a way that is rare and difficult for competitors to imitate (Barney et al, 1991).

While we commonly think of plant, equipment and capital as resources that create competitive advantage, human capital has also been shown to operate as an important resource creating competitive advantage (Priem and Butler, 2001). The human capital theories become an integral part of SHRM literature that focus on how human resources influence organization performance. The underlying explanation of the theory is that people possess knowledge, skills and abilities that are of economic value to the firm. The resource-based view (RBV) has since become one of the dominant contemporary approaches to the analysis of sustained competitive advantage. A central premise of the resource-based view is that firms compete on the basis of their resources and capabilities (Peteraf & Bergen, 2003). Most resource-based view researchers choose to “look within the enterprise and down to the factor market conditions that the enterprise must contend with, to search for some possible causes of sustainable competitive advantages” holding constant all external environmental factors (Peteraf & Barney, 2003).

Arguably, the possession of resources that are rare, valuable, non-substitutable and difficult to imitate allow a firm to move ahead of its competitors (Barney, 1991). This therefore means that the theories presented adopt different perspectives, but the theory is useful in explaining the concepts of the study.

**Psychological Contract Theory**

The psychological contract has been defined by Guest and Conway (2002) as the perceptions of both parties to the employment relationship, organizational and individual of the reciprocal promises and obligations implied in that relationship. The theory of the psychological contract and its effect on the employee organizational relationship provides a second foundation for employer branding. In the traditional concept of the psychological contract between workers and employers, workers promised loyalty to the firm in exchange for job security. However, the recent trend toward downsizing, outsourcing, and flexibility on the part of the employer has imposed a new form of psychological contract, in which employers provide workers with marketable skills through training and development in exchange for effort and flexibility (Baruch, 2004). However if the employee feels that the contract is being breached, it may result in reduced commitment, intentions of leaving and even resignation (De Cuyper et al., 2008).

In the face of negative perceptions of this new employment reality, firms use employer branding to advertise the benefits they still offer, including training, career opportunities, personal growth and development. In general, firms have been perceived to fail to deliver some of these offerings so employer branding campaigns can be designed to change perceptions of the firm. Further similarities between corporate branding and employer branding can be observed when considering the
“promise” made between the organization and the stakeholder group. Moroko and Uncles (2008) suggest that an employer brand can be regarded as a psychological contract between an employer and employee, and similarly the corporate branding literature (Olin’s, 2004) has long considered a brand as a promise from an organisation to customers. For this promise to be successful in an employment context (as it would in a product/service context), the employer brand propositions should be established to ensure that the rational and emotional benefits are congruent with existing and potential employees’ expectations (Mosley, 2007). It is said to create emotions and attitudes which form and control behavior (Armstrong, 2006) and it has been linked to commitment, organizational culture, unmet expectations and betrayal of trust (Lee, 2001). In current times employers utilising flexible working arrangements the psychological contract’s nature has become more short term meeting the needs of both employee and employer “for the moment” (Chew and Girardi, 2008). Hence employers wanting to improve retention should investigate the psychological contracts perceived by their employees to understand why people may wish to voluntarily quit.

The violation of the psychological contract may lead to increased turnover. Sims (1994) explains that: “A balanced psychological contract is necessary for a continuing, harmonious relationship between the employee and the organization. However, the violation of the psychological contract can signal to the participants that the parties no longer share (or never shared) a common set of values or goals.” (Sims, 1994, cited in Armstrong, 2006.). However it has been claimed that the nature of the psychological contract is changing, in response to the external and internal environment (Armstrong, 2006) due unpredictable markets, employer’s inability to make life long promises to employees resulting in changing perceptions of these include beliefs that are based on promises made or implied regarding the employee/employer relationship. These contracts motivate employees to work and deliver results when they feel that the employee will honour the agreement. The contract is continuously being reviewed by both parties in the relationship over time (Rousseau, 2004) and is therefore subject to various degrees of emotions from happiness to anger as the relationship progresses or regresses. Consequently, when these contracts are perceived to be broken or violated beyond reconciliation, employees consider resignation from the employer (Grobler, Warnich, Carrell, Elbert and Hatfield, 2006). The psychological contract is therefore an important concept to consider when investigating why employees resign from their jobs. According to (Miles, & Mangold, 2007) employee motivation, trust, performance, organizational commitment, and satisfaction are contingent upon the extent to which employees perceive their psychological contracts as being upheld. Employee branding also constitutes part of the psychological contract between employer and employee (Miles and Mangold 2005). The employee branding process, done well, provides a competitive advantage with tangible positive impacts on HRM. These include enhanced employee satisfaction and retention (Miles and Mangold 2005). Employer branding has been described as an attempt by employers to better define the psychological contract in terms of the value employees derive from their employment in an organisation, linking this to organisational level of analysis, and a corporate personality or identity that both employees and customers will identify with (Barrow and Moseley, 2005; Martin and Hetrick, 2006; Rosethorn, 2009).

Although the theories presented adopt different perspectives, all are useful in explaining the concepts of the study. Each theory has some limitation in one way or the other but this study
seeks to integrate the ideas of the theoretical streams to enrich the theoretical framework and further assist in understanding the dynamics of employer Branding and how it influences human resource strategies in the telecommunication sector in Kenya.

**Universalistic theory**

It is also referred to as the best practice model, which is based on the assumption that there is a set of superior/best HRM practices, and that adopting them will inevitably lead to superior organizational performance (Luthans & Summer, 2005). The notion of best practice was identified initially in the early US models of HRM, many of which mooted the idea that the adoption of certain ‘best’ human resource practices would result in enhanced organizational performance, manifested in improved employee attitudes and behaviors, lower levels of absenteeism and turnover, higher levels of skills and therefore higher productivity, enhanced quality and efficiency and of course increased profitability (Marchington & Wilkinson, 2008). Here, it is argued that all organizations will benefit and see improvements in organizational performance if they can identify, gain commitment to and implement a set of best HRM practices. Thus, universalistic perspective maintains that firms will see performance gains by identifying and implementing best practice irrespective of the product market situation, industry or location of the firm (Pfeffer, 2001). However, the notion of a single set of best HRM practices has been overstated. There are examples in every industry of firms that have very distinctive management practices, distinctive human resources practices which shape the core competences that determine how firms compete. What works well in one organization will not necessary work well in another because it may not fit its strategy, technology or working practices? These high performance work practices will only have a strategic impact therefore, if they are aligned and integrated with each other and if the total HRM system supports key business priorities. This approach therefore ignores potentially significant differences between organizations, industries, sectors and countries.

**Organizational support theory (OST)**

Organisational support theory (Eisenberger et al., 1986; Eisenberger & Stinglhamber, 2011) states that employees develop a general perception concerning the extent to which the organisation values their contributions and cares about their wellbeing (perceived organisational support (POS)). Organizational support theory (OST: Eisenberger, Huntington, Hutchinson, & Sowa, 1986; Rhoades & Eisenberger, 2002; Shore & Shore, 1995) holds that in order to meet socio emotional needs and to assess the benefits of increased work effort, employees form a general perception concerning the extent to which the organization values their contributions and cares about their well-being. Such perceived organizational support (POS) would increase employees’ felt obligation to help the organization reach its objectives, their affective commitment to the organization, and their expectation that improved performance would be rewarded. Behavioral outcomes of POS would include increases in role and extra-role performance and decreases in stress and withdrawal behaviors such as absenteeism and turnover.

According to Eisenberger et al. (1986), the development of POS is afforded by the natural tendency of employees to personify their organisation by ascribing human like characteristics to it. Employees would then view the treatment received from their organisation as an indication that it favours or disfavours them. Accordingly, a variety of favourable job conditions and work experiences such as opportunities for recognition, high pay, promotions, autonomy, and training have been found to be positively and significantly related
with a high POS (Rhoades & Eisenberger, 2002). Furthermore, several authors have found that, if favourable job conditions and work experiences enhance AC, that is because they elicit among employees a feeling of being cared about and supported by the organisation, so that POS mediates the relationship between job conditions and work experiences and AC (Rhoades et al., 2001, Stinglhamber & Vandenberghe, 2003).

The core idea of POS is then that the employee has a felt obligation or a need to reciprocate perceived positive organizational actions in a positive manner. Like the inducements-contribution model underpinning PCT, organisational support theory is based on the premise that when employees believe that the organisation values their Contributions and well-being, they feel obliged to reciprocate. Perceived organizational support (POS) is closely associated with the meeting of socio-emotional needs and an organisation’s readiness to reward increased efforts made on its behalf (Eisenberger et al, 1986; Eder and Eisenberger, 2008). Research has mostly focused upon the content of the resources exchanged. Three key aspects of work experience shown to shape POS resonate with antecedents shaping the state of the psychological contract (Aselage and Eisenberger, 2003): organisational rewards and working conditions like developmental experiences, job autonomy, and visibility to and recognition from upper-level management perceived supervisor support, the extent to which supervisors care about the employees and value their contributions fairness of formal organisational policies and procedure, linked to notions of procedural justice.

**Empirical Literature Review**

Recently, App et al. (2012) examined how the concept of sustainable human resource management (sustainable HRM) can assist organizations to establish an attractive employer brand. App et al. (2012) further identified links between sustainable HRM and employer branding, developed ways to integrate sustainable HRM practices into the different stages of the employee value proposition and provided insights for attracting new, and retaining existing, employees who are at different life and career stages.

Some particularly interesting research that has considerable relevance to employer branding programmes is a study carried out by (Cable & Turban, 2003) who again showed the importance of company reputation in increasing the likelihood of potential applicants applying for a job at the organization. This study helps show why it might be important with human resource management to carefully plan an extensive campaign in order to increase the chances of potential recruits wanting to apply for employment in their organizations.

(Cable and Turban2003) also investigated whether the degree to which organizations advertised aspects of its reputation and HR philosophies on job postings predicted employee reputation perceptions, perhaps surprisingly they found no significant link. The study concurs with the key finding from research work done by other scholar which claims that potential recruits are more likely to apply for a job at a particular organization that has an existing positive company reputation.

Research study by Cable and Graham (2000), investigated factors predicting job seekers perceptions of an organizations’ reputation and he recommended that researchers and psychologists need to make a concerted efforts to identify the antecedent factors that cause employee turnover in order to assist Human resource managers to institute preventative measures and retain employees (Siong, Mellor, Moore and Firth 2006).
There have been a number of qualitative and quantitative studies on employer branding and its relationship to attracting and retaining staff. Research conducted by Deloitte LLP (2010) and by CareerBuilder (2008) confirmed that in order for companies to attract and retain talent, they must be able to continuously deliver on the employer brand promise.

**RESEARCH METHODOLOGY**

According to (Bryman and Bell, 2011) research design is a ‘blue-print’ that enables the researcher to come up with solutions to problems and guides in the process of collecting, analyzing, and interpreting the data. This study used a descriptive design. This is appropriate where the overall objective is to establish whether significant association among variables exists at same time (Mugenda, 2010). The cross sectional survey design is deemed appropriate for this study because it enhances uniform data collection and comparison across many respondents. Further, the design offers the researcher opportunity to capture population characteristics and test hypotheses quantitatively.

**Target Population**

A study population is a group of individuals or items or objects from which a sample is drawn for measurement. It is the entire group of persons or elements that have one thing in common. It is from here that a sample is taken. It is a group of individuals, items or objects from which a sample of study will be obtained and to which the results will be inferred (Kombo and Tromp 2006). Target population in statistics is the specific population about which information is desired.

The study population was 390 top, middle and lower level management staff (unit of observation) working in the mobile telecommunication sector in Kenya which is the Network Facilities provider Tier 1 (NFP T1) which is composed of the licensed mobile operators namely Safaricom, Airtel and Telkom Kenya's Orange (Communication Authority of Kenya (CAK), 2014) (unit of analysis).

**Data Processing and Analysis**

The study used qualitative data for content analysis and quantitative data using descriptive statistics such as mean scores, percentages, frequencies and standard deviation that helped the researcher to describe the data. Inferential statistics was used to aid in testing hypothesis and drawing conclusions about the larger population through regression and correlation analysis. The results were presented in tables, charts and graphs.

**Response Rate**

The study sample comprised of 390 employees in the three mobile telecommunication firms in Kenya. The number of questionnaires that were administered were 390 out of this a total of 292 questionnaires were properly filled and returned this met the required inclusion criteria. This represented an overall successful response rate of 74.87%.

The sub components of recruitment were recruitment, selection and employee commitment. Each was analyzed independently before combining in the overall model.

**SUMMARY**

The objective of the study was to determine the effect of recruitment on Employer branding in the mobile telecommunication sector in Kenya. The Results indicated that most of the mobile telecommunication companies in Kenya use advertisements to recruit employees and applicants are fully informed about the qualifications required for the job before being hired. The findings also revealed that in most of the mobile telecommunication companies vacancies are filled from qualified employees who are working in the
organization which also confirmed that organizations are starting to realize the importance of attracting talented employees this agrees with Dell, Ainspan, Bodenberg, Troy, and Hickey (2001) who assert that ‘the employer brand establishes the identity of the firm as an employer of choice for recruits they have articulated that the effect of employer branding on both potential and existing employees is key in recruitment. The results also revealed that employees of most of the mobile telecommunication companies have defined job descriptions and they feel emotionally attached to their organizations and they would be very happy to spend the rest of their time in the organization since internal recruitment motivates them this concurs with Wilden et al. (2010) who established that applicants with more work experience were more cynical about employer branding signals but conversely they valued specific companies’ contribution to their career development more than less experienced applicants.

The logistic regression revealed that recruitment has a significantly positive relationship with employer branding and selection and employer branding are positively and significantly related. It was further found that employee commitment and employer branding are positively and significantly related.

CONCLUSIONS

Based on the findings from the study the results conclude that there is significant and positive effect between recruitment and employer branding.

The study concluded that people are attracted to a source that could fulfill their needs and therefore successful recruitment depends on proper human resource management practice. Recruiting and Selecting competent and already skilled employees will lead to less cost and time in training and development therefore strong employer brands attract better applicants, and it shapes the employees’ expectations about their employment. According to Som, (2008) the role of HR is generally seen in ensuring that firms are able to attract, retain, motivate and develop human resources according to current and future requirements. The findings were also consistent with the research done by Sheehan, Holland and De-Cieri (2006) and Wright and Kehoe (2008) who suggested that recruitment and selection plays significant role to hire competent employees for better future performance at the workplace.

RECOMMENDATIONS

Based on the findings of the study the researcher provides the following recommendation that will ensure the recruitment in the mobile Telecommunication Sector improves the employer brand; that the Mobile Telecommunication sector in Kenya should adopt a well written procedure or policy on employee recruitment and they should ensure that recruitment policies are well communicated to the employees. The study also recommends that Recruitment process should also be transparent and competitive so as to boost the employer brand.

In addition the study also recommends that selection and screening system in the mobile telecommunication companies should be as per the desired qualification, knowledge, experience, skills and Attitudes for the position advertised. The Mobile Telecommunication Sector in Kenya should also conduct a formal structured induction and orientation programme for all the new employees.
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