

## EFFECT OF TRANSPARENCY OF ONLINE RECRUITMENT AND SELECTION ON ORGANIZATIONAL PERFORMANCE AT THE SAFARICOM PLC

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**Abstract:** Safaricom PLC adopted an integrated offline and online system, in attempts to re-engineer the recruitment and selection process and to enhance efficiency, accountability and transparency in service delivery to clients. Nevertheless, online recruitment and selection system raise a range of issues including cost, security, confidentiality, authentication, control of assessment conditions, control over practice and equality of access. The study determined the effect of transparency on the performance of Safaricom PLC. The study was anchored on diffusion of innovation, resource based and equity theories. Descriptive survey research design was employed. The study targeted ninety-four (94) managers, senior managers, HODs and general managers at the Safaricom PLC and since the target population was small, a census was done. Primary data was collected where questionnaires were used to gather information from the respondents. The study used both qualitative and quantitative data. Data analysis was done using descriptive statistics and inferential statistics. Descriptive statistics and inferential statistics were generated through regression analysis. Descriptive results showed that respondents agreed that transparency of online recruitment and selection affected organizational performance at the Safaricom PLC since the indicators had a composite mean of 3.72. Transparency significantly and positively affected organizational performance ( $\beta = 0.089$ ,  $p = 0.002$ ). The study concludes that the role played by managers and human resource department in the process of online recruitment and selection process should be as transparent as possible to mitigate cases of fraud, wrong employee selection hence lowering the reputation of the company. The study recommends that setting the right expectations for the employees from the beginning should be enhanced in organizations as it leverages their motivation and makes them accountable.

**Keywords:** Transparency, organizational performance, Safaricom PLC

### INTRODUCTION

One of the most significant developments in the field of organizations in recent times is the increasing importance given to human resource (Ekwoaba, Ikeije & Ufoma, 2015). People are the backbone of any organization, playing a crucial role in its success and growth. Their significance lies in their ability to innovate, collaborate, and drive organizational performance. Employees bring diverse skills, knowledge, and experiences to the table, making them invaluable assets. Developing employees nurtures a culture of engagement and loyalty within the organization (Djabatey, 2012; Ofori & Aryeetey, 2011).

Research has shown that the success of any organization is directly linked to the performance of those who work for that organization (Opatha, 2010; Ofori & Aryeetey, 2011; Gamage, 2014). Inefficient or underperforming employees can lower overall productivity within the organization. They may struggle to meet deadlines, produce subpar work, or require extensive supervision, which can hamper team and organizational performance (Djabatey, 2012). Recruiting and training new employees can be a significant investment of time and resources for organizations. Hiring the wrong people may result in wasted recruitment expenses, training costs, and lost

productivity during the onboarding process. (Ofori & Aryeetey, 2011).

Recruitment and selection are two essential processes in HRM that work together to attract and hire the most qualified candidates for job vacancies within an organization (Opatha, 2010). Recruitment involves identifying and attracting potential candidates to apply for available positions. This process includes activities like actively searching for potential candidates via several channels like job boards, social media, networking events, and workers' referrals (Gamage, 2014). Recruitment and selection play a crucial function in acquiring and hiring the best-fit candidates for job vacancies within an organization. These processes ensure that the organization attracts, evaluates, and ultimately selects individuals who have the necessary skills, qualifications, and attributes to contribute effectively to the company's objectives (Ofori & Aryeetey, 2011).

Safaricom PLC, headquartered in Nairobi, Kenya, is the leading telecommunications company in East Africa. Safaricom has grown to become a dominant player in the region's telecommunications sector, offering a wide range of products and services. Safaricom is best known for its mobile money transfer service, M-PESA, which has revolutionized financial transactions in Kenya and beyond. Launched in 2007, M-PESA enables users to deposit, withdraw, transfer money, pay bills, and access other financial services using their mobile phones. In addition to M-PESA, Safaricom provides a comprehensive suite of telecommunications services, including mobile voice, data, SMS, and value-added services. The company operates a robust 2G, 3G, and 4G LTE network, covering over 90% of Kenya's population and providing reliable connectivity to both urban and rural areas.

## THEORETICAL FRAMEWORK

This study was anchored on Equity Theory as proposed by Adams (1963). When individuals perceive themselves as under-rewarded or over-rewarded relative to their peers, they may experience equity distress (Traupmann, 1978). Under-rewarded individuals may feel demotivated or dissatisfied, while over-rewarded individuals may feel guilt or discomfort. Individuals are motivated to restore equity by adjusting their inputs or outcomes. They may seek to increase their efforts, negotiate for higher rewards, or change their perceptions of the situation to align with their sense of fairness (Walster, Walster & Berscheid, 1978). Equity comparisons are made not only with immediate coworkers but also with referent others, including colleagues in similar roles, supervisors, and individuals in different organizations. These comparisons influence individuals' perceptions of fairness and equity (Spector, 2008)

Equity theory suggests that perceived fairness in the distribution of rewards and resources enhances employees' motivation and performance and when individuals believe that their efforts will be fairly rewarded, they are more likely to be motivated to exert greater effort and achieve higher levels of performance (Sankey, 1999). Fair treatment in the workplace contributes to higher levels of employee satisfaction and engagement. The theory has implications for employee retention and turnover. Perceptions of inequity, such as feeling underpaid or undervalued, can lead to dissatisfaction and increase the likelihood of turnover and organizations that prioritize fairness and equity are more likely to retain talented employees (Gill & Stone, 2010). Equity Theory aligns with the concept of organizational justice, which refers to the perceived fairness of decision-making processes and outcomes in the workplace. Fair and transparent procedures for allocating rewards and resources contribute to perceptions of organizational justice and enhance trust in leadership (Messick & Cook, 1983).

Critics argue that what one person considers fair may be perceived as unfair by another, leading to inconsistencies in applying the theory (Spector, 2008). The process of comparing inputs and outcomes to those of others can be complex and multifaceted. Individuals may consider a wide range of factors when making equity comparisons, including tenure, skills, performance, and personal circumstances, making it challenging to determine a definitive standard of fairness (Guerrero, Andersen & Ajiji, 2010). While the theory provides valuable insights into the importance of fairness in the workplace, it may not fully capture the complexity of motivational processes and behaviors. Equity Theory tends to overlook individual differences in preferences, values, and motivations since not all individuals may be equally sensitive to perceptions of fairness, and other factors, such as personality traits and cultural values, may influence their reactions to inequity (Gill & Stone, 2010).

## EMPIRICAL REVIEW

A study on how HR managers and recruiters contribute to transparency during recruitment and selection processes for management placement was carried out by Sagwa, K' Bonyo and Ogutu (2015). Semi-structured interviews with eleven different HR professionals were conducted. Moreover, documents such as job vacancies and websites texts have been analyzed. The analysis revealed that HR professionals claim that transparency is a very important topic. Analysis also showed that in many ways, organizations deviate from processes and decisions which possibly causes that processes not so transparent as HR professionals claimed.

A research to determine the effect of recruitment/selection and transparency on organizational performance focusing on the Islamic perspectives was done by Mustapha (2022). The survey was conducted at Sokoto State Nigeria. Data was collected and SmartPLS used for analysis. The study found that there was significant relationship between Recruitment/Selection, Transparency and organizational performance and that transparency and avoidance of misappropriation enhances the performance of the organization.

The impact of application of transparency in the recruitment process for the achievement of organizational loyalty of the telecommunications companies' employees in Jordan was carried out by Yusra (2016). One hundred and twenty-one (121) employees were sampled. Data was collected using questionnaires. The findings indicated a positive correlation between transparency in the process of recruitment process and organizational loyalty.

## RESEARCH METHODOLOGY

The research employed a descriptive survey approach as it aimed at the description of state of affairs as they exist. The study assessed the views of Managers, Senior Managers, HODs and General Managers represented by Bands G, F, E and SLT respectively. These groups were selected because of their reliability in giving relevant information concerning this study. The total target population for the study was 94. Census was used in this research and involved the 94 targeted employees. The researcher used questionnaires to gather information and were physically distributed to the sampled respondents since they were within reach of the researcher. Drop and pick later method was used to give the respondents ample time to fill the questionnaires. Descriptive and inferential statistics were analyzed using SPSS.

## RESULTS AND DISCUSSION

### Descriptive Statistics

Transparency was conceptualized to constitute trust and credibility, openness and clarity with the candidates, posting of vacancies and setting the right expectations. Descriptive statistics (Frequencies, percentages, means and standard deviations) were used in analysis. As shown in Table 1, respondents agreed that transparency of online recruitment and selection affected organizational performance at the Safaricom PLC since the indicators had a composite mean of 3.72.

Results shown in Table 1 on the frequencies and percentages, showed that the respondents (with the least being 0% and the highest 39.8%) had different opinions ranging from strongly disagreeing to strongly agreeing that transparency of online recruitment and selection affected organizational performance at the Safaricom PLC. Notably, the highest proportions of 39.8% were responses of strongly agreed indicating that the respondents were of the view that transparency of online recruitment and selection affected organizational performance at the Safaricom PLC. Moreover, few of the respondents (6.8%) strongly disagreed that transparency of online recruitment and selection affected organizational performance at the Safaricom PLC.

**Table 1: Descriptive Statistics for transparency**

Transparency	Frequency and Percentages					Mean	SD
	SD	D	N	A	SA		

Trust and credibility are virtues that the organization is keen on during ORS	4 4.5%	11 12.5%	24 27.3%	31 35.2%	19 20.5%	3.50	1.22
The organization ensures there is openness and clarity with the candidates during ORS	2 2.3%	19 20.5%	20 22.5%	33 37.5%	15 17.0%	3.64	1.09
Posting of vacancies in all the online platforms always takes place	0 0%	11 12.5%	21 22.5%	39 44.3%	18 20.5%	3.73	1.05
The organization ensures it sets the right expectations for the employees from inception	0 0%	12 13.6%	12 13.6%	29 33.0%	36 39.8%	4.00	1.04
<b>Composite Mean</b>						<b>3.72</b>	<b>1.11</b>

A look at the mean summaries showed that the organization ensures it sets the right expectations for the employees from inception had the highest mean of 4.00 and standard deviation (SD) of 1.04 while posting of vacancies in all the online platforms always takes place had a mean of 3.73 and standard deviation (SD) of 1.05. The organization ensures there is openness and clarity with the candidates during ORS had a mean of 3.64 and an SD of 1.09 while trust and credibility are virtues that the organization is keen on during ORS had the lowest mean of 3.50 and an SD of 1.22.

Results showed that 65.2% of the respondents felt that the ORS process was transparent. Further, respondents agreed that transparency of online recruitment and selection affected organizational performance at the Safaricom PLC since the indicators had an aggregate mean of 3.72. The statement on the organization ensures it sets the right expectations for the employees from inception had a mean of 4.00. The expectations set by the employers of any organization, when a staff joins the organization plays a huge role in how an employee sets their goals (Maylett & Wride, 2018). By establishing clear and achievable goals, employees are more likely to feel motivated to exert effort towards their tasks. Unrealistic expectations can lead to frustration, demotivation, and a decrease in productivity. Conversely, when employees understand what is expected of them and believe those expectations are attainable, they are more likely to be engaged and committed to their work which leads to employee engagement (Miller, 2019).

**Table 2: Analysis of variance for transparency**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.283	1	0.283	2.011	0.002 <sup>b</sup>
	Residual	10.696	87	0.123		
	Total	10.979	88			

- a. Predictors: (Constant), Transparency
- b. Dependent Variable: Organizational performance

The results presented in Table 2 are the ANOVA was used to test the hypothesis that **H<sub>01</sub>**: Transparency of online recruitment and selection does not have a significant effect on organizational performance at the Safaricom PLC. According to the results, transparency of online recruitment and selection significantly affected organizational performance,  $F(1, 87) = 2.011, p < 0.05$ . This implies that the null hypothesis is rejected and the alternative hypothesis accepted that transparency of online recruitment and selection has a significant effect on organizational performance.

Table 3: Regression coefficients

	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	1.969	0.473		4.162	0.000
Transparency	0.089	0.091	0.096	0.975	0.002

As per the results generated, the equation translated to;

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

$$\text{Organizational performance} = 1.969 + 0.089 (0.091)$$

Where; Organizational performance = Constant + Transparency

The beta coefficient of transparency was 0.089 which denotes that a unit increase in transparency would result in 8.9% rise in value of performance of the organization showing direct effect of transparency on the performance of Safaricom limited. At significance level of  $P < 0.05$ , the assumption is rejected implying that transparency had a significant effect on the performance of Safaricom limited. A study carried out by Mustapha (2022) showed that transparency and organizational performance was significantly positive which indicates that organizational performance increases with the improvement of recruitment and transparency processes. In order to enhance the organizational performance, the human resource managers should make sure that only qualified candidates will be recruited by avoiding favouritism and egoism during recruitment and selection. By maintaining transparency, employers demonstrate respect for their employees and recognize their importance as valued contributors to the organization. This transparency instills a sense of ownership and accountability among employees, as they feel empowered to make informed decisions and take responsibility for their actions (Hamza et al., 2021).

## CONCLUSION AND RECOMMENDATIONS

The regression analysis results helped in making the conclusion that transparency and its influence on organizational performance is crucial in any given organization in Kenya. Regression analysis results showed that the effect of transparency of ORS on organizational performance at the Safaricom PLC was positive and significant. The role played by managers and human resource department in the process of online recruitment and selection process should be as transparent as possible to mitigate cases of fraud, wrong employee selection hence lowering the reputation of the company.

The study recommends that setting the right expectations for the employees from the beginning should be enhanced in organizations as it leverages their motivation and makes them accountable. Many respondents agreed that the organization (Safaricom PLC) ensures it sets the right expectations for the employees from inception. Expectations of the employees have been shown to keep the employees focused. This will prevent them from getting off track and wandering off task, and will ensure that they produce outcomes on a regular basis.

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