

## THE ROLES OF EMPLOYMENT PROCESSES IN ORGANISATIONAL IMAGE IN INSURANCE ORGANISATIONS IN NIGERIA: Employees and Community Perspectives

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### ABSTRACT

*The research focus was to gain insight into the current employment processes practice and its impact on organizational image in the insurance organizations in Nigeria. The study investigated the relationship between employment processes and organisational image; examined the issues and challenges in organizational image and employment processes. In the course of conducting the study, 80 insurance employees were selected from the chosen 15 insurance organisations and 40 inhabitants in community where these organisations were located; and out of this 88 respondents responded properly representing 73%. The questionnaire was developed by using Likert five scales which consists of different questions on the variables in employment processes and organisational image such as recruitment and selection, job security, job design and responsibility, management style, working environment and job perception. In the study, statistical measures such as Z- test, mean and proportion analysis were used to examine the existing relationship between employment processes and organisational image. The findings reveals that recruitment and selection, job security and management styles have significant effect on the image of the organisation at 0.05 level of sig. while working environment was found to be on neutral level and job perception as well as job design and responsibility were not having significant effect at 0.05 level of sig. on the image of an organisation. It was recommended that there should be sound personnel policy to support job security and the recruitment and selection processes should be transparent, free of biases and fair to all and sundry so as to guaranty trust and confidence.*

**Key words:** *employment processes, job security, image, job perception*

### 1. INTRODUCTION

Image is the perceptions that different people hold about a phenomenon. Such perceptions can have different sources depending on how well people understand the issue at state. Some perceptions were derived from individual experiences and impressions while others are influenced by the marketing and communication activities seeking to influence their thinking and reasoning. Therefore organizational image is important for an organizations ability to attract and retain relationships with its different internal and external constituencies. Acquiring and retaining high quality talent is critical to an organisation's image. As the labour market becomes increasingly competitive and the available skills grow more diverse, recruiters need to be more selective in their choices, since poor recruiting decisions can produce long-term negative effects on organisational image (Akindele, 2007). The function of recruitment precedes the selection function and it includes only finding, developing the sources of prospective employees and attracting them to apply for jobs in an organization, whereas the selection is the process of finding out the most suitable candidate to the job out of the candidates attracted.

### 2. STATEMENT OF THE PROBLEM

Organizations find it often very difficult to ensure and maintain fairness and equity in the employment processes. Many people in organizations today are in the wrong jobs and as a result, they are not utilizing their full potential (Babaru, 2003). This is compounded by the fact that some companies have built a tradition of recruiting people based on personal connections whether the person is qualified for the job or not. Most recruitment that involves managers is done during discussions at lunch hour, at social clubs or during the coffee break time. All the other processes that follow will only be a formality as the decision would have been made by the managers involved in the process. The consequences of a poor employment processes speak volumes about its role in an organization successes especially failure to generate or attract adequate number of reasonably qualified applicants. It can greatly complicate the employment processes and may result in lowering recruitment and selection standards.

### 3. OBJECTIVES OF THE STUDY

In the context of this research work the main objective is to investigate the impact of employee recruitment process on organizational image. Other objectives which the research has been designed to achieve are to:

- Examine the relationship between employment processes and organisational image.
- Identify key variables in employment processes.
- Examine the key issues in organizational image.
- Examine the challenges relating to recruitment process and organizational image.

### 4. RESEARCH QUESTIONS

To have an in-depth knowledge of this study, the following research questions will be considered:

- Is there any relationship between the recruitment process and organisational image?
- What are the key variables in recruitment process?
- What are the key issues in organizational image?
- What are the challenges relating to recruitment process and organisational image?

### 5. LITERATURE REVIEW

Acquiring and retaining high, quality talent is critical to an organization's image. As the labour market becomes increasingly competitive and the available skills grow more diverse, organisations need to be more selective in their choices since poor employment decisions can produce long term negative effects, among them were advertisement cost, goodwill on image, high training and development costs to minimize the incidence of poor performance and high turnover which, in turn, impact staff morale, the production of high quality goods and services and the retention of organizational employees.

Where a determination of manpower requirement has been made, the employment processes can begin i.e (recruitment and selection processes). Recruitment is the process of looking for prospective employees and stimulating them to apply for job in organization (Akindele, 2007). In the views of Oginni et al (2005), recruitment is the process of attracting qualified candidates to fill existing vacancies, selection on other hand is the process of choosing the most suitable candidates to fill existing vacancies (Fajana, 2001). The quality of an organization's personnel is frequently the most important factor that determines whether an organization is going to be successful, whether it will realise a satisfactory return on its investment and reach its basic objectives. Managers in the public and private sectors of the Nigerian economy professed that recruitment and selection are one of central focuses of personnel functions.

Beardwell (2004) presented an overview of the recruitment process from the perspective of the organization and the candidates. When a vacancy occurs, the recruiter receives permission to fill it which is followed by a careful examination of the job details. In addition, the recruiter must consider other aspects of the job environment, for instance the superior's management style, the opportunities for advancement, pay and geographical location, in deciding what type of candidate to search for and method to use. After carefully planning, the recruiter utilizes one or more methods to produce a pool of qualified candidates. In the views of Mullins (2001) employment processes must answer two valuable questions which are; (i) if you do not know what you are looking for, how will you recognise a suitable person when you see one? (ii) if you do not know what you what your staff to do, how can you judge their ability to do a good job, effectively train or develop them, or assess their performance? An objective answer to these two questions will have impact on the organisation in terms of retention and image.

**ORGANIZATIONAL IMAGE AND P-J FIT PERCEPTIONS:** P-J fit is defined as the fit between and among the knowledge, skills, and abilities of an applicant and the tasks of a job (DeConzo, 1996). Following the attraction-selection-attrition (ASA) paradigm (Schneider, 1987), P-J fit has been shown to be positively related to organizational attraction and future job outcomes. Applicants seem to favour situations in which they believe they can demonstrate competence and where the likelihood of positive job outcomes is high. Since organizational image has been found to be positively related to applicant outcomes (Turban and Cable, 2003), this organizational attribute may moderate the relationship between perceived P-J fit and organizational attraction.

Applicants may find organizations with favourable images to be more attractive because of a perceived increase in social status. According to social identity theory, individuals classify themselves into social categories according to group membership (Guber, J. Madrian, B.C, 1994). Since organizational image is an assessment of how others perceive an organizational group (Dutton and Dukerich, 1991), employees of highly reputable firms enjoy an increased sense of self-esteem and social status when they associate themselves as members of a highly-esteemed organizational group. From an applicant's point of view, the perceived benefits of joining a

reputable organization are both intangible i.e an increase in social status and group membership and tangible i.e increased job mobility due to experience in a publicly-esteemed organization.

Although this perceptual process should accentuate a positive relationship between P-J fit and organizational attraction, it was argued that in the absence of a favourable organizational image, an individual's attraction to an organizational job opening will be more sensitive to P-J fit perceptions compared to when organizational image is highly favourable. Thus, when organizational image is highly favourable, perceptions of P-J fit will play a diminished role in an applicant's attraction to an organizational job opening. This outcome is consistent with social identity theory in that the positive outcomes associated with being part of a higher status organization will offset any concerns about whether fit with the job itself is high. On the other hand, when an organization has an unfavourable organizational image, then perceptions of P-J fit will exert a greater impact on assessments of organizational attraction (Nasurdin, A.M, Ramayem, T., Osman, M 2001).

**RECRUITMENT SOURCES AND COMMUNITY PERCEPTION:** A firm can generate candidates internally from among its present employees who desire promotion or transfer, or externally from its labour market. The organization screens candidates, evaluate and place the candidates in relative positions. Throughout the recruitment process, the organization attempts to sell itself to the more promising candidates. Recruitment sources that have been historically studied by researchers to include referrals by (friends, relatives or work colleagues), re-hires, internal job posting, walk-ins, direct applications, employment agencies, career fair, brochures of organisations and advertisements (Zotolli and Wanous 2000). However, the cost implication of each varies and it is subject to environment, prevailing conditions, job itself and choice (Oginni, 2005). Although the results of recruitment source studies are not entirely consistent, studies have frequently found that employee referrals and direct applications result in lower levels of turnover and higher levels of job satisfaction than individuals recruited via more formal sources (Breaugh and Starke 2000:). The failure of research to explain source differences have been largely attributed to two methodological weaknesses: samples utilised and variable measurement (Breaugh and Starke 2000)

**RECRUITMENT PROCESSES AND ORGANISATIONAL IMAGE:** Each organization needs the members to be the live organism. The employment processes is the main process to bring new members to the organization and human resources department has a role to play in supporting employment processes. The employment processes involves many steps entrenched in recruitment and selection which rely heavily on human resources policies in the organisation thus, determining the power to attract enough job candidates from the external labour market (Akindele, 2003). On many occasions, the image of an organisation is somewhat influenced by job perception, job security, management styles, working environment, and job design and responsibility (Shaw et al, 1998). It is these variables that would inform the extent to which outsiders would evaluate the organisation most especially the propensity to join and remain with the organisation (Steer, 1977). For organisation to attract pool of qualified candidates there should be sound human resources policies reflecting through employment processes for better goodwill of which image is the bedrock (Akindele, 2003). The bigger the organization the more formalized recruitment process it needs

**THEORIES OF RECRUITMENT AND ORGANISATIONAL IMAGE:** Akindele (2007) discussed the essence of recruitment theories on organisational image most especially in the developing countries because it helps potential employees to make decisions regarding which organisational recruitment should be anticipated thus have bearing on the image of the organisation.

1. The subjective theory: The theory discussed how individual personality influences recruitment. The influence of individual personality is enormous in the course of determining employees' attractiveness into an organization which is dominated greatly by personal beliefs and environmental factors. It is these underneath that rules the heart when prospective employees come to know that their personality do not match the image of the organization, they may have problems in adjusting and vice-versa.

2. The critical theory: Breaugh (1992), the theory describes a situation when a typical candidate is unable to judge accurately what he/she wants with what the organization is likely to offer, owing to lack of necessary information in the organization, he/she may make some conversation with the person recruiting him/her to enable him make his/ her decisions. The outcome of their discussions will therefore enrich the candidate's information data base thus influencing his/her perception about the image of the organization.

3. The objective theory: This theory describes a situation in which the person to be recruited knows some pertinent information required to form his opinion about the organization. The candidate understands and appreciates the condition on the ground like emoluments, pay incentives, merits, location, individual growth etc.

if a potential employee is satisfied with the above aspects, he could decide or from his opinion about the organization.

On the basis of the above literature review, the study considered recruitment and selection to be the dimensions of employment processes and job security, job perception, management styles, working environment job design and responsibilities as elements of organisational image

## 6. METHODOLOGY

The paper was based on both primary and secondary data. Primary data were collected through a structured questionnaire which was administered personally to the insurance employees and inhabitants within the location of the insurance companies. The target population of the study was employees and people living in the vicinity of the insurance companies. Among various insurance companies, this study only considered 15 insurance companies out of which 80 employees and 40 inhabitants were considered for the conduct of the research. In all 88 respondents responded properly. The questionnaire consists of different questions on six employment processes dimensions such as recruitment and selection, job perception, job security, job design and responsibilities, working environment and management style. It was developed in line with Likert five rating points. The secondary data used in the study have been collected from related journal, books, internet etc. and descriptive and inferential statistics were used to examine organizational image.

## 7. ANALYSIS AND FINDINGS DISCUSSIONS

**TABLE 1: Percentage of organizational image and employment processes dimensions**

|                           | RS    | JP    | JS    | JDR   | MS    | WE    |
|---------------------------|-------|-------|-------|-------|-------|-------|
| <b>Strongly agreed</b>    | 48.18 | 3.41  | 52.20 | 4.55  | 45.45 | 9.09  |
| <b>Agreed</b>             | 28.55 | 3.41  | 29.40 | 11.36 | 25.00 | 11.36 |
| <b>Neutral</b>            | 7.95  | 19.32 | 8.15  | 11.36 | 10.23 | 20.45 |
| <b>Disagreed</b>          | 6.82  | 40.91 | 4.20  | 29.55 | 13.64 | 36.36 |
| <b>Strongly disagreed</b> | 8.50  | 32.95 | 6.05  | 43.18 | 5.68  | 22.73 |
| <b>TOTAL</b>              | 100   | 100   | 100   | 100   | 100   | 100   |

Where RS = Recruitment and selection, JP = Job perception, JS = Job security, JDR = Job design and responsibility, MS = Management style, WE = Working environment

Table 1 shows the percentage of employees and community perspective on different dimensions of organizational image and employment processes. The table indicated that the highest 52.20% respondents believed that job security has effect on the image of the organisation which means organisation with job security will have good image in the eyes of the public therefore enhancing quality of prospective candidates in to the organisation. Recruitment and selection processes followed job security with 48.18%. The implication is that there relationship between recruitment and selection processes and organisational image. Where the process is considered to be fair and free of 'god fatherism' the organisational image will be positive and vice- versa. Management style is next in line with 45.45. The implication of this is that the position adopted by management in the course of employment processes will have bearing on organisational image. The table also shows the highest percentage that strongly disagreed with job design and responsibility (43.18%), job perception (32.95%) and working environment (22.73%). Therefore, the analysis made it clear that both the employees and community (prospective employees) placed premium on job security as well as process of recruitment and selection.

**Table 2: Computation of Z value at 0.05 level of significance (two tailed test); table value (1.96)**

| Organizational image Dimensions | N  | Mean | Standard Deviation | Standard error | Z Value (calculated valued) | Mean Rank |
|---------------------------------|----|------|--------------------|----------------|-----------------------------|-----------|
| Recruitment and selection       | 88 | 3.06 | 0.99               | 0.11           | 0.55                        | 1         |
| Job perception                  | 88 | 2.03 | 0.99               | 0.11           | 8.82                        | 6         |
| Job security                    | 88 | 3.03 | 1.17               | 0.12           | 0.25                        | 2         |
| Job design and responsibility   | 88 | 2.54 | 1.00               | 0.11           | 4.18                        | 4         |
| Management style                | 88 | 3.02 | 1.13               | 0.12           | 0.17                        | 3         |
| Working environment             | 88 | 2.49 | 1.03               | 0.11           | 4.64                        | 5         |

Table 2 shows that recruitment and selection processes has calculated value ( $Z = 0.55$ ) and the table value (1.96) which means the tabulated is greater than the calculated i.e. ( $Z_{tal} > Z_{cal}$ ). This implies that recruitment and selection processes would play significant role in the image of an organization. Job perception calculated value ( $Z = 8.82$ ) and the table value (1.96) indicates that the tabulated is less than the calculated i.e. ( $Z_{tal} < Z_{cal}$ ). The implication is that job perception does not really play any significant role in the image of an organisation. With respect to Job security, calculated value ( $Z = 0.25$ ) and the table value (1.96) thus, the tabulated is greater than the calculated i.e. ( $Z_{tal} > Z_{cal}$ ) therefore job security plays significant role in the image of organisation in the course of employment processes. For job design and responsibility, calculated value (4.18) and the table value (1.96) means that the tabulated value is less than calculated value i.e. ( $Z_{tal} < Z_{cal}$ ). The implication is that job design and responsibility do not play significant role in organizational image. The table also indicates that management style has calculated value ( $Z = 0.17$ ) and table value (1.96) means that the tabulated value is greater than calculated value i.e. ( $Z_{tal} > Z_{cal}$ ). Therefore, management style plays significant role in the image of an organisation in the course of employment processes. With respect to working environment calculated value ( $Z = 4.64$ ) and table value (1.96) which means that the tabulated value is less than calculated value i.e. ( $Z_{tal} < Z_{cal}$ ). This implies that working environment does not really play any significant role in the image of an organisation in the course of employment processes.

## 8. CONCLUSION

The study revealed the relationship that exists between employment processes and organisational image thus singled out job security, management style, recruitment and selection processes as those variables in employment processes that will ultimately have significant role in influencing the perception of the employees and that of the community about the image of an organisation. It is obvious that employment processes in the insurance organisation in Nigeria have not been able to attract too many qualified professionals as a result of the image in the eye of the public due problems associated with recruitment and selection processes, management style and job security. It is therefore urgent to employ the services of human resources professionals and consultants to help shape, restructure and develop sound employment processes to be supported by top management through sound personnel policies.

## 9. RECOMMENDATIONS

From the above discussions, it is recommended that there should be improvement in the recruitment and selection processes where there will be a levelling ground for all qualified candidates free from all sort of biases thus giving room for merit. There could be a deliberate policy to prevent people without core insurance skills and knowledge to occupy sensitive positions to prevent poor decision making that can cause the organisation to wind up because of its own peculiarity. There should be sound and robust personnel policies that support job security to facilitate cooperation between management and employees for continuity and effective functioning of the organisation.

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