

of CEOs in Kenya share the view that pay and performance should be considered in relation to risks.

"There is a broad recognition that if companies nurture and pay attention to human capital — and treat their employees like an asset — they will earn a greater return on their investment," says Mr Holzmann.

Corporate Staffing has pointed out the ability to retain talent and provide competitive compensation as the top challenges that employers are facing currently.

These, coupled with other factors, result in burn-out of talented employees, and hence drive their focus away from their tasks. Eventually, they decide to coerce their employers to pay them better salaries.

Universities are not helping the situation either. Even though the market is flooded with graduates, few of them are employable, forcing companies to approach job applicants with trepidation.

Currently, employers prefer graduates from Nairobi and Strathmore universities, according to Corporate Staffing. Kenyatta University and the Jomo Kenyatta University of Agriculture and Technology are the other two top universities preferred by employers, followed, in that order, by Moi, Egerton, Maseno and Masinde Muliro universities.

The Inter-University Council for East Africa (IUCEA) says that the rising number of universities has resulted in low-quality graduates, and that only half of the 50,000 students who graduate annually are suitable for employment.

Human resource managers prefer particular universities because of their technical expertise and knowledge of industry displayed by both staff and students from the institutions.

The *International Journal of Social Science Tomorrow* (ISSJT) last year published a study by a research fellow at the Institute of Policy Analysis and Research. Titled *Graduate Unemployment and Employability in Kenya*, the study focused on transforming the country's university education to conform to dynamic market demands while drawing lessons from other African countries.

It found a mismatch in the labour market demand and supply, where universities are producing graduates who lack the appropriate skills and knowledge needed at the workplace.

The money ends before mid-month... I have tried to get a better job or a promotion in vain.

Ms Neima Omar, explaining how poor pay is forcing her to keep looking for better job opportunities. Many other workers face the same challenge.

What graduates, universities and employers need to do to change situation:



Graduates: Gain specialised work experience and job knowledge that is far beyond what you have been taught in class as this puts you at a better position for employment. Also, be aggressive and offer to take up internship opportunities and volunteer positions in your career line



Universities: Enhance the credibility of the certificates you issue by offering quality course work, having proper infrastructure, qualified lecturers and market-driven courses



Employers: Learn that your success depends on keeping the best talented employees, so you must recognise the importance of retention. This means paying market-rate salaries and, where possible, having other incentive programmes or benefits such as medical, pension and training, as well as rewarding performance and improving employee relations

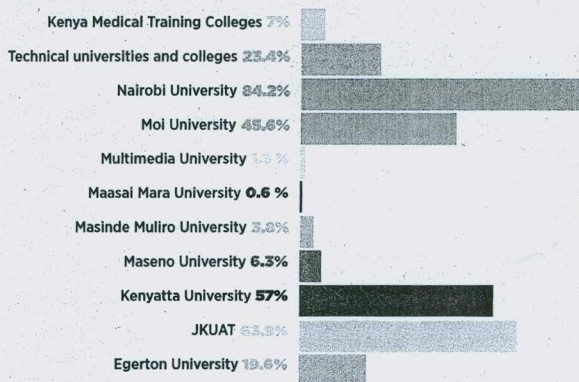
Staffing challenges faced by organisations in the past year

With the ever-growing number of competitors in the marketplace, talent is the only differentiator. Capital is abundant while technology is easy to access, but the brainpower of knowledge and experienced staff is the most important asset for the modern, progressive organisation. It is, therefore, alarming when more than half — **54.2 per cent** — of respondents say that their biggest challenge is retaining top talent, as talent retention increasingly determines the success or failure of many organisations. Further, **50.3 per cent** and **43.5 per cent** of the employers say providing competitive compensation and managing organisational changes, respectively, is a major hurdle. While **37.3 per cent** face employee morale challenges, **24.9 per cent** experience challenges in recruiting high skilled applicants, **26.6 per cent** have problems maintaining productivity levels, **25.4 per cent** cite upward mobility for their employees as a challenge, **12.4 per cent** mention worker burnout, **16.9 per cent** employee engagement and **11.3 per cent** indicate that they have experienced the challenge of cutting down on cost per hire.

54.2% More than half of employers say retaining key talent is difficult as rival companies are always poaching them by offering better salaries or employee benefits.

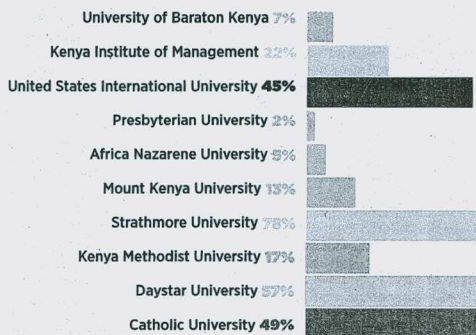
University of Nairobi tops public universities that employers prefer hiring fresh graduates from

Of the 205 employers surveyed in the Corporate Staffing study, 15 per cent said they had no preference for a particular university when recruiting graduates, while others said their preferences were guided by job specialisation. However, of those who had a preference, nearly 85 per cent cited University of Nairobi as the most preferred institution when hiring. The figure below illustrates the public institutions preferred for recruiting of fresh graduates by HR managers in Kenya.



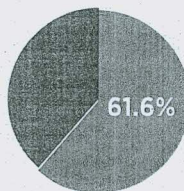
Strathmore University top among private institutions employers prefer hiring fresh graduates from

Strathmore University is the most preferred private university by 78 per cent of the respondents. With the rising number of private universities, the real prize is getting out of college with a valuable degree, yet distressing stories abound about students who wasted time and resources pursuing university education that does not yield a promising career. Here, where employers are camping:

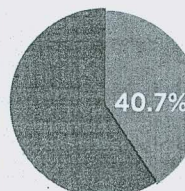


Choosing between two equally qualified candidates

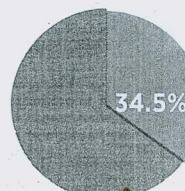
The report says that it is challenging for HR professionals "to find and recruit people, whether in a weak or strong job market", so when employers are faced by a situation where there are two equally qualified candidates for the same position, "some hard decisions have to be made". Eventually, the decision on who to hire is based on the following



1 Specialisation: 61.6% of employers assess the area of specialisation of two competing applicants, which calls for candidates to concentrate on gaining experience in their areas of specialisation as employers are keen on it.



2 Leadership records: 40.7% make the choice based on the candidate's leadership experiences; as such candidates are able to manage themselves and teams, take responsibility and are accountable.



3 Salary and availability: While 34.5% look at candidates' remuneration expectations, 31.6% make the consideration based on candidates' industry experience, 26% of employers consider candidates' availability and the rest 8.5% make the consideration based on the educational qualifications