



Mobile for
Development

CASE STUDY

Duma Works brings affordable hiring to MSMEs,
sparking economic growth from the BoP

OCTOBER 2014

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Introduction

Mobile phones have extended traditionally high-cost service to micro, small and medium enterprises (MSMEs) across Kenya. Startups in Kenya have begun leveraging the high penetration of mobile networks in order to reach smaller business owners all over the country, creating high-impact solutions. These startups are in a variety of sectors including health, education, agriculture, and jobs. Duma Works' affordable, mobile-based job matching services seeks to bring effective hiring services to MSMEs and spark economic growth from the bottom of the pyramid.

KEY FINDINGS

MSMEs DEMAND HIGH-QUALITY, AFFORDABLE HIRING SOLUTIONS

- Current hiring solutions used by MSMEs include job board postings & word-of-mouth referrals
- Applicant screening through competency tests issued over SMS is highly effective to filter candidates
- MSMEs are willing to pay fees for hiring services if priced appropriately for their operating budgets

Country Context

Kenya has a population of about 44.9 million people, a GDP of \$44.10 Billion, and a GNI per capita of \$930.¹ The majority of Kenyans live in a rural area (76%). Only 5% of the Kenyan population lacks access to mobile coverage, yet 84% lack access to power grids to charge their phones.¹ According to the World Bank, Kenya is a developing, low income economy.

Kenya Mobile Market

Kenya has a high rate of mobile ownership. Studies show that as of 2014, about 31.3 million people in a population of 44.9 million currently own mobile phones in Kenya.² There are three mobile network operators in Kenya. The market share of mobile networks in Kenya is led by Safaricom, with 64%, followed by Airtel (16%) and Orange (11%).³ The largest success of Safaricom in Kenya has been MPESA, the mobile payment transfer service. MPESA, launched in 2007, has a user base of over 16 million and contributes to more than 18% of Safaricom's total revenue.⁴

Startups providing services through mobile phones have a variety of business models. Some startups simply use mobile phones as a means of communication with users via USSD and SMS messaging services, while an estimated 11% of startups have direct partnerships with mobile network operators. There has been tension in the past between mobile network operators and startups over concerns about intellectual property and trust, as well as the integrity and commitment of entrepreneurs in the space.⁵ This dynamic relationship is constantly evolving as the Kenyan mobile market grows and people gain access to increasingly sophisticated mobile devices.

Service Overview

Duma Works delivers high quality, affordable hiring solutions for small to medium-sized enterprises in emerging markets. We provide job seekers and employers with an accessible and reliable network to connect with one another, based on their social contacts, job skills and hiring criteria, and geographic location.

In markets such as Kenya with a fragmented job marketplace, people face many problems:

- Hiring platforms available to small businesses include ineffective or unaffordable options: word of mouth, imprecise job boards, or expensive HR firms.
- An inability to hire the right people effectively can stifle growth in small businesses
- A choice to avoid hiring rather than waste time finding the wrong person
- Low internet connectivity amongst women and youth makes it difficult for these traditionally underserved populations to connect to relevant job opportunities.

All of these issues have led to low employer confidence in the hiring process, as well as the historic youth bulge that has plagued African countries for the past decade.

1. <http://data.worldbank.org/country/kenya>
<http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2013/02/Safaricom-Feasibility-Study.pdf> pg. 3

2. <https://gsmaintelligence.com/markets/1887/dashboard/>

3. <http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2013/02/Safaricom-Feasibility-Study.pdf>

4. <https://gsmaintelligence.com/markets/1887/dashboard/>

5. http://www.gsmaentrepreneurshipkenya.com/GSMA_KENYA-AR2014-060214-WEB-SINGLE-PGS.pdf

Market Opportunity

The value proposition to this market is that Duma Works use technology to streamline the hiring process, allowing us to provide high-quality recruiting solutions at an affordable cost.

Duma Works targets small to medium-size enterprises, which make up 75% of businesses in Kenya, and contribute to 87% of job creation. There is a labour force of about 18 million people in Kenya. Wage-earning members of the labour force comprise approximately 20% of the population, or around 3.6 million people. With 1.4 million new job opportunities every year, 87% of which occurring in the MSME market, there is a job recruiting market opportunity of over 1.2 million open jobs annually for this segment.

Product/Service Concept

Duma Works uses automated sourcing and screening technologies to quickly identify the best candidates for job openings. Qualified job candidates are identified through our skills-based matching algorithms and social referral network. These individuals are notified about the job opening through an SMS job alert and invited to complete a sector-specific skills and behavioral screening test, also over basic SMS. The top-performing candidates are recommended to the employer for further review.

Due to the large number of youth and MSMEs that use SMS as their preferred means of communication, the SMS-based job alerts and screening tests allow people without internet access to still access a powerful job matching platform.

To use the service, employers pay a small fee per job opening based on the type of screening they want administered to candidates. These prices range from \$30 for a basic fit screening to \$130 for a competency test screening. MSMEs who cannot afford expensive recruiting solutions to get good quality candidates can now connect easily through Duma Works.

Job seekers sign up and apply for jobs for free through Duma Works. Any SMSes that are sent by job seekers to sign up or apply for a job through a screening test are a normal SMS charge, as opposed to a premium SMS.

Key Challenges/Barriers

Key challenges that Duma Works has faced in expanding its network of job seekers and employers have been:

Employers

- Lack of perceived value
- Do not trust a new service
- Lack awareness about the product
- Perception that “all recruiting services” are unaffordable

Job seekers

- Follow through – many job seekers drop off the screening process or do not show up to interviews
- Aversion to try new services due to pervasive scams
- Lack awareness about the product

In order to combat these issues, mainly awareness, trust, and perceived value of services, Duma Works is working closely with partner organizations. These partner organizations can be SME consulting companies that work with small companies in rural and urban settings on the ground. They encourage SMEs and small businesses they consult with to post jobs through Duma Works. The value of Duma Works is typically in line with the values of these consultancy groups, which are striving to bring more transparency and effectiveness to company operations, including hiring. Lastly, these consultancy groups subsidize the Duma Works recruiting fees or help small companies understand the value of good recruiting services.

Partner organizations can also be youth employment and empowerment driven organizations. These organizations encourage their members to create accounts with Duma Works to be connected with job opportunities. In fact, due to these relationships, Duma Works has built a platform which enables organizations to monitor the job status and hiring success rate of their participants.

Service Launch

Duma Works launched the DUMA job network in September 2012, in Nakuru, Kenya. A partnership-based approach was used to gain initial trust in the market amongst job seekers as well as employers. Since relocating to Nairobi, recruiting services through Duma Works have spread through the MSME community predominantly via word of mouth, and good referrals.

Process Overview

The Duma Works job matching process focuses on creating the best match between employer and job seeker, while keeping the job application and screening process accessible to everyone.

DUMA WORKS SYSTEM OVERVIEW				
SIGN UP	SOURCE	SCREEN	MATCH & HIRE	FEEDBACK
<p>Job seeker creates a free account with Duma Works by sending an SMS/Whatsapp with their Name, Age, Location.</p> <p>OR Job seeker signs up through our website www.dumaworks.com</p> <p>Job seeker completes profile through SMS/Whatsapp/ Website with their education level, skills, work experience, desired salary</p> <p>Job seeker can recommend friends to join Duma Works via SMS/Whatsapp/ Website</p>	<p>Duma Works receives job opening from employer via SMS, phone call, or website</p> <p>Job seekers are auto-filtered for qualifications</p> <p>Send job alert to relevant over SMS/Whatsapp</p> <p>Interested candidates submit code in response via SMS/Whatsapp</p> <p>Not interested candidates can recommend a friend or colleague about the job opening over SMS/Whatsapp</p>	<p>Interested candidates receive an interactive basic fit test over SMS/Whatsapp</p> <p>Candidates take the test over SMS/Whatsapp</p> <p>Tests are auto-graded and passing candidates receive a congratulatory message with next steps</p> <p>Passing candidates receive an advanced skills test over SMS/Whatsapp/Email</p> <p>Tests are auto or manually graded</p>	<p>Employers receive an email/phone call with a ranked list of top candidates</p> <p>Test results and comments sent to employer</p> <p>Employers view candidate test results and CVs to select whom to interview</p> <p>Duma Works provides employers with tips about how to best interview and hire</p> <p>Employers make a selection</p> <p>Duma Works notifies all unsuccessful candidates about results</p>	<p>Employer gives feedback over SMS/phone call/ website about how all candidates performed in interview</p> <p>Employer and employee give feedback after 1 month on how job/candidate is progressing</p> <p>Employer and employee give feedback after 3 months on how job/candidate is progressing</p>

HOW IT WORKS: SIGN UP

SMS 22131
WHATSAPP 0701060302
WEBSITE WWW.DUMAWORKS.COM

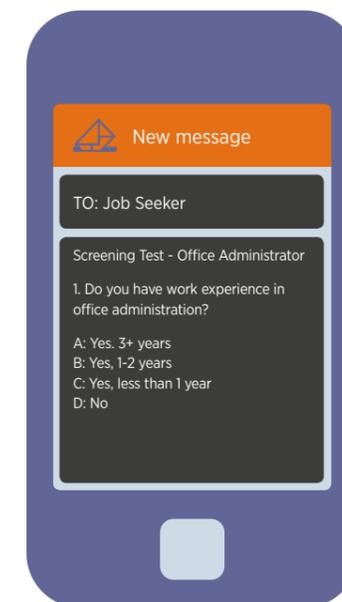


PERSONAL INFO
 NAME, AGE, TOWN

JOB PROFILE
 SKILLS, EDUCATION, WORK, EXPERIENCE, HOURS, SALARY RANGE

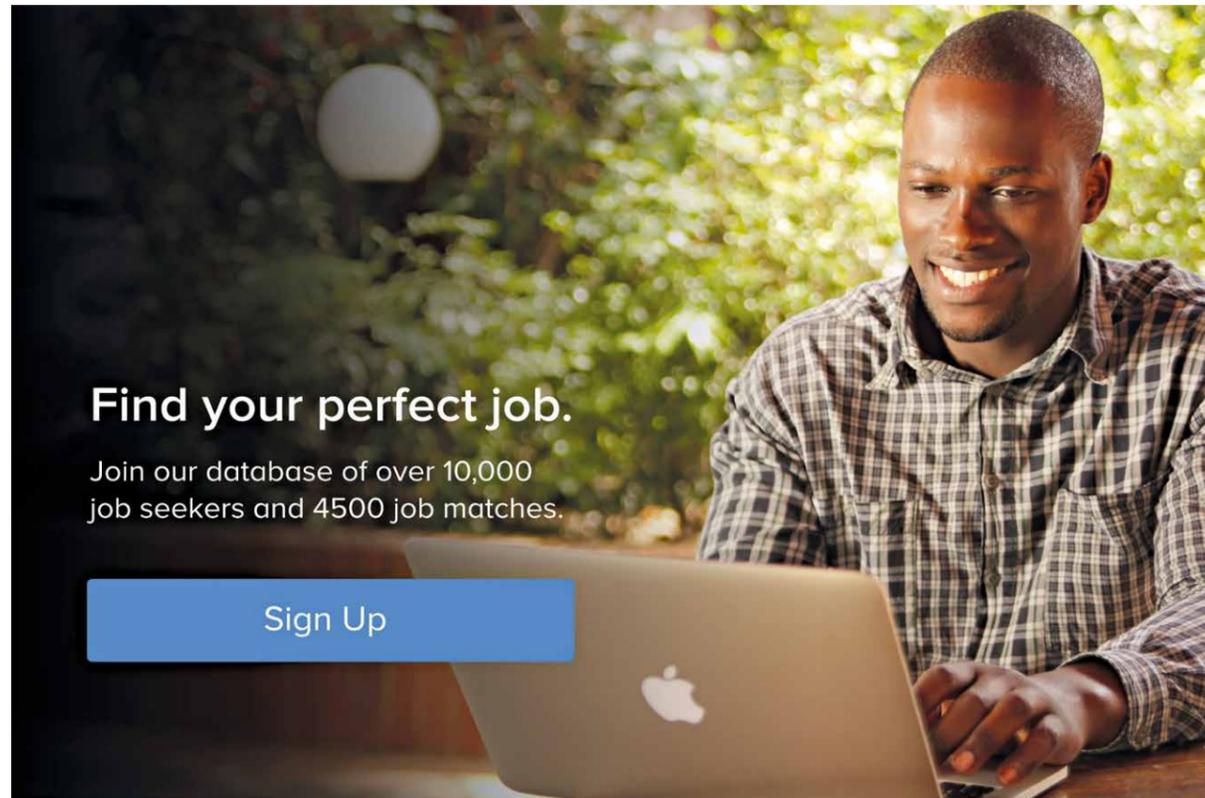
REFERRAL NETWORK
 COLLEAGUES, REFEREES, FRIENDS, FAMILY

BASIC JOB SCREENING



STRUCTURE
 MULTIPLE CHOICE
 AUTOMATICALLY GRADED

TOPICS
 WORK EXPERIENCE
 EDUCATION
 ORGANIZATION FIT
 SALARY
 TECHNICAL SKILLS
 MISC. REQUIREMENTS



Results to Date

To date, Duma Works has matched over 7,500 job seekers with relevant job opportunities. Furthermore, over 4,500 job seekers have been screened for skills, and over 1,500 job seekers have been successfully placed in jobs. These jobs range from entry level to middle management positions in a variety of sectors, including hospitality, office work, and technology.

With this technology, MSMEs now have an easy and reliable platform to find qualified workers for their job openings. Since Duma Works has been operating in the MSME market, we have seen an average return rate of 50% per employer. This means that employers' satisfaction as well as confidence in this new and optimized method of hiring is on the rise. Furthermore, on average, every employer refers 3 other employers to hire through Duma Works. This means more employers recruiting more effectively and connecting with the best potential hires.

What's Next

The vision of Duma Works has been to stimulate economic growth through optimized hiring processes for MSMEs and small businesses. Therefore, it is important that the company not limit its operations to Kenya. In fact, Kenya is the pilot market of Duma Works, and once that market has been tried and tested, the company will begin expanding to other African countries.

Next, Duma Works has an interest in increasing the employability of job seekers in African countries. Duma Works currently curates local content in its blog (blog.dumaworks.com) to help job seekers build their professional knowledge-base, however, the company seeks a scalable and interactive way to teach job seekers relevant job skills in the future. One of the approaches that may be taken is to provide job seekers with feedback about the screening tests they have taken and how they can improve. As the screening tests are sector-specific, this feedback will be crucial to helping job seekers understand the skills they require for certain industries and how they can build up these skills.

Conclusion

Based off employer return and referral rates, it is clear that the services offered by Duma Works are in high demand. MSMEs hiring typically don't have an HR team, nor any staff allocated specifically to hiring, and therefore, quality and rapidity of hiring services is key. Currently, Duma Works is the only digital service in Kenya giving micro, small and medium enterprises a way to easily conduct a quality check of their candidates before the interview.

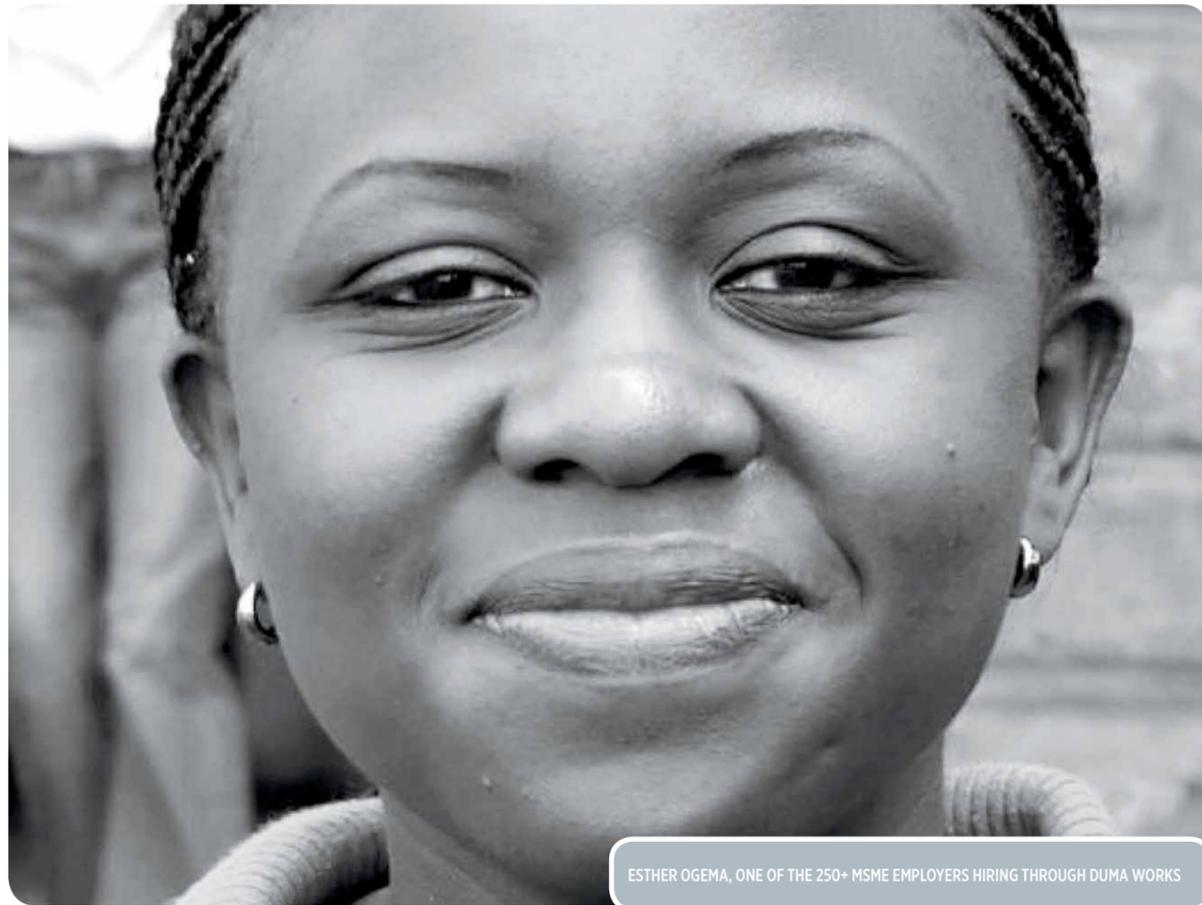
We have noticed a few interesting trends resulting from the Duma Works hiring methodology. The use of a screening-based approach, versus a CV-based approach has many positive ramifications for job seekers and employers. Mainly, job seekers without formal education certificates and recent graduates without work experience have more of a chance of being hired with this system. This is due to the fact that it is a merit-based approach from the start. Employers that may have tossed out CVs of people without formal degrees, or "3 years experience", can now immediately see that those candidates actually have the required skills.

Furthermore, due to the fact that Duma Works is accessible over multiple platforms, job seekers that may lack mobility, such as women or underprivileged youth from slum or rural communities, now have awareness about job openings and can apply easily.

Overall, the Duma Works job matching system has been a success in promoting transparent and effective hiring in MSMEs - at an affordable cost.



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ABOUT DUMA WORKS

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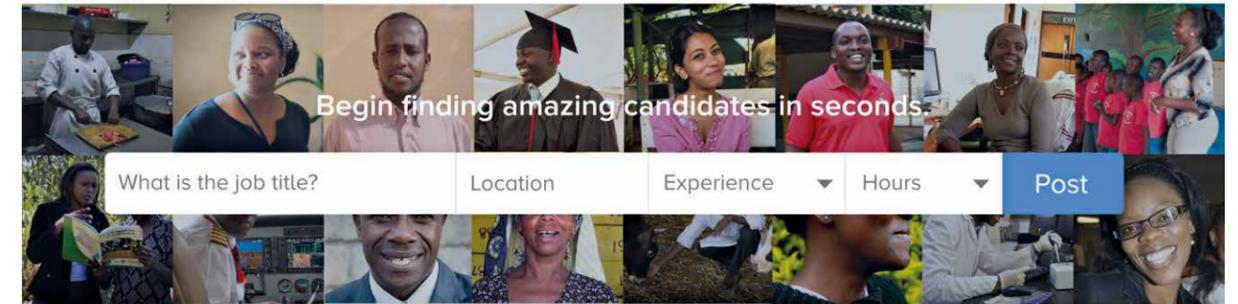
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Duma Works has been recognized by Google and Kenya's ICT Board as a winner in Social Equity and Poverty Reduction, is an Ashoka and Intel prize winner for Women in Innovation, and has received a Centennial Innovation grant from the Rockefeller Foundation for increasing job opportunities for informal sector workers through mobile phones.

For more information, please visit the Duma Works website at www.dumaworks.com
Follow the Duma Works on Twitter: @DumaWorks.



Recruiting designed for **small businesses**.



Trusted Countrywide

Over 200 employers all over Kenya use Duma Works to find talent and grow their organisations.



LONGONOT CURIO SHOP

airtel

network
pod



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