Mutual Franchise Success as a Result of Strategic Staffing Fit in Mobile Telecom Business: The Moderating Effects of Complementary Resources

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Abstract

Background: *Across the world, most businesses in emerging markets are theoretically and practically characterized by significant competition, price reductions, increased product and distribution innovations as they contribute to fast economic growth in their respective countries. The resource scarcity theory posits that mobile telecom businesses such as those in Uganda's competitive mobile telecom sector choose to use the franchising strategy in order to counteract the limited staffing, financial, knowledge and other key resources limitations in their strategic directions.* ***Study Purpose:*** *This study aimed at understanding how strategic staffing fit leads to the needed mutual success among the respective franchise partners especially when moderated by complementary resources sharing. The unit of inquiry was a franchise business entity while the units of inquiry (respondents) were managers (on ground) and another key employee who has customer contact in the particular mobile telecom business.* ***The Findings:*** *The results revealed that strategic staffing fit is positively related to mutual franchise success at a high level of significance in the mobile telecom businesses (adjusted $R^2=0.082$; $F=10.251$; $\beta=0.302$; $p= 0.002$) in Model 1. The Final Model (Model 3) where complementary resources was introduced and found to be positively affected (with $\beta=0.626$; $p= 0.000$) and strategic staffing fit ($\beta=0.328$; $p= 0.009$). So, complementary resources sharing significantly and positively moderates the relationship between strategic staffing fit and mutual franchise success in competitive mobile telecom business of developing countries like Uganda.* ***Managerial Implications:*** *The respective mobile telecom managers in a developing country like Uganda need to first evaluate the current and future co-existence of the fit and resources before any franchise contract engagement. It then becomes easier to achieve the needed mutual franchise success during the next franchise contract engagements between both business partners. This sustains the businesses'/sub-sector's competitiveness hence the respective developing country's faster economic growth and transformation through the franchising strategy.*

Keywords: Mutual Franchise Success, Strategy, Staff, Growth, Complement, Sustainable

Introduction

Globally, the ICT-enabled services sector is the fastest growing economic contributor around the world especially in today's evolving mobile world. Enabled by the service sector's mobile telecommunication sub-sector, Uganda's services sector significantly reported high growth rates of 10.2% in terms of its growth in the banking, health, education and other service sub-sectors in 2014/2015 (Budget Speeches for Financial Year 2011/2012; 2015/2016). So, the mobile telecommunication sector continues to be one of the fastest growing and biggest drivers of the high growth rates in other related service sectors in some developing countries (Rogers, 2015; The Mobile Economy, 2014). For instance, Uganda's overall services sector was estimated to have increased by 21.2% during the 2010/2011 financial year partly because of the increased competition among the country's mobile telecom businesses at the various levels (Budget Speech for Financial Year 2011/2012).

Mobile telecom businesses in emerging markets of the respective developing countries are theoretically and practically characterized by significant competition, price reductions, increased product and distribution innovations (Simba Telecom, 2015; Knight & Cross, 2012; The Summit Business Review, 2010). This has pushed most the respective companies/business to distribute and sale their respective products and services through appointing well-selected franchise partners (distributors, dealers, agents and area development partners among others) in the various emerging markets (Kotler, *et al.*, 2007; Hoffman & Preble, 2004; Sen, 1998). The resource scarcity theory posits that businesses such as those in Uganda's competitive mobile telecom sector choose to use the franchising strategy in order to counteract the limited staffing, financial, knowledge and other key expansion resources limitations in their strategic directions (Oxenfeldt & Kelly, 1969; Kotler, *et al.*, 2007). This theory explains the need for both sides of the mutual partners to select the right franchisors and/or franchisees whose resources like the people (staffing) fit and other complementary resources (like the finances) they can access for the needed business growth (Ekelund, 2014; Sen, 1998; Oxenfeldt & Kelly, 1969). However, the resource scarcity theory is weak at explaining when and where the strategic use of the accessed resources becomes important which the resource-based view seems to be stronger at explaining (Combs, Micheal, & Castrogiovanni, 2004; Penrose, 1959).

The resource-based view (RBV) explains that the productive use of the mutually-accessed resources is important in a market like Uganda when the respective mobile telecom businesses want to become more competitive than their rivals (Barney, 1986a & b; Penrose, 1959). Where the respective complementary business partners manage to sustain their respectively achieved competitive advantage over time, it becomes their mutual source of superior financial performance hence mutual franchise success in the context of this study (Knight & Cross, 2012; Combs *et al.,* 2004; Sen, 1998; Barney, 1986b). For such mutual success to remain sustainable, there is need for some kind of long-term oriented complementary resources sharing of staff, finances and other resources between the respective franchise partners (Ekelund, 2014; Knight & Cross, 2012; Mutumba, 2010). It is such long-term resource complementarity which is said to be behind the continued competitiveness of Uganda's leading telecom franchisors and franchisees like those under the MTN brand, one of the country's key economic growth driving companies (Budget Speech for Financial Year 2015/2016; Mutumba, 2010; The Summit Business Review, 2010). However, there is still lack of an accessible study to empirically inform the mobile telecom sector's need for mutual franchise success for Uganda's faster socio-economic transformation towards its Vision 2040 (Toffel, 2016; Budget Speech for Financial Year 2015/2016; Knight & Cross, 2012; Mutumba, 2010).

This study aims at understanding how the right the right staffing fit and complementary resources sharing lead to the needed mutual success among the respective franchise partners. According to the Summit Business Review of 2010, Uganda's major telecom brands use a franchising strategy which is tailor-made in terms of a 'push' approach. This franchise-driven strategy is aimed at achieving better product distribution, market penetration, cost reduction, and market competitiveness in such a fast-growing industry. The push approach calls for a staffing fit between the mobile telecom companies (franchisors) and their respective dealership owners of the distribution outlets (franchisees) in order to achieve mutual franchise success (Doherty, 2007; Sen, 1998; The Summit Business Review, 2010). For instance, MTN Uganda's admired mutual business success in using the innovative franchising-push strategy is attributed to their competitive establishment of a staffing fit alongside the much needed complementary resources with their well recruited, selected, and managed franchisees, (The Summit Business Review, 2010). For example, Simba Telecom which is one of MTN's top franchisees is owned by Patrick Bitature who is experienced in attracting and retaining the much-needed staff enables the mobile telecom (MTN) franchisor to competitively push their SIM Packs, airtime, and the related services to the various customers in their market penetration efforts in Uganda (Simba Telecom, 2015). However, Mobile Telecom franchisors and franchisees that fail to ensure the much needed staffing fit and complementary resources end up into mutual franchise business failure (Ducket, 2008; Mutumba, 2010; FranchiseKnowHow, 2011). For instance, Uganda Telecom/UTL's franchise failure to competitively push their products into the market may be attributed to their failure to select the right franchisee partners who have to share a strategic staffing fit and other needed complementary resources among other related reasons (Mutumba & Kibirango, 2016; The Summit Business Review, 2010; Doherty, 2007; Sen, 1998).

Other writers who try to explain why UTL still lags behind their rival franchise systems continue to point out that 'the first and biggest blunder was that UTL ran a franchise model that itself did not properly understand and prepare for' (The Summit Business Review, 2010).

It might also have been due to its lack of a national data network and its limited access to relevant franchising research from the academia (Toffel, 2016; Cartesian, 2015; Mutumba, 2010; The Summit Business Review, 2010). Such reasons may explain why by 2010, this mobile telecom franchisor only had 5 franchisee-outlets moreover it had targeted to attract at least 12 franchisees/super dealers between 1997 and 2010 (Mutumba, 2011). Failure to achieve the desired outlet growth is making competitors like UTL to struggle with attracting more customers/subscribers and franchisees, and are failing to generate the money needed to meet their financial obligations to its creditors/rivals like MTN Uganda. UTL's management is also struggling to re-build the customer and investor confidence that UTL is a going-concern especially after the fall of Libya's Col. Mummar Gaddafi who the public considers to have been their business's main source of business survival (Nannozi, 2011). Other mobile telecom franchise businesses (franchisees) which were in partnership with the likes of Warid Telecom and Orange Telecom (franchisors) also failed to survive through the tight price competition in Uganda's fastest growing industry (Mwesigwa, 2014; Kulabako, 2011). So, the remaining challenge to the mobile telecom business practitioners, franchising, human resource, and other related researchers is to find ways of improving the management practice from such mutual failure to mutual franchise success in Uganda's fastest growing sector (Toffel, 2016; Mutumba, 2010; Ghoshal, 2005).

As we learn from the practitioners, both the mobile telecom companies (franchisors) and their franchisees seem to currently be using a franchising-push strategy to competitively deliver their respective SIM Packs, airtime, and the related services in the country (Toffel, 2016; Cartesian, 2015; The Summit Business Review, 2010; Doherty, 2007; Ghoshal, 2005; Sen, 1998). Most mobile telecom franchisors seem to recruit and select their franchisees depending on whether their staffing capabilities fit into staff requirements in Uganda. For example, a telecom franchisor like MTN Uganda considers the potential franchisee's staffing experience in attracting and retaining the needed staff for pushing the respective telecom franchisor's products and services where the customers expect them. The respective franchisors also consider the applicant franchisee's leadership style, financial preparedness, proven complementary resources, and the motivation towards the mutual business success. Despite the above staffing and resource considerations made by Uganda's mobile telecom franchisors in their franchisee recruitment and selection processes, a number of the selected franchisees seem to be mutually failing.

Mobile telecom franchising being a business of mutual success (win-win), the respective telecom franchisors are also failing to achieve their desired market penetration, financial performance and strength, and general market competitiveness. Some of their appointed franchisees are instead selling the rival telecom companies' products and services, are failing to satisfy the standards set by their respective franchisors, and running out of business while others have already closed down their franchise shops. As result, more mobile telecom businesses are likely to run out of business especially in today's cut-throat price competition in the entire sector hence decelerating the country's resultant speed of economic transformation through other sectors. Uganda's mobile telecom's mutual failure might be explained by limited strategic staffing fit and complementary resources sharing among the respective franchisors and franchisees in Uganda's mobile telecom industry. Challengingly, there are few empirical studies with the right knowledge-solutions to save such key businesses. These economic growth driving players may desperately turn to more expensive and risky strategies like using company-owned shops instead of franchisee-owned shops which fortunately present higher chances of mutual business success. Therefore, purpose of the study is to establish how a strategic staffing fit contributes mutual franchise success as result of the moderating effects of complementary resources among Uganda's respective mobile telecom businesses using the following objectives which are also conceptualized below.

1. To establish the relationship between strategic staffing fit and mutual franchise success among Uganda's respective mobile telecom businesses.
2. To establish the moderating effects of complementary resources on the relationship between strategic staffing fit and mutual franchise success among Uganda's respective mobile telecom businesses.

Conceptualization

Establishing a strategic staffing fit leads to mutual franchise success among the respective mobile telecom businesses in a developing country like Uganda (Doherty, 2007; Ducket, 2008; Hoffman & Preble, 2004; Mutumba, 2010; The Summit Business Review, 2010).

The strength and direction of the relationship between the above fit and mutual franchise success is moderated by the interactive sharing of complementary resources between the respective franchisor and franchisee businesses (Toffel, 2016; Mutumba, 2010; The Summit Business Review, 2010; Doherty, 2007; Sen, 1998).

Under strategic staffing fit as the independent variable, we focused on the strategy alignment of both the franchisor and franchisee businesses, staffing abilities, performance management as the indicators to be measured during the study. Under mutual franchise success as the dependent variable, we focused on the respective mobile telecom businesses' distribution efficiency, market penetration, outlet growth, brand consistency over time and perceived financial success. While under complementary resources, the measures/indicators/constructs that we focused on were transferable market knowledge, financial preparedness, entrepreneurial capital, business networks and the tangible/physical resources that either and/or the respective franchisor and franchisee businesses can share within the relationship. This study's conceptual scope focuses on the relationship between staffing fit and mutual franchise success and the moderating effect of complementary resources on the relationship between staffing fit and mutual franchise success among Uganda's mobile telecom businesses. This study was carried out among the Mobile Telecom Franchisees who are mainly located in Uganda's 20 major towns like Kampala, Jinja, Mbarara, Gulu, Lira, Mbale, Soroti, Arua, Kabale, Masaka, Port Forto, Kasese, and Hoima among others across the country's 5 sub-regions. Guided by the above scope of this study, the following literature review provides a look at what the earlier researchers have contributed before this study.

Literature

There is an increasing number of studies that relate to the relationship between strategic staffing fit and mutual franchise success especially in the retail and mobile telecom sectors around the world, (Ekelund, 2014; The Summit Business Review, 2010; Doherty and Alexander, 2004; Hoffman & Preble, 2004). This is because the fast growth of such sub-sectors can drive the faster national economic growth when the respective franchisors and franchisees/practitioners are practically able to find and sustain their competitiveness towards mutual success (Toffel, 2016; Ekelund, 2014; Mutumba, 2010; Ghoshal, 2005). In the strategic staffing and management practice, the well selected and supported franchisees complement the mobile telecom company's transferable market knowledge and experience, finances, and networks with their entrepreneurial capital which leads to mutual franchise success (Cartesian, 2015; Ekelund, 2014; The Summit Business Review, 2010; Ghoshal, 2005). Such symbiosis enables the business partnership to easily implement the customer-oriented innovations since their well selected franchisees have what it takes –the money and staffing to achieve the needed mutual success (The Summit Business Review, 2010; Doherty, 2007; Sen, 1998).

Strategic Staffing Fit and Mutual Franchise Success

According to Guest (1989), strategic staffing fit is the ability of organizations (franchisors and franchisees) to integrate their staffing issues into their strategic plans in order to ensure that they achieve mutual success. His definition is complemented by Bronson, James, Morgan and Cyril (1998) who added that the franchisor-franchisee selection is crucial for the respective partners' mutual business success. They further emphasize that the franchisor wants the best franchisee while the franchisee wants the best or most reputable franchisor because a franchisor with a poor franchise system to offer is unlikely to attract the best franchisees. Likewise, a franchisee without the necessary staffing and other resource requirements will not be offered the franchise ownership. So, any franchisor or franchisee who wants to enter into a business with the other must carry out a thorough investigation and evaluation of each other's staffing and other resources readiness before signing the franchise contract (Ekelund, 2014; Mutumba, 2010; Ghoshal, 2005; Sen, 1998). This helps both parties to avoid unscrupulous franchisors or franchisees who may dupe the other along the way (Mutumba, 2010; Kotler *et al.*, 2007; Sen, 1998).

As one of the strategic human resource/staffing practices, training courses and workshops are usually conducted in ways that cover many skills and areas of competence development which are aligned with the franchisor-franchisee strategies (Lin & Lin, 2004). Earlier scholars like Schuler (2000) and Sen (1998) had already emphasized that on-going staff training and development is crucial in order to achieve mutual business success for both franchise partners. Such symbiosis is also achieved through the staff applying the acquired skills in marketing the respective products, responding to and addressing customer complaints and penetrating new markets.

There is a progressive coherence from recent scholars like Ekelund (2014) who are arguing that business performance aims like the distribution efficiency can be achieved by putting in place well aligned systems that ensure information exchange among other symbiotic practices. Such systems increase efficiencies, allow the franchisor to manage the brand effectively, improve communications and franchisee satisfaction besides the mutual increase in the value of the franchise chain especially in terms of its brand consistence and profitability (Ekelund, 2014; Mutumba, 2010; Sen, 1998).

As previously argued by Pelton, Strutton and Lumpkin (2002) and later complemented by (Ekelund, 2014), the increased systems efficiency covers many areas from operations (policies & procedures, departments, corporate organization) to the franchise relationship (satisfaction, communications, cultural training), production, distribution, marketing, sales maximization to the information exchange. Such systems include the software used to manage operations, as well as the various franchise-wide forms, checklists, operational manuals, policies, procedures, processes and sets of rules that govern the franchise relationship and structure (Ekelund, 2014; Mutumba, 2010; Doherty, 2007).

The design of effective systems is an entire science in itself (systems theory) which ties into operational behavior and strategic planning, as well as change management processes. During periods of growth, the strength of the franchise systems becomes even more important as new people are being brought in at an increased rate and the time available for each task decreases. Often small gaps in systems become much more expensive or unmanageable during periods of franchise growth especially where practices like performance management are not in place. Performance management as a tool that both the franchisors and franchisees can utilize to ensure mutual business success uses instruments like the minimum performance criteria (Morcos, 2013; Mutumba, 2010; Sen, 1998). This criterion guides the performance and expectations of both the franchisor and franchisees in the business system through some cause and effect analysis especially before selecting the respective partner. Such criteria help in establishing the minimum level of franchisee performance which is acceptable to the franchisor. Failure to achieve the respective business targets typically sets in motion a framework whereby the franchisee must rectify the situation (Morcos, 2013; Doherty, 2007; Sen, 1998).

According to Sisson and Storey (2000), the partnering franchisors and franchisees have to align the staffing plans with the overall brand strategy so as to achieve mutual business success. They emphasise that it is through a well-articulated franchisor-franchisee strategy that staffing challenges can be determined and fitted. Both the franchisors and franchisees will usually continue to experience the staffing gaps as long as their staffing plans are not aligned with the brand's business strategy especially when preparing to achieve the shared vision. Earlier scholars like Corones (1994) argued that in order to ensure uniformity in the presentation and selling of goods/ services (brand consistency), the franchisor should insist on certain minimum requirements from its franchisees. Such contractual demands may require them to obtain stock from him/her or from only selected suppliers or to produce the stock in accordance with the franchisor's specifications that match the respective rights (Ekelund, 2014; Kotler *et al.*, 2007). In addition to the need to protect intellectual property rights (IPRs) such as the trademarks, the franchisor has to also supervise the location, the décor, and may arrange premises in accordance with the distinctive layout/format associated with the franchise. Despite all these relationship requirements, it is important to realize that the franchisee's business is an independent business to that of the franchisor although they both depend on one another for mutual success (Mutumba, 2010; Sen, 1998). Mutual franchise success is about achieving the goals and objectives of both the franchisor and franchisees in the business partnership (Summit Business Review, 2011; Plews, 2009; Sen, 1998). Franchising scholars like Ekelund (2014) and Doherty (2007) argue that there is need for mutual trust and complementary resources exchanges/interactions for a more successful business relationship especially where a strategic staffing fit has already been established.

Complementary Resources on Strategic Staffing Fit and Mutual Franchise Success

Studies continue to show that it is easier to achieve mutual success in franchisor-franchisee relationships where both partners complement one another with the independently-absent resources that the partners stands to competitively offer compared to their non-franchise rivals (Toffel, 2016; Ekelund, 2014; Flint-Hartle and de Bruin, 2011; Mutumba, 2010; Doherty and Alexander, 2006; Sen, 1998). That is why franchisors always look for proven entrepreneurs/potential franchisees that are financially stable, with relevant previous experience, readiness to mutually succeed, with the leadership and management skills, good business networks, willingness to learn, and with proven system discipline, (Hashim and Ahmad, 2004).

Several researchers are of the view that proper use of complementary resources improves on the relationship between the franchisors' and franchisees' staffing fit and mutual franchise success in the business (Doherty, 2007; Grewal, Iyer, Javalgi, and Radulovich, 2011; Pearce, 2010). As the franchisor generally expands the business chain in a faster way using the franchisees' money and human resources (staffing), the franchisees are generally able to also use and maximize on the franchisor's proven business success, financial stability, international market experience, and other scarce resources accumulated over time towards mutual franchise success, (Grewal *et al.*, 2011; Harjito & Sulong, 2005; Doherty & Alexander, 2004; Sen ,1998). In a study conducted by Flint-Hartle and de Bruin in 2010, it was reported that the franchisees contribute to the building of complementary resource competency by adding value to the franchisor-initiated system and brand through developing presence and expertise in the local market. Such complementary value-addition from the franchisees is through their local knowledge and experience which is accumulated over time hence making them the fitting and mutually beneficial franchise candidates (Flint-Hartle and de Bruin, 2011; Harjito and Sulong, 2005; Hashim and Ahmad, 2004). However, most studies on the complementary resources have mainly been among fast food restaurants, retail, automobile, real estate brokerage, and the business services in countries like USA, UK, Australia, New Zealand, and South Africa among others (Knight and Cross, 2012; Mutumba, 2010; Hoffman and Preble, 2004; Sen, 1998). Such studies contribute to the evidence that franchisors and franchisees (in such sectors) are aware of how complementary resources contributes towards mutual success when a strategic staffing fit is established for the sustainable success of both franchise partners in such countries.

An empirical study on the moderating effects of complementary resources on the relationship between strategic staffing fit and mutual franchise success for the practitioners in Uganda's mobile telecom sub-sector is yet to be published (Toffel, 2016; The Summit Business Review, 2011; Mutumba, 2010). According to paper presented by a business consultant in 2004 during a continental seminar on franchising in Morocco, it was also revealed that although there are franchisors and franchisees in Uganda's mobile telecom industry, the absence of a proper regulatory framework and respective franchise association makes it challenging for the partners to achieve mutual franchise success (Toffel, 2016; Mutumba, 2010; Mutumba and Bakunda, 2008; Mutyabule, 2004). This study focuses on establishing how internally scarce resources like finances, entrepreneurial capital, transferable market knowledge, and established networks complement the contribution of strategic staffing fit on mutual franchise success in Uganda's mobile telecom industry using the following methodology.

Research Methodology

Basing on the positivistic/knowledge testing philosophy, we employed a cross-sectional quantitative research method using the questionnaire survey approach to collect data for testing the above conceptualization which is also presented in terms of the above research objectives (Neuman, 2007). The structured questionnaire included sections on the background data, strategic staffing fit, complementary resources sharing and mutual franchise success. The entire questionnaire was anchored on a 5-point Likert scale response ranging from "strongly disagree" to "strongly agree". The population for the study is the managers/employees of the franchisee telecom businesses from different mobile telecommunication companies in Uganda such as MTN, Airtel (and Warid), UTL, and Orange (now Africel). This is because it is the managers who are involved in the day-to-day efforts which are aimed at achieving the mutual business success (Cartesian, 2015; Neuman, 2007; Ghoshal, 2005).

We used the unit of analysis to be the franchise business and the unit of inquiry was a consideration of two (2) employees, that is a manager (on ground) and any other employee that has customer contact. This therefore made up a total population of 200 employees. Simple random sampling was used, in which 132 questionnaires were distributed. Of the 107 returned questionnaires, 3 were incomplete. The remaining 104 valid and complete questionnaires were used for quantitative analysis which represented a usable response rate of 79%. Common method bias was controlled by using the procedural remedies and statistical tests (Podsakoff, Mackenzie and Lee, 2003) on the questionnaire design including response anonymity and psychological separation of predictors and criterion variables. We also conducted the *Harman one-factor test* to examine and correct the potential problem of common method variance. This is because significant common method variance would have resulted into one general factor accounting for the majority of covariance in the variables (Podsakoff *et al.*, 2003).

An exploratory factor analysis was conducted focusing on principal component analysis on the questionnaire measurement items of the study yielded four factors for strategic staffing fit with eigenvalues greater than one accounting for 70.64% of total variance, and the first factor accounted for 40.7% of the variance.

Complementary resources had two factors with eigenvalues greater than one accounting for 61.7%, the first factor had 47.6% of the variance. Mutual franchisee success gathered 54.2% of the total variance, whereas the first factor has 30.9% of the variance. Since single factor does not emerge on the 3 variables and one general factor does not account for most of the variance, common method bias was unlikely to be serious problem in the data (Podsakoff and Organ, 1986). Besides KMO statistics for the three variables indicate that both are above 0.5 for instance 0.834 for strategic staffing fit, 0.777 for complementary resources and 0.5 for mutual franchise success which justifies the adequacy of the sample size for factor analysis (Kaiser, 1974). The Cronbach's Alpha for variables was employed in the study to access the degree of internal consistency of the items (Hair *et al.*, 1998). Cronbach alpha for strategic staffing fit was 0.906 while for the complementary resources sharing was 0.835 and the Cronbach alpha for mutual franchisee success was 0.538. This suggested that the factors were internally consistent and that the data set was reliable for further statistical analysis.

The Respondents

According to *Table 1* below, the respondents were predominantly male (56.7%) which means that most of the findings are informed by males. Most (40%) of the respondents were in the age bracket of 46-59 years which means the findings were from 'franchisepreneurs' who were in their middle-age. Also, most (53.9%) of the respondents (employees/dealers/franchisees) had a tenure of 10 years which means they were concerned about the variables and scope of this study hence they were more likely to give the realistic picture on ground. In terms of education level, most (87%) of the respondents were degree holders meaning this study's conceptual scope was easy for them to appreciate the ontology/reality under study during the data collection. Meanwhile, most (92.4%) of the respondents were from MTN and Airtel (and Warid) which meant that their views reflected the best practices since the two (2) brands are Uganda's market leaders in its telecom industry (Mwesigwa, 2014). In terms of positions held, there was a balance among the franchisee-respondents because 50% were employed as supervisors while 45.5% were the respective outlet owners. Moderation regression analysis was used to determine the extent to which complementary resources as a moderator plays in the strategic staffing fit and mutual franchisee success relationship basing on the measurement of the variable below. Also, three model regressions were developed as presented in *Table 2* below.

Strategic staffing fit was measured basing on the constructs in the above conceptualization which were anchored on a five-point Likert scale ranging from 1="strongly disagree" to 5= "strongly agree" developed and validated by Huselid (1997). The measure covers the degree of fitness that arises from staffing practices and firm strategy. Items considered include "Our Managers help to facilitate change e.g through the designing and development of training programs at both franchiser and franchisee levels", "I participate in the process of defining business strategies". Complementary Resources was measured using a five point Likert scale ranging from 1="strongly disagree" to 5= "strongly agree", items considered include "Having good business networks and relationships is crutial for mutual franchise success", "Having a financial plan ready is crucial for mutual franchiser-franchisee success" and "Franchisees have a guaranteed and protected territory" among others. These items were adopted and modified from the works of Ducket (2008); Parmigiani and Mitchell (2009).

Like for the above 2 predictor variables, mutual franchise success was measured in terms of the constructs in the above conceptualization using a five-point likert scale ranging from 1="strongly disagree" to 5= "strongly agree" the items used are "Our partnership ensures brand consistency of our mobile telecom products", "There is a shared sense of psychological ownership like people in same family with the same business identity" (Martiz & Nieman, 2008; Checklist, 2009). The above methodology resulted into the following findings. They consist of the presentation, interpretation and discussion of the research findings on the study variables in connection to the respectively reviewed literature above.

Findings

Results

Table 1: Correlations between the Variables

		Mean	Std	1	2	3
1.	Strategic Staffing Fit	3.5202	0.76015	1		
2.	Complementary Resources	3.8029	0.75401	0.772**	1	
3.	Mutual Franchise Success	3.8942	0.46525	0.302**	0.328**	1

Significance level: **p<0.05; **p<0.01; ***p<0.001*

***Source:** Primary data*

Table 1 above shows that there is a positive and significant (r = 0.302**, *p<0.01*) correlation between strategic staffing fit and mutual franchise success in Uganda's mobile telecom sectors. This implies that when strategic staffing fit is increased, mutual franchise success also increases. The study results also revealed a positive and significant (r = 0.328**, *p<0.01*) correlation between complementary resources and mutual franchise success. However, such correlations may be caused by factors which are not conceptualized under this study hence the need for the regression results in *Table 2* below which are better at establishing the above respective relationship.

4.1 Table 2: Hierarchical Regression Analysis

	Model 1	Model 2	Model 3
Main Effect			
Strategic Staffing fit	0.302** (0.002)	0.121 (0.414)	0.328** (0.009)
Moderating Effect			
Complementary Resources		0.235 (0.114)	0.626** (0.000)
Interactive Term			
Strategic Staffing Fit x Complementary Resources			0.793** (0.000)
Mode Indices			
Adjusted R²	0.082	0.096	0.404
ΔR²		0.022	0.308
F	10.251**	6.475**	24.308**

N=104

Significance level: *p<0.05; **p<0.01; ***p<0.001

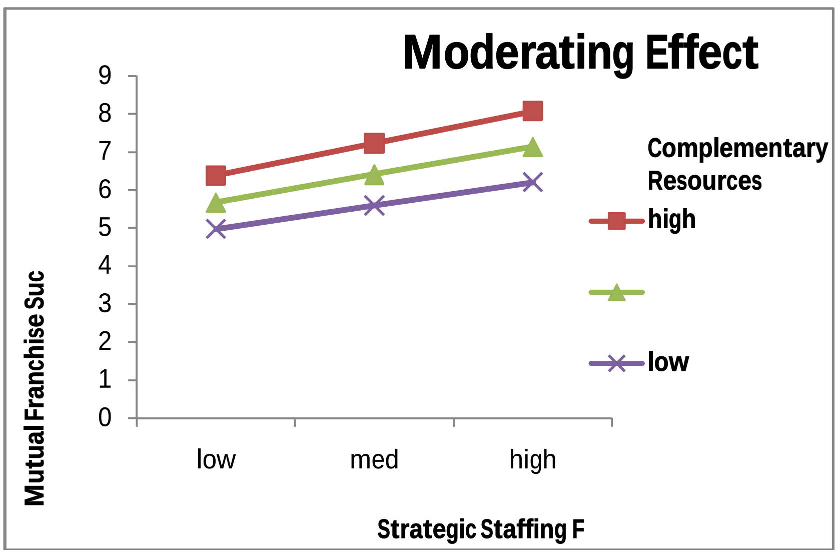
Source: Primary data

From *Table 2* above and in line with study objective one, results reflect that strategic staffing fit is positively related to mutual franchise success at a high level of significance (adjusted R^2=0.082; F=10.251; β=0.302; p= 0.002) in Model 1. This implies that Staffing fit explains 8.2% variance of the mutual franchise success. Therefore, franchisor-franchisee strategy alignment with the staff abilities, recruitment and selection, start-up and on-going training and performance management are some of the attributes that need to be considered for increased mutual franchise success. Such mutual business success is indicated by shared distribution efficiency, market penetration, outlet growth, brand consistency and financial success. The above results are in line with scholars like Ekelund (2014), Lin & Lin (2004) and Sen (1998) whose earlier findings also demonstrated how the staffing fit strategically leads into mutual franchise success among the respective business partners. The agreement between this study's results and the earlier scholars' findings may be because the franchising practice cuts across other sectors and geographical boundaries. So, this study's mobile telecom context seems to be empirically similar to the above earlier scholars' reality. This result is consistent with the hypothesized positive relationship between strategic staffing fit and mutual franchise success. However, considering this low variance, other factors could help explain the remaining percentage hence the need to consider the next models.

Table 2 presents Model 2 which regressed strategic staffing fit and complementary resources (ΔR^2=0.022; ΔF=2.543; β=0.302; p=0.114), the results were not significant much as there was a slight increase of variance by 2.2% explaining 9.6% contribution of strategic staffing fit and complementary resources sharing on mutual franchise success. However, Model 2 was not part of this study's focus hence our concentration was put on the next results.

The final model (Model 3) was used to regress the interaction variable which is a product of strategic staffing fit and complementary resources with other variables. Results indicated (ΔR^2=0.308; ΔF=53.273; β=0.793; p=0.000) the effect of the interactive variable was significant, with a combined considerable increase in variance by 30.8%. The Model now explained a combined variance of 40.4% of the mutual franchise success. Within the model, another variable (complementary resources) positively affected (β=0.626; p= 0.000) the strategic staffing fit's effect (β=0.328; p= 0.009). So, this was an indication that complementary resources sharing significantly and positively moderates the relationship between strategic staffing fit and mutual franchise success. To be graphically certain about the moderation effect, we used the Aiken and West (1991) approach to plot the interaction effect for three levels of complementary resources, defining them as "low", "medium" and "high" complementary resources as minus or plus standard deviation (SD) from the mean. Figure 1 shows the results for the relationship between strategic staffing fit and mutual franchise success for "low", "medium" and "high" level of complementary resources.

Figure 1: The Moderating effect of Complementary Resources on Strategic Staffing fit and Mutual franchise success



Source: Primary data

In conditions of "high" complementary resources, one SD above the mean illustrated by the brown line which is above the green line (mean) hence the relationship between strategic staffing fit and mutual franchise success was significant positive. This implied that when strategic staffing fit increases by 1 unit, mutual franchise success will increase by 0.352 units. In contrast, when the level of complementary resources is "low" one standard deviation below the mean as illustrated by the purple line, the positive relationship between strategic staffing fit and mutual franchise success was not significant. So, at low levels of sharing of the complementary resources, mutual franchise success is instead reduced hence changing the direction and strength of the respective relationship under this study.

The above empirically tested moderation effects of the complementary resources is in agreement with an earlier study by Flint-Hartle and de Bruin (2011), Harjito and Sulong (2005) and Hashim and Ahmad (2004) whose findings collectively revealed that similar interactive effects. Their studies revealed that complementary resources contribute to towards mutual success when a strategic staffing fit is established for the sustainable success of both franchise partners in the respective countries. The agreement between the earlier and this study's results is because the resources complementarity increases the ability of both business partners to succeed in sustainable win-win ways.

From the background to this study, the partners in MTN as Uganda's leading mobile telecom franchise system add value/success in win-win ways which have kept the brand ahead of the likes of UTL. As revealed above, the interactive/moderating effects are stronger at high levels of complementary resources sharing. So, the following conclusions and recommendations may guide the attraction, selection and symbiotic use of the respective staff, financial, local and international market knowledge for sustainable mutual franchise success.

Conclusions

There is a positive and significant relationship between strategic staffing fit and mutual franchise success, although the contribution of the staffing fit to the mutual success is lower before interactive moderation of the complementary resources. When Uganda's mobile telecom franchisors and franchisees share higher levels of complementary resources sharing, more mutual franchise success can be achieved in this fast growing sector (Toffel, 2016; Ekelund, 2014; Cartesian, 2015; The Summit Business Review, 2011). In so doing, the respective telecom businesses (franchisors) can then develop and align their key business strategies like expanding their respective outlet/branch (retail) networks with the franchisees' staffing abilities/competencies in ways that also tap into each partner's financial preparedness, transferable market knowledge and business networks among others. This is usually during staff planning, franchisee recruitment and selection, initial and on-going training, performance management and marketing activities by both sides as part of their efforts to achieve mutual franchise success on a sustainable basis.

Managerial Implications

The continued competitiveness in pushing a given mobile telecom business's products and services demands for the practice of selecting the right franchisee partners with whom they can mutually share the right staffing fit and other complementary resources like the partner's financial preparedness and franchise business ecosystem engagements. Such competitiveness in the mobile telecom sector challenges the mobile telecom franchisors and franchisees to always first ensure that their respective business growth partners sustainably share the needed strategic staffing fit and complementary resources before signing the contract. The findings have revealed that the fitting and contractual sharing of the needed expansion staffing, financing and other resources leads to the achievement of mutual franchise success across the mobile telecom sector.

So, the respective mobile telecom managers in a developing country like Uganda need to first evaluate their respective partners' current and future co-existence of those key resources before entering into the franchise contract engagements. Ensuring the needed mutual franchise success during the franchise contract negotiation and signing between any respective potential franchisor and the respective franchisee(s) and during the actual contract implementation becomes more feasible. It is because such systematic partner selection, contractual engagement and implementation create the needed co-existence and co-evolution that leads into the mutual franchise success through such a complexity of resource sharing for both partners. In so doing, the franchise business managers in mobile telecom companies like UTL in other developing countries can turn their past failure into mutual franchise success.

Each franchise partner's respective human resource manager, distribution/operations manager, financial controller and branch manager needs to be part of the mutual partner selection and the respective strategy implementation throughout the business partnership. Their early internal stakeholder engagement and common sense of strategic business direction make it easier for the respective franchise management team to create the intrapreneurial ecosystem for sharing the resources for mutual franchise success. Even the external stakeholders like the respective sub-agents/retailers and the partners from other sub-sectors like in healthcare, education (e-learning and online payments) and agribusiness can then become more competitive. When mutual franchise success in the mobile telecom (or media) sub-sector enables other key areas of welfare (public good) concern to also prosper, more developing countries can achieve faster socio-economic transformation hence National Visions. For such a strategic direction towards most of the East African countries to become middle-income economies, basic, policy and applied/action studies may come in handy.

Areas for Further Research

The role of the key managers in preparing to negotiate for franchise contracts that can lead into sustainable mutual franchise success needs to be studied further across other areas like manufacturing, automobile, hospitality, internationalization, oil and gas among others.

There is also need to carry out more research on the relationship between strategic staffing fit and franchise performance as mediated by the interactions quality between the franchise partners and other ecosystem players in other economic blocs like COMESA and EU.

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