



**ST. MARY'S UNIVERSITY**

**SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF RECRUITMENT AND SELECTION PRACTICE IN  
ETHIOPIAN REVENUE AND CUSTOMS AUTHORITY MERCATO NO.1 BRANCH**

**BY**

**FITSUM TESFAHUN**

**MAY, 2017**

**ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF GRADUATE  
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**APPROVED BY BOARD OF EXAMINERS**

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## **DECLARATION**

I, the undersigned, declared that this thesis is my original work, prepared under the guidance of Assistant Professor Goitom Abraham. All sources of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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Name

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Signature

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**May, 2017**

## **ENDORSEMENT**

This thesis has been submitted to St. Mary's university school of graduate studies for examination with my approval as a university advisor.

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Advisor

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Signature

**St. Mary's University, Addis Ababa**

**May, 2017**

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Fitsum Tesfahun



## **List of Acronyms**

**ERCA** - Ethiopia Revenue and Customs Authority

**HR** -Humane Resource

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## ABSTRACT

*The purpose of this study was to assess the recruitment and selection practices and procedures of Ethiopian Revenue and Customs Authority Mercato no.1 branch. Specifically to assess, how the recruitment and selection process is practiced, the method of recruitment used, how to adjust employees with their new job and challenges of recruitment and selection. The study adopted a descriptive research design to assess the recruitment and selection practice both qualitative and quantitative methods were employed to gather information using questionnaire and interview. Both simple random sampling and purposive sampling techniques were used to choose respondents of the study. The study obtained information from one hundred and forty (140) respondents from staff of ERCA Mercato no.1 branch comprised out of different departments. The data obtained from the survey were then analyzed with descriptive statistics and qualitative data analysis. The findings of the study indicated that the recruitment process in ERCA Mercato no.1 branch is not carried out in a fair and transparent manner, newspaper advertisement of job vacancy is the frequently used method of recruitment and no prior efforts are made to adjust employees with their new job. The study further revealed that the selection and recruitment process are characterized with lots of challenges such as employees turn over, stiff competition in the labor market and unavailability of qualified work force. Among the recommendations made were that potential employees should all be treated fairly in the recruitment and selection process, various methods of recruitment should be used in order to get the right skill instead of relying on one or two methods ,moreover orientation programs should be prepared so as to familiarize new employees with their new job and organizational culture ,using internal sources of recruitment in order to minimize turn over and stiff competition in the labor market which are the potential challenges to the recruitment and selection in the organization so as to improve employee's performance and to ensure organizational stability.*

**Keywords: Recruitment, Selection and ERCA**

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

Research on HRM practices has been studied extensively among manufacturing and small and medium enterprises. These theoretical and empirical studies have generally focused on HRM practices within western organizations. Relatively few studies have been done about the impact of HRM practices on firm performance in African countries (Ngo, Turban, Lau, and Lui, 1998). The HRM environment can be more important determinant of productivity in the service sector than in the manufacturing sector, given the much larger share of total production costs accounted for by employment, and the much more extensive direct contact between employees and customers, in services (Ann and Bartel, 2000). It is now commonly accepted that employees create an important source of competitive advantage for firms (Barney, 1991). As a result, it is important that a firm adopts HRM practices like recruitment and selection, motivation, employee working environment and compensation that make the best use of its employees.

Recruitment is the process of attracting and encouraging potential employees to apply for a position, while selection is the process of making fair and relevant assessments of the strengths and weaknesses of applicants with the intention to hire them (Boxall & Purcell 2008; Breugh & Starke 2000). Correct selection creates a match between the capabilities and inclinations of prospective candidates against the demands and rewards inherent in the organization.

The effective appointment of appropriate candidates is critical to organizational success yet few organizations formally evaluate their recruitment and selection efforts (Carlson, Connerly & Mecham, 2002; Hacker, 1997). The quality of the human resource the firm has heavily depends on the effectiveness of these two functions (Gamage, 2014). Recruiting and selecting the wrong candidates who are not capable come with a huge negative cost which businesses cannot afford. Thus, the overall aim of recruitment and selection within the organization is to obtain the number and quality of employees that are required to satisfy the strategic objectives of the organization, at minimal cost (Ofori & Aryeetey, 2011). As a result, the need to put in place appropriate strategy for recruitment of organizational work force cannot be over emphasized (Banjonko, 2003). There are several factors which influence recruiting efforts like organizational

reputation, attractiveness of the job, cost of recruiting, recruiting goals and recruiting philosophy (Sims, 2002). Due to this, various studies were conducted on challenges of recruitment and selection practices. There are also many discussions in international and national level study on the recruitment and selection practices. For example, Edward (2012), examined the recruitment and selection practice of HFC bank Ghana limited and find out that Recruitment and selection of employees to a greater extent determines the performance of an institution and it is of great importance if institutions want to achieve their goals. Mavis (2014) also tried to identify the influence of recruitment and selection in construction industries at Ashanti region.

At national level challenges faced in recruitment and selection practice is not researched enough and documented. But there are few studies conducted in different sectors. For example, Melese (2015), tried to investigate the recruitment and selection practice at agency for government houses. A Research was also conducted on the overall HR practices on the former construction and business bank by Eyob (2014). Another study by Girum (2015) tried to examine human resource management practice in selected civil service bureaus of Addis Ababa city government. Therefore, the present study on Ethiopian revenue and customs authority (ERCA) mercato No.1 branch will try to investigate the recruitment and selection practice because such practices and procedures are not properly followed and are done for formalities. Furthermore, it is highly subject to interferences from the management in which less qualified are picked for the job. Consequently this has negatively impacted on employees' productivity and overall organizational performance. Therefore, this study tried to examine the recruitment and selection practice in ERCA Mercato No.1 branch.

## **1.2. Background of the Organization**

The Ethiopian revenues and customs authority (ERCA) is the body responsible for collecting revenue from customs duties and domestic taxes. In addition to raising revenue, ERCA is responsible to protect the society from adverse effects of smuggling. It seizes and takes legal action on the people and vehicles involved in the act of smuggling while it facilitates the legitimate movement of goods and people across the border. The ERCA traces its origin to July 7,2008 as a result of the merger of the ministry of revenues, the Ethiopian customs authority and the Federal Inland revenues into one giant organization. According to article 3 of the proclamation No. 587/2008, the authority is looked upon as “an autonomous Federal agency

having its own legal personality”. The authority came into existence on 14 July 2008, by the merger of the ministry of revenue, Ethiopian customs authority and the federal Inland revenue authority who formerly were responsible to raise revenue for the Federal government and to prevent contraband. Reasons for the merge of the foregoing administrations into a single autonomous authority are varied and complex. Addis Ababa as the capital city of Ethiopia was established in 1986 Addis Ababa has 10 sub cities and each sub city is divided in to Woredas, which are the smallest administrative, unites of city Addis ketema sub city, which is one of the sub cities in central part of Addis Ababa and the branch which understudy. Until December 2010, Addis Ketema sub city revenue office was one of the offices in the Addis ketema sub city administration. According to ERCA (2011), due to the agreement concluded between the Addis Ababa city Administration and ERCA after December 2010 the Addis Ababa Revenue Authority and ERCA Have merged and four tax payer’s branch office emerged. Micro tax payers’ Branch include those taxpayers whose annual turnover is not greater than Br 100,000 and administrate in Woreda level, small tax payer’s branch include those tax payers whose annual turnover is greater than Br 1,000,000 and not more than one million Birr and minister at sub city level; medium tax payers Branch include tax payers whole annual turnover is greater than one million but not more than 15 million and administrate city level and large tax payers branch include tax payer whole annual turnover at Federal level. Therefore, Mercato No.1 branch is one of the medium tax payer branches and structured with manager , deputy managers , work processes and team processes .

### **1.3 .Statement of the Problem**

Effective recruitment and selection in the Public Service is critical in meeting the capacity challenge of the state which is to deliver quality services to the public. People are the most valuable resource of an organization and good quality work depends on good quality people. As a result organizations having poor recruitment and selection practices are unlikely to recruit the right people at the right time. This may lead to poor performance over a period of time, which can be costly and undermine service delivery.

A poor or administratively flawed recruitment decision can have a demoralizing effect on other staff members as their roles may be affected or their workload is drastically increased while time, money and effort are spent bringing the new recruit up to standard. The impact of low morale and grievances among employees on an organization include, amongst others, low productivity,

high staff turnover, service delivery failure and loss of public/customer confidence in the organization.

The practice of recruitment and selection most of the time lack reliability and is subject to influence of unjust behaviors in most of developing countries like Ethiopia .which peoples in an organization recommend their own relatives and friends, Selection bias and discrimination based on age, sex, marital status, ethnic origin, religious preference, sexual preference etc are among others. Therefore the recruitment and selection procedures are used for formalities rather than means for obtaining candidates that best fit for the job.

According to Hacker (1999:3), failure to understand the hiring process costs businesses money. He further argues that an inadequacy in understanding recruitment and selection creates other related problems such as emotional stress. He advises all people who hire and promote staff to understand the processes, develop their skills and stick with a plan of action. According to him, it is dangerous to rely too much on gut feeling during the recruitment and selection process. Furthermore, a study done by (Jackson & Schuler, 2003; Hacker, 1997; Werther& Davis, 1989) indicates that Some of the negative outcomes of selection errors that have financial and non-financial implications include: poor performance by the employee which leads to productivity losses; absenteeism; loss of self-esteem by the employee; poor morale amongst peer workers who are compelled to assume more responsibility due to someone else's non-performance; customers' expectations not being met; injuries and accidents; possible lawsuits and union activity; and subsequent labor turnover leading to future recruitment costs.

In ERCA Mercato No.1 branch recruitment and selection policies and practices highly influenced by management as well as manipulated in order to appoint favorable candidates at the expense of more competent and qualified candidates and as a result incompetent and unqualified candidates are employed .As recruitment and selection play a central role in bringing the best skills in to the public service but it is not researched enough.

Therefore, this study is carried out to fill the research gap on recruitment and selection practice and challenges in Ethiopian revenue and customs authority Mercato No.1 branch and suggest recommendations to improve the organizations recruitment and selection practice so as to meet the quality work force required for the achievement of organizational goals.

## **1.4. Research Questions**

The research questions which will serve as a guide to the study are:

- A. How is employees' recruitment and selection carried out at ERCA Mercato no.1 branch?
- B. What method of recruitment is used by ERCA Mercato no.1 branch?
- C. How are employees made to adjust with their new job at ERCA Mercato no.1 branch?
- D. What are the general perceptions of employees on the recruitment and selection process employed by Mercato no.1 branch office?
- E. What are the challenges associated with the recruitment and selection practices at ERCA Mercato no.1 branch office?
- F. What factors can improve the recruitment and selection practices of the ERCA Mercato no.1 branch office?

## **1.5. Objectives of the study**

### **1.5.1 General Objective**

The General objective of this research is assessment of the recruitment and selection practices of Ethiopian revenue and customs authority Mercato no.1 branch office.

### **1.5.2 Specific Objectives**

The Specific objectives of the research are:

- A. To investigate how employees recruitment and selection is carried out in the ERCA Mercato no.1 branch office.
- B. To examine the methods of recruitment and selection employed by ERCA Mercato No.1 branch office.
- C. To examine how employees are made to adjust with their new job at ERCA Mercato no.1 branch.
- D. To determine the challenges associated with recruitment and selection practices of ERCA Mercato No.1 branch office.



E. To identify the factors that can improve the recruitment and selection practices of the ERCA Mercato No.1 branch office.

### **1.6. Scope/Delimitations of the Study**

To make the study manageable the scope of the study is delimited to Ethiopian revenue and customs authority Mercato no.1 branch office which is one among the branches located in Addis Ababa City. The study is also delimited to 182 employees of ERCA Mercato No.1 branch in which 120 of them are operating level employees whereas the remaining 62 are respondents from management, HR Department experts, work process coordinators and team leaders. There are data collection tools such as questionnaire, interview, observation and experiment. However, the researcher employed only questionnaire and interview types of data collection tools for this study. Furthermore, the study is delimited to the data collection instrument in which the researcher employed both quantitative and qualitative methods of data analysis and also the study covered the recruitment and selection practices of ERCA Mercato no.1 branch office for five years since it's establishment.

### **1.7. Significance of the Study**

This study helps Ethiopian revenue and customs authority and other public and private organizations to adopt measures in the context of human resource planning and development in relation to recruitment and selection. Furthermore the study can serve as a spring board to those who want to further study much into human resource planning and development. Finally this can give fore knowledge to management of ERCA before go on board on human resource planning and development.

### **1.8. Organization of the Study**

The study consisted of five chapters. The first chapter provides discussion of the background to the study, statement of the problem, Scope of the study, Objective of the study limitation of the study, significance of the study and lastly the organization of the study. Chapter two present literature reviews of concepts relevant to the study. Chapter three present the research methodology and design adopted to conduct the research. This chapter deals with issues such as the research design, instrument and data collection tools, population and sampling technique.

Chapter four present data presentation, discussion and analysis. The last chapter shows the findings of the study, conclusion and recommendations.

### **1.9. Operational definition of terms**

Recruitment: - the overall process of attracting, selecting and appointing suitable candidates for jobs within an organization.

Selection: - the process of choosing the most suitable candidates for the vacant positions in the organization.

Revenue and Customs Authority: - the body responsible for collecting revenue from customs duties and domestic taxes.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **Introduction**

This chapter deals with the assessment of literatures which relate to the topic the recruitment and selection practices of organization. Several literatures were selected and relevant areas were reviewed and evaluated. This chapter provides information about aspect of previous works which relate to this study.

#### **2.1. The Concept of Recruitment and Selection**

Recruitment and selection constitute one of the vital practices in every organization. The survival and progress of every organization depends on the nature of its workforce, since the success of a business or an organization is directly linked to the performance of those who work for that business. Making sure the right people are employed to work in an organization depends on the quality of recruitment and selection policies and practices that are put in place.

In this era of organizational competitiveness, much circumspection should be given to the recruitment and selection policies and practices since the employer is always vicariously liable for the caliber of people that are employed.

This concept involves two interrelated processes, recruitment is the process of generating a pool of capable people to apply for employment to an organization while selection is the process by which specific instruments are employed to choose from a pool of applicants, persons most suitable for the job taking into consideration management goals and legal requirements (Bratton and Gold 2003). Armstrong (2009) categorizes recruitment and selection into three stages: defining requirement, attracting candidates, and selecting candidates respectively. The recruitment and selection process is one of the most important HRM function as it is the point of entry into most organizations and in addition where most organizations recruit talents that drive their goals and interest. It also reflects the requirements and philosophy of the organization as reflected in the caliber of people chosen for the job. Various techniques are employed in the recruitment and selection processes and these include various forms of interviews, assessment centers, curriculum vitae, references amongst others.

Recruitment is described as the set of activities and processes used to legally obtain a sufficient number of qualified people at the right place and time so that the people and the organization can select each other in their own best short and long term interests (Dessler 1987 cited in Richardson, 2012). An efficient recruitment plan will aid in the employment of workers who are capable of increasing the performance of the company. Recruitment is described as the set of activities and processes used to legally obtain a sufficient number of qualified people at the right place and time so that the people and the organization can select each other in their own best short and long term interests Costello (2006). In other words, the process provides the organization with a pool of potentially qualified job candidates from which judicious selection can be made to fill vacancies. Successful recruitment begins with proper employment planning and forecasting. It is at this stage that, an organization formulates plans to fill or eliminate future job openings based on an analysis of future needs, the talent available within and outside of the organization, and the current and anticipated resources that can be expanded to attract and retain such talent. Also related to the success of a recruitment process are the strategies an organization is prepared to employ in order to identify and select the best candidates for its developing pool of human resources. Organizations seeking recruits for base-level entry positions often require minimum qualifications and experiences. These applicants are usually fresh students from high schools, or universities or technical colleges, many of whom are yet to take decisions about future careers or are contemplating engaging in advanced academic activity. Internal recruitment is normally used to fill vacancies at the middle levels, senior administrative, technical and junior executive positions. The need for scarce, high-quality talent, often recruited from external sources, has usually been at the senior executive levels. Most organizations utilize both mechanisms to make recruitment effective at all levels.

According to Montgomery (1996), the focus of recruitment and selection is on matching the capabilities and inclinations of prospective candidates against the demands and rewards inherent in a given job. Recruitment as a human resource management function is one of the activities that impact most critically on the performance of an organization (Richardson, 2012). Recruiting the right staff is one of the basic processes an organization needs to carry out if it aims at increasing its competitiveness, as it serves as an entry for firms to receive new ideas. In today's business environment, companies need to adjust their processes and methods to catch up with the changes in the business environment. Constant changes in human resource management and

structure of organization increases competitiveness in the industry. Jovanovic (2004) said recruitment is a process of attracting a pool of high quality applicants so as to select the best among them. For this reason, top performing companies devoted considerable resources and energy to creating high quality selection systems.

Recruitment and selection processes are important practices for human resource management, and are crucial in affecting organizational success; Jovanovic (2004). Due to the fact that organizations are always fortified by information technology to be more competitive, it is natural to also consider utilizing this technology to re-organize the traditional recruitment and selection processes through proper decision techniques, with that, both the effectiveness and the efficiency of the processes can be increased and the quality of the recruitment and selection decision improved. Huselid (1995), describes a human resource information system as is a system exploited to acquire, store, manipulate, analyze, retrieve, and distribute relevant information regarding an organization's human resources.

The purpose of the system is to support human resource services from the strategic level down to the tactical and operational levels. Many decision-making problems, including recruitment and selection, are herein involved. The system facilitates automated or computerized procedures to solve the problems, and is of vital importance as an aggressive tool in the information age.

Researchers such as Mullins and Turkson indicate that effective recruitment practices and policies enable an organization to get the required labor force to work with. The personnel function becomes especially important when recruiting and selecting new administrators. A critical role for human resource management is how to elicit positive reactions from candidates when discussing administrative roles.

## **2.2. Definitions of Recruitment**

Various researchers have contributed to the field of HRM, and have offered intensive and profound knowledge on the branches of HRM especially on recruitment and selection. Below are some of the different definitions of recruitment;

- ❖ Recruitment is the process of generating a pool of capable candidates applying to an organization for employment (Gold, 2007). This suggests that applicants with experience and

qualifications most closely related to job specifications may eventually be selected. Organizations become concerned when the cost of a mistake in recruitment is high. According to Armstrong (2006), the aim is to obtain, at a minimum cost, the number of suitable and qualified candidates to satisfy the needs of the organization. The organization attracts candidates by means of identifying, evaluating and using the most appropriate sources of applicants. El-Kot and Leat (2008), observation is that recruitment begins with advertising existing vacancies.

- ❖ According to Eze (2002), recruitment is the process of finding and attempting to attract job candidates who are suitably qualified and therefore capable of filling vacancies in job positions effectively. The purpose is to encourage them to apply for the vacant position. Costello (2006), affirm that recruitment is a set of activities and processes used to legally obtain adequate number of qualified applicant at the right place and time to enable applicant and the organization to select each other for their own optimum interest.

Furthermore in (2007), the chartered institute of personnel management of Nigeria (CIPM) gave the definition of recruitment as the process of identifying and attracting or encouraging individuals with the requisite skills and profile (potential candidates) to apply to fill existing or future vacant positions in the organization by making them aware that such vacancies exist.

Another scholar Jovanovic (2004), augured that recruitment is a process of attracting a great pool of high quality applicants to select the best among them. Omale (1992), in “past practice in personnel management in the Nigeria civil service: issues and procedures” detained recruitment as the process which starts from getting an applicant interested enough in a job and in a particular organization to write an application and the process stops when his application has been received in the organization.

Judging from the above various definition of recruitment as given by professional and scholars, it is apparent that recruitment borders or deals with the plan advertisement of exiting vacant position in an organization in order to wool or attract suitable and qualify applicant to apply for the vacant position or offices for employment in the said organization. Based on the above recruitment is a very specialized field in Human Resources practices as it involves techniques that will adequately identify the pool of skilled and quality applicants.

## **2.3 Factors affecting recruitment**

There are number of factors that affect recruitment. These are internal and external

### **2.3.1 Internal factors**

The internal factors are those factors within the organization that affect the recruitment of personnel in the organization some of these are:

#### **a. size of the organization:**

The size of the organization has an influence on the recruitment process. Experiences suggest that larger organizations find recruitment less problematic than organizations with small size.

#### **b. Recruiting policy**

Recruiting policy of the organization i.e. recruiting from internal sources (from own employees) and external sources (from outside the organization) also affects recruitment process.

#### **c. Good image of the organization**

Image of organization is another factor having its influence on the recruitment process of the organization. Good image of the organization earned by number of overt and covert actions by management helps to attract potential and competent candidates.

#### **d. Image of job**

Image of job also affects recruitment also like image of organization. Better remuneration and working conditions are considered the characteristics of good image of job. Besides, promotion and carrier development policies of organization also attract potential candidates.

### **2.3.2. External factors**

External factors are that are external to the organization that influence the recruitment process. Some of these are listed below

### **a. Demographic factors**

Demographic factors are those factors which include age, sex, literacy, economic status etc. As demographic factors are intimately related with human beings i.e. employees these have profound influence on recruitment process.

### **b. Labor market**

Labor market conditions i.e. demand and supply of labor is a particular importance in affecting the recruitment process. For example, if the demand for specific skill is high relative to its supply recruiting employees require more effort. On the contrary, if supply is more than demand for a particular skill recruiting will be relatively easier.

### **c. Un employment situation**

The rate of unemployment is yet another external factor having its influence on recruitment process. When unemployment rate in a particular area is high, the recruitment process tends to be simpler. On the other hand with low rate of unemployment recruitment process tends to become difficult.

### **d. Labor laws**

There are several labor laws and regulations passed by the state and central government that govern different types of employment. These covers working conditions, compensation, retirement benefits, safety and health of employees in industrial undertakings.

### **e. Legal considerations**

Another external factor is legal considerations with regard to employment. Reservation of jobs for the scheduled casts, scheduled tribes, and other backward classes is the particular example of such legal considerations.

## **2.4 .The Process of Recruitment**

Odiorne (1984) indicated that the quality of new recruits depends upon an organization's recruitment practices, and that the relative effectiveness of the selection phase is inherently dependent upon the caliber of candidates attracted. Indeed Smith et al. (1989) argue that the



more effectively the recruitment stage is carried out the less important the actual selection process becomes. When an organization makes the decision to fill an existing vacancy through recruitment, these are the stages they go through to recruit:

### **Step 1: Determine the exact need**

Recruitment starts with identifying a need for recruitment. It could arise from workforce planning, resignation or promotion. The manager should first consider other options before deciding on recruiting. Decenzo and Robbins (2002:150) state that other options to recruitment could include freezing the vacant post, distributing the work among other employees or contracting a contract worker. According to Armstrong (1996:390), the first step in the recruitment process is to submit a request for placement and obtain approval.

### **Step 2: Obtain approval**

Approval is needed from the Human Resources department to verify budget constraints as well as strategic plans and guidelines for recruitment. Approval must also be obtained from senior management to ensure compatibility with the company's plans. This could lead to the recruitment strategy of the organization being reviewed. Overtime and/or outsourcing could be considered as alternatives.

### **Step 3: Combine or update job description and job specification**

The job description and employee profile comprise the point of departure for all recruitment activities (Lidstone, 1983:21). An accurate job description will enable the recruiting manager to determine the exact nature of the vacant post. The job specification represents requirements with regards to matters such as necessary experience, qualifications, motivation and communication abilities. The recruiter must ensure that the correct job information is obtained. This corresponds to step two of the recruitment process as set out by Armstrong (1996:389).

#### **Step 4: Determine the key performance areas (KPA) of the job**

Step four may form part of the job description. KPA are those aspects of the job that are crucial for the success of the task. Objectivity should always prevail because the recruiter must have an insight of the actual job requirements.

#### **Step 5: Consult the recruitment policy and procedure**

It is very important to consult company recruitment policy and procedure before starting with the recruitment process. This is a very important step in the process so that recruitment policy and procedures will not be compromised. Policy and procedure indicates whether recruitment should be done internally and/or externally. Company policy and procedures must be amended from time to time when necessary and Terms and conditions of employment should be strictly adhered to (Decenzo et al, 2002:95).

#### **Step 6: Choose the recruitment source/s**

The type of a person needed and the organization's policy are considered as main factors that influence the selection of sources. In most big companies vacancies are first advertised internally. External recruitment follows if no suitable candidate has been identified internally.

#### **Step 7: Decide on a recruitment method**

The recruiter must select the best methods for recruitment. The potential source of recruitment may indicate what methods should be used. The recruiter should consider more methods to avoid being accused of discrimination for using one method only. It is possible that an organization has been using a specific newspaper for a period of time, will only attract one segment of possible candidates of the population. If the paper is not covering other areas that have potential candidates, this could be perceived as discrimination. Armstrong (1996:390) agrees with the recruitment process suggested by Erasmus et al (2000: 303) but combines step six and seven with step five.

#### **Step 8: Implement the decision**

It is in this step whereby the chosen recruitment method is applied. If newspaper advertisement is one of the methods chosen, the advertisement must be thoroughly screened to avoid mistakes. In

the case of a recruitment agency, clear parameters must be communicated well in advance. Location, pay, allowances, application procedures, deadlines and contact numbers must be specified.

#### **Step 9: Allow sufficient time for response**

It is important to allow sufficient time for potential clients to respond to advertisements. The time is stipulated in the method used by the recruiter but flexibility can be exercised to allow for more applicants if necessary.

#### **Step 10: Screen responses**

In this step, the applicant's details are compared with what has been stipulated in the job description and specification. Those applications that do not meet the basic requirements are not considered for further selection. A telephone screening process can also be applied. Candidates who indicate that they have the necessary competencies, skills and educational level could be asked to complete application forms. Completed application forms should also be screened.

#### **Step 11: Draw up a shortlist of candidates**

In this step potential successful applicants are short-listed. Telephone screening can be done to obtain specific information, such as the availability of the candidate for the interview. The shortlist must be discussed with the relevant section manager before proceeding to interviews.

#### **Step 12: Provide feedback to applicants**

To maintain the reputation of the company, feedback must be communicated to all applicants in time. Most advertisements nowadays mention that if the applicant does not receive feedback after two weeks from the closing date, he/she must understand that his/her application was unsuccessful. This is caused by high numbers of responses from the public and organizations are unable to respond to each and every person.

#### **Step 13: Proceed to selection**

All short-listed applicants are invited for selection interviews.

## **Step 14: Evaluate the recruitment effort**

According to Andrews (1988:92), Armstrong (1996:390) and Cascio (1998:194) the last three steps in the recruitment process could also form the first phase of the selection process. All the activities in the recruitment process should be evaluated. The main reason is to make changes where there is a need to do so. Erasmus et al (2000:308) indicate three stages in the recruitment process that should be evaluated:

- Pre-entry stage, the ability to recruit newcomers;
- Entry stage, the initial expectations of newcomers; and
- Post entry stage, the choice of organization by the individuals.

The recruitment of personnel is a sensitive matter that should be approached carefully (Cloete and Mokgoro, 1995:107). If the recruitment effort is not properly planned and manpower planning is not carried out in a scientific manner, there is no guarantee that the organization will attract the quality of personnel needed. The recruitment process flows into the selection process, which is discussed in the next session.

### **2.5. Sources and Methods of recruitment**

Various sources of recruitment can be explored in the recruitment process. These sources are divided into internal and external sources. In deciding requirement of employees, initial consideration should be given to a company's current employees, which is concerned with internal recruitment. They include those who are already available on the pay roll of the company. This is important source of recruitment as it provides opportunities for better development and utilization of existing human resources in the organization. Armstrong (2000) proposed that first consideration should be given to internal candidates, although some organizations with powerful equal opportunity policies (often local authorities) insist that all internal candidates should apply for vacancies on the same footing as external candidate.

#### **2.5.1. Internal sources of recruitment**

**1. Promotions:** It refers to promoting or upgrading an employee who is already existed in the pay roll and contributed to the organizational performance. It is shifting an employee to a higher

position with high responsibilities, facilities, status and pay. Usually, many companies fill higher job vacancies by promoting employees who are considered fit for such positions. This is due to fact that it has a great psychological impact over other employees for their motivation towards better performance. Internal recruitment efforts very often result in promotions. Promotion signifies reward for past performance and encourages employees in their efforts (Sherman, Bohlander, & Snell, 1998).

**2. Transfers:** Transfer is a lateral shift causing movement of individuals from one position to another. Langseth (1995), consider transfers as being effected when the need for people in one job or department is reduced or increased, if the work load reduced employees would want to relocate to other areas where they can have enough tasks to perform. Under it, employees are recruited internally through transfer from one work place to another. It refers to the process of interchanging the job duties and responsibilities of employees from one place to another or from one department to another without any promotion in their position or grade. It is a good source of generating qualified employees from over-staffed departments (Keshav, 2013).

**3. Job Posting:** Job posting is an open invitation to all employees in an organization to apply for the vacant position. It provides an equal opportunity to all employees currently working in the organization. Today it has become a very common practice in many organizations across the world. Under this, vacancy announcement is made through bulletin boards or in lists available to all employees. Interested employees, then apply for the post being advertised. In this way, it has become one of the cost saving techniques of recruitment (Keshav, 2013).

**4. Job bidding:** is more effective when it is part of a career development program in which employees are made aware of opportunities available to them within the organization. For example, HR departments may provide new employees with literature on job progression that describes the lines of job advancement, training requirements for each job, and skills and abilities needed as they move up the job-progression ladder.

There are number of key advantages in using internal recruitment and these include:

- **Labor Turnover:** The turnover of valuable employees is reduced through internal placement. Here, star employees within the company can be reassigned to an area within the organization where the need is greater. Restricting the vacancy to internal candidate

can also help retain employees who might otherwise have left the organization (Sunderland & Canwell, 2008).

- **Performance:** Internal recruitment might offer cost saving in the human resource management process because of the record of performance available to recruiters. An internal candidate has developed a record of accomplishment of performance during employment that provides the most accurate assessment of her on the job professional skills and experience. If the company conducts formal performance reviews, the employee performance and goal-setting information will give valuable insight to recruiters when assessing internal candidates (Keshav, 2013).
- **Time Value:** When qualified candidates exist internally, recruiting candidates internally can decrease the time it takes to fill a position. This is particularly useful in a tight job market, when the number of external candidates applying for a given job opening can become astronomical. In such cases, selecting among qualified internal candidates may be efficient because it offers costs savings, such as those associated with advertising and from using staffing resources to interview numerous external candidates (Keshav, 2013).
- **Corporate Culture:** Corporate culture might formally relate to the goals and objectives of the company as articulated in its vision and mission statement. It informally includes the business attitude, customs and etiquette. An external candidate that fulfills the experience and skills needed for a position might not fit into the organizational culture. Internal candidates are already familiar with the company's culture, policies and procedures. For example, this might manifest itself in how meetings are conducted, projects are organized or the use of consensus building in the decision-making process (Keshav, 2013).

The principal disadvantages of internal recruitment are:

- **Limited Choice:** Internal recruitment provides limited choice of talent available in the organization as it avoids the arrival of fresh candidates. Internal recruitment does not tap any candidate from outside the organization; hence, the number of potential candidates for the post is limited to those from within the organization. There may be far better external candidates who have more experience and better qualifications (Sunderland & Canwell, 2008).

- Implementation of Traditional System: Internal recruitment requires the implementation of traditional form, system, process and procedures. In addition, this limits the scope of fresh talent in the organization (Keshav, 2013).
- Position: In using internal recruitment, existing employees, whether competent or not, will feel that they have an automatic right to be given a more senior post (Sunderland &Canwell, 2008).
- Costly: Taking into consideration that when an employee is promoted, instantly vacancy instantly arises. In this regard, another employee is to be recruited to fill that position, which may be costly affair (Sunderland &Canwell, 2008).
- Limited Internal Sources: The source of supply of manpower is limited in internal recruitment method. When an employee is promoted, his/her previous position will be vacant and another personnel is to be recruited to fill that vacant position (Keshav, 2013).

### **2.5.2. External Sources of recruitment**

External sources of recruitment refer to attracting applicants from outside a particular organization to fill vacant positions. Like internal sources, they are useful to attracting competent applicants to apply for advertised positions in various organizations. Broad varieties of methods are available for external recruiting. Organizations should fully assess the kinds of positions they want to fill and select the recruiting methods that are likely to reduce the best results. External source of recruitment include advertisement, e-recruitment, employment agencies, labor office, education and training establishment (Beardwell, 2007; Cober& Brown, 2006). Details of these sources are discussed in this section.

**1. Advertisement:** is the most common form of external sources of recruitment. Organizations advertise vacant position on both electronic print and media to access a larger pool of applicants. As cited by Nel et al. (2009:226), an advertisement has communication as its basic underlying principle and it should be worded in a manner that triggers responses from job seekers. Recruiters should formulate the wording of advertisements in a manner that is not discriminatory. Advertisements are expensive but attract a larger pool of applicants than internal recruitment processes. It is, however, more difficult to evaluate external applicant than those that are already employed within the organizations. According to Armstrong (2006), the objectives of an advertisement should be to:

Attract attention– it must compete for the interest of potential candidates against other employers; Create and maintain interest– it has to communicate in an attractive and interesting way information about the job, the company, the terms and conditions of employment and the qualifications required; Stimulate action – the message needs to be conveyed in a manner that will not only focus people’s eyes on the advertisement but also encourage them to read to the end, as well as prompt a sufficient number of replies from good candidates (Armstrong, 2006).

**2. E-Recruitment or online recruitment:** uses web-based tools such as a firm’s public internet site or its own intranet to recruit staff. The processes of e-recruitment consist of attracting, screening and tracking applicants, selecting, and offering jobs or rejecting candidates. Cappelli (2001), has estimated it that it costs only about one-twentieth, as much to hire someone online. The internet has become a way for employers to display company image and advantages over competitors (Rotella, 2000). Many internet users know the difficulty, frustration and inefficiencies of sorting through information to find applicable and useful material. However, many companies find it difficult to integrate the Internet with their existing systems (Brake & Lawrence 2000).

**3. Employee Referrals:** An employee referral program is a system where existing employees recommend prospective candidates for the job offered, and in some organizations if the suggested candidate is hired, the employee receives a cash bonus. Under this method, a candidate is appointed on the recommendation of some currently working employees. Hence, the HR managers of various companies depend on the present employees for reference of the candidates for various jobs. This source reduces the cost and time required for recruitment. Further, this source enhances the effectiveness of recruitment.

**4. Employment Agencies:** Employment agencies, sometimes referred to as labor brokers, even though they can face criticism from labor unions in Ghana, tend to be fast and efficient in recruiting applicants for specialized positions. For a fee collected from either the employee or the employer, usually the employer, these agencies do some preliminary screening for the organization and put that organization in touch with applicants. Private employment agencies differ considerably in the level of service, costs, policies, and types of applicants they provide. Employers can reduce the range of possible problems from these sources by giving a precise definition of the position to be filled (Sims, 2002).



**5. Labor Offices:** are sources of certain types of workers. In some industries, such as construction, unions have traditionally supplied workers to employers. A labor pool is generally available through a union, and workers can be dispatched to particular jobs to meet the needs of the employers. In some instances, the union can control or influence recruiting and staffing needs. An organization with a strong union may have less flexibility than a nonunion company in deciding who will be hired and where that person will be placed. Unions also can work to an employer's advantage through cooperative staffing programs, as they do in the building and printing industries (Keshav, 2013).

**6. Educational and Training Establishments:** Managers of organizations may visit educational institutions such as universities and colleges to attract top students, especially during their final years of study to apply for vacant positions. This method of recruitment is also referred to as campus recruiting and is one of the cheapest methods of recruitment. It introduces final year students to the institution. The recruiter normally makes a presentation to final year students and invites desirable students to visit public institutions exposing them to different areas within the organization (Nel et al., 2009:227). As with any recruiting method, hiring from outside an organization instead of promoting from within the company carries both advantages and disadvantages. Some of the advantages are:

- Looking outside the organization also allows a company to target the key players that may make its competition successful. Hiring a candidate with a proven record of accomplishment for the competition allows the company to get an insider's view as to what the competition is doing to be successful. This gives the organization a chance to stay a step ahead of the competition.
- External recruitment provides an opportunity for a fresh outlook on the industry that a company may need to stay competitive.
- Bringing in fresh talent from the outside can help motivate the current employees to produce and achieve more in hopes of obtaining the next promotional opportunity.
- Hiring an external candidate also opens up many opportunities to find experienced and highly qualified and skilled candidates who will help a company meet its diversity requirements.

- The biggest advantage of external recruitment is that the company has no limited supply of candidates and can choose employees all over the world.

According to Duggan & Croy (2004) external recruitment in an organization can face challenges:

- External recruitment requires an employee to adapt to the new environment and if the new recruit is in management, the employees may tend to resist change that he or she tries to implement because these changes may work against the organizational culture.
- This method of recruitment can indicate that the management of the organization fails to train or motivate their staff through promotion opportunities and career advancement.
- In addition, external recruitment can lead to a high rate of labor turn over when employees realize that there is no room for career advancement in the organization (Manyoni, 2011).

Methods of recruitment are either internal or external but an organization's choice will depend on the human resources needs and objectives with each of them having their merits and demerits. Cascio (2010) identifies that in deciding where, when and how to implement recruitment activities, initial consideration should be given to a company's current employees, especially for filling jobs above the entry level. Cascio (2010) conceded that if external recruitment efforts are undertaken without considering the desires, capabilities and potential of present employees, both short and long run costs may be incurred.

## **2.6. Definition of Selection**

Mondy (2010: 136), refers to selection as “the process of choosing from a group of applicants those individuals best suited for a particular position in an organization”. Whereas the recruitment process is aligned to encourage individuals to seek employment with the organization, the selection process is to identify and employ the best qualified and suitable individuals for specific positions.

## **2.7. Right and poor selection**

### **2.7.1. Right selection**

Hiring the right people is a critical activity for every organization seeking to be successful. Many companies focus on skills, experience and aptitude as the answer to the challenge. However, experience shows that even if you identify candidates who rank high in these categories, there is no guarantee of success.

Right selection creates a match between the capabilities and inclinations of prospective candidates against the demands and rewards inherent in the organization. The effective appointment of appropriate candidates is critical to organizational success yet few organizations formally evaluate their recruitment and selection efforts (Carlson, Connery & Meham, 2002; Hacker, 1997).

### **2.7.2. Poor selection**

Hiring a wrong person for the job can be costly since a lot of time and managers/staff effort is spent in the whole selection process. There are enormous costs which are associated with interviewing candidates, training new hires, advertising and other related administrative activities. A “bad hire” has tremendous costs associated with it including advertising, application screening, phone interviewing, face-to-face interviewing, the on-boarding process and training – not to mention low productivity and missed opportunity if you hired the wrong person (Paul stock, 2013).

### **2.7.3 Consequences of poor selection**

Poor selection decision can have long-term negative impact on an organization. Jackson and Schuler (2003), find that a poor hiring decision can cost as much as five times the employee’s salary. Costs of poor hiring decisions fall under two categories: tangible costs and intangible costs. Tangible costs include those associated with hiring and include advertising, interview expenses (that might also include travel, hotel, meals, and other expenses), employment testing and background checks, relocation, and possibly litigation for wrongful termination, outplacement expenses, and salary (Hinkin and Tracey, 2000). In addition to these, the company will likely have incurred the additional costs of spending considerable human resource and

management time in developing the job description and advertisement, screening resumes, applicant testing and performing background checks, as well as interviewing candidates

Hacker (1997) and Werther and Davis (1989) are: the employee performing poorly which leads to lost productivity, absenteeism, loss of self-esteem by the employee, poor morale amongst peer workers as they suffer the consequences of the colleagues poor performance, customers' expectations not being met, managers experience increased pressure and failing to meet their objectives, injuries and accidents may occur, possible lawsuits, even union activity and subsequent labor turnover leading to future recruitment costs.

## **2.8. The Selection Decision**

Selection is a process by which managers use specific instruments to choose from a pool of applicants, a person or persons most likely to succeed in the job(s). This process is carried out to select the most suitable person to fill positions in an organization. Recruitment is concerned with filling the positions but selection deals with the actual exercise of choosing those who are considered as the most suitable, based on valid information and systematic evaluation.

### **2.8.1. Advertisement**

The vacant position must be advertised on the radio, television or in newspapers. It must be brief, contain all relevant details stated concisely including key duties, level or grade of the job, special working conditions, qualifications, experience, etc. The mode of application should also be stated when advertising.

### **2.8.2. Application and Short-listing**

Normally, many people may apply for an advertised position and it will not be possible to invite all the applicants to an interview. One way of overcoming this problem is to have a short-list out of the long-list of applicants. The short-listing is done by removing from the list of applicants, those who do not qualify for the position or do not meet certain requirement like age, low qualification, higher salaries than the organization can pay, etc.

### **2.8.3. Filling of Application Blanks**

Most organizations have employment application forms to be filled by job seekers in order to collect vital information from prospective employees in terms of personal history, education, previous employment, etc. The accuracy with which these forms are filled gives a good indication as to the type of person the job seeker is.

### **2.8.4. Selection Test**

They also stated that, in modern business organizations, tests have formed a substantial part of the selection process. Shortlisted applicants will be given tests in their individual fields of knowledge. For instance, Secretaries may be tested on shorthand and speed work.

### **2.8.5. Employment Interview**

This is an oral assessment of a job applicant through interaction between two or more parties for a pre-determined purpose. Information is exchanged usually through questions and answers. This exercise is exhaustive and sizes the applicant up. Information is gathered on the applicant by the panelists through the questions they ask and the observations they make about the applicant.

### **2.8.6. Investigation of Applicant's Background**

This is a means of checking on the history and experience of the applicant to find out how honestly he had exposed himself. It is done by seeking confidential reports from referees. These references can be oral or written. Since the references are normally submitted by the applicants who feel they can write well about them, the later may feel reluctant to write what he thinks of the applicant and overlooks his shortcomings or over-emphasizes the applicants' good points.

### **2.8.7. Medical Examination**

In some cases, medical fitness tests precede other steps, but with clerical jobs for instance, it comes after employment interview. This is to make sure that the applicant is physically fit for the job. It also guarantees that he does not have any contagious disease that he can easily spread at his workplace.

### **2.8.8 Final Selection**

Sometimes the best person for the job stands out clearly among the applicants. In other situations, the person who most nearly matches the personnel specifications may have a major defect which the employer must accept and “live with” if he recruits him. This Stage therefore is difficult to handle and requires tact and experience.

### **2.8.9 Placement**

As a final step, the newly engaged person is given orientation on his job and placed in his specific workplace. G.A.B.E.T further explained that, the steps listed above can be altered by an organization depending on the nature of the job.

## **2.9 Orientation**

Employee orientation is the procedure of providing new employees with basic background information about the firm and the job. It is more or less, considered as one component of the employer’s new-employee socialization process. The socialization process could be seen as an ongoing process of initialing in all employees the prevailing attitudes, standards, values, and patterns of behavior that are expected by the organization. Socialization is important for employee performance and for organizational stability.

The reasoning for orientation is, in the main, to alleviate fear or anxiety which can be experienced by newcomers in relation to how well they would fit into the organization and how well they would perform. The components of an effective orientation system include preparing for new employees, determining what information is needed and when it is needed, presenting information about the workday, the organization itself, its policies, rules and benefits, all to be evaluated and followed up (Mathis and Jackson, 1991). Most importantly and to the fore, employees would be introduced to the channels of communication in the workplace and, thus, leading to effective coordination.

## **2.10. Challenges of Recruitment and Selection**

According to Cooper et al. (2003) recruitment and selection of employees is the most important job of a Human Resource person. CIPD (2009), suggest that effective recruitment is central and crucial to the success of day-to-day functioning of any organization. The success of recruitment depends upon finding the people with the right skills, qualification and expertise to deliver organization objectives and the ability to make a positive contribution to the values and aims of the organization (CIPD, 2009). Briggs (2007), identified some of the problem affecting recruitment and selection as, the increasing pressure for employment, utilization of informal sources of recruitment and delegation of recruitment function. These problems have resulted to inadequate use of job description and standard employee requirement in the process of recruitment. Kaplan and Norton (2004), indicates that a common problem in recruitment and selection is poor Human Resource Planning (HRM). This is particularly so with recruitment and selection policies and practices.

The key goal of HR planning is to get the right number of people with the right skills, experience and competencies in the right jobs at the right time at the right cost. Detailed and robust recruitment and selection policies, such as recruitment and selection procedures, assessing criteria, talents auditing and processing the information about the labour market are important in recruiting and deploying appropriate employees at the right time. Batt (2002), affirms that recruitment and selection experience can also impact on the likelihood that a candidate will accept a job offer and on their subsequent commitment to remaining in the organization. Appointment decisions are the most important ones a manager has to make; they affect the manager's ability to achieve targets, the quality of services or products delivered to the customer and the well-being of the whole team.

Previous research shows that the competency level of HR managers have a major influence on recruitment and selection and experienced HR experts within the HR department will not only shorten vacancy duration, but also improve the quality of the applicants. Moreover, effective recruitment and selection is possible only if there is a dedicated and competent HR team (Kaplan and Norton, 2004).

## **2.11. Improving the Effectiveness of Recruitment and Selection**

An HRM approach can be adopted to recruitment, which involves taking much more care in matching people to the requirements of the organization as a whole as well as to the particular needs of the job. Moreover, these requirements will include commitment and ability to work effectively as a member of a team. As described by Townley (1989), both followed a conscious recruitment policy with rigorous selection procedures. Aptitude tests, personality questionnaires and group exercises were used and the initial pre-screening device was a detailed „bio data“-type questionnaire, which enabled the qualifications and work history of candidates to be assessed and rated systematically. Subsequent testing of those who successfully completed the first stage was designed to assess individual attitudes as well as aptitude and ability.

The need for a more sophisticated approach to recruitment along these lines is characteristic by HRM. The first requirement is to take great care in specifying the competences and behavioral characteristics required of employees. At the very least, structured interviewing techniques should be adopted. Wherever possible, psychological tests should be used to extend the data obtained from the interview. Well-planned and administered assessment centers are the best predictors of success in a job, but they are only practical for a limited number of more complex or demanding jobs or for selecting graduates and entrants to training programs.



## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **Introduction**

This chapter deals with the methodology adopted in conducting the study. The chapter is organized as follows; research design, sources of data, population and sampling, research instrument (data collection technique), administration of instrument and analysis of data.

#### **3.1 Research Design**

In this study descriptive research design is applied by using both qualitative and quantitative methods. This design will particularly be important for the study because it helps to describe and interpret the actual events that exist now and existed in the past and that have influence in recruitment and selection practice of ERCA Mercato No.1 branch.

According to Cohen, Anion & Morrison (2005), descriptive research design is used to collect numerical data from large population. In addition to this by using descriptive research method it is easy to use various forms of data as well as incorporating human experience which enabled the researcher to look the study in so many various aspects and can provide bigger overview about the subject matter. It also gives room to use both quantitative and qualitative data in order to find solution to the specific study.

#### **3.2 Population and Sampling Technique**

The population considered for this study will consists of all management staff and employees of ERCA Mercato No.1 branch office. There are around 335 employees working at ERCA Mercato No.1 branch office.

ERCA Mercato No.1 branch is structured with five core process and twenty two team processes with a total of 335 employees. The sampling technique for this study will be simple random sampling by taking staff who work in all work processes and team processes of the organization. This method will be used to give equal chance to the population to make sure the representativeness of the data and also to ensure the representative of all characteristics of the population which it was not considered by the researcher. In addition purposive sampling

technique will be implemented for those who are directly responsible with recruitment and selection. It is the researcher's belief that using this method will enable to have in-depth knowledge from those who are in a position to give about the practice of recruitment and selection at ERCA Mercato No.1 branch office.

The sample units for the study are employees of ERCA Mercato No.1 branch .Since it is very expensive in terms of money and time to collect data from all these employees, so that the researcher has to determine sample which is representative for the total population. Yamane (1967:886) provides a simplified formula to calculate sample sizes of finite population, which will be used to determine the sample size for this study a 95% confidence level will be assumed to determine the sample size at  $e=0.05$ . The sample size will be determined by the formula:

$$n = \frac{N}{1 + N(e)^2}$$

Where  $n$  is the required sample size,  $N$  is the population size and  $e$  is the level of precision. Applying the formula,

$$n = \frac{335}{1 + 335(0.05)^2} = 182.31 \text{ approximately equal to } 182$$

Therefore the sample for the study is calculated to be 182 employees of ERCA Mercato No.1 branch office.

### **3.3 Source of Data and Instruments used**

Data was collected by using both primary and secondary data collection methods. Primary data was collected from employees of Ethiopian revenue and customs authority (ERCA) Mercato No.1 branch office through questionnaire and interview. Employees were requested to fill the designed open and close ended questionnaire.

In addition interview was held with top level managers and human resource department experts, work process coordinators and team leaders. These methods of data collection will help the researcher to triangulate the data gathered from questionnaire with the data collected from the interview.

On the other hand, secondary data collected from various published and unpublished related literatures, recruitment and selection policy and procedure of ERCA and organizational booklet will be reviewed to get different data about the study.

### **3.4. Procedures of data collection**

Copies of the questionnaires were distributed to respondents at work place. Then researcher explained the questions to the respondents thoroughly after copies of the questionnaire were given to them. It took about two weeks to distribute and collect the questionnaire from the respondents. The status of the questionnaires was followed via phone and by physical visiting and a pre-test was conducted before actual data collection using small representative sample to find out whether the questions are properly being filled. The researcher collected the questionnaire from few respondents and make sure whether it was correctly filled or not by the participants. Clarity of wordings in view of respondents' level of understanding was checked on the pre-test to avoid misunderstanding of the questions.

### **3.5 Data Analysis Method Employed**

In accordance with the data types, quantitative and qualitative data analyses were employed. The collected data was collated into MS-Excel spreadsheets and compiled at first. Then the data was summarized, edited, coded, tabulated and analyzed. Editing was done to improve the quality of data for coding. Editing involved going through the questionnaires to see if respondents responded to questions and see if there are blank responses. Tabulation involved counting the number of cases that fall into various categories. Descriptive statistics was applied to analyze quantitative data where data is scored by calculating the number and percentages. Qualitative data analysis method was also employed to analyze qualitative data gathered using the interview.

### **3.6 Reliability and Validity of Research Instruments**

Validity is usually defined as the best available approximation to the truth or falsity of a given inference, proposition or conclusion'. It can be subdivided into internal and external. While internal validity is about causal relationship and truthfulness of inferences, external validity is a concern about generalizability of results. All raw ideas and concepts that came out as emotional and spontaneous reflection and biases at the early stage of this work have been cut back and deleted from this document. Efforts have also been made to maintain neutrality and not to compromise the validity of data and the outcomes of the research.

Above all the design and convergence of data collected by means of different tools were guards to validity and reliability. Some explanations given by interviewees have been directly quoted in the document. Even though it would be difficult to generalize based on these explanations, I believe they can tell the existing phenomenon with local tone, which can also facilitate the triangulation of data obtained from different sources.

### **3.7. Ethical Considerations**

In order to complete a research successfully cooperation from participants and informants is found essential. As a result, the respondents need to be treated with respect and honesty. (Catherine, 2002) Each participant was fully aware of the nature and the purpose of the research and their anonymity will ensure. No names or any identifiable information from respondents takes as a way of ensuring the ethical principle to keep all information confidential.

## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATION

#### Introduction

In this chapter data collected through questionnaire is discussed and document review will be presented, analyzed and interpreted in a brief and organized way. Among the distributed 182 questionnaire 140 have been collected and this makes the response rate to be 76.9%. In fact, according to Armstrong and Ashworth (2000), texts on survey methods have usually advised that response rates of 60% and over are necessary to ensure that the replies of those responding will give an accurate picture of the population from which they are drawn.

#### 4.1 Demographic Data Analysis

On demographic data questions were asked on gender, academic qualifications and number of years at post. In dealing with gender 91 were males and 49 were females.

**Table: 1 Characteristics of the respondents**

<b>Gender</b>		
Sex	Frequency	Percentage
Male	91	65%
Female	49	35%
<b>Educational qualification</b>		
College diploma	14	10%
Bachelor degree	98	70%
Master's degree	28	20%
PhD	-	-
<b>Work experience of the respondents</b>		
1 to 5 years	56	40%
6 to 10 years	28	20%
11 to 15 years	42	30%
16 to 20 years	-	-
20 years and above	14	10%

General Manager	1	0.71%
Deputy managers	3	2.14%
Work process leader	10	7.14%
Team leader	28	20%
Senior officer	56	40%
Junior officer	42	30%

Source: Survey data, 2017

From table 1, it is realized that 91 of the respondents representing 65% of the total number of participants were males while the rest 49 (35%) of the total number were females. This clearly shows that there were slightly more male participants than female in this survey and it may be as a result of the sampling technique used in selecting respondents.

Concerning educational status of the respondents, staffs who are degree graduates have the largest portion which is around 98(70%), among the total respondents, 28 (20%) of them have master's degree and the rest of the respondents which is 14 (10%) is graduated with college diploma. From the above table we can see that no one from the selected respondents have PHD. The fact that almost all of the respondents being educated in different levels it is believed that they can easily understand the questionnaire as desired by the researcher.

Based on the data collected through questionnaire, the large portion of respondents 56 (40%) fall within the range of one to five years of service, the second highest percent 42 (30%) of the respondents have more than 10 years of experience, 28 (20%) respondents have respondents from the sample size have an experience of six to ten years and the rest or 14 (10%) of the respondents have 20 and above years of experience respectively. Therefore the researcher believes that these combinations of the respondents were good enough in finding the accurate information recruitment and selection practice of the organization because the majority of respondents had spent at least a year to five years at the branch

Regarding the job title/position of the respondents 56 (40%) are senior officers, 42(30%) are junior officers, 28 (20%) are team leaders whereas the remaining 10 (7.14%) are work process leaders, 3 (2.14%) are deputy managers and 1(0.71%) of them is general manager respectively.

This illustrates that the study comprises respondents from different level and helps to get responses from different perspectives.

#### 4.2. Analysis of the findings of the study

This section deals with the analysis and interpretation of the data gathered employees through the distribution of questionnaires. Hence, the analysis and interpretation of the data are presented following each table accordingly.

**Table 2: Response on recruitment process**

No	Statements	Rating									
		Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
		F	%	F	%	F	%	F	%	F	%
1.	Clear procedures are followed during recruitment of employees	0	0	42	30%	42	30%	56	40%	0	0
2.	The human resource department adheres to these policies and procedures	0	0	56	40%	14	10%	70	50%	0	0
3.	The recruitment process is monitored to ensure fairness and transparency	56	40%	0	0	70	50%	14	10%	0	0
4.	There is proper planning for the recruitment process	0	0	56	40%	28	20%	56	40%	0	0
5.	Proper consideration is given to skills, competencies and traits before a post is advertised	0	0	56	40%	14	10%	56	40%	14	10%

Source: Survey data, 2017

According to the survey when we see opinion of respondents on existence of clear procedure for recruitment in the HR department 56 (40%) of the respondents agree that human resource follows clear procedures of recruitment while 42 (30%) respondents replied that they disagree on that HR follows clear procedures of recruitment whereas the rest 42(30%) respondents remain indifferent respectively. This indicates that clear procedures are followed by the human resource department during recruitment of employees.

The next point in which respondents forwarded their opinion was the HR department adherence to recruitment procedures. As a result 70 (50%) of respondents agreed that HR department

adherence to the recruitment policies and procedures, 28(20%) remain neutral, 56(40%) either disagree about the HR's adherence to its recruitment policies and procedures respectively. From the responses a large number of respondents show an agreement. However, the HR's adherence to its recruitment policies and procedures that each individual should be communicated well and should be understood equally by all level of employees from the higher to the lower.

When we see the respondents opinion on fairness and transparency of the recruitment process among the total respondents 70 (50%) remain neutral on the issue while 56 (40%) of the respondent said the recruitment process is not fair and transparent in their organization and the remaining 14 (10%) agreed that the recruitment process is fair and transparent respectively. This clearly elaborates that the recruitment and selection process is not fair and transparent and will make the .organization to lose its acceptance from its employees and reputation from the public.

Looking to respondents' opinion the existence of proper planning for recruitment process 64(46%) of the respondents agreed that there is proper plan for recruitment process while 48(34%) of the respondents don't believe that there is proper planning for recruitment process and the remaining 28 (20%) of the respondents respectively. This clearly explains that there is proper planning for recruitment process in the organization.

Lastly when we see respondents opinion on whether proper consideration is given to skills, competencies and traits before a post is advertised in which 70(50%) either agree or strongly agree that proper consideration is given to skills, competencies and traits before a post is advertised whereas 42 (30%) of the respondents disagree on proper consideration is given to skills, competencies and traits before a post is advertised and 14 (10%) of the respondents remain neutral. This illustrates that proper consideration of skills, competencies and traits can make the organization to obtain the right talent that fits to the vacant position in the organization.



**Table 3: Respondents view on the Basis of recruitment**

No	Particulars	Frequency	percentage
1.	Political affiliation	42	30%
2.	On merit	56	40%
3.	Family /relatives	42	30%
4	Payment of money	-	-
	Total	140	100%

Source: survey data, 2017

As we can observe from the above table from the total respondents about 56(40%) of them said that merit is the basis for recruitment in their organization, 42 (30%) replied that political affiliation is basis for recruitment in their organization whereas the remaining 42(30%) of the respondents said that the basis for recruitment is family or relatives. Therefore it's possible to say that most of the times employees are recruited on basis of other factors other than merit which makes the organization unable to get right talent at the right time and place.

**Table 4: Respondents opinion on the effectiveness of recruitment process**

Particulars	No. of respondents	percentage
Very effective	0	0
Effective	56	40%
Not effective	42	30%
Indifferent	28	20%
Bad	14	10%
Total	140	100%

Source: Survey data, 2017

As shown on table 5 above from the total respondents 56 (40%) think the recruitment process in their organization is effective, 42 (30%) of the respondents said it's not effective whereas 28(20%) remain uncertain and the rest 14(10%) of the respondents the recruitment practice is bad.

**Table 5: Responses on recruitment methods used**

No	Methods	Frequency	Percentage
1.	Radio and TV advert	42	30%
2.	Newspaper advert	56	40%
3.	Employment agencies	14	10%
4.	Newspaper ,radio and TV advert	28	20%

Source: Survey data, 2017

As can be seen from the table above from the total respondents 56 (40%) replied that newspaper advert of job vacancy is the most frequently used recruitment method in their organization,42 (30%) of the respondents replied that radio and TV adverts are the frequently applied method of recruitment whereas the remaining 28 (20%) and 14(10%) of the respondents respond b newspaper and TV and employment agencies as the potential methods of recruitment in their organization respectively. This illustrates that the even if newspaper and TV and radio advert are costly it can reach wider area and will provide us with a larger pool of applicants from which the best talent is obtained.

**Table 6: Respondents views on selection criteria used and efforts made to adjust them with new work environment**

No	Statements	Rating									
		Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
		F	%	F	%	F	%	F	%	F	%
1.	A formal academic qualification is considered when selecting candidates	-	-	28	20%	-	-	42	30%	70	50%
2.	Experience takes precedence over qualifications when selecting candidates	14	10%	28	20%	28	20%	42	30%	28	20%
3.	The curriculum vitae, references and qualifications are checked thoroughly before appointing a candidate	14	10%	42	30%	-	-	56	40%	28	20%
4.	Candidates are selected on the basis of their competency and qualification	14	10%	28	20%	42	30%	28	20%	28	20%
5.	The selection panel always recommend the appointment of candidates who have better skills and qualifications than the rest	-	-	42	30%	28	20%	56	40%	0	0
6.	Employees are made to adjust with	-	-	70	50%	28	20%	28	20%	14	10%

their new job										
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Source: survey data, 2017

As shown on the above table the opinion of respondents whether formal academic qualifications are considered when selecting candidates 112 (80%) of respondents either agree or strongly agree that academic qualifications are considered during selection while the rest 28 (20%) disagree on that academic qualifications are considered when selecting candidates. This clearly shows that proper consideration is given to academic qualifications during selection.

The next point is opinions of respondents on whether work experience takes precedence over qualifications when selecting candidates in which 70 (50%) of respondents either agree or strongly agree that experience takes precedence over qualifications during selection, while 42 (30%) of respondents disagree or strongly disagree on that experience takes advantage over qualification during selection whereas the rest 20% stay indifferent. It means that among other factors (i.e. experience, knowledge and skills), qualifications are also considered when selecting candidates.

When we look at opinions of respondents on whether curriculum vitae, references and qualifications are checked thoroughly before appointing a candidate 84 (60%) of respondents agree or strongly agree indicated that reference checks are not taking place regularly, while 60% suggest that reference checks are done regularly. According to the recruitment policy all applications should be attached with certified copies of qualifications, identity documents and curriculum vitae for reference checks which should be done on each and every candidate shortlisted or appointed in the public service before they assume their duties.

Looking to the opinions of respondents on whether candidates are selected on the basis of their qualifications and competency. 30% of respondents disagree and the selection of candidates is not based on competency and qualifications, 40% of respondents agree that selection is based on competency and qualifications whereas the rest 30% of the respondents remain indifferent. This illustrates that candidates are selected on the basis of qualifications and competencies in the organization.

Regarding opinions of respondents on whether the selection panel would recommend the appointment of candidates who are better qualified than them 60% of respondents agreed that

those candidates who are better qualified than the rest of the candidates are recommended by of the selection panel ,while 30% of respondents disagree on that the selection panel would consider candidates less qualified than the rest are recommended by the selection panel whereas the remaining 10% of the respondents remain uncertain on the issue. This indicates that the selection panel recommends those candidates having better qualification from the application pool.

When we see views and opinions of respondents on fairness of the selection process 50% of respondents disagree on existence of fairness in selection process while 40% of the respondents agreed that selection is carried out in fairly and acceptable manner whereas the rest 10% respondents stay neutral on the issue . From this it is possible to conclude that the selection process is not fair and subject to biases and favoritism which leads to poor selection and finally cost to the organization.

**Table 7: Staff involvement in selection process**

No	Response	Frequency	Percentage
1.	Never	70	50%
2.	Seldom	14	10%
3.	Sometimes	42	30%
4.	Often	14	10%
5.	Always	0	0%

Source: Survey data, 2017

According to the survey results shown on the above table 70(50%) of the respondents answered that they have never involved in the selection process ,whereas 42 (30%) of them respondents that they sometimes participate in selection process on other hand the remaining 14(10%) of them answered that their involvement in selection process is infrequent and used to participate often respectively. Therefore from the above analysis it is possible say that most of the staff members doesn't have the exposure to participate in staff selection process and it is done by human resource department which raises questions of reliability and transparency on the selection process.

**Table 8: Employees perception on the overall recruitment and selection practice of the office**

No	Statements	Rating									
		Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
		F	%	F	%	F	%	F	%	F	%
1.	Recruitment and selection process of ERCA Mercato No.1 office absolutely fair and there is no partiality.	84	60%	28	20%	28	20%	-	-	-	-
2.	During selection, a candidate is valued on his /her merit (knowledge, skills and attributes) his /her than work experience.	28	20%	56	40%	14	10%	42	30%	-	-
3.	Time taken from recruitment to the final selection of candidate in ERCA Mercato No.1 branch is long.	-	-	-	-	42	30%	84	60%	14	10%
4.	Different recruitment process is followed for different level of employees.	-	-	70	50%	42	30%	28	20%	-	-

Source: Survey data, 2017

According to the survey results shown on the above table 112(80%) of the respondents either strongly disagree or disagree the recruitment and selection process in ERCA Mercato No.1 branch is fair and there is no partiality and believe that the recruitment and selection process in ERCA Mercato No.1 branch is not fair and there is partiality. Around 28 (20%) of the respondents remained neutral on the fact that recruitment and selection process in ERCA Mercato No.1 branch is impartial. However, none of the employees believe that the recruitment process is fair and impartial valued by experience

When we see respondents opinion on the second statement that candidate is prioritized on his/her merit or by his/her experience during selection 84(60%) of the respondents strongly disagree and disagree that candidate is judged by his/her merit rather than his/her work experience and they have belief that candidate is valued by his/her total work experience than his/her merit while 42(30%) of them agree that candidates merit than work experience during selection and the remaining 14(10%) of the respondents stay neutral on the issue. This clearly explains that candidates are valued by experience than merit which closes the door to fresh graduates to apply for the vacant positions posted.

The other statement about which respondents give their opinion is the length of time it takes from recruitment to the final selection in which 98(70%) of the respondents strongly agree and agree on the fact that the time it take from recruitment to final selection is long whereas the rest 42(30%) of the respondents remain indifferent on the issue. This elaborates that the time it takes from recruitment to final selection is too long that makes the organization unable to fill the vacant positions on time and get the required work force towards the achievement of organizational goal.

Regarding the opinion of respondents on the use of different recruitment procedures for different positions of employees 70(50%) of the respondents do not believe that different recruitment process is followed for different grades of employees, 42(30%) of the respondents stay uncertain and the remaining 28(20%) of the respondents believe that different recruitment procedures are followed for different grade. This indicates that different recruitment procedures are not followed to different grades of employees in the organization results in unnecessary time and money spent for recruitment.

**Table 9: Challenges of recruitment and selection process**

No	statements	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
		F	%	F	%	F	%	F	%	F	%
1.	Employees turn over	-	-	-	-	28	20%	84	60%	28	20%
2.	Competition in the labor market	-	-	28	20%	42	30%	70	50%	-	-
3.	Ineffective job analysis	14	10%	28	20%	28	20%	56	40%	14	10%
4.	Ineffective selection methods	-	-	28	20%	14	10%	70	50%	28	20%
5.	Lack of qualified and experienced candidates	28	20%	28	20%	42	30%	42	30%	-	-
6.	Favoritism and nepotism	-	-	28	20%	42	30%	56	40%	14	10%

Source: Survey data, 2017

The top challenges are discussed below. One major challenge identified to be frequently facing recruitment and selection in ERCA Mercato No.1 branch office is employees turn over (HR) planning from the total respondents 60% of them agree that employee's turnover is a problem of recruitment and selection while the rest 20% remain uncertain on the issue.

The second most challenge of recruitment and selection in ERCA Mercato No.1 branch is Ineffective job analysis in which 70 (50%) of them agreed that ineffective job analysis is a problem for the recruitment and selection process in their organization whereas 42(30%) of the respondents disagree that ineffective job analysis is not problem of recruitment and selection in their organization while the remaining 28(20%) of the respondents stay indifferent. Therefore it is possible to say that ineffective job analysis is a potential challenge of recruitment and selection process at ERCA Mercato No.1branch office.

The other challenge of recruitment and selection in ERCA Mercato No.1 Branch ineffective selection method as major challenge for recruitment and selection process in which 98(70%) of the respondents indicate that selection methods applied by HR department is poor and ineffective and become a problem of the recruitment and selection process in their organization, while only 28(20%) of them disagree on the issue and indicate that there is no problem with selection method adopted by their organization whereas the rest 14(10%) of the respondents stay indifferent on the issue.

According to the survey fourth challenge for recruitment and selection in ERCA Mercato No.1 branch is favoritism and nepotism in which 70(50%) of the respondents agreed that there is favoritism and nepotism in recruitment of employees in their organization whereas 42(30%) of the respondents disagree on the existence of favoritism and nepotism during recruitment and selection in their organization and 42(30%) remain uncertain on the issue.

### **Suggested solutions to improve the recruitment and selection process**

The researcher tried to find out better solutions from respondents that can improve recruitment and selection practices or processes in ERCA Mercato No.1 branch.

Most respondents gave the opinion that the recruitment and selection of ERCA Mercato No.1 branch is improved by preparing plan for recruitment practices in the organization.

The other proposed solution by the Respondents for better recruitment and selection is that preparing efficient job description because job description is the first step towards successful process of recruitment. As well as provide proper information about the requirements of the job and the skills that are important for the job position.

Thirdly Respondents stated that the procedure for recruitment and selection should be strictly followed and Procedures such as educational or academic qualification experience and interviews all that helps to select the best of candidates for the organization.

The other solution respondents forwarded so as to improve the recruitment and selection process is the use of effective selection methods because most of the selection problems occur due to the selection methods used do not match with the skills, abilities and knowledge that needs to be evaluated the and people involved in the process are not well trained and know how subjective errors. Selection process should be based on a systematic review of the knowledge, skills, and abilities required for the position, as well as organizational and cultural fit.

The Finally suggested solution by the respondents is that applicants should be given an equal opportunity of being selected and treated fairly while all favoritism and biases are eliminated to ensure that all get a fair chance of being selected and employed.

### **Analysis of results from Interview**

The results of the interview with top management, HR department employees work process coordinators and team leaders about the recruitment and selection practice of ERCA Mercato No.1 branch is discussed below.

The first question forwarded to the respondents is whether ERCA Mercato No.1 branch follows clear procedures for recruitment and selection of employees or not out of the total 62 respondents about majority of the respondents answered that HR department follows clear procedures during recruitment and selection of employees where as some of them remain indifferent.

The second question forwarded to the respondents were about job analysis before of a job vacancy is advertised in which from the total respondents about 70% of them answered that HR department undertakes proper analysis of knowledge's ,skills and duties before the job is advertised whereas the remaining 30% off the respondents remain neutral on the issue.

Thirdly respondents were asked for their opinion about the method of recruitment adopted by ERCA Mercato No.1 branch in which about 40% of them answered newspaper advert of job vacancy is the most frequently used method of recruitment whereas 30% of the respondents answered that TV and Radio advert of job vacancy is the method adopted by their organization are the most frequently used and the rest 20% and 10% of the respondents answered both newspaper and TV advert of jobs vacancy and notice board as the most common methods of recruitment respectively.

The fourth question forwarded to the respondents were about factors considered before selection of prospective employees in which about 50% of the respondent answered test on general knowledge of candidates is considered , 20% of the respondents responds that interview of



candidates is considered before selection the whereas 20% of the respondents replied that educational qualification of the prospective employees is considered before selection and 10% of the respondents answered work experience is considered before selection.

The fifth question in which respondents asked for their opinion were about the challenges of recruitment and selection process in ERCA Mercato No.1 branch accordingly from the total respondents 70% of the respondents answered that high turnover rate in the organization is the biggest challenge of recruitment and selection in their organization in which most of the newly recruited employees leave the organization even before completing their probation period. The other challenge mentioned by about 20% of the respondents is that prevalence stiff competition in the labor market especially from the financial institutions in which most of the employees leaving the organization join these institutions due to better salary offers and benefit packages available. Whereas the rest 10% of the respondents said that in availability of the best talent in the labor market is the biggest challenge of recruitment and selection at ERCA Mercato No.1branch.

The final question is about respondent suggestion to improve recruitment and selection process at ERCA Mercato No.1 branch in which 50% of the respondents suggested that HR departments' proper following of the recruitment and selection procedures could improve the recruitment and selection process in the organization whereas 30% of the respondents suggested that advertisement of job vacancy should be made open to the general public with detail information about the job and 20% of the respondents suggested that the use of effective selection methods could improve the recruitment and selection practice in the organization.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The purpose of this chapter is to round off the study with summary of findings, conclusion and Recommendations. The conclusions would be made from the analysis and the objectives of the Research.

#### 5.1 Summary of Major Findings

The general objective of the study was to assess the recruitment and selection practice of Ethiopian Revenues and Customs Authority Mercato no.1 branch office. It has assessed recruitment process, the basis of recruitment, methods of recruitment, effectiveness of the recruitment process, the selection process, the selection steps, staffs involvement in selection process, perception of employees on recruitment and selection, challenges of recruitment and selection process, Suggested solutions to improve the recruitment and selection process. In general terms, the study result was based on the presentation and interpretation of findings in chapter four is summarized here below.

##### **The recruitment process**

As confirmed by majority of the respondents clear procedures are followed during recruitment of employees at ERCA Mercato No.1 branch. This is also supported by results from interview session.

As confirmed by majority of the respondents (70%), the HR department adheres to the recruitment policies and procedures of the organization.

As it is revealed by most of the respondent's the recruitment process is not monitored to ensure fairness and transparency in the organization.

As revealed by half of the respondents (50%), proper consideration is given to skills, competencies and traits before a post is advertised in the organization.

### **The basis of recruitment**

As asserted by nearly half of the respondents the basis of recruitment in their organization is merit but significant numbers of respondents believe that political affiliation and family basis are used in recruitment of employees at ERCA Mercato no.1 branch.

### **Effectiveness of recruitment**

As confirmed by majority of the respondents of the respondents that the recruitment process in the organization is effective enough.

### **Recruitment methods employed**

As revealed by most of the respondents advertisement of job through newspaper, radio and TV advert are the widely used methods of recruitment. This is also supported by information gathered from the interview session.

### **Selection process**

As asserted by majority of the respondents (80%), formal academic qualification is considered when selecting candidates. This is also supported with the information obtained from the interview session.

As confirmed by half of the respondents (50%), experience takes precedence over qualifications when selecting candidates.

As revealed by More than half (60%) of the respondents curriculum vitae, references and qualifications are checked thoroughly before appointing a candidate.

As confirmed by most of the respondents employees are not made to adjust with their new job in the organization office.

### **Employees' involvement in selection process**

As revealed by most of the respondent's employees are not made to involve in selection process at ERCA Mercato no.1 branch office.

### **Employees' perception on overall recruitment and selection practice of the office**

As stated by majority of the respondents (70%), recruitment and selection process is not fair and not free from partiality at ERCA Mercato no.1 branch.

As indicated by most of the respondents (60%), during selection a candidate is valued on his /her experience than merit (knowledge, skills and attributes).

As asserted by majority of the respondents (70%), Time taken from recruitment to the final selection of candidate in ERCA Mercato No.1 branch is long.

As ascertained by that majority of the respondents (70%), different recruitment process is not followed for different grades of employees in the organization.

### **Challenges of recruitment and selection process**

As stated by majority of the respondents that employee's turnover and stiff competition in the labor market are the major challenges of recruitment and selection in their organization. Furthermore this is supported by information obtained from interview.

### **Suggested solutions to improve recruitment and selection practice**

As stated by most of the respondents proper plan for recruitment process, strictly following of recruitment process, effective job analysis and description and use of effective recruitment methods can improve the recruitment and selection process at ERCA Mercato no.1 branch.

## **5.2 Conclusion**

From the data analysis the following conclusions were drawn.

- In ERCA Mercato no.1 branch even though clear procedures are followed during recruitment and selection decisions are not made on the basis of the ability of the applicants to meet the requirements of the job description , personal specification and any other relevant criteria's. As a result all applicants and employees are not treated fairly and according to the procedure. As a result most of the new and existing employees do not really know the demands of their job.
- The recruitment process of the ERCA Mercato no.1 branch is not carried out in a fairly and transparent manner and the time it takes from recruitment to final selection is too long and there is a problem of executing the recruitment and selection practice according to the time line specified by the organization which results in greater cost, disruption of service or work and potential dissatisfaction of current employees.

- ERCA Mercato no.1 no efforts are made to adjust employee with their new job, with their co-workers and work environment as a result this leads to employee's turnover that is a major challenge of recruitment and selection process in the organization as revealed by the study.
- According to the study one challenge facing recruitment and selection practices at ERCA Mercato no.1 branch the unavailability of key talents on the job market to fill specialized areas and another challenge was the rate of labor turnover. In which some of the employees leave the institution shortly after been offered an appointment which affect the organization as money has to be spent again for another recruitment and selection process.

### **5.3 Recommendations**

Based on the research findings of the study, the researcher recommends the following to help make ERCA Mercato no.1 branch recruitment and selection practices more effective in order to achieve organizational goals.

- There should have to be a well-structured recruitment and selection process in which job description and specification should be prepared, deciding terms and conditions of employment, reviewing and evaluating alternative sources of applicants, inside and outside the organization and select candidates.
- There should be proper determination of the skills, talents, knowledge, abilities, qualifications, responsibilities, experiences and other human attributes required for a particular job for a successful performance.
- Appropriate job requirements and its relevant experiences should also be adopted in the selection of new recruits to reduce cost and save time as well.
- The office should diversify the methods of recruitment from only newspapers to e-recruitment (vacancy announcement via internet) which can help in cutting costs and covering larger population. The office should timely based recruitment process and the applicants who are interested in working for the office inform on the time
- The recruitment and selection process should be given to employment agencies since they are fast and efficient in recruiting applicants for specified positions and reduce the prevalence of problems by giving a precise definition of the job position to be filled.

- Preparing induction program; i.e. new employees should be well introduced to the organization and its activities. Also proper job trainings should be organized regularly for employees to enhance their effectiveness and efficiency by acquiring new skills and knowledge.
- Adopting internal source of recruitment to solve turnover and unavailability of talent in the labor market in which employees of the organization are reassigned to an area within the organization where the need is greater.

#### **5.4 Limitations of the study**

The study was limited only to ERCA Mercato branch only because of time and financial constraints that forced the researcher not to include other branches. In addition the study was conducted based on perceptions /opinions/ of the respondents, which may not be free from their individual perception and bias, in spite of the researcher's efforts to get them as objectively as possible. Besides exclusion of employees below junior officers level such messengers, guards and secretaries is another limitation of this research paper.

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**Appendix –A: Questionnaire completed by respondents**

**SAINTMARYS UNIVERSITY**

**School of Graduate Studies**

**MBA Program**

Dear Respondents

I am a Graduating Student of General MBA program in the Department of Management at Saint Mary's University in the postgraduate program; as a partial fulfillment of requirement of MBA Degree program; I am conducting a study on the practices and challenges of recruitment and selection of ERCA Mercato no.1 branch office. The purpose of this questionnaire is to enable the researcher secure relevant information and data on the title selected, The findings of the study may help the Authority to improve its human resource management practices as well as get a competitive advantage in the different competent organization, your responses are thus indispensable for the successful accomplishment of this study and in turn for accomplishing the success of your Authority .please provide genuine and complete information for the questions and rest assured that your responses shall be kept confidential and will only serve for the purpose of this study.

Thank you for your collaboration

Fitsum Tesfahun

**Directions:**

- No need to write your name
- Please answer question by tick mark
- Answer the alternative questions by encircling the choices
- If you have any question, please contact me on 0913-59 04 10.

## **Section A- Personal Data**

1. Sex

- a. Male      b. Female

2. How long have you been working in your organization?

- a. less than 1 year  
b. 1 – 5 years  
c. 6 – 10 years  
d. 11 – 15 years  
e. 16– 20 years  
f. 20 years and above

3. Educational level

- a. Below 12grade  
b. High School complete  
c. Certificate  
d. Diploma  
e. First degree  
f. Master's degree  
g. PHD

4. Current position/job title in the Authority

- a. Manager   
b. Deputy Manager  
c. Work process leader  
d. Team leader  
e. Senior officer  
f. Junior officer

g. external expert

h. Other

**Section B-Recruitment and selection**

**5. What is the basis for recruitment in your organization?**

a. Political affiliation

b. On merit

c. Family or relatives

d. Payment of money

**6. Recruitment practices**

Please indicate the extent to which you agree or disagree with the following statement by placing a tick mark block which most accurately reflects your opinion

Note: Strongly disagree :5, disagree :4,Neutral :3, Agree:2 and Strongly Agree: 1						
	<b>Statements</b>	1	2	3	4	5
1.	Clear procedures are followed during recruitment of employees					
2.	The human resource department adheres to these policies and procedures					
3.	The recruitment process is monitored to ensure fairness and transparency					
4.	There is proper planning for the recruitment process					
5.	Proper consideration is given to skills, competencies and traits before a post is advertised					

**7. How effective are the recruitment practices of ERCA Mercato no.1 branch?**

a. Very Effective

b. Good

c. Not Effective

d. Indifferent

e. Bad

8. Which source of recruitment is the best to recruit employees in your organization?

a. Internal source

b. External source

9. Which of these methods of recruitment are used in your organization? You may select more than one if necessary.

a. Radio advert

b. TV advert

c. Newspaper advert

d. Professional association(s)

e. Employment agencies

f. Employee referrals

g. If other(s) specify.....

.....

**10. Selection process**

Please indicate the extent to which you agree or disagree with the following statement by placing a tick mark on block which most accurately reflects your opinion

	Note: Strongly disagree :5,Disagree :4,Neutral :3,Agree:2 and Strongly Agree: 1					
	Questions	1	2	3	4	5
1.	A formal academic qualification is considered when selecting candidates					
2.	Experience takes precedence over qualifications when selecting candidates					
3.	The curriculum vitae, references and qualifications are checked thoroughly before appointing a candidate					
4.	Candidates are selected on the basis of their competency and qualification					
5.	The selection panel always recommend the appointment of candidates who have better skills and qualifications than the rest					
6.	Employees are made to adjust with their new job					

**11.To what extent does your organization follow the selection steps?**

- a.Never
- b. Seldom
- c. Sometimes
- d. Often
- e.Always

**12. How frequently are you involved in selection process?**

- a.Never
- b. Seldom
- c. Sometimes
- d. often
- e.Always



**13. Employees perception on recruitment and selection process**

No	Statements	Rating				
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	Recruitment and selection process of ERCA Mercato No.1 office absolutely fair and there is no partiality.					
2.	During selection, a candidate is valued on his /her merit (knowledge, skills and attributes) his /her than work experience.					
3.	Time taken from recruitment to the final selection of candidate in ERCA Mercato No.1 branch is long.					
4.	Different recruitment process is followed for different level of employees.					

**14.** The under listed are some identified common challenges in the recruitment and selection practices. Please indicate whether you 1= stronglydisagree, 2 =Disagree, 3=Neutral, 4=Agree, 5=strongly agree on the statements by putting a tick mark on the space provided.

No	Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	Turnover of employees					
2.	Stiff Competition in the labor market					
3.	Ineffective job analysis					
4.	Ineffective selection methods					
5.	Unavailability of qualified and experienced candidates					
6.	Favoritism and nepotism					

**15 .If there are other please mention**

.....  
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.....  
.....

**16. Please suggest solutions that can improve the current recruitment and selection practice used by your organization; aimed at retaining recruited workers?**

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## **Appendix –B**

### **Interview Question to top management, HR department, work process coordinators and team leaders of ERCA Mercato no.1 branch**

1. Do you think clear procedures of recruitment and selection are followed at ERCA Mercato no.1 branch?
  2. Do you undertake a job analysis before a vacancy post is advertised at ERCA Mercato no.1 branch?
  3. What methods of recruitment are by ERCA Mercato no.1 branch?
  4. What factors are considered during recruitment and selection at ERCA Mercato no.1 branch?
  5. What are the challenges of recruitment and selection at ERCA Mercato no.1 branch?
  6. What solution do you propose for the improvement of the current recruitment and selection practice at ERCA Mercato no.1 branch?
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