



**ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES**

**THE EFFECT OF RECRUITMENT AND SELECTION
PRACTICE ON ORGANIZATIONAL PERFORMANCE;
THE CASE OF COMMERCIAL BANK OF ETHIOPIA**

**BY
ZEYNU KEMAL**

**JUNE 2020
ADDIS ABABA, ETHIOPIA**

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

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DECLARATION

I, the undersigned, declare that this thesis is my original work, presented under the guidance of Birhanu Endeshaw (PhD). All sources of materials 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 institution for the purpose of earning any degree.

Name

Signature

St. Mary's University, Addis Ababa Ethiopia

January 2020

ENDORSEMENT

This thesis proposal has been submitted to St. Mary's University College, School of Graduate Studies for examination with my approval as a university advisor.

Advisor

St. Mary's University College, Addis Ababa

Signature

JUNE 2020

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Table of Contents	Page
DECLARATION.....	IV
ENDORSEMENT	V
ACKNOWLEDGMENTS	VI
LIST OF FIGURES	IX
LIST OF TABLES	X
LIST OF ABREVIATION	XI
ABSTRACT.....	XII
CHAPTER ONE	1
1. INTRODUCTION	1
1.2. Background of the study.....	1
1.3. Background of the organization	2
1.4. Statement of the problem.....	2
1.5. Research Questions.....	4
1.6. Objectives of the study	4
1.7. Statement of Hypotheses	5
1.8. Significance of the study	5
1.9. Scope /Delimitation of the study	6
1.10. Limitation of the study.....	6
1.11. Organization of the study.....	6
1.12. Definition of Terms.....	7
CHAPTER TWO	8
2. LITERATURE REVIEW	8
2.1. Theoretical framework	8
2.1.2. Definitions of Recruitment	9
2.1.3. Sources of Recruitment.....	10
2.1.2. Definition of Selection.....	17
2.1.4. Selection Process	18
2.2. Improving the Effectiveness of Recruitment and Selection	21
2.3. Staff Recruitment and Selecting Plan	21
2.4. Challenges of Recruitment and Selection.....	23
2.5. 2.7 The Relationship between Recruitment and Selection, and Organizational Performance.....	26
2.6. Empirical framework	27

2.7. Conceptual Framework.....	28
2.8. Organizational Performance	31
2.9. Summary of Literature.....	32
CHAPTER THREE	34
3. RESEARCH METHODOLOGY.....	34
3.1. Research Design	34
3.2. Research Approach.....	35
3.3. Population, sampling size and Sampling procedure.....	36
3.4. Data Sources and Data Collection Method.....	38
3.5. Data analysis method.....	39
3.6. Validity and Reliability	41
3.7. Ethical Consideration	42
CHAPTER FOUR.....	43
4. DATA PRESENTATION AND ANALYSIS	43
4.1. Respondents’ Demographic Description:.....	44
4.2. Normality Test:.....	45
4.3. Descriptive Analysis of Study Variables:.....	46
4.4. Correlation analysis	55
4.5. Multiple Regression.....	57
CHAPTER FIVE	66
5. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION	66
5.1. Summary of findings:	66
5.2. CONCLUSION	70
5.3. Recommendation	72
5.4. Suggestions for Further Studies.....	74
REFERENCES.....	75
APPENDIX- 1 QUESTIONNAIRES	78
APPENDIX – 2 DESCRIPTIVE STATISTICS OF THE QUESTIONNAIRES.....	83
APPENDIXES- 3 MODEL SUMMARY	86

LIST OF FIGURES

Figure 2-1 Source of recruitment.....	11
Figure 2-2 flow chart of recruitment and selection.....	22
Figure 2-3 Recruitment selection plan.....	23
Figure 2-4 Conceptual framework.....	29
Figure 4-1 Initial Screening.....	52
Figure 4-2 Interview.....	52
Figure 4-3 Selection Test.....	53
Figure 4-4 Scatter plot for linearity internal recruitment & organization performance.....	58
Figure 4-5 Scatter plot for linearity External recruitment and organizational performance.....	59
Figure 4-6 Scatter plot for linearity selection and organizational performance.....	59
Figure 4-7 Histogram: Standardized Residual.....	61
Figure 4-8 Normal P-P plot of Standardize Residual.....	62

LIST OF TABLES

Table 3 1 Total Number of Target population	37
Table 4- 1 Demographic Characteristics of respondents	44
Table 4- 2 Normality distribution of study variables.....	46
Table 4- 3 Response on internal recruitment of the bank.	47
Table 4- 4 Response on external recruitment of the bank	48
Table 4- 5 Response on selection practice of the bank.....	50
Table 4- 6 Response on organizational performance of the bank.....	54
Table 4- 7 Correlation analysis	56
Table 4- 8 Collinearity Statistics.....	60
Table 4- 9 Regression Model Summary	62
Table 4- 10 Coefficient Regression	63

LIST OF ABBREVIATION

CBE- Commercial Bank of Ethiopia

HR- Human Resource

HRM- Human Resource Management

DV- Dependent Variable

IV- Independent variable

VIF- Variance Inflation factor

SPSS- Statistical Package for Social Science

EAAD- East Addis Ababa District

NAAD- North Addis Ababa District

SAAD- South Addis Ababa District

WAAD – West Addis Ababa District

PM- Performance Management

M - Mean

SD - Standard Deviation

ABSTRACT

Recruitment and selection, as a human resource management function, is one of the activities that impact most critically on the performance of an organization in terms of achieving its ultimate goal (Costello, 2006). The purpose of this study is to identify the effect of employee recruitment and selection on organizational performance in CBE. The study focused particularly on identifying the effect of internal recruitment, external recruitment and selection practice on CBE performance. The study also reviewed literature on recruitment and selection with theoretical, empirical and conceptual frameworks. To achieve the objective, the researcher was employed both descriptive and explanatory design method. study was also applied both qualitative and quantitative research approach (mixed method approach). Purposive sampling technique was used to select branches and process unit's representative of commercial bank of Ethiopia for the study. Survey questioners was used to collect the data from a sample of 377 employees who are working in under four Addis Ababa districts and head office in commercial Bank of Ethiopia. Descriptive and inferential statistics were employed for the data analysis process. The descriptive statistics include the mean, frequencies, percentage and standard deviation. The inferential statistics (correlation analysis and regression analysis) was also used in analyzing the relation between independent and dependent variables. The finding indicates that internal recruitment, external recruitment and selection correlated and have significance effect on organizational performance. the internal source of recruitment methods of the bank is not rational, acceptable and fair. Additionally, CBE recruitment and selection practice did not reduce potential legal complications and did not save training time and money including, did not help CBE to gain competitive advantage. And most of employees are not motivated to stay with the organization. So that the researcher come up with recommendation that the bank should look and improve other process of HR linked with recruitment and selection like the talent management (job analysis and job specification) and compensation and reward management in order to gain competitive advantage. The management should also improve the promotional and transfer practice and criteria beside except for punishments, transfers have to be considered after a discussion with the employee of his or her console. And All legislation and policies pertaining to recruitment and selection should also be made available to all staff members of the bank

Keywords: Recruitment, Selection, Internal Sources, External Sources and performance

CHAPTER ONE

1. INTRODUCTION

1.2. Background of the study

Human Resource Management (HRM) activities play a major role in ensuring that a firm will prosper and succeed. In most organizations, such success is measured by the balance of such complementary characteristics as reaching goals, employing the skills and abilities of employees efficiently and ensuring the influx and retention of well-trained and motivated employees (Gberevbie, 2010). Recruitment and selection are essential tools in supporting the human resource managers and the entire company to hire the right people and retain them (O'Brien, 2012).

Recruitment and selection can play an important role in shaping an organization's effectiveness and performance, if organizations are able to acquire employees who already possess relevant knowledge, skills and aptitudes and are able to make an accurate prediction regarding their future abilities. Recruitment and selection also have an important role to play in ensuring employees performance and positive organizational outcomes. It is often claimed that selection of employees occurs not just to replace departing employees or add to a workforce but rather aims to put in place workers who can perform at a high level and demonstrate commitment (Ballantyne, 2009).

Bratton and Gold (2007), differentiate the two terms while establishing a clear link between them by stating that recruitment is the process of generating a pool of capable people to apply for employment to an organization. Selection is the process by which managers and others use specific instruments to choose from a pool of applicants a person or persons more likely to succeed in the job(s), given management goals and legal requirements. Recruitment and selection form a core part of the central activities underlying human resource management: namely, the acquisition, development and reward of workers. It frequently forms an important part of the work of human resource managers – or designated specialists within work organizations.

However, recruitment and selection decisions are often for good reason taken by non-specialists, by the line managers. This is, therefore, an important sense in which it is the responsibility of all managers, and where human resource departments exist, it may be that Human Resource (HR)

managers who play more of a supporting and advisory role to those people who will supervise or in other ways work with the new employee. According to Mullins (2010), for the Human Resource Management (HRM) function to remain effective, there must be consistently good levels of teamwork, plus ongoing co-operation and consultation between line managers and the HR manager. This is most definitely the case in recruitment and selection as specialist HR managers (or even external consultants) can be an important repository of up-to-date knowledge and skills, for example on the important legal dimensions of this area.

By using the right selection methods, one can ensure that the candidate does not only has the right skills for the job, but also possesses the right personality to fit into the existing organizational culture. Once that “right” person has been employed, the company has to ensure that the right incentives are put in place. However, recruitment and selection are characterized by potential difficulties and it is necessary to keep abreast of developments in research in the field of Banking industry. In order to use the proper techniques used to recruit and select employees, personnel managers should be aware of potential candidate on performance of the job and bringing challenges in a long-term success for the organization (Ivancevich, 1998). The research work seeks to assess the effect of employee recruitment and selection on organizational performance in the case of Commercial Bank of Ethiopia.

1.3. Background of the organization

The history of the Commercial Bank of Ethiopia (CBE) dates back to the establishment of the State Bank of Ethiopia in 1942. CBE was legally established as a share company in 1963. In 1974, CBE merged with the privately owned Addis Ababa Bank. Since then, it has been playing significant roles in the development of the country. Currently CBE has more than 22 million account holders and the number of Mobile and Internet Banking users also reached more than 2.5 million as of June 30th 2019. Active ATM card holders reached more than 8 million.

1.4. Statement of the problem

According to Maloney (2002), Major challenges many organization are facing during recruitment and selection process while using of different recruitment methods (like suggestions from current employees, word of mouth, government job services, college placement offices, posting job

announcements on bulletin boards, executive search firms and the Internet; identification of labor pools, application of variety of selection tools namely, application forms, interviews, reference checks, pre-employment tests and trial period). Selection bias and discrimination based on age, sex, marital status, ethnic origin, religious preference, sexual preference or disabilities are also challenges facing organizations like the banking industries in obtaining adequate and trained staff.

The growth and development of any economy is connected directly or indirectly with the banking industry. In Ethiopia, it is the wish of most banking firms to engage the best human resource in order to channel their collective effort into excellent performances, increase in productivity, job satisfaction and above all meeting customers' expectations in terms of quality, cost, time and safety. Recent recognition of the strategic potential of recruitment and selection to enhance organizational performance put a lot of emphasis on getting the 'right person' for the right post. (Armstrong, 2009).

Furthermore, as stated in the Corporate strategy of CBE 2015/16-2019/20 human resource skill and competency gap as a major weakness of the bank. This is because of poor recruitment and selection practice of the bank. Due to this Commercial bank of Ethiopia invest 32,125,000 Birr for Technical training 4,088,000 for developmental training and 2,704,000 for ethical training, (CBE nine months' corporate performance and way forward, 2019). In order to fill the skill and competency gap the bank is investing too much expense for training in order to fit its employee for the given job. However, commercial bank of Ethiopia can reduce training expense through proper recruitment and selection process which ultimately help the bank to acquire competent employees for specific job. It is therefore clear that the foregoing that unconventional recruitment and selection practices can ruin any business plan thereby affecting the overall target of the bank. There is the need for management to put in place policies or strategies that will help recruit and select the best employees to strive towards the achievement of organizational goals and objectives.

Adeyemi, Dumade and Fadare (2015) in the study of the influence of recruitment and selection on organizational performance using questionnaire to study a sample of only twenty respondents of Access Bank branch. The study indicated that, advertising of job vacancies to general public, use of employment agent(s), the study also show that employee referrals are mostly

the mode for recruiting potential employees, it was also realized that the method used in the recruiting and selection process was very effective. The study made use of a very small sample which cannot be generalized to represent the entire access bank employees.

Additionally, several studies have been carried out in this area in Ethiopia such as Fitsum, (2017), Elisabet, (2016), Tamrayehu (2016) and Hiwot, (2019). However, none looked at the effect of recruitment and selection on the organizational performance. This study fills that gap.

Generally, there are no valuable research have been conducted to solve the above recruitment and selection problems specially to improve productivity of the bank. This is therefore, the purpose of the study is to give recommendations for the effect of recruitment and selection (internal recruitment, external recruitment and selection) to improve the performance of the organization.

1.5. Research Questions

The paper address to answer the following questions.

1. How the internal recruitment method affects organizational performance (CBE)?
2. Does external source of recruitment affect organizational performance (CBE)?
3. How selection affects organizational performance (CBE)?

1.6. Objectives of the study

1.6.1. General objective

The general objective of the study is to identify the effect of recruitment and selection practice on organizational performance in the case of Commercial Bank of Ethiopia.

1.6.2. Specific objective

- To determine the effects of internal source of recruitment on organizational performance in the case of Commercial Bank of Ethiopia.
- To examine the effects of external source of recruitment on organizational performance in the case of Commercial Bank of Ethiopia.
- To evaluate the effects of Selection on organizational performance in the case of Commercial Bank of Ethiopia.

1.7. Statement of Hypotheses

The research hypotheses are

H0: Internal Source of recruitment has no significant effect on organizational performance (CBE).

H1; Internal Source of recruitment has significant effect on organizational performance (CBE).

H0: External Source of recruitment has no significant effect on organizational performance (CBE).

H1; External Source of recruitment has significant effect on organizational performance (CBE).

H0: Selection has no significant effect on organizational performance (CBE).

H1; Selection has significant effect on organizational performance (CBE).

1.8. Significance of the study

This study is considered as one of the few local studies that conduct the effect of recruitment and selection practices on organizational performance in the commercial bank of Ethiopia. The result of this study is important not only for the CBE but also for the other sectors, it will help to identify the recruitment and selection practices that leads to organizational performance. This study is also beneficial for academics to compare the recruitment and selection practice on organizational performance aspects. Therefore, the importance of this study derives from the importance of the variables that is dealing with and the following scientific and practical considerations:

- Provide a comprehensive survey of the study variables concepts and dimensions that can be relied upon to measure the study variables, so that it can benefit researchers and practitioners as a starting point for their future research.
- Provide a systematic basis in the field of human resource management measuring recruitment and selection practices effect on organizational performance that may help to rely on measures that have a high degree of reliability and validity.
- Highlighting the nature and importance of the recruitment and selection practices for the benefit of the future project strategies that CBE and other company can benefit from.
- Contribute to the development of the CBE which may lead to maintain and have a competitive advantage.

1.9. Scope /Delimitation of the study

1.9.1. Geographically

Recruitment and selection practice are essential to the organization in order to assign the right person for the right position to carry out the daily task of the organization. This research is delimited to CBE Head office which is found in Addis Ababa and four Addis Ababa Districts only. Due to time and financial shortage of the researcher.

1.9.2. Conceptually

Since to study all variables of the effect of recruitment and selection on organizational performance are impossible, the researcher was delimited to study the only three variables of recruitment and selection which is Internal recruitment, external recruitment and Selection, Because, if the bank have well managed such variables, the performance of the organization is increased and this leads to organization to achieve its objective, mission and vision.

1.9.3. Methodological

This study is delimited with some methodologies. The study adopts non-probability and probability sampling procedure. It allows researchers to approach target directly. Beside descriptive approach also used and primary and secondary data source also used in the study. In addition to that researcher employed both quantitative and qualitative methods of data analysis methods is used.

1.10. Limitation of the study

Every research has its own challenges. Notwithstanding, this research had its own limitations. During data collection, the researcher couldn't attend physically due to the COVID-19 pandemic disease so participants were sending their response through email in order eradicate physical contact regarding with the disease some employees were absent so it was quite difficult getting in touch with them. Due to the combination of studies and work the researcher also did have limited time, but these limitations did not affect the validity of the study.

1.11. Organization of the study

This thesis was organized in to five chapters. The first chapter dealt with the introductory part of the study, which includes back ground of the study, statement of the problem, objectives of the study, scope of the study, significance of the study, definition terms and organization of the paper

are incorporated. The second chapter provides a brief literature review regarding the research topic. The research methodology and design were discussed in the third chapter. Chapter four dealt with research analysis and interpretation of the finding and finally summery of the major findings, conclusions and recommendations were discussed under in chapter five. The survey questionnaire and the SPSS outputs that was used for data collection and analysis is attached to this document as an appendix.

1.12. Definition of Terms

Human Resources (HR): People in working environment gifted with the right ability, skills and attitude (Bratton and Gold, 2007).

Human Resources Management (HRM): Body of knowledge that encompass staffing, rewarding, employee development, employee maintenance and employee relations (Bratton and Gold, 2007)

Recruitment: is the process of generating a pool of capable candidates to apply to an organization for employment (Bratton and Gold, 2007).

Selection: is the process of making a hire or no hire decision regarding each applicant for a job. (Gomez, 1991).

Organizational performance: is a strategic and integrated approach to delivering sustained success to the organizations (Armstrong and Baron, 2004).

CHAPTER TWO

2. LITERATURE REVIEW

Chapter one broadly introduced the research aim and objectives and presented an overview of the organization of the paper. This chapter reviews critically employee recruitment and selection in organizations and from the perspective of human resource management. The development of a conceptual and empirical framework is also included.

2.1. Theoretical framework

2.1.1. *The Concept of Recruitment and Selection*

According to Windolf (1986), the choice of a particular recruitment strategy by a firm is specific to the resources available to the organization at hand and its environmental dynamics. Boxall, Purcell and Wright (2007), highlight five different questions an organization has to answer to have an effective recruitment strategy in order to pursue its survival and success. Those questions are “Whom to recruit?”, “Where to recruit?”, “What recruitment sources to use?”, “When to recruit?” and “What message to communicate?” The notion of effectiveness in this study relates to the manner by which organizations implements its employment policies. The essence is to understand whether such policies are applied appropriately in the way they have been designed.

As discussed by Jackson et al. (2009), human resource management approaches in any business organization are developed to meet corporate objectives and materialization of strategic plans. The nature of recruitment and selection for a company that is pursuing HRM approach is influenced by the state of the labor market and their strength within it. Furthermore, it is necessary for such companies to monitor how the state of labor market connects with potential recruits via the projection of an image, which will have an effect on and reinforce applicant expectations. Bratton & Gold (1999), were of the view that organizations are now developing models of the kind of employees they desire to recruit, and to recognize how far applicants correspond to their models by means of reliable and valid techniques of selection.

Also related to the success of a recruitment and selection 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 recent high school or university/technical/college graduates many of whom have not yet made clear decisions about future careers or are contemplating on engaging in advanced academic activity. At the middle levels, senior administrative, technical and junior executive positions are often filled internally. The push for scarce, high-quality talent, often recruited from external sources, has usually been at the senior executive levels. Most organizations utilize both mechanisms to effect recruitment to all levels. The focus of recruitment and selection according to Montgomery (1996), is on matching the capabilities and inclinations of prospective candidates against the demands and rewards inherent in a given job.

Odiorne (1984), postulated that the quality of recruitment practices put in place by an organization is a function of the quantity of application that will be received; he stated further that the relative effectiveness of the next human resources phase (selection) is inherently dependent upon the quality of applicant attracted. Furthermore, Smith and Robertson (1993), agreed with the above assertion by stating that the more effectively the recruitment phase is implemented and carried out, the easier and accurate the selection process becomes in making decisions on which applicant to select. Odiorne (1984), added that the result of effective recruitment and selection are the reduction on labour turnover, good employee morale and improves organization performance.

2.1.2. 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 is 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

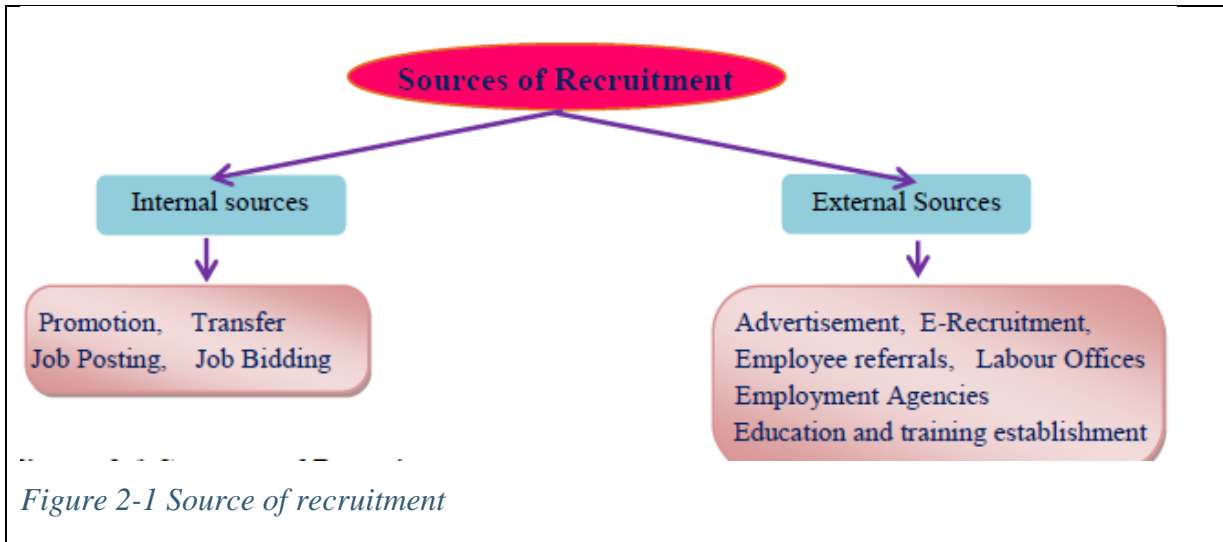
applicants. El-Kot and Leat (2008), observation is that recruitment begins with advertising existing vacancies.

- ✓ 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 applicants at the right place and time to enable applicant and the organization to select each other for their own optimum interest.
- ✓ 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.

2.1.3. Sources of Recruitment

Full-cycle recruiting is a term used by human resources specialists who manage the recruitment process from start to finish as shown in Figure 2.1. Full-cycle recruiting begins with sourcing candidates, which means looking for prospective applicants whose qualifications might be suitable for the job openings you have.



Sourcing has evolved in the past several years with the proliferation of job and career sites. Every organization has the option of choosing the candidates for its recruitment processes from two kinds of sources: internal and external sources. The sources within the organization itself like transfer of employees from one department to other, promotions to fill a position are known as the internal sources of recruitment. Recruiting candidates from all the other sources (such as outsourcing agencies etc.) are known as the external sources of recruitment.

2.1.4. Internal Sources of recruitment

Internal sources refer to recruiting employees from within the organization. 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 (2000a), 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 candidates.

Aspects of recruitment under internal sources are as follows:

- ✓ **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).
- ✓ **Transfers:** Transfer is a lateral shift causing movement of individuals from one position to another. Langseth (1995), consider transfers as being affected 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).
- ✓ **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).
- ✓ **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).

2.1.5. 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, labour office, education and training establishment (Beardwell, 2007; Cober& Brown, 2006). Details of these sources are discussed in this section.

- ✓ **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).

- ✓ **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).

- ✓ **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. HR managers offer various incentives/rewards including cash incentives to the current employees for referring the best candidates (Rajarao, 2010).

- ✓ **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).
- ✓ **Labor Offices:** are sources of certain types of workers. In some industries, such as banking, 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 non-union 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).
- ✓ **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:

- When an organization recruits externally, it opens the organization up to a larger pool of applicants, which increases its chance to find the right person for the job.
- 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 achievement for the competition allows the company to get an insider's view as to what the competition is doing to be fruitful. This provides the organization a chance to stay a step ahead of the competition.
- External recruitment provides an opportunity for a new outlook on the industry that a company may need to stay competitive.
- Bringing in new talent from the outside can help motivate the current employees to produce and attain 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 familiarize 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 progression.
- 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 (Manyonyi, 2011).

2.1.2. Definition of Selection

Mondy (2010), 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. Traditionally, it was assumed that organizations could choose amongst

applicants and that they would accept all job offers. However, attracting a large number of applicants was not the problem, but recruiting the right applicants became the main concern amongst employers (Branine, 2008). With the oversupply of unskilled applicants (Nzukuma&Bussin, 2011), it can be assumed that employers would be very careful before selecting any applicants. Employer decisions about the selection of employees are central to the operation of organizations and to a series of outcomes that matter to individuals, organizations, and society.

Amos (2004), as well as Mathis and Jackson (2006), define selection as the process of selecting the most suitable applicants. The process, according to them, is guided by predetermined selection criteria such as job descriptions, job specifications and job profiling and commences after the recruitment process has been completed. Robbins (2001), point out that the objective of the selection process is to match the applicants' ability, knowledge, skills and experience with job requirements in a fair and legal manner. This means that selection panels, in their quest to select applicants with potential. Perhaps the most basic question in this area is why employers engage in selection efforts at all.

2.1.4. Selection Process

Employer decisions about the selection of employees are central to the operation of organizations and to a series of outcomes that matter to individuals, organizations, and society. Perhaps the most basic question in this area is why employers engage in selection efforts at all. Managers who are involved in hiring employees need to understand the skills and abilities that are required in a particular job and determine which candidates have those capabilities. Interviews, reference checks, tests, applications and résumés can all help identify differences among candidates. Managers can make their selection decisions with a fuller awareness of the applicants' strengths and weaknesses (Tjosvold and Newman, 2003).

2.1.5. Screening

Screening, popularly known as short listing, is the first step after the recruitment process is completed and applications received. In this step, all the applications received by the due date are screened and those that do not correspond to the requirements stipulated in the advertisement are immediately eliminated in this step. As Cuming (1994) and Nel et al. (2009), caution, selection panels have to be careful not to discriminate against applicants with potential.

Their decisions should be guided by short-listing criteria that is developed against the job requirements stipulated in the advertisements. Furthermore, they need to ensure that enough time is set aside for short-listing.

2.1.6. Selection tests

Selection tests are often used as part of a selection procedure for occupations where a large number of recruits are required, and where it is not possible to rely entirely on examination results or information about previous experience as the basis for predicting future performance. Tests usually form part of an assessment center procedure. Intelligence tests are particularly helpful in situations where intelligence is a key factor, but there is no other reliable method of measuring it. Aptitude and attainment tests are most useful for jobs where specific and measurable skills are required, such as typing or computer programming.

Personality tests are potentially of greatest value in jobs such as selling where “personality” is important, and where it is not too difficult to obtain quantifiable criteria for validation purposes. It is essential to evaluate all tests by comparing the results at the interview stage with later achievements. To be statistically significant, these evaluations should be carried out over a reasonable period and cover as large a number of candidates as possible. In some situations, a battery of tests may be used, including various types of intelligence, aptitude and personality tests. These may be a standard battery supplied by a test agency, or a custom-built battery may be developed. The biggest pitfall to avoid is adding extra tests just for the sake of it, without ensuring that they make a proper contribution to the success of the predictions for which the battery is being used (Philipo, 2008).

2.1.7. Reference & background check

Usually advertisements require that applicants provide the names and contact details of people who can serve as referees to them in case their applications are considered. Reference checks are used to verify the information that is supplied by applicant and are usually done telephonically. Although most referees are reluctant to respond to certain questions (Mathis and Jackson, 2006), reference checks can be used to gather as much information that will be used in deciding whether to appoint or decline to appoint the applicants.

References provide the organization with other people's perceptions of the candidate's professional ability. The company should contact the candidate's previous employers and colleagues. Questions to ask references might address the candidate's creativity and initiative. This is mostly the reason why conditional job offers are given in order to check the authenticity of what the candidate provided on the application form (Snell and Bohlander, 2010). References are one of the more popular and „traditional“ tools in the selection process. However, the validity and reliability of references has been questioned, particularly with respect to their unstructured and often ambivalent nature (Heraty and Morley, 1998).

2.1.8. Interview

Interviews are virtually used by all organizations for selection purposes. In support of this, Newell and Tansley (2001), indicate that interviews are by far the most widely used personnel selection procedure. With the use of interviews, managers of organizations get an opportunity to meet the applicants directly. The interview also provides the applicants with an opportunity to also learn more about the public institution. The purpose of the selection interview is to gather as much information and to use such information to arrive at a selection decision (Redman & Wilkinson, 2001:31). During the interview, panel members (interviewers) normally pose questions to which the interviewee is expected to respond. Responses to the questions are often captured by means of scores as determined by the interviewers. The applicant that obtains the highest score is recommended for appointment (Wilkinson, 2001:32). Because of interview ambiguity, efforts must be made to ensure that all interviewees are being asked the same questions (Gomez-Majia et al., 2004:175).

2.1.9. Physical Examination

Applicants are often expected to undergo test(s) to determine if they are fit to perform the job, should they be appointed. The most common example of the employment tests that applicants often undergo is a medical examination. Medical examination, also referred to as preplacement medical testing, is conducted only where the applicants are required to use physical strength to successfully perform their duties (Mathis and Jackson, 2006).

2.1.10. Job Offer

The next step in selection process is job offer to those applicants who have crossed all the previous hurdles. In other words, it is the last step in the selection process. Development of an offer via e-mail or letter is sometimes a more formal part of this process.

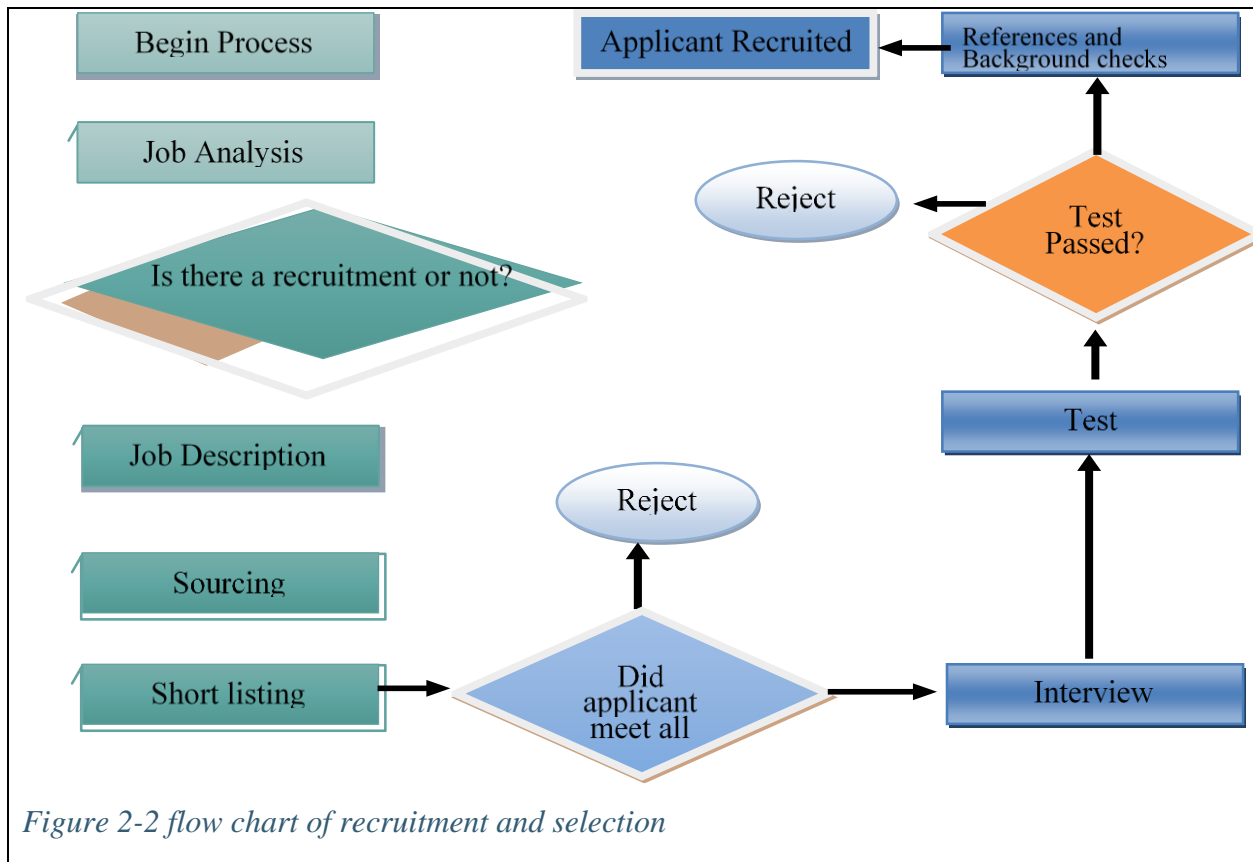
2.2. Improving the Effectiveness of Recruitment and Selection

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.

2.3. Staff Recruitment and Selecting Plan

This flow chart is aimed at enabling employers to recruit the right people for the right job. It was realized that most companies did not have standard procedures it followed in recruiting staff. This resulted in an inability to recruit the right caliber of personnel, which lead to poor performance, hence the need for a plan such as a flow chart for staff recruitment and selection plan as shown in



Source: Richardson (2012)

According to Jackson et al. (2009), recruitment involves searching for and obtaining qualified applicants for the organization to consider when filling job openings. The aim of this plan is to buttress the assertion of Richardson (2012), which states that acquiring high quality staff is critical to an organization's success. The proposed plan is in two parts that is the recruitment process and methods and selection process and methods.

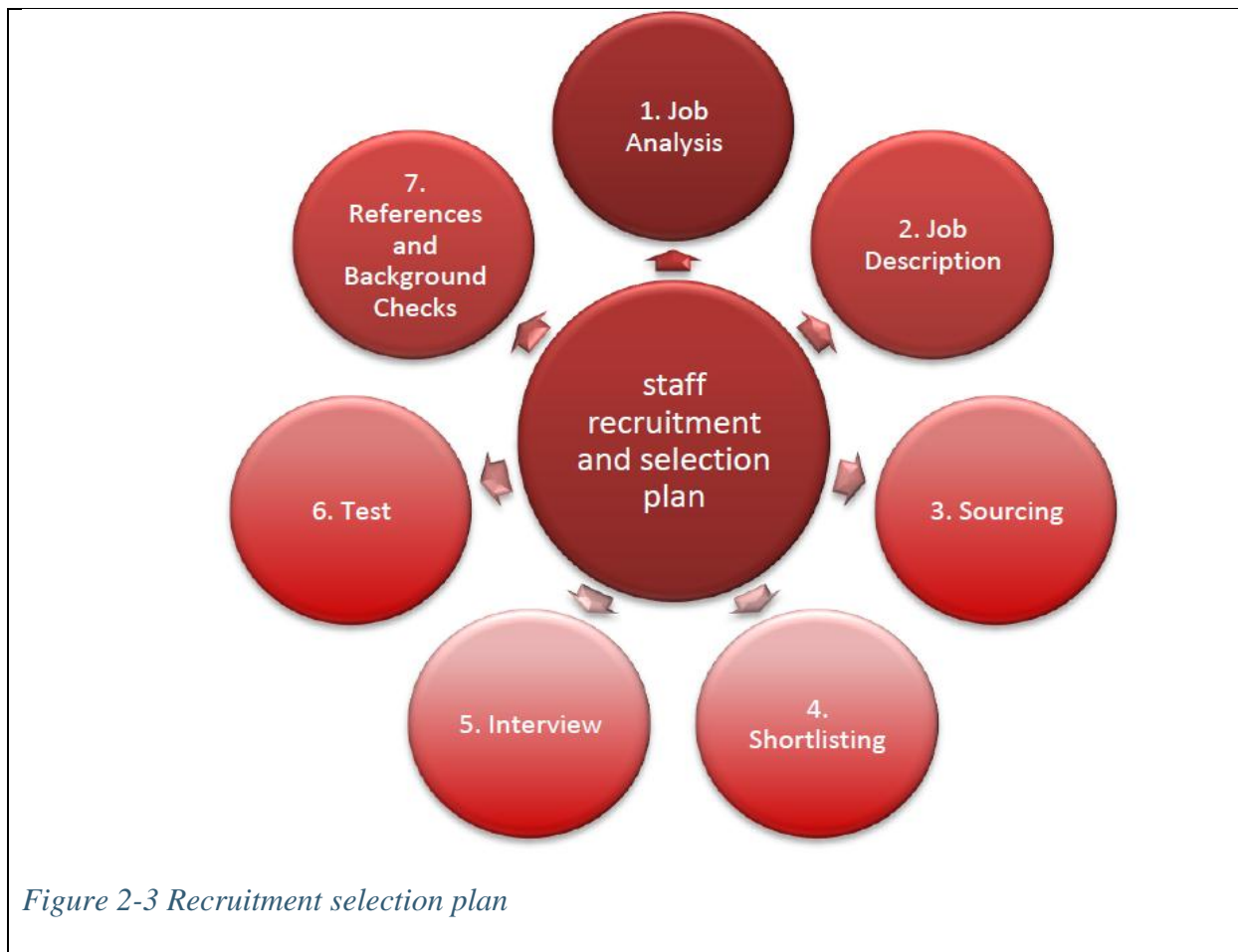


Figure 2-3 Recruitment selection plan

Source: Richardson (2012)

The recruitment process, (shown in *Figure 2.2*-flow chart), is the first process, followed by the selection process in recruitment and selection which is outlined in *Figure 2.3*.

2.4. Challenges of Recruitment and Selection

According to Cooper (2003) recruitment and selection of employees is the most important job of a Human Resource person. 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 labor 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 has 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).

Conducting a thorough job analysis and identifying the right caliber of candidates bring about a good blend between applicants and the job. Argument has been given that under qualified employees may not be able to effectively perform their job positions due to lack of knowledge and competencies, while on the other hand over qualified employees tend to experience less job satisfaction due to their higher qualification than a desired level for a given job. For every job in the organization as Armstrong (2006), identified, there are stages by which a thorough job analysis must aim to achieve -defining requirements, preparing job descriptions and specifications; deciding terms and conditions of employment, attracting candidates, and reviewing and evaluating alternative sources of applicants inside and outside the organization. Job analysis process generates information which is converted into tangible outputs of a job description and a person specification, that is what has to be done and who does it before recruiting for a new or existing position. It is important to invest time in gathering information about the nature of the job since it prescribes relevant personal qualities and attitudes as well as skills and knowledge required for the job (Pilbeam and Corbridge, 2006).

Organizations in the selection process use methods such as application forms, interviews, formal tests, references, assessment centers and official transcripts. An organization needs to choose a method that is most appropriate to the job positions. HR experts generally drive the staffing process and the purpose of the staffing is to fulfill the requirements of business, and the skill levels presented by each new recruit is likely to be judged better if the line managers are involved in the recruitment and selection process. In business strategy implementation, the involvement of line managers in the entire staffing process (that is, drafting of job descriptions, setting selection criteria and being on the panel of recruitment) is vital for ensuring recruitment and selection to meet business needs. In other words, the line managers are the owner of the recruitment and selection process along with HR playing a facilitator role. (Dess and Jason, 2001).

Organization that are less selective or hire lower-skilled employees are likely to experience significant effects on productivity, while hiring a mismatched employee can result in poor performance and higher turnover rates (Batt, 2002). Scholars have argued that other key issues and controversies run through analyses of human resource management and recruitment and selection: efficiency, control, and the difficulty of orienting practice towards social justice are often cited. The first two problematics, as (Burton, 2001) notes, have been central to the management of people for as long as managers have been present in organizations. The latter is also common across all organizations, but is a particular academic and policy concern for smaller or growing organizations (Burton, 2001).

In recruitment and selection practice, the construction of formalized selection frameworks and norms of acceptable discrimination maybe seen as an attempt to enable managers to navigate between efficiency, control and social justice. In their advice on how to achieve the perfect fit of person, organization and job, they argue that selecting on the basis of managerial opinion is utterly unscientific and unreliable and that managers are liable to be turned this way and that by the most inconsequential of considerations. In place of this unsatisfactory state of affairs, these scholars propose that the physical self-provide the key to unlocking the inner secrets of the individual seeking employment, and therefore should inform the selection process. The underlying philosophy of this process is that everything about man indicates his character and as much information as possible should be collected to inform a decision- making.

Recruitment may be conducted internally through the promotion and transfer of existing personnel or through referrals, by current staff members, of friends and family members. Where internal recruitment is the chosen method of filling vacancies, job openings can be advertised by job posting, that is, a strategy of placing notices on manual and electronic bulletin boards, in company newsletters and through office memoranda. Internal recruitment does not always produce the number or quality of personnel needed. According to McKenna & Beech (2002), some of the organizations traditionally taken the employees from education institutions have operated many processes to recruit the young people, who are in their final year or just completed their studies. In such an instance, the organization needs to recruit from external sources, either by encouraging employee referrals; radio advert, TV advert, newspaper advert, professional association, employment agents, door to door, telephone, recruitment from school, job fairs, talent hunt, job proofing, initial job offer and the use of labor office.

2.5. 2.7 The Relationship between Recruitment and Selection, and Organizational Performance.

The effective recruitment and selection of employees is a fundamental HRM activity, one that if managed well can have a significant impact on organizational performance as well as lead to a more positive organizational image, recruitment and Selection are vital processes for a successful organization, having the right staff can improve and sustain organizational performance. Also, effective recruitment and selection is central and crucial to the successful functioning of the organization as it depends on finding people with the necessary skills, expertise and qualifications to deliver the organization's strategic objectives and the ability to make a positive contribution to the values and aims of the organization, Sisson (1994).

on the other hand, better recruitment and selection strategies result in improved organizational outcomes. The more effectively organizations recruit and select candidates, the more likely they are to hire and retain satisfied employees. In addition, the effectiveness of an organization's selection system can influence bottom-line business outcomes, such as productivity and financial performance. Hence, investing in the development of a comprehensive and valid selection system is money well spent Hall and Torrington (1998).

Recruitment, as a human resource management function, is one of the activities that impact most critically on the performance of an organization. Recruitment and selection also has an important role to play in ensuring worker performance and positive organizational outcomes. It is often claimed that selection of workers occurs not just to replace departing employees or add to a workforce but rather aims to put in place workers who can perform at a high level and demonstrate commitment.

Recruitment and selection play a pivotally important role in shaping an organization's effectiveness and performance, if work organizations are able to acquire workers who already possess relevant knowledge, skills and aptitudes and are also able to make an accurate prediction regarding their future abilities, recruiting and selecting staff in an effective manner can both avoid undesirable costs for example those associated with high staff turnover, poor performance and dissatisfied customers and engender a mutually beneficial employment relationship characterized, wherever possible, by high commitment on both sides. Pilbeam and Corbridge, (2006) provide a useful overview of potential positive and negative aspects noting that: The recruitment and selection of employees is fundamental to the functioning of an organization, and there are compelling reasons for getting it right. Inappropriate selection decisions reduce organizational effectiveness, invalidate reward and development strategies, are frequently unfair on the individual-recruit and can be distressing for managers who have to deal with unsuitable employees. " Recruiting and selection is very important for the survival of every organization but that does not end there, new recruits need to be developed and appraised from time to time in order for them to be abreast with new trends and challenges. When employees are developed it help increase their performance and help sustain the growth of organizations.

2.6. Empirical framework

- Jonathan, Moses and Willis (2012) studied recruitment and selection on the performance of SMEs in Kisumu Municipality, Kenya. Kenya has 1.6 million SMEs, constituting 96% of business enterprises, employing 75% of the labour force and contributing 20% to GDP. But their performance has been poor in the last decade. The study found that the

overall average performance of SMEs in Kisumu Municipality was 60.71%. There was a significant positive correlation between recruitment and selection, and performance of SMEs at $\alpha = .01$. The average performance of SMEs with good recruitment and selection was 81.90%; with moderate was 67.94%, with poor was 53.90%. Recruitment and selection account for 40.8% of the total variance in the performance of SMEs. The study concludes that recruitment and selection have a significant on the performance of SMEs in Kisumu Municipality. However, it did not look internal recruitment, external recruitment and selection as an independent variable.

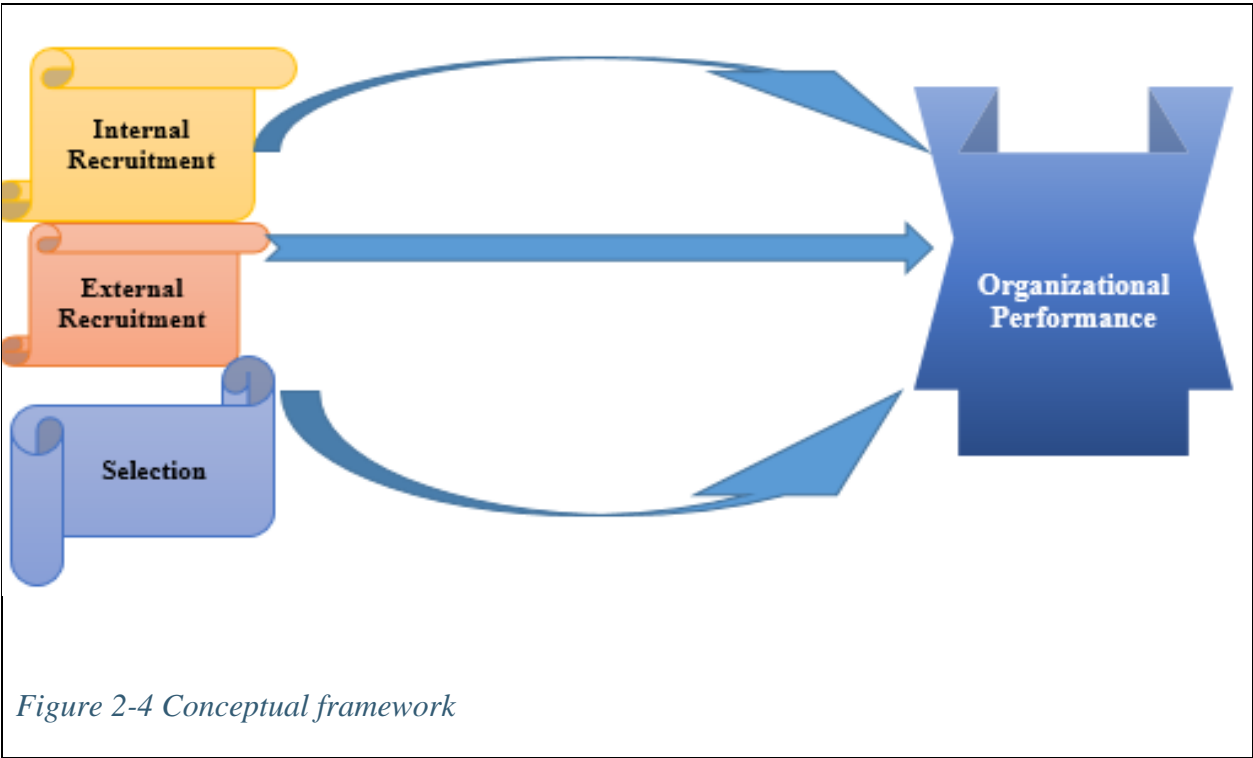
- Enguday (2017) carried out a study on the effect of internal recruitment practice on job satisfaction. From the analysis the coefficient of determination (the adjusted r square), = 0.394. This figure tells that employee satisfaction is considerably impacted by The Internal Recruitment and Selection practice at CBE. This is to say that 39.4% of the employee satisfaction is resulted from their view/perception (which said to form the beholders reality) of the Internal Recruitment and Selection practice at the bank. However, the study only focuses on the effect of internal recruitment on job satisfaction which did not show the direct relationship between the effect of internal recruitment on organizational performance.
- Ekwoaba, J.O., Ikeijie, U.O, Uforma, N (2015) carried out a study on the effect of recruitment and selection criteria on organizational performance. The study was carried out in Lagos using Fidelity bank Plc. The analysis of 130 valid responses obtained through a questionnaire administered to randomly selected respondents revealed that recruitment and selection criteria have significant on organization's performances. Also, the more objective the recruitment and selection criteria are the better the organization performance. However, it lacks considering internal recruitment, external recruitment and selection as an independent variable and each independent variable significance on organizational performance which is the dependent variables.

2.7. Conceptual Framework

Recruitment and selection is characterized finally by potential difficulties and it is necessary to keep abreast of developments in research in this field. One of the assets of every organization

is its employees. To engage and employee's services the employer needs to undertake recruitment by creating a pool of applicants, which mainly leads to the selection of qualified people to work in the organization. Recruitment and selection also has an important role to play in ensuring worker performance and positive organizational outcomes. Two main sources of recruitment were identified - internal and external source of recruitment. The components of internal source of recruitment consists of transfers, promotions, job positing and job bidding.

Conceptual Diagram of Recruitment and Selection



Source: Researcher

Whilst the external source of recruitment is advertisement, e-recruitment, employee referrals, employment agencies, labor office and educational and training establishment. Selection process followed recruitment which entails, initial screening, interview, selection test, job offer that mostly leads to organizational performance. The conceptual framework explaining recruitment and selection practices in organization as shown in Figure 2.4.

Performance is a multi-dimensional construct, the measurement of which varies depending on a variety of factors. It is important to determine whether the measurement objective is to assess performance outcomes or behavior.

Latham, Sulsky and Macdonald (2007) emphasize that an appropriate definition of performance is a prerequisite for feedback and goal setting processes. They state that a performance theory is needed that stipulates:

- The relevant performance dimensions;
- The performance standards or expectations associated with different performance levels;
- How situational constraints should be weighed (if at all) when evaluating performance;
- The number of performance levels or gradients;
- The extent to which performance should be based on absolute or comparative standards.

There are different views on what performance is. It can be regarded as simply the record of outcomes achieved. On an individual basis, it can be a record of the person's accomplishments. Performance is something that the person leaves behind and that exists apart from the purpose. Performance could be defined as the outcomes of work because they provide the strongest linkage to the strategic goals of the organization, customer satisfaction, and economic contributions. Also, performance is about outcomes but the concept is linked to the idea of a balanced scorecard. Fletcher (2001) mentions, contextual performance deals with attributes that go beyond task competence and that foster behavior's that enhance the climate and effectiveness of the organization.

The Oxford English Dictionary defines performance as: „The accomplishment, execution, carrying out, working out of anything ordered or undertaken This refers to outputs/outcomes (accomplishment) but also states that performance is about doing the work as well as being about the results achieved. Performance could therefore be regarded as behavior - the way in which organizations, teams and individuals get work done.

Performance is behavior and should be distinguished from the outcomes because they can be contaminated by systems factors. A more comprehensive view of performance is achieved if it is defined as embracing both behavior and outcomes.

Performance means both behavior's and results. Behaviors emanate from the performer and transform performance from abstraction to action. Not just the Instruments for results, behaviors are also outcomes in their own right -the product of mental and physical effort applied to tasks - and can be judged apart from results.

This definition of performance leads to the conclusion that when managing the performance of teams and individuals both inputs (behavior) and outputs (results) need to be considered.

This is the mixed model of performance management that covers competency levels and achievements as Well as objective setting and review. And it is this model that research (Armstrong and Baron, 2004) has shown to be the one that is now interesting many organizations. Performance can be said to be more concerned with measuring performance. Performance is the behavior or action relevant to the attainment of the organization's goals that can be scaled, that is, measured.

2.8. Organizational Performance

Organizational performance can be defined as a strategic and integrated approach to delivering sustained success to the organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors (Armstrong and Baron, 2004).

2.8.1. Purpose of performance management

Performance management is a means of getting better results from the organization, teams and individuals by understanding and managing performance within an agreed framework at planned goals standards and competence requirements. It is a process for establishing and developing, and an approach to managing and developing people in a way that increases the probability that it will be achieved in the short and longer term. It is owned and driven by line management.

2.8.2. Underpinning Theories

The following three theories underpinning performance management have been identified by Buchner (2007).

2.8.3. Goal Theory

Goal theory as developed by Latham and Locke (2006) highlights four mechanisms that connect goals to performance outcomes:

1. They direct attention to priorities,
2. They stimulate effort,
3. They challenge people to bring their knowledge and skills to bear to increase their chances of success; and
4. The more challenging the goal, the more people will draw on their full repertoire of skills.

This theory underpins the emphasis in performance management on setting and agreeing objectives against which performance can be measured and managed. Goals inform individuals to achieve particular levels of performance, in order for them to direct and evaluate their actions; while performance feedback allows the individual to track how well he or she has been doing in relation to the goal so that, if necessary, adjustments in effort, direction or possibly task strategies can be made. Goal theory supports the agreement of objectives, feedback and review aspects of performance management.

2.8.4. Control Theory

Control theory focuses attention on feedback as a means of shaping behavior. As people receive feedback on their behavior, they appreciate the discrepancy between what they are doing and what they are expected to do and take corrective action to overcome it. Feedback is recognized as a crucial part of performance management processes.

2.8.5. Social Cognitive Theory

It is based on his central concept of self-efficacy. This suggests that what people believe that they can or cannot do powerfully impacts on their performance. Developing and strengthening positive self-belief in employees is therefore an important performance management objective.

2.9. Summary of Literature

The main intention of this chapter was to explain the theory of recruitment and selection. Through the research, it became evident that there is an abundance of research on recruitment and selection processes, mainly on how they are undertaken in organizations. In this chapter, the study revealed recruitment definitions by different authors. Internal, external sources of recruitment and selection

were identified. Selection process used to fish out qualified employees who possess the required abilities, skills and behaviors was detailed explained. The study also revealed challenges during recruitment and selection by organizations and the effect of recruitment and selection practices on organizational performance. Improving the effectiveness of recruitment and selection was briefly discussed.

CHAPTER THREE

3. RESEARCH METHODOLOGY

This chapter explains how the research is conducted. It starts with a brief definition of research, the research design, strategy, then followed by the method and procedures that is used in collecting data, the population, sampling size and sampling technique, data collection and data analysis.

Research is something that people undertake in order to find out things in a systematic manner, thereby increasing their knowledge. It is noted that this definition captures two significant phrases: “systematic way” and “to find out things”. “Systematic” suggest that research is based on logical relationships and not just beliefs (Saunders and Thornhill, 2009). It portrays the exact idea the researcher is carrying out (William, 2001). “To find out things” suggests that, there are multiple possibilities or purposes for your research. These may include describing, explaining, understanding, criticizing, and analyzing. Research methodology can be described as the framework associated with a particular set of assumptions that can be used to conduct research (O’Leary, 2004). Research methodology also involves considering the methods of data collection and the theories and concepts underpinning the research topic.

3.1. Research Design

Research design is blueprint for fulfilling research objectives and answering research questions. It is the general plan of how the research questions would be answered and it is the conceptual structure with which research is conducted (Saunders et al., 2007). In other words, it is a master plan specifying the methods and procedures for collecting and analyzing the needed information. It ensures that the study is relevant to the problem and that it uses economical procedures. The types of research design, namely exploratory (emphasizes discovery of ideas and insights), descriptive (concerned with determining the mean and standard deviation with which an event occurs or relationship between variables) and explanatory (concerned with determining the cause and effect relationships).

According to Kothari (1990), descriptive research design is employed for detail description of the findings that going to displayed in tables, charts and determining the mean and standard deviation with which an event occurs or relationship between variables while explanatory research design,

to explain ,understand, predict and control the cause and effect relationships between the effect of recruitment and selection on organizational performance.

Therefore, the researcher employed both descriptive and explanatory design in the analyzing of independent and dependent variables about the effect of recruitment and selection on organizational performance. The data obtained from 377 sample employees who are working in 4 districts and head office in commercial Bank of Ethiopia.

3.2. Research Approach

The research is based on the effect of recruitment and selection on organizational performance in the case of Commercial Bank of Ethiopia. Quantitative and qualitative analysis used as the research strategy to achieve the research aim of investigating into the effect of recruitment and selection adopted by these firm.

3.2.1. Quantitative Research

“Quantitative research allows the researcher to familiarize him/herself with the problem or concept to be studied, and perhaps generate hypotheses to be tested.” (Golafshani; 2003) Quantitative research seeks to quantify the collected data for analyzing, and find a final course of the action. It is based on statistics; the objects are large number of respondents and it is structured. In the thesis quantitative method is used to gather the information from the employees about the effect of recruitment and selection on organizational performance. With the help of quantitative research method, it is easy to have a clear and scientific view on the opinions by having them on questionnaires and analyze with the help of SPSS, and to interview one or some of the employees about their thoughts does not present all employees opinions; moreover, it is not possible to interview every employee individually.

3.2.2. Qualitative Research

Burns and Grove (2003) describe a qualitative approach as “a systematic subjective approach is used to describe life experiences and situations to give them meaning”. Parahoo (1997) states that qualitative research focuses on the experiences of people as well as stressing uniqueness of the individual. Holloway and Wheeler (2002) refer to qualitative research as “a form of social enquiry that focuses on the way people interpret and make sense of their experience and the world in which

they live”. Researcher use the qualitative approach to explore the behavior, perspectives, experiences and feelings of people and emphasize the understanding of these elements.

This study focuses on the effect of recruitment and selection on organizational performance in the case of Commercial Bank of Ethiopia. The research approach is assumed to be qualitative as well as quantitative type which is mixed approach.

3.3. Population, sampling size and Sampling procedure

3.3.1. Target Population

The term population refers to the entire group of individuals, objects or event having common observable characteristics in which the research is interested in studying. According to Doku (2011), population of a study constitutes all individual items or organization whose contribution is primarily providing relevant information to the research.

Therefore, as per CBE data base half year report as of December 31, 2019, CBE has 37,847 employees who are working in 1,456 branches which managed by 15 districts all over Ethiopia. So, the target population for the study consisted of 15,947 employees, who work at Head Office and Four Addis Ababa area districts (North Addis Ababa District, South Addis Ababa District, West Addis Ababa District and East Addis Ababa District). According to the Bank’s Job classification of clerical employees.

3.3.2. Sampling size

The researcher tried to calculate the sample size after determining the target population. In addition to population, purpose of the research, population size, the level of precision or sampling error, the level of confidence or risk level and the degree of variability or the distribution of attributes in the population determine the appropriateness of the sample size (Miaoulis & Michener, 1976).

Therefore, the sample size is determined by using Yamane (1967), sample size determination formula, He recognized that if the target population is large the sampling method with an error of 5% in which the true value of the population estimated and confidence coefficient of 95% in which 95 out of 100 sample have the true population value within the range of precision. As the result, the researcher has determined the total sample size as follows.

$$n = \frac{N}{1 + N(e)^2} = \frac{15947}{1 + 15947(0.05)^2} = 390$$

n=390

Where;

- ✚ n is the sample size,
- ✚ N is the target population size, and
- ✚ e is 5% the level of precision.
- ✚ 95% confidence level

Table 3 1 Total Number of Target population

SN	Branch/Process	Sample Population Taken
1	Selase Branch	15
2	Arat Kilo Branch	16
3	Arada Ghiorgis Branch	17
4	Mehal Ketema Branch	15
5	Ethioa China Road Branch	12
6	Adwa Park Branch	16
7	Geazahegn Yilma Branch	18
8	Senga Tera Branch	14
9	Gofa Mazoria Branch	10
10	Bomb Tera Branch	18
11	Berbere Berenda Branch	15
12	Addisu Michael Branch	14
13	Kara Kore Branch	8
14	Geja Sefer Branch	27
15	EAAD office	22
16	NAAD office	25
17	SAAD office	27
18	WAAD office	32
19	Talent Acquisition process	12
20	PM process	10
21	HR Transaction mgt	10
22	HR partnering	10
23	Training & Development	8
24	Fraud Investigation team	5

25	District support team	5
26	Training Operation	9
<u>Total</u>		<u>390</u>

Source: researcher

3.3.3. Sampling Procedure

Sampling is the process of selecting observations (Babbie, 2008). The two types of sampling are probability and non-probability sampling. The simple random sampling technique under the probability sampling is used to select respondents from the employees with the exception of the Human Resource Department. This is because the population have an equal chance of being selected. Significantly, the purposive sampling technique, which is a non-probability sampling technique is used to select respondents who deal directly with recruitment and selection from the Human Resource Department. This is because the researcher wants to deal with only typical cases based on the objectives of the study.

3.4. Data Sources and Data Collection Method

3.4.1. Data Sources

Both primary and secondary data is used to complete the information needed.

- The primary data is obtained using the survey method. These include the distribution of questionnaires and collection of data from key respondents and HR professionals pertaining to the commercial bank of Ethiopia. In order to achieve the aim and objectives of the study well designed questionnaire with both close-ended and open-ended questions is formulated to gather information from appropriate respondents.
- Secondary data is data collected by someone other than the user. A clear benefit of using secondary data is that much of the background work needed has already been carried out or analyzed (Funsho, 2012). Because the data already exist, you can evaluate them prior before using it. These include policy documents, newspapers, website, journals, articles, reports, bulletins, newsletters. The secondary source is to get a deeper understanding of published information on worker recruitment and selection within commercial bank of Ethiopia.

3.4.2. *Methods of data collection*

The data collection is a very critical aspect for acquiring all the necessary data to properly conduct this type of research. The data have been collected by using two sources; the primary and secondary data sources.

Primary data: primary data are helpful to get original information from the respondents themselves to know their opinions, feelings, attitudes and perceptions towards a particular issue. Furthermore, to collect the primary data the study used proper instruments like questionnaire.

Questionnaire is a printed list of questions that respondents are asked to answer and distributed to sample respondents of CBE doesn't require face to face contact. This questionnaire can be in the form of closed ended or open-ended questionnaires. The former shows there are limited options provided by the researcher in which respondents select one of them when it is appropriate to them but they cannot write any answers in a statement form rather than encircling one of the available options on the questionnaire. Moreover, the closed-ended questionnaire is used rating type of questions in which a rating device is used to record responses. Rating questions are often used to collect opinion data and most frequently used Likert-style rating scale in which the respondent is asked how strongly she/he agrees or disagrees with a statement or series of statements, usually on a four, five, six, or seven-point rating scale (Saunders *et al*, 2007).

The latter is characterized by giving chances to respondents to explain their reactions, feelings, experiences, etc. in a statement from using the space provided on the questionnaire. This study distributed both closed and open-ended questionnaires to the sample respondents.

Secondary data: such type of data involves different sorted data made, adjusted and filed by a third party and hence secondary. This study used books, website, reputable journals which are listed under the bibliographic heading and important documents of the bank like magazines, brochures and reports.

3.5. **Data analysis method**

The data is analyzed using the Statistical Package for Social Science (SPSS) for the quantitative analyses. First, this study examined descriptive statistics for the general information and for the overall knowledge about recruitment and selection practice of respondents. Second, the study

employed Pearson product moment correlation and regression analyses to check simple and causal relationship between the variables. However, for the qualitative analyses simply narrative analysis is used.

3.5.1. Statistical Methods

For the purposes of testing the research hypotheses, a number of statistical techniques were employed. These include both descriptive and inferential statistical techniques.

3.5.2. Descriptive statistics

Descriptive statistics describe the phenomena of interest (Sekaran, 2003) and is used to analyze data for classifying and summarizing numerical data. It includes the analysis of data using frequencies, dispersions of dependent and independent variables and measures of central tendency and variability and to obtain a feel for the data (Sekaran, 2003). The mean and standard deviation is used to describe the data obtained from the independent variables and the dependent variable. The results of the general information are based on the frequencies and percentages obtained from the sample respondents' characteristics.

3.5.3. Inferential statistics

Inferential statistics allow the researcher to present the data obtained in research in statistical format to facilitate the identification of important patterns and to make data analysis more meaningful. According to Sekaran (2003), inferential statistics is employed when generalizations from a sample to population are made. The statistical methods used in this research include the Pearson Product Moment Correlation as well as regression analyses.

3.5.4. The Pearson Product Moment Correlation

For the purposes of determining whether a statistically significant relationship exists between recruitment and selection and organizational performance, the Pearson Product Moment Correlation Coefficient is used. It provides an index of the strength, magnitude and direction of the relationship between variables (Sekaran, 2003).

3.5.5. Regression analyses

Regression is a statistical technique that is used for studying the relationship between the dependent variable and independent variable (s). It provides a method to predict the changes in the

dependent variable in response to changes in either a single or more than one independent variable. Hence, it allows the researcher to determine the relative importance of each predictor as well as to ascertain the contribution of the independent variables (Sekaran, 2003). Therefore, in this study recruitment and selection is the independent variables and organizational performance is the dependent variable.

3.6. Validity and Reliability

The analysis of data would be sufficiently adequate to reveal its significance and the methods of analysis used should be appropriate. The validity and reliability of the data is checked carefully. Validity and reliability of scores on instruments, additional standards for making knowledge claims, lead to meaningful interpretations of data.

3.6.1. Validity

Validity refers to the extent to which an instrument measures what is supposed to measure. Data need not only to be reliable but also true and accurate. If a measurement is valid, it is also reliable (Joppe 2000). In order to ensure the quality of this research content validity of the research instrument is checked. The content validity is verified by the advisor of this research, who looks into the appropriateness of questions and the scales of measurement. Peer discussion with other researchers also were conducted since it is another way of checking the appropriateness of questions. Moreover, this is done to find out whether the developed instruments measures what it is meant to measure and also to check the clarity, length, structure and wording of the questions. This test helps the researcher to get valuable comments to modify some questions.

3.6.2. Reliability

Reliability has to do with the accuracy and precision of a measurement procedure. So that copies of the questionnaire are distributed to twenty respondents as a pilot test who are not participate in the main research. Cronbach alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of the instrument. According to statistical interpretation, the closer the reading of Cronbach Alpha to digit 1, the higher the reliability is in internal consistency. In general, reliabilities less than 0.60 are considered to be poor, those in the 0.70 range are acceptable and those over 0.80 are good. (Hence Cronbach's Alpha is utilized and calculated to test the accuracy or dependability or, as we usually call it, reliability of the research instrument.

Table 3.1 Reliability Statistics

Variables	Cronbach's Alpha	N of Items
Internal Recruitment	0.872	5
External Recruitment	0.951	8
Selection	0.734	15
Organizational Performance	0.701	9
Over all variables	0.814	37

Source: Sample survey (2020)

The research Questioners were developed from related studies and conceptualizing based on research questions and objectives, and hence the questioners are consistent with the objective of the study and are also reliable.

3.7. Ethical Consideration

It is necessary to look at the ethical implications of what a researcher is proposing to do. Most ethical issues fall in to one of four categories: protection from harm, informed consent, right to privacy, and honesty with professional colleagues (Paul D. Leedy & Jeanne Ellis Ormrod, 2005.) Therefore, taking the nature of this study under consideration, participants have been told the nature of the study to be conducted and given the choice of either participating or not participating because any participation should be strictly voluntary. More specifically, for ethical clearance the study confirmed containing the following information:

- A brief description of the nature of the study
- A description of what participation involve, in terms of activities and duration
- The guarantee that all response remains confidential and anonymous as a result respondent are not asked to write their names, their telephone numbers and their specific address so that their private secrets never been disclosed.
- The researcher reports the findings in a complete and honest fashion and give appropriate credit where credit is due and acknowledge any indebtedness to others.

CHAPTER FOUR

4. DATA PRESENTATION AND ANALYSIS

This section deals with the analysis and interpretation of data collected to determine the effects of recruitment and selection on organizational performance. Therefore, this chapter would present a discussion of the final results and the process through which the results were obtained. The statistical methods of analysis, which included a descriptive analysis such as means and standard deviation beside percentage and frequencies also used when it is necessary and the inferential statistics (correlation and regression analysis) is used.

The statistical analysis was made through statistical package for social science (SPSS version of 24.0) to analyze the relation between independent and dependent variables. For the purpose of the study **multiple linear regression** models was also employed. Tables and charts were also being used to ensure easily understanding of the analysis.

The sample size of the research was 390. However, the researcher estimates that there would be a probability that participants may not respond since most questionnaires' are distributed through email due to the pandemic disease COVID-19 and believe the reliability would be decreased. As a result, the researcher decides to distribute more than the sample size which is a total of 400 questionnaires were distributed to the sampled managerial and professional respondents during the month of April and May, 2020 for CBE Addis Ababa districts. The proportion of the questioners were distributed to CBE branches were 215. The name of the branches are Selase, Arat Killo, Arada Ghiorgis, Mehal Ketema, Gezahegn Yilma, Senga Tera, Ethio China Road Branch, Adwa Park Branch, Gofa Mazoria Branch, Bom Tera Branch, Berbere Berenda Branch, Addisu Michael Branch, Kara Kore Branch, Geja Sefer Branch, Beside 185 questionnaires also distributed to East Addis Ababa District office, North Addis Ababa District office, South Addis Ababa District office West Addis Ababa District Office, Head Office Talent acquisition team, Performance Management team, HR shared service team, HR partnering team, training and development team, Fraud Investigation team, District support team and Training Operation team among 400 questionnaires 377 questionnaires are returned which is above the sample size.

4.1. Respondents' Demographic Description:

Table (4-1) below shows the general characteristics of the respondents in terms of gender, age, education, years of experience in the company and Job category.

Table 4- 1 Demographic Characteristics of respondents

Gender		
	Frequency	Percent
Male	219	58.1
Women	158	41.9
Total	377	100.0
Age		
	Frequency	Percent
20 and below	1	0.3
21-29	194	51.5
30-39	124	32.9
40-49	52	13.8
50 and above	6	1.6
Total	377	100.0
Educational Background		
	Frequency	Percent
Diploma	6	1.6
First Degree	250	66.3
Second Degree and above	121	32.1
Total	377	100.0
Work Experience		
	Frequency	Percent
1-5	140	37.1
6-10	153	40.6
11-15	67	17.8
16 and above	17	4.5
Total	377	100.0
Job Category		
	Frequency	Percent
Professional	272	72.1
Managerial	105	27.9
Total	377	100.0

Source: Researcher's field survey 2020

Gender: with a total of 377. Most of the respondents are males with 219 (58.1%) while females rated 158 (41.9%). This indicates that most of the employees that worked in CBE are males.

Age: The highest percentage of the respondents' ages were less than 30 years with total number of 195 (51.8%), then 30 years to 40 years with a total of 124 (32.9%), then ages from 40 years to 50 years with a total number of 52 (13.8%), and ages above 50 were 46 (1.6%). This indicates that the average of ages of the employees are between 20 years to less than 30 years which is CBE is filled with young and energetic man power.

Educational level: Most of the respondents were holding first degree with a total number of 250 (66.3%), the master or second degree and above 121 (32.1%), employees with a diploma were a total number of 6 (1.6%). Majority of respondents have minimum first degree which is CBE man power is filled with educated human resource.

Work Experiences: The majority of the respondents' experiences in the company ranged between 6-10 years with a total number of employees 153 (40.6%), then less than 5 years with a total number of 140 (37.1%), then on the range of 11-15 years of experiences in the company with a total number of 67 (17.8%), finally above 16 years are 17 (4.5%). Majority of respondent's experience fall below 10 years which is CBE employees have enough experience and there is wide pool of succession for next higher position if and only if the bank can retain the employees.

Job Category: Most of the respondents' work in professional area with a total number of 272 (72.1%), then with a total number of 105 (27.9%) are those who are at managerial category. It implies the study compromise both professional and managerial job category.

4.2. Normality Test:

A normality test is used to determine whether sample data has been drawn from a normally distributed population (within some tolerance). The researcher conducted the Skewness and Kurtosis test. Skewness is a measure of symmetry, or more precisely, the lack of symmetry. A collected data is symmetric if it looks the same to the left and right of the center point. Furthermore,

Kurtosis is a measure of whether the data are heavy-tailed or light-tailed relative to a normal distribution. (West et al., 1995).

According to Sekaran, (2003), if the value of Skewness is less than 1 and the value of Kurtosis is less than 7, then it indicates that the sample of this study represents the study population and the results could be generalized to CBE context.

Skewness and Kurtosis test are used to test the normality of the data. Following table shows that Skewness results ranged between (-0.235 to -0.165) whereas Kurtosis results ranged between (-1.132 to -0.252). As shown in table 4.2. so that the data collected is normally distributed and was used to conduct this study.

Table 4- 2 Normality distribution of study variables

Normality Distribution Statistics

	N		Mean	Std. Deviation	Skewness	Std. Error of Skewness	Kurtosis	Std. Error of Kurtosis
	Valid	Missing						
Internal Recruitment	377	0	3.431299735	.8048897490	-.235	.126	-.434	.251
External Recruitment	377	0	3.25531	.446308	.086	.126	-.252	.251
Selection	377	0	3.742137173	.7326818180	-.002	.126	-.974	.251
Organizational Performance	377	0	3.089596228	.8010464150	.165	.126	-1.132	.251

Source: Researcher’s field survey 2020

4.3. Descriptive Analysis of Study Variables:

4.3.1. Independent variable

The First Dimension: Internal Source of recruitment:

The researcher extracted arithmetic mean and standard deviation of the sample described Answers about the paragraphs below, as shown in table 4-.3.

So that Mean score < 3.39 was considered as low, the mean score from 3.40 - 3.79 was considered as moderate and mean score > 3.8 was considers as high as illustrated by comparison bases of mean of score of five-point Likert scale instrument (Zaidaton & Bagheri, 2009).

Table 4- 3 Response on internal recruitment of the bank.

		The internal source of recruitment of the bank is rational, acceptable and fair.	CBE uses transfer in order to fill vacant posts	CBE uses promotion in order to fill openings	The Human Resource Department have pre-requisite knowledge while Recruiting and Selecting new internal source of applicants	Internal source of recruitment affects organizational performance
N	Valid	374	377	377	359	377
	Missing	3	0	0	18	0
Mean		2.18	4.32	3.73	3.03	4.06
Std. Deviation		1.765	1.31	1.714	1.835	1.595
Frequency/ percentage	Strongly Agree	92/ 67.4%	267/ 70.8%	232/ 61.5%	154/ 40.8%	271/ 71.9%
	Agree	23/ 6.1%	56/ 14.9%	16/ 4.2%	17/ 4.5%	14/ 3.7%
	Neutral	0	0	2/ 0.5%	2/ 0.5%	2/ 0.5%
	Disagree	5/ 1.3%	14/ 3.7%	49/ 13%	57/ 15.1%	25/ 6.6%
	Strongly Disagree	254/ 67.4%	40/ 10.6%	78/ 20.7%	129/ 34.2%	65/ 17.2%
Relative Importance		Low	High	Moderate	Low	High

Source: Researcher's field survey 2020

As it is seen from table 4-3, shows that the arithmetic means 2.18 with 1.765 Std. deviation on the internal source of recruitment of the bank is rational, acceptable and fair which implies the internal source of recruitment of the bank is not acceptable, rational and fair.

Regarding CBE means of internal recruitment CBE practice transfer in order to fill vacant posts and openings with arithmetic mean of 4.32 with Std. Deviation of 1.310 respectively. This implicate that CBE practice internal source of recruitment among different source CBE usually practice transfer in order fill vacant posts.

The above table also shows on CBE practice Promotion in order to fill opening respondents shows their moderate level of agreement with arithmetic mean of 3.73 alongside the standardize deviation of 1.714. which implies that CBE practice promotion in order to fill openings.

The Human Resource Department have pre-requisite knowledge while Recruiting and Selecting internal applicants. Hence, respondents show low level of agreement with arithmetic mean of 3.03 and Std. Deviation of 1.835. It indicates that HR department don't have the pre-requisite knowledge while recruiting and selecting internally.

Respondents show the high relative importance of Internal source of recruitment affects organizational performance with arithmetic mean 4.06 and 1.595 Std. Deviation. So, it implies that internal recruitment and selection affects organizational performance of CBE.

Additionally, Enguday (2017), reveal that Promotion and transfers are major ways through which vacant positions are filled internally. Internal sourcing as a priority in recruitment and selection has to be further strengthened as a good practice.

The second-dimension external source of recruitment: Employees of any organization can be employed through many ways. Regarding this respondent were asked how CBE use external source of recruitment. Accordingly, their response is depicted in the table below.

Table 4- 4 Response on external recruitment of the bank

External source of recruitment	N		Mean	Std. Deviation	Frequency/Percentage				
	Valid	Missing			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
CBE usually practice Advertisement method	377	0	4.35	1.122	10/ 2.7%	44/ 11.7%	2/ 0.5%	70/ 18.6%	251/ 66.6%
CBE practice E-Recruitment method mostly	377	0	4.85	0.476	0	5/ 1.3%	3/ 0.8%	37/ 9.8%	332/ 88.1
Often CBE use Employee referral method	377	0	3.21	1.802	111/ 29.4%	69/ 18.3	2/ 0.5%	18/ 4.8	177/ 46.9

CBE uses Job walk-in method.	370	7	1.47	0.859	246/ 65.3	105/ 27.9%	0	8/ 2.1%	11/ 2.9%
CBE practice Labor office methods.	371	6	2	1.517	225/ 59.7%	63/ 16.7%	0	24/ 6.4%	59/ 15.6%
CBE uses Employment Agencies	376	1	4.1	1.574	61/ 16.2%	27/ 7.2%	0	12/ 3.2%	276 73.2%
CBE practice Education and training establishment frequently.	372	5	1.41	0.952	287/ 76.1%	56/ 14.9%	3/0.8%	12/ 3.7%	14/ 3.7%
External source of recruitment affects organizational performance	377	0	4.64	0.897	12/ 3.2%	12/ 3.2%	0	50/ 13.3%	303/ 80.4

Source: Researcher's field survey 2020

The above table revealed that respondents show their level of agreement on CBE practice Advertisement, E-Recruitment and employment agencies with arithmetic mean of 4.35, 4.85 and 4.10 alongside Std. Deviation of 1.122, .476 and 1.574 respectively which is the high level of agreement while those who believe CBE use employee referral recruitment method fall on medium with arithmetic mean of 3.21 and Std. Deviation 1.802. However, regarding with CBE practice Job walk-ins, Labor Office and Education and training establishment method fall on low level with arithmetic mean of 1.47, 2.00 and 1.41 alongside Std. Deviation of .859, 1.517 and .952. In addition, most respondents have agreed on high level that external recruitment affects organizational performance with arithmetic mean of 4.64 alongside Std. Deviation .897

The table demonstrate that CBE have a poor practice Labor office, job walk-ins and education and training establishment method. Which leads the organization to lose capable employees who have a probability come through this method.

On the other side the above analysis refers to us that CBE usually practice E-recruitment, advertisement and employment agencies. This also confirmed through interview which the researcher made with District HR business partnering and Talent acquisition manager that CBE uses E-recruitment for internal and external recruitment whereas advertisement and E-recruitment is for only external recruitment this is made in order to address capable applicants' all over the country who have an internet access and for those who don't have. Beside employment agencies

is usually practice for service workers like janitor, guards, messengers, searchers and other non-clerical job categories.

According to Murat (2019) advertisement, employment agencies, educational institutions, and professional associations as sources of external recruitment in Diamond Bank Plc in Abuja are acceptable but in ranking employment agencies was the 1st, advertisement was the 2nd, educational institution was third and lastly was Professional associations. This means that Diamond bank plc mainly uses employment agencies to recruit their staff and hardly used professional associations.

The third dimension: respondents also asked to explain their level of agreement on selection practice of the organization.

Table 4- 5 Response on selection practice of the bank.

Selection Statistics	N		Mean	Std. Deviation	Frequency/Percentage				
	Valid	Missing			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
CBE have recruitment and selection policy	376	1	4.65	0.919	14/ 3.7%	10/ 2.7%	2/ 0.5%	40/ 10.6%	310/ 82.2%
Selection system selects those having the desired knowledge, skills and attitude.	377	0	2.74	1.812	160/ 42.4%	64/ 17%	2/ 0.5%	16/ 4.2%	135/ 35.8%
There is formal induction/orientation/ Familiarization process designed to help new recruits to understand the organization.	377	0	4.62	0.907	14/ 3.7%	8/ 2.1%	2/ 0.5%	60/ 15.9%	293/ 77.7%
In CBE line managers and HR managers participate in the selection process.	377	0	4.65	0.875	13/ 3.4%	7/ 1.9%	2/ 0.5%	55/ 14.6%	300/ 79.6%
Selection affects organizational performance.	377	0	4.83	0.547	4/ 1.1%	2/ 0.5%	0	41/ 10.95	330/ 87.5%
CBE have a dedicated and competent HR team	373	4	2.47	1.73	176/ 46.7%	74/ 19.6%	1/ 0.35%	16/ 4.2%	106/ 28.1%
There is a biasness in selection at CBE	377	0	2.77	1.779	150/ 39.8%	71/ 18.8%	1/ 0.35%	27/ 7.2%	128/ 34%
Wrong Selection leads to									
De-motivating the rest of the work force	377	0	4.67	0.853	12/ 3.2%	7/ 1.9%	2/ 0.5%	53/ 14.1%	303/ 80.4%
Cost of Rehiring	377	0	4.22	1.499	53/ 14.1%	24/ 6.4%	0	9/ 2.4%	291/ 77.2%

Cost of training	377	0	4.3	1.275	27/ 7.2%	34/ 9%	2/ 0.5%	49/ 13%	265/ 70.3%
Damage of company reputation	377	0	3.45	1.784	97 25.7%	59/ 15.6%	2/ 0.5%	17/ 4.5%	202/ 53.6%

Source: Researcher's field survey 2020

As shown in the above table respondents express their feeling on CBE have recruitment and selection policy (M=4.65, SD= .919), there is formal induction/orientation/ Familiarization process designed to help new recruits to understand the organization (M=4.62, SD=.907), In CBE line managers and HR managers participate in the selection process (M=4.65, SD=.875), Selection affects organizational performance (M=4.83. SD=.547), wrong selection De-motivating the rest of the work force (M=4.67 SD=.853), Cost of Rehiring (M=4.22, SD=1.499) Cost of training (M=4.3, SD=1.275) shows that high level of agreement with arithmetic mean of above 4.22. which implies CBE have recruitment and selection policy and practice induction for new entrant employees beside CBE line managers participate in selection process of the bank. In addition to that majority of respondents agree that wrong selection affects the organization in cost of rehiring, demotivate the rest of the work force and cost of rehiring.

Regarding on Selection system selects those having the desired knowledge, skills and attitude (M=2.74, SD= 1.812), CBE have a dedicated and competent HR team (M=2.47 SD=1.73), there is a biasness in selection at CBE (M=2.77, SD1.779), majority of respondents shows low level of agreement. Which is CBE selection system does not select those who have the desired knowledge, skill and attitude and also most of respondents believe that CBE does not have competent and dedicated HR team while respondents also believe that there a biasness in selection at CBE with low arithmetic mean of less than 2.74.

Enguay, (2017), states in her finding that a particularly lower level rating is assigned to such particular issues of selecting as fairness, timeliness and transparency (communication) which are so critical in shaping the perception of incumbents about the entire selecting process.

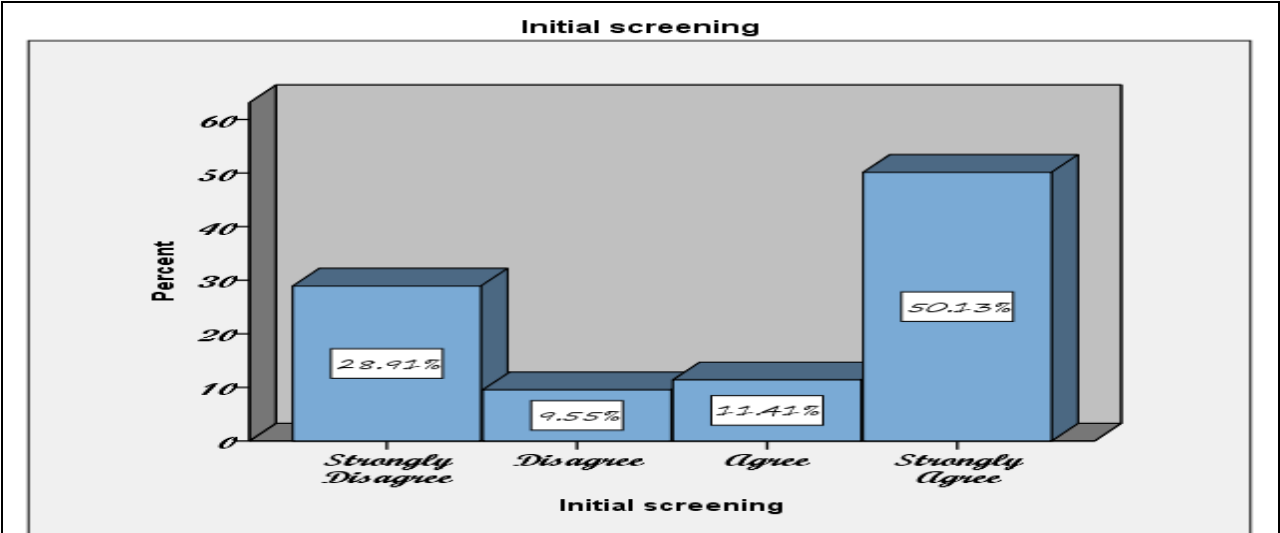


Figure 4-1 Initial Screening

Source: Researcher's field survey 2020

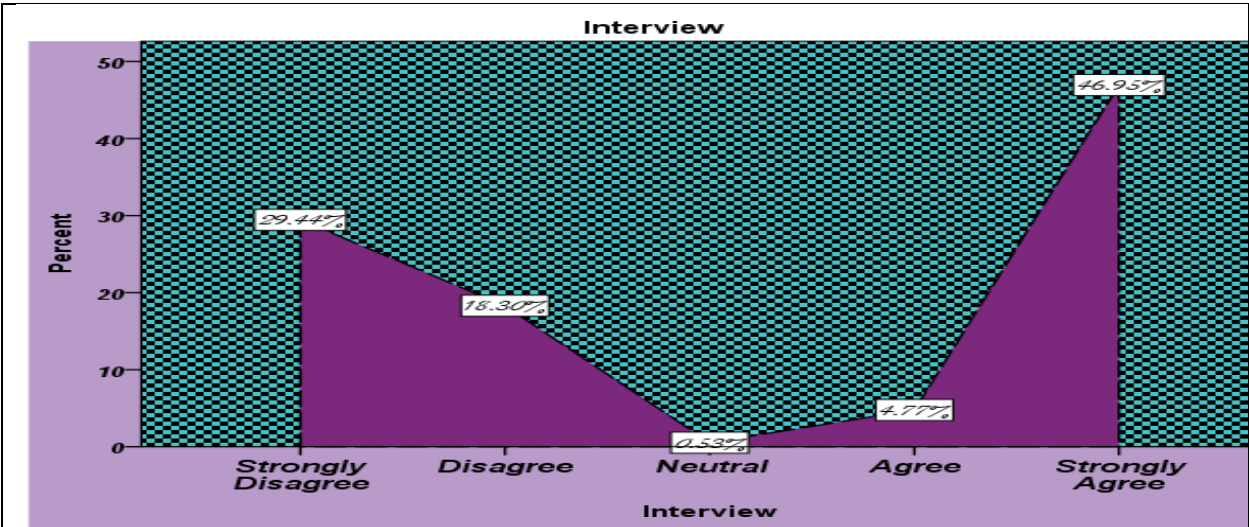


Figure 4-2 Interview

Source: Researcher's field survey 2020

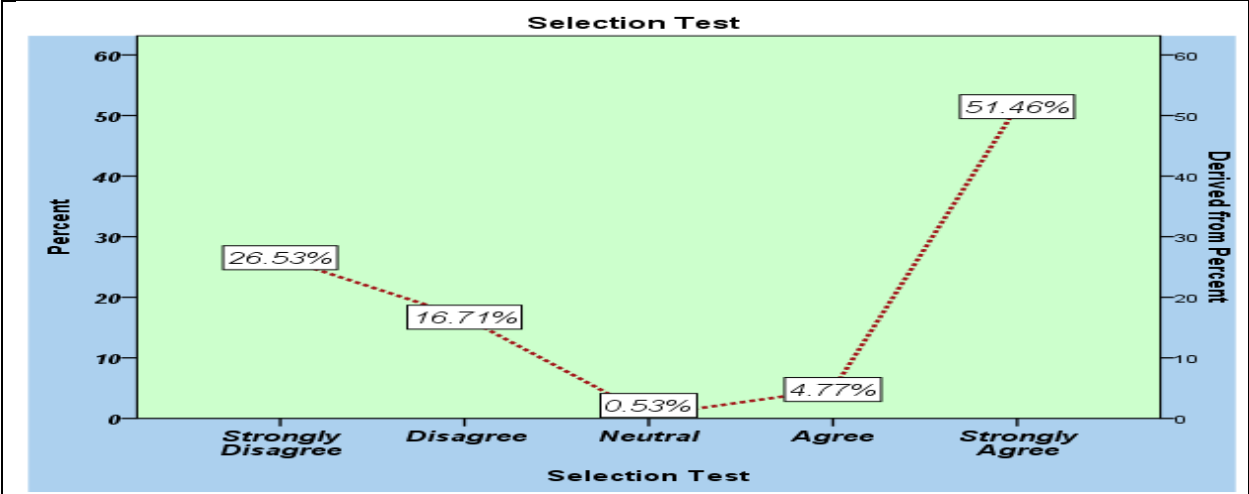


Figure 4-3 Selection Test

Source: Researcher’s field survey 2020

On the three methods of selection (Initial Screening, Interview and Selection Test) majority of respondent agreed that CBE practice Initial screening, interview and selection test with 61.54%, 51.76% and 56.23% respectively.

The above graph illustrates as per the response of the respondent that CBE mostly practice Selection test, initial screening and often use interview in order to select competent candidate. In this case the researcher has interviewed district HR business partnering and talent acquisition manager and explained that for clerical level, none clerical, professional level and low and middle level management are required to written examination which is selection test. However, interview is made for managerial level and new entrant applicants. So that the bank selection method is said to be good.

In addition, according to Hiwot (2019) in her study she has find out that the selection method practice of the CBE is then evaluated to be moderate.

4.3.2. Dependent variables

The researcher extracted arithmetic mean, frequency, percentage and standard deviation of the sample described Answers about the dependent variables of the study as shown on the below Table

Table 4- 6 Response on organizational performance of the bank.

	N		Mean	Std. Deviation	Frequency/Percentage				
	Valid	Missing			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Recruitment and selection help to achieve the organization goal.	377	0	4.72	0.776	10/ 2.7%	5/ 1.3%	0	51/ 13.5%	311/ 82.5%
The current and future growth of the organization is depending on the organization recruitment and selection practice.	377	0	4.59	0.956	14/ 3.7%	14/ 3.7%	0	58/ 15.4%	291/ 77.2%
The use of fair recruitment and selection methods contributes to CBE organizational development.	377	0	3.73	1.714	78/ 20.7%	49/ 13%	2/ 0.5%	16/ 4.2%	232/ 61.5%
CBE recruitment and selection practice reduce potential legal complications.	377	0	3	1.831	136/ 36.1%	63/ 16.7%	2/ 0.5%	17/ 4.5%	159/ 42.2%
CBE recruitment and selection practice save training time and money.	377	0	2.5	1.785	190/ 50.4%	55/ 14.6%	2/ 0.5%	14/ 3.7%	116/ 30.8%
CBE recruitment and selection help the organization to gain competitive advantage.	377	0	2.4	1.728	191/ 50.7%	67/ 17.7%	0	16/ 4.2%	103/ 27.3%
I am highly productive employee in the bank	377	0	3	1.831	136/ 36.1%	63/ 16.7%	2/ 0.5%	17/ 4.5%	159/ 42.2%
I understand my role that I play in achieving organizational goal.	377	0	2.47	1.729	178/ 47.2%	75/ 19.9%	1/ 0.3%	16/ 4.2%	107/ 28.4%
Employees are motivated to stay with the organization	377	0	1.41	0.947	292/ 77.5%	56/ 14.9%	3/ 0.8%	12/ 3.2%	14/ 3.7%

Source: Researcher's field survey 2020

Respondents also asked their opinion about how recruitment and selection affect organizations in general and CBE specifically respondents shows high level of agreements on Recruitment and selection help to achieve the organization goal (M=4.72 SD=0.776), The current and future growth of the organization is depending on the organization recruitment and selection practice (M=4.59, SD= .956). While respondents show medium level of agreement with arithmetic mean of 3.74 and Std. Deviation of 1.714 on the use of fair recruitment and selection methods contributes to CBE organizational development.

In addition to that respondents also shows low level of agreement on CBE recruitment and selection practice reduce potential legal complications (M=3.00, SD=1.831) CBE recruitment and

selection practice save training time and money (M=2.50, SD=), CBE recruitment and selection help the organization to gain competitive advantage (M=2.40, SD=1.728), I am highly productive employee in the bank (M=3.00, SD=1.831), I understand my role that I play in achieving organizational goal (M=2.47, SD=1.729) Employees are motivated to stay with the organization (M=1.41, SD=.947).

According to W. Omolo (2012) The study established that sourcing, attracting, and screening taken together are significant determinants of the performance of SMEs in Kisumu Municipality.

4.4. Correlation analysis

Correlation means relationship between two and more variables. It measures the degree to which two sets of data are related. Higher correlation value indicates stronger relationship between both sets of data (Coetzee, 2003). Correlation analysis is used to describe the strength and direction of the linear relationship between two variables (Pallant, 2005). In this study, the correlation analysis between dependent variable (organizational performance) and the independent variables (Internal recruitment, external recruitment, and selection). Pearson correlation coefficients (r) can take on only values from -1 to $+1$. The sign out the front indicates whether there is a positive correlation (as one variable increases, so too does the other) or a negative correlation (as one variable increases, the other decreases). The size of the absolute value (ignoring the sign) provides an indication of the strength of the relationship. A perfect correlation of 1 or -1 indicates that the value of one variable can be determined exactly by knowing the value on the other variable. On the other hand, a correlation of 0 indicates no relationship between the two variables (Pallant, 2005).

Table 4- 7 Correlation analysis

Correlations		Internal Recruitment	External Recruitment	Selection	Organizational Performance
Internal Recruitment	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	377			
External Recruitment	Pearson Correlation	.410**	1		
	Sig. (2-tailed)	.000			
	N	377	377		
Selection	Pearson Correlation	.598**	.447**	1	
	Sig. (2-tailed)	.000	.000		
	N	377	377	377	
Organizational Performance	Pearson Correlation	.719**	.531**	.804**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	377	377	377	377

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher's field survey 2020

According to (pallant, 2005) the strength of the relationship of two variables, r can range from -1.00 to 1.00. A correlation of 0 indicates no relationship at all, a correlation of 1.00 indicates a perfect positive correlation, and a value of -1.00 indicates a perfect negative correlation the interpretation of the relationship between variables categorized as:

r=.10 to .29 or r=-.10 to -.29 which is small

r=.30 to .49 or r=-.30 to -.4.9 which is medium

r=.50 to 1.0 or r=-.50 to -1.0 which is large

The Pearson correlation between internal recruitment and organizational performance is (r = .719, N = 377, Sig (2-tailed) =.000) which is significant, large and positive relationship.

In addition, Ibrahim Amadu (2014) finding explained that the internal source of recruitment at NDVPL is positively related to the performance of the company at a statistical significance level of 1%. The coefficient of 0.21779. so that the relationship of the two variables are large and positive correlation coefficient.

The Pearson correlation between External recruitment and organizational performance is ($r = .531$, $N = 377$, Sig (2-tailed) = .000) which is significant, Large and positive relationship.

Further Ibrahim Amadu (2014) in his finding implicate that there is also a positive correlation of a magnitude of 0.2266 between the external source of recruitment and the performance of the company at a statistical significance level of 1%. As a result, the relationship of the two variables are large correlation and positive correlation coefficient.

The Pearson correlation between selection and organizational performance is ($r = .804$, $N = 377$, Sig (2-tailed) = .000) which is significant and positive relationship. The relationship of the two variables are significant, large correlation and positive correlation coefficient.

Finally, from the above correlation table, the relationship between internal recruitment and organizational performance, the relationship between external recruitment and organizational performance, selection and organizational performance are strongly correlated.

4.5. Multiple Regression

Multiple regression analysis is a statistical tool used to predict a dependent variable from multiple independent variables. Multiple regression is not just one technique but a family of techniques that can be used to explore the relationship between one dependent variable and a number of independent variables or predictors. Standard multiple regression is the most commonly used multiple regression analysis (Pallant, 2005). Regression model was applied to test how far the independent variables such as Internal recruitment, External recruitment and selection and the dependent variables which is organizational performance. Coefficient of determination R is the measure of proportion of the variance of dependent variables about its mean that is explained by the independent or predictor variables. It is conducted to investigate the effects of independent variables on the dependent variable and identify the relative significant influence; i.e. independent variables internal recruitment, external recruitment and selection on the dependent variable; i.e. organizational performance. Higher value of R represents greater explanatory power of the regression equation.

4.5.1. Multiple Regression Assumptions

Assumption One: The relationship between the independent variables and the dependent variables is linear.

The first assumption of multiple regression is that the relationship between the IVs and the DV can be characterized by a straight line. Standard multiple regression can only accurately estimate the relationship between dependent and independent variables if the relationships are linear in nature (Osborne & Waters, 2017). A relationship is linear if one variable increases by approximately the same rate as the other variables changes by one unit. This means that the points on the scatterplot closely resemble a straight line.

If the relationship between independent variables (IV) and the dependent variable (DV) is not linear, the results of the regression analysis is under-estimate the true relationship. (Osborne & Waters, 2017).

A simple way to check the linearity between IVs and DV is by producing scatterplots and Histogram of the relationship between each of our IVs and our DV.

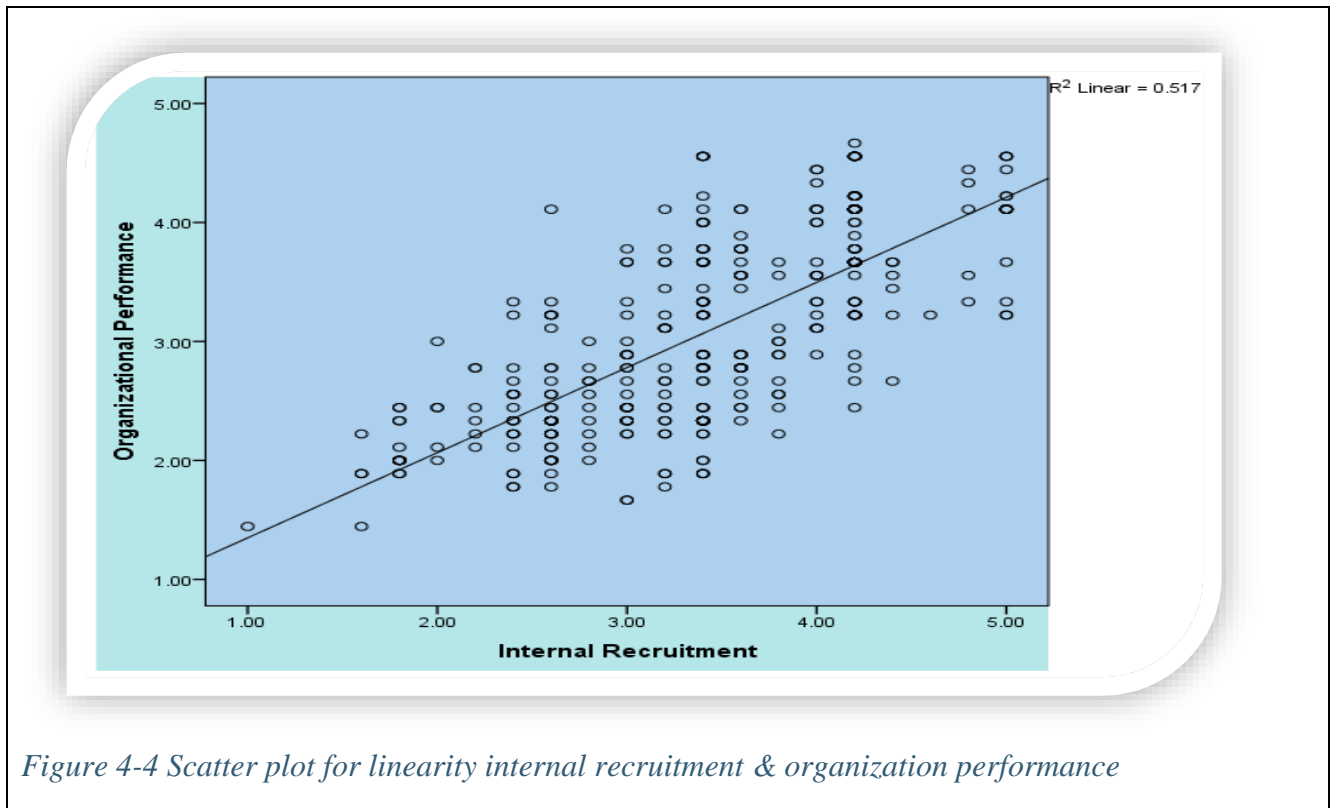
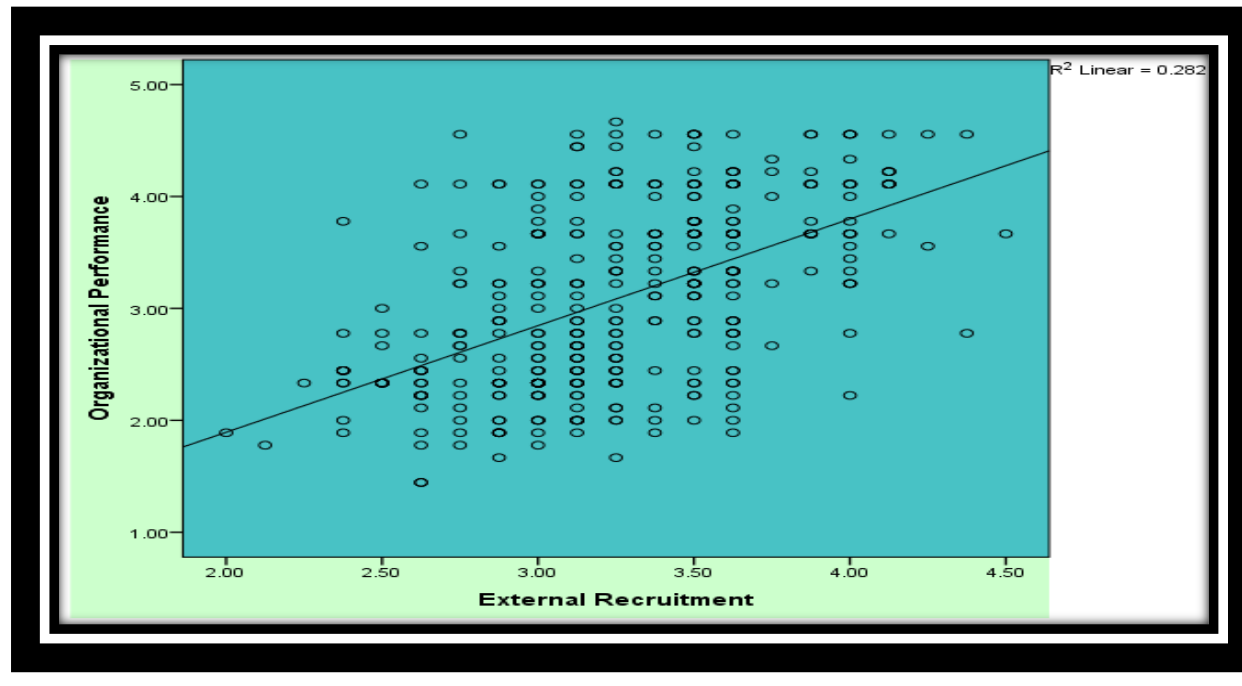


Figure 4-4 Scatter plot for linearity internal recruitment & organization performance

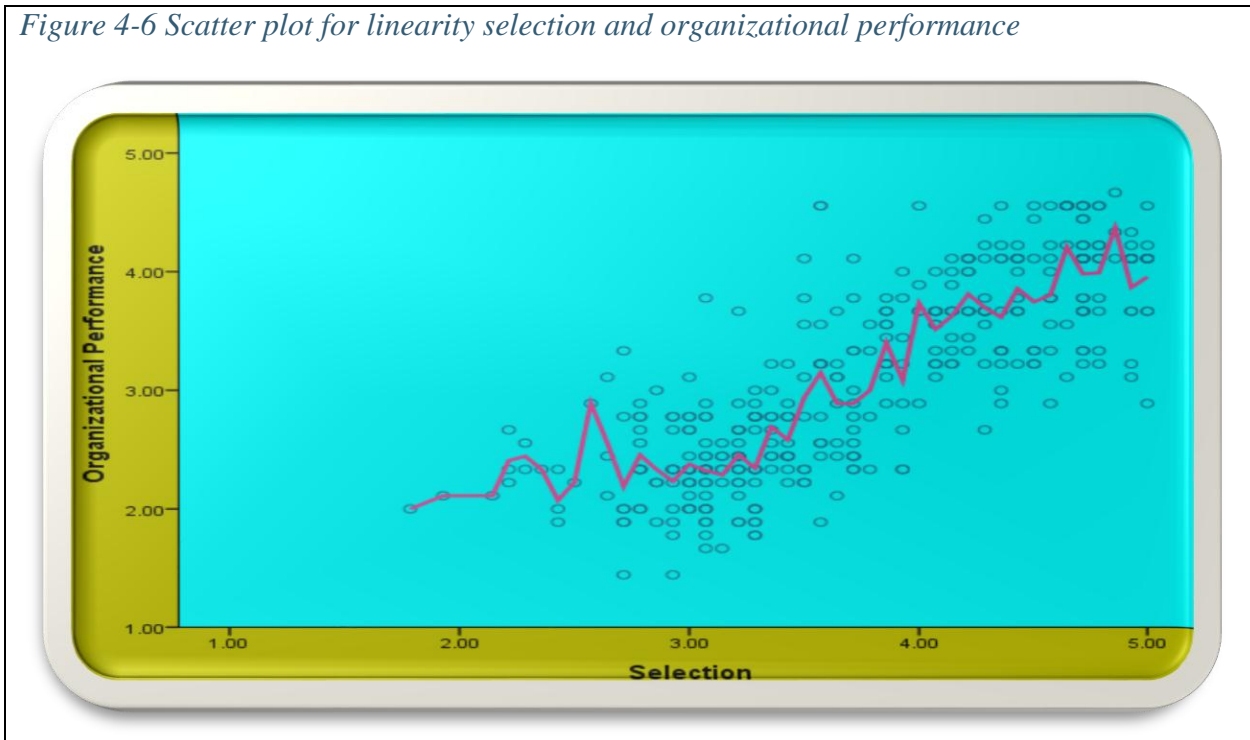
Source: Researcher's field survey 2020

Figure 4-5 Scatter plot for linearity External recruitment and organizational performance



Source: Researcher's field survey 2020

Figure 4-6 Scatter plot for linearity selection and organizational performance



Source: Researcher's field survey 2020

Assumption Two: Homoscedasticity

The variance of the residuals is constant. This test the assumption of homoscedasticity, which is the assumption that the variation in the residuals (or amount of error in the model) is similar at each point of the model. The non-constant variance is called heteroskedasticity. If heteroskedasticity is an issue, the points are often funnel shaped, becoming more, or less, spread out across the graph. This funnel shape is typical of heteroskedasticity and indicates increasing variance across the errors.

Assumption Three: Multi collinearity Analysis

This refers to the relationship among the independent variables. That is in multiple regression analysis, multi collinearity refers to a situation where a number of independent variables are closely correlated to one another. Multi collinearity test is also done using tolerance and variance inflation factors (VIF). Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variables. Taking into account the Variance Inflation Factor not to exceed the allowable value (10), Tolerance value greater than (0.05). the below table shows the results of the tests.

Table 4- 8 Collinearity Statistics

Collinearity Statistics			
Model	Variables	Tolerance	VIF
1	Internal Recruitment	0.616	1.623
2	External Recruitment	0.769	1.301
3	Selection	0.593	1.686

a. Dependent Variable: Organizational Performance

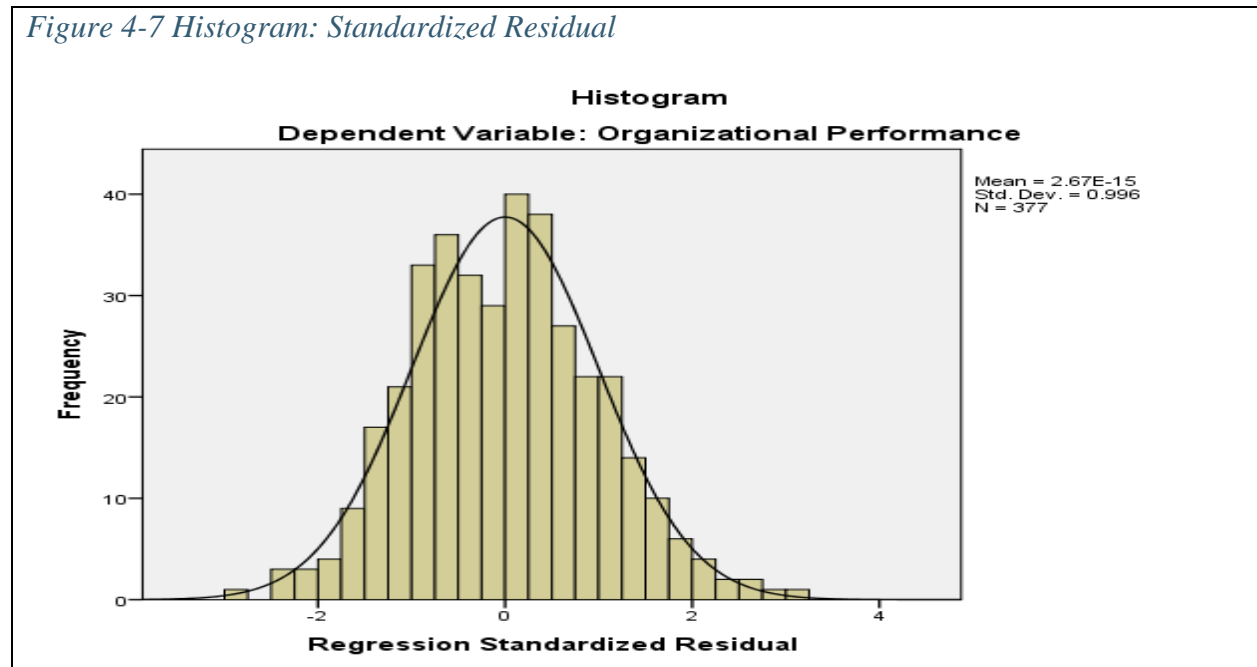
Source: Researcher's field survey 2020

Table 4.7 shows that VIF values for each dimension of the independent variables is less than 10, with tolerance (0.593-0.769). This indicates that there is no Collinearity diagnostics problem in

the regression model (Gujarati and Porter, 2003). Therefore, Analysis of collinearity and correlation statistics shows that the assumption of Multi collinearity has been met, as VIF scores were well below 10, tolerance scores above 0.05.

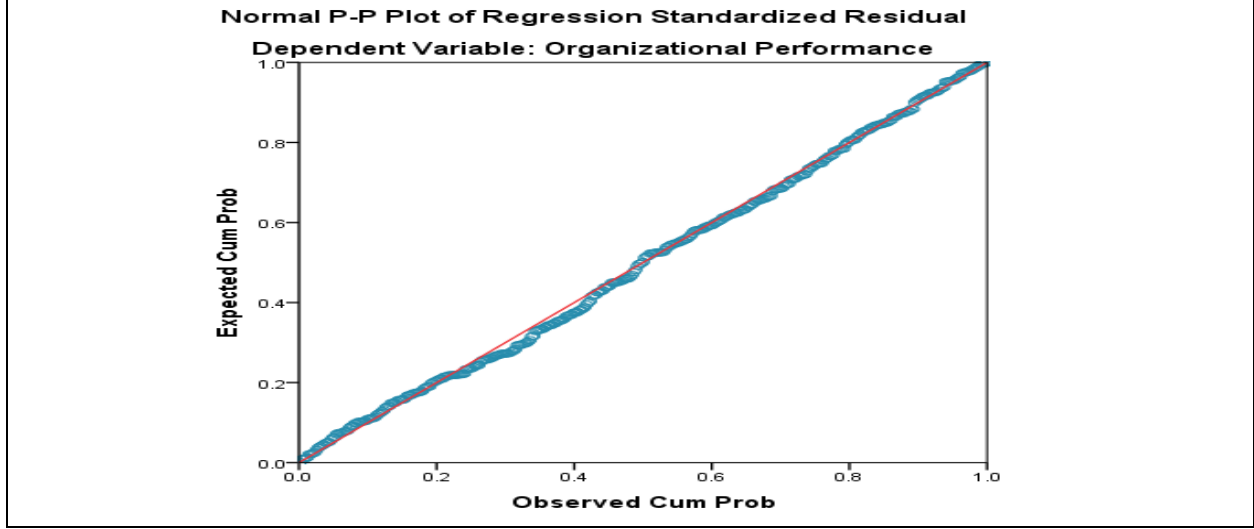
Assumption Four: The values of the residuals are normally distributed

The fifth, optional, assumption is that the regression model errors are approximately normally distributed (Mooi, 2016). This assumption of normality can be tested by looking at the P-P plot for the model. Skewness and kurtosis can be checked in the statistic tables, and values that are close to zero indicate normal distribution. Histograms are bar graphs of the residuals with a super imposed normal curve that show distribution. Only P-P plot and histogram graph are used to check normality. The closer the dots lie to the diagonal line, the closer to normal the residuals are distributed



Source: Researcher's field survey 2020

Figure 4-8 Normal P-P plot of Standardize Residual



Source: Researcher’s field survey 2020

Table 4- 9 Regression Model Summary

Regression Model Summary					
Model	Variables	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	Selection	0.804	0.647	0.646	0.47662
2	Internal Recruitment	0.857	0.735	0.734	0.41344
3	External recruitment	0.868	0.753	0.751	0.39943
Over all Independent Variables		<u>0.843</u>	<u>0.712</u>	<u>0.710</u>	<u>0.430</u>

Predictors: (Constant), Selection, Internal Recruitment, External Recruitment

Source: Researcher’s field survey 2020

The table also indicated that the correlation coefficient was (R = 0.804), which indicate a positive relation between independent variable and dependent variable, in addition value of Coefficient of Determination (R²) is (0.647) which indicate that (64.7%) of variance in organizational performance may be intercepted through selection while the rest percent (35.3%) is attributed to other variables which were not introduced in the regression model.

Table also indicated that the correlation coefficient was (R = 0.857), which indicate a positive relation between independent variable and dependent variable, in addition value of Coefficient of Determination (R²) is (0.735) which indicate that (73.5%) of variance in organizational

performance may be intercepted through internal recruitment while the rest percent (26.5%) is attributed to other variables which were not introduced in the regression model.

Table also indicated that the correlation coefficient was ($R = 0.868$), which indicate a positive relation between independent variable and dependent variable, in addition value of Coefficient of Determination (R^2) is (0.753) which indicate that (75.3%) of variance in organizational performance may be intercepted through external recruitment while the rest percent (24.7%) is attributed to other variables which were not introduced in the simple regression model.

Table 4-9 shows that the overall R value is 0.843. Therefore, R value (0.843) for the overall independent variables such as internal recruitment, external recruitment and selection suggested that there is a strong effect of these variables on organizational performance. It can also observe that the coefficient of determination i.e. the R-square (R^2) value is 0.710, which represent that 71% variation of the dependent variable (organizational performance) explained by the variation in the independent variables, which in fact is a strong explanatory power of regression.

Further, Ibrahim Amadu (2014) in his finding the analysis indicates that a unit change in the effectiveness of internal source of recruitment could bring about 22.0% changes in the performance of the company. Also explain a unit increase in the effectiveness level of external source of recruitment at NDVPL could also bring about 23.0% increase in the company’s performance. Furthermore, the positive correlation coefficient of 0.1666 indicates that a unit change in the effectiveness of recruitment and selection methods before employment would also bring about 17.0% increase in the performance of NDVPL at a statistical significance level of 5%.

Table 4- 10 Coefficient Regression

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Selection	0.584	0.037	0.534	16.000	0.000
Internal Recruitment	0.335	0.033	0.336	10.262	0.000
External Recruitment	0.277	0.053	0.154	5.263	0.000

a. Dependent Variable: Organizational Performance

Source: Researcher’s field survey 2020

In the above table, the standardized beta coefficients indicated that how and to what extent value of independent variable (Internal recruitment, external recruitment and selection) have an effect on organizational performance in the bank.

It has revealed that the standardized and beta coefficient of selection has positive and significant effect on organizational performance with a beta value (beta=.534), at 99% confidence level ($p < 0.01$). This implies that selection increase by 1 percent, organizational performance will increase by 0.534.

It has also revealed that internal recruitment has positive and significant effect on organizational performance with a beta value (beta=.336), at 99% confidence level ($p < 0.01$). This implies that internal recruitment increases by 1 percent, employee productivity will increase by .336.

In addition, the standardized and beta coefficient of external recruitment has positive and insignificant effect on organizational performance with a beta value (beta=.154), 99% confidence level ($P > 0.01$). This implies that external recruitment increased by 1 percent, organization performance will be increased by 0.154.

The result helps us to understand which variable are statically significant and the most determinant in explaining the variance in organizational performance. Table 4-10 indicated that T calculated value =16.000 and Sig value is (0.000) which is less than ($\alpha \leq 0.01$), So according to the role **the null hypothesis is rejected** and the **alternative one is accepted** which means that there is an effect of selection on organizational performance.

The table also shows on the internal recruitment variable T calculated value =10.262 and Sig value is (0.000) which is less than ($\alpha \leq 0.01$), .So according to the role **the null hypothesis is rejected** and the **alternative one is accepted** which means that there is an effect of internal recruitment on organizational performance.

Finally, the table describe on the external source of recruitment variable T calculated value =5.263 and Sig value is (0.000) which is less than ($\alpha \leq 0.01$), .So according to the role **the null hypothesis**

is rejected and **the alternative one is accepted** which means that there is an effect of external recruitment on organizational performance.

In addition, the significant variables with P value less than 0.01 are likely to be meaningful addition in organizational performance in the bank. Such variables are selection, internal recruitment and external recruitment because a change in their values is related to changes in organizational performance.

CHAPTER FIVE

5. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

This chapter provides the summary of the findings of the study, conclusions drawn from findings and recommendations based on the findings. Conclusions drawn will be deduced from analysis and objectives set for the research. The area for further research was also suggested in this chapter.

The study examined the effect of recruitment and selection practices on organizational performance of the bank. The data collected through questioner were presented, analyzed, interpreted, and discussed using statistical package for social science (SPSS 24) version. Responses from both managerial and non-managerial staff indicate similar and, in some cases, divergent views on recruitment and selection practices of CBE. Though research has established concretely that recruitment and selection practices have positive effect on employee productivity leading to improved organizational performance, from evidence gathered are yet to benefit from the proper management of their recruitment and selection and even when they do, it is just minimally.

This chapter is divided into the following four sections: summary of findings, Conclusions, Recommendations and suggestion for future study

5.1. Summary of findings:

This study aimed to investigate the effect of recruitment and selection (internal recruitment, external recruitment and selection) practice on organizational performance in the case of Commercial Bank Ethiopia. The study posed a set of questions, placing the hypotheses and their relation to the effect within the study variables. The study arrived at many results that contributed to solve the study problem described in chapters 1 answering the hypotheses of the study. The study came out with a number of results that may contribute to increase the organizational performance in commercial bank of Ethiopia Based on the analyzed data and the study hypotheses that tested in chapter four.

The data was collected from the purposively selected 14 branches of CBE, 4 district offices and 8 head office process unit, by using closed and open-ended questionnaire of randomly selected 400 employees of which 272 were professionals and the remaining 105 are managerial employee. From

the distributed 400 questionnaires, 377 were returned which is below the sample size 390 and the response rate is 97%, which is acceptable for data analysis and discussion of the study. In addition, unstructured personal interview questions were conducted.

The respondent is dominated by male employees that constitute (58.1%) of the respondents. With regard to age group, 85% of the respondents are 40 and below. The survey result shows that 90.2% of the respondents are at least first-degree holders. Majority of the responds have first degree with 66.3% The study also shows that 77.2% of the respondents have 1 up to 10 years of service in CBE. In CBE, majority of the employees, (72.1%) of the respondents are professional job category employees.

Respondents are asked their perception about the existing internal source of recruitment practice of the bank and respondents shows their low level of agreement on the internal source of recruitment of the bank is rational, acceptable and fair with the arithmetic means 2.18 with 1.765 Std. deviation and. While respondents show high level of agreement on the point CBE practice transfer and promotion in order to fill vacant posts and openings with arithmetic mean of 4.32 and 3.73 alongside Std. Deviation of 1.310 and 1.714 respectively.

Respondents express their response with a high level of agreement on CBE practice Advertisement, E-Recruitment and employment agencies with arithmetic mean of 4.35, 4.85 and 4.10 alongside Std. Deviation of 1.122, .476 and 1.574 while those who believe CBE use employee referral recruitment method fall on medium with arithmetic mean of 3.21 and Std. Deviation 1.802. on the other hand, regarding with CBE practice Job walk-ins, Labor Office and Education and training establishment method fall on low level of agreement with arithmetic mean of 1.47, 2.00 and 1.41 alongside Std. Deviation of .859, 1.517 and .952. In addition, most respondents have agreed with high level that external recruitment affects organizational performance with arithmetic mean of 4.64 alongside Std. Deviation .897.

Considering the selection respondents were asked to put their level of agreement on the three methods of selection majority of respondent agreed that CBE practice Initial screening, interview and selection test with 61.54%, 51.76% and 56.23% respectively. On the points that CBE have

recruitment and selection policy, there is formal induction/orientation/ Familiarization process designed to help new recruits to understand the organization, In CBE line managers and HR managers participate in the selection process, Selection affects organizational performance, wrong selection De-motivating the rest of the work force, Cost of Rehiring, cost of training shows high level of agreement with arithmetic mean of above 4.22.

Respondents also asked their opinion about how recruitment and selection affect organizational performance. Respondents shows high level of agreements on Recruitment and selection help to achieve the organization goal and the current and future growth of the organization is depending on the organization recruitment and selection practice arithmetic mean of 4.71 and 4.59 with Std. Deviation .776 and .956 respectively. While respondents show medium level of agreement with arithmetic mean of 3.74 and Std. Deviation of 1.714 on the use of fair recruitment and selection methods contributes to CBE organizational development. One the other side respondents also shows low level of agreement on CBE recruitment and selection practice reduce potential legal complications (M=3.00, SD=1.831) CBE recruitment and selection practice save training time and money (M=2.50, SD=), CBE recruitment and selection help the organization to gain competitive advantage (M=2.40, SD=1.728), I am highly productive employee in the bank (M=3.00, SD=1.831), I understand my role that I play in achieving organizational goal (M=2.47, SD=1.729) Employees are motivated to stay with the organization (M=1.41, SD=.947).

Descriptive analysis was made to know the current practice of internal source of recruitment, external source of recruitment and selection practice which is independent variable that have an effect on organizational performance which is the dependent variables as a result normality test was made and the mean level of internal recruitment of CBE (M= 3.43. SD=0.804). while level of external recruitment of CBE (M= 3.25, SD=0.446) and selection of CBE (M= 3.742, SD=0.732).

The inferential analysis was made to know the relationship between internal recruitment, external recruitment and selection on organizational performance. Correlation analysis is used to describe the strength and direction of the linear relationship between two variables. The finding of correlation analysis indicated that the Pearson correlation between internal recruitment, external recruitment and selection on organizational performance is

Internal recruitment ($r = .719$, $N = 377$, $\text{Sig (2-tailed)} = .000$) which have a significant and positive relationship.

External recruitment ($r = .534$, $N = 377$, $\text{Sig (2-tailed)} = .000$) which is significant and positive relationship.

Selection ($r = .804$, $N = 377$, $\text{Sig (2-tailed)} = .000$) which have significant and positive relationship.

In addition, to know the effect of internal recruitment, external recruitment and selection on organizational performance, multiple regression analysis was made indicates that Internal recruitment the value of VIF 1.623 and tolerance are 0.616. Beside coefficient of determination i.e. the R-square (R^2) value is 0.735 and the coefficient of standardized beta indicated that internal recruitment ($b=.336$, $p < 0.01$) Significant effect on organizational performance. Beside the effect of external recruitment on organizational performance, indicates that the value of VIF 1.301 and tolerance are 0.768 and the coefficient of standardized beta indicated that external recruitment ($b=.277$, $p < 0.05$) Significant effect on organizational performance. While selection indicates that the value of VIF 1.686 and tolerance are 0.593. Beside coefficient of determination i.e. the R-square (R^2) value is 0.647 and the coefficient of standardized beta indicated that selection ($b=.584$, $p < 0.05$) Significant effect on organizational performance. So that there is no multi collinearity problem among all independent variables because VIF do not exceed 10 and the value of tolerance do not below 0.1

T calculated value =10.262 and Sig value is (0.000) which is less than ($\alpha \leq 0.05$), for internal recruitment and T calculated value =5.263 and Sig value is (0.000) which is less than ($\alpha \leq 0.05$), for external recruitment. Finally, T calculated value =16.000 and Sig value is (0.000) which is less than ($\alpha \leq 0.05$), So according to the role **the null hypothesis is rejected** and the **alternative one is accepted**.

Finally The findings are in line with the finding of Jonathan, Moses and Willis (2012). Aruna (2014), Adeyem, Dumade and Fadare (2015), Ekwoaba, Ikeije and Uforma (2015) who found that there was a significant relationship between recruitment and selection and employee performance in organizations. The study also aligns with the Resource-Based theory which states that firms

should constantly evaluate their workforce to ensure that they have the right people with the right skills in the right places to ensure sustained competitive advantage.

5.2. CONCLUSION

Recruitment and Selection in every organization in general and banks in particular are very important. Through this process organizations can acquire qualified people to achieve their strategies. The current banking industries including CBE have a desire to employ high performing and competent employees. However, this often is influenced by the recruitment and selection policy, practice, methods and procedures of the company all other things being equal. Therefore, the study conducted to identify the effect of recruitment and selection on organizational performance revealed several pertinent findings.

CBE employees are dominated by male employees and the organization is filled by educated and young employees. Beside most of the employee's job category is fall on job category of professional.

Based on the study finding the internal source of recruitment is often through promotion and transfer. However, the internal source of recruitment methods of the bank is not rational, acceptable and fair. Beside HR department does not have prerequisite knowledge while recruiting and selecting. In addition, from the finding employees of CBE believe that internal recruitment has an effect on organizational performance.

The external source of recruitment is often through E-recruitment, advertisement and employment agencies. On the other hand, the bank does not apply walk-in, employee referral, labor office and education and training establishment.

As per the finding mainly CBE employment is predominantly through initial screening, selection test and interview in order to select the qualified and competent candidate. CBE have recruitment and selection policy and line managers also participate in selection and induction/orientation is practiced for those who selected in order to familiarize the new entrants to the organization environment. However, the selection system of CBE does not select those having the desired knowledge, skills and attitude and there is a biasness. Employees of CBE believe that wrong selection leads to demotivating the work force, cost of training, cost of rehiring and damage company reputation.

Furthermore, the study revealed that internal and external methods of recruitment and selection have positive effect on the performance of CBE.

From the data analysis and the finding employees of CBE believe that Recruitment and selection help to achieve the organization goal also the current and future growth of the organization is depending on the organization recruitment and selection practice and the use of fair recruitment and selection methods contributes to CBE organizational development.

On the other hand respondents show their disagreement on CBE recruitment and selection practice reduce potential legal complications and respondents show low level of agreement on CBE recruitment and selection practice save training time and money including CBE recruitment and selection help the organization to gain competitive advantage. Beside respondent's express low level of agreement on that they are highly productive employee in the bank and understand the role that they play in achieving organizational goal most of the respondents are not motivated to stay with the organization.

Pearson correlation between internal recruitment, external recruitment and selection on organizational performance have significant and positive relationship.

The effect of internal recruitment, external recruitment and selection on organizational performance, multiple regression analysis was made coefficient of standardized beta indicated that internal recruitment ($b=.336$, $p < 0.01$) Significant effect on organizational performance. Beside the effect of external recruitment on organizational performance the coefficient of standardized beta indicated that external recruitment ($b=.277$, $p < 0.05$) Significant effect on organizational performance. While selection indicates coefficient of standardized beta indicated that selection ($b=.584$, $p < 0.05$) Significant effect on organizational performance. So that there is no multi collinearity problem among all independent variables because VIF do not exceed 10 and the value of tolerance do not below 0.1

T calculated value =10.262 and Sig value is (0.000) which is less than ($\alpha \leq 0.05$), for internal recruitment and T calculated value =5.263 and Sig value is (0.000) which is less than ($\alpha \leq 0.05$), for external recruitment. Finally, T calculated value =16.000 and Sig value is (0.000) which is less

than ($\alpha \leq 0.05$), So according to the role **the null hypothesis is rejected** and the **alternative one is accepted**.

5.3. Recommendation

In order to improve the standing of any organization, the performance drivers must work together. Therefore, it is necessary to understand how well these drivers work together and function as a whole. Effective Assessment involves understanding how each driver contributes to overall productivity. Changes to one driver might (and probably will) have an effect on others.

So, based on previous results and conclusions, the following recommendations of this study help for further improvement of organizational performance in CBE by solving the problem of recruitment and selection practice which is stated in problem statement of this paper. Taking into account the findings of this study and conclusion, the following sound recommendation forwards to alleviate or at least to minimize currently encountered problems in the bank with related to the effect of recruitment and selection on organizational performance.

Mainly, the effect created by the wrong practice of internal recruitment methods of the organization which have an effect on organizational performance and it has to be controlled to prevent losing experienced staff and creating demotivated staffs. Therefore, the management should improve the promotional and transfer practice and criteria beside except for punishments, transfers have to be considered after a discussion with the employee of his or her console. Mainly, promotions should be in line with the performance excellence and development in educational qualifications. It is extremely essential to take necessary action in order to avoid the risk of losing experienced staff and demotivating employees to stay in the organization. Continuous updating is essential in internal promotional opportunities as well as transfers to other branches/process. Hence, the Management has to take the upper hand in assisting these critical issues as it will become a threat to the future development of the Bank. Also, the internal recruitment methods affect organizational performance. Mainly, internal recruitment and its success ought to be considered essential for demotivate to stay in the organization has to be controlled. Furthermore, Management must enhance the opportunities to promote them to the next level by developing a sense of achievement.

The external method enables new blood to flow in to the bank while decreasing the inbreeding of internal recruitment. The current external methods of recruitment of the bank is good and There is no such best way of external methods of recruitment however, in order to get qualified applicants from the general public the bank should employ additional other methods of external recruitment considering the current situation of the general public (such as the use of social media) when hiring staff. Considering the majority of younger generation tend to use social media to search for job opportunities.

Beside All legislation and policies pertaining to recruitment and selection should also be made available to all staff members of the bank. This will increase the awareness of the legal appurtenances of recruitment and selection. The stakeholders of the institution should regularly report on the productivity of the bank so that the staff are aware of how well or poorly the bank is doing. It is equally important to regularly review incentive and reward systems of the bank.

The researcher recommended to increase the awareness of employees at Human Resource department about the recruitment and selection theories, process and procedures training should be given through on job and off-job training since among the core areas that the institutes survival and existence depends human resources department capacity is the one and at key area of the department employees who have deep knowledge and practical experience staff should be assigned.

According to the finding and conclusion of the study CBE recruitment and selection practice does not save training time and money. The researcher reviews secondary sources of the bank training expense and explained on statements of the problem. If CBE would have a competent and qualified staff the training cost and time would have been minimized. So, the researcher strongly recommends the bank to give much emphasis on the recruitment and selection practice of the bank since it minimizes future high training expense.

CBE employee in the bank don't understand the role that they play in achieving organizational goal most of the respondents are not motivated to stay with the organization. In order to retain and motivate the current staff CBE should have a fair recruitment and selection method also fruitful implementation. Beside the bank is highly recommended to update and provide a clear job

description for the existing and new recruited employees so that employees could understand their role towards achieving organization goal.

Finally, the researcher recommends that to revise the bank recruitment and selection methods, process, criteria, policy and procedure for internal and external recruitment and selection of the bank in order to increase the acceptability and fairness and to minimize the biasness and turnover. Also, the bank should look and improve other process of HR linked with recruitment and selection like the talent management (job analysis and job specification) and compensation and reward management in order to gain competitive advantage.

5.4. Suggestions for Further Studies

The intension of this study was to investigate the effect of recruitment and selection practice on organizational performance in CBE. Following the study, future research can be conducted. This study is delimited-on CBE at Addis Ababa region. Future researchers can also include outlying districts and branch or other private and government banks. Beside this study has relevance in that it has opened up the conversation around the relationship between internal, external recruitment and selection on the performance of organization. It is also important for further studies to be carried out across the country for a broader perspective on the relationship between the effects of recruitment and selection on organizational performance using same or different variables and their effect on different managerial aspects innovation, quality of services, employee satisfaction, and other.

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APPENDIX- 1 QUESTIONNAIRES



St. Mary's University ቅዱስ ማርያም
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Committed to Excellence

Masters of Business Administration Concentrated on HRM QUESTIONNAIRE

Dear Sir/Madam

You have been selected to respond to this questionnaire for the study of “*The effects of recruitment and selection practice on organizational performance in the case of commercial bank of Ethiopia*”.

You are assured that any information you provide is solely meant for the purpose of this research.

Your response to the questions would be kept confidential.

To get required data through filling out the questioners by placing (√) or (X) in the answer box with your choice. Knowing that all the collected data will be used for research purpose only.

Thank you very much for your cooperation.

Zeynu Kemal

Zeynu911@gmail.com

I. Demographic Characteristics			
Item	Variables	Alternatives	Response
A	Gender	<ul style="list-style-type: none"> • Male • Female 	<input type="checkbox"/> <input type="checkbox"/>
B.	Age	• Less than 20	<input type="checkbox"/>
		• 21 – 29	<input type="checkbox"/>
		• 30 – 39	<input type="checkbox"/>
		• 40 – 49	<input type="checkbox"/>
C.	Educational Background	• 50 and above	<input type="checkbox"/>
		• Diploma	<input type="checkbox"/>
		• B.A. degree	<input type="checkbox"/>
D.	Work Experience	• Masters and above	<input type="checkbox"/>
		• 1 – 5	<input type="checkbox"/>
		• 6 – 10	<input type="checkbox"/>
		• 11 – 15	<input type="checkbox"/>
E	Job Category	• > 16	<input type="checkbox"/>
		• Professional	<input type="checkbox"/>
		• Managerial	<input type="checkbox"/>

II	What is your opinion for the following Questions related to the effect of recruitment on organizational performance	Scale Rating				
		Strongly disagree	disagree	neutral	Agree	Strongly agree
	Internal source of Source of Recruitment	1	2	3	4	5
1	The internal source of recruitment of the bank is rational, acceptable and fair.					
2	CBE uses transfer in order to fill vacant posts					

3	CBE uses promotion in order to fill openings						
4	The Human Resource Department have pre-requisite knowledge while Recruiting and Selecting new applicants.						
5	Internal source of recruitment affects organizational performance						
III	External source of recruitment Methods practice at CBE	Strongly Disagree	Disagree	Neutral	Agree	Strongly Disagree	
1	CBE usually practice Advertisement method						
2	CBE practice E-Recruitment method mostly						
3	Mostly CBE use Employee referral method						
4	CBE uses Job walk-in method.						
5	CBE practice Labor office methods						
6	CBE uses Employment Agencies						
7	CBE practice Education and training establishment						
8	External source of recruitment affects organizational performance						
IV	Selection	Strongly Disagree	Disagree	Neutral	Agree	Strongly Disagree	
1	CBE have recruitment and selection policy						
2	Selection system selects those having the desired knowledge, skills and attitude.						
3	There is formal induction/orientation/ Familiarization process designed to help new recruits to understand the organization.						
4	In CBE line managers and HR managers participate in the selection process.						
5	Selection affects organizational performance.						
6	CBE have a dedicated and competent HR team						
7	There is a biasness in selection at CBE						

	Rate the following type of Selection method that CBE practice	Strongly Disagree	Disagree	Neutral	Agree	Strongly Disagree
1	Selection Test					
2	Interview					
3	Initial screening					
	Rate your opinion on the following effect of wrong selection results in the CBE performance?	Strongly Disagree	Disagree	Neutral	Agree	Strongly Disagree
1	De-motivating the rest of the work force					
2	Cost of Rehiring					
3	Cost of training					
4	Damage of company reputation					
V	Organizational Performance	Strongly Disagree	Disagree	Neutral	Agree	Strongly Disagree
1	Recruitment and selection help to achieve the organization goal.					
2	The current and future growth of the organization is depending on the organization recruitment and selection practice.					
3	The use of fair recruitment and selection methods contributes to CBE organizational development.					
4	CBE recruitment and selection practice reduce potential legal complications.					
5	CBE recruitment and selection practice save training time and money.					
6	CBE recruitment and selection help the organization to gain competitive advantage.					
7	I am highly productive employee in the bank					
8	I understand my role that I play in achieving organizational goal.					

9	Employees are motivated to stay with the organization					
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If you have any suggestions or opinion, please specify it

ONCE AGAIN THANK YOU FOR TAKING THE TIME TO RESPOND!

APPENDIX – 2 DESCRIPTIVE STATISTICS OF THE QUESTIONARIES

	Statistics		Mean	Std. Deviation
	Valid	Missing		
Gender	377	0	1.42	.494
Age	377	0	2.59	.746
Work Experience	377	0	1.90	.849
Educational Background	377	0	2.31	.494
The internal source of recruitment of the bank is rational, acceptable and fair.	374	3	2.18	1.765
CBE uses transfer in order to fill vacant posts	377	0	4.32	1.310
CBE uses promotion in order to fill openings	377	0	3.73	1.714
The Human Resource Department have pre-requisite knowledge while Recruiting and Selecting new applicants.	359	18	3.03	1.835
Internal source of recruitment affects organizational performance	377	0	4.06	1.595
CBE usually practice Advertisement method	377	0	4.35	1.122
CBE practice E-Recruitment method mostly	377	0	4.85	.476
Often CBE use Employee referral method	377	0	3.21	1.802
CBE uses Job walk-in method rarely.	370	7	1.47	.859
CBE practice Labor office methods rarely	371	6	2.00	1.517

CBE uses Employment Agencies	376	1	4.10	1.574
CBE practice Education and training establishment frequently.	372	5	1.41	.952
External source of recruitment affects organizational performance	377	0	4.64	.897
CBE have recruitment and selection policy	376	1	4.65	.919
Selection system selects those having the desired knowledge, skills and attitude.	377	0	2.74	1.812
There is formal induction/orientation/ Familiarization process designed to help new recruits to understand the organization.	377	0	4.62	.907
In CBE line managers and HR managers participate in the selection process.	377	0	4.65	.875
Selection affects organizational performance.	377	0	4.83	.547
CBE have a dedicated and competent HR team	373	4	2.47	1.730
There is a biasness in selection at CBE	377	0	2.77	1.779
Selection Test	377	0	3.38	1.789
Interview	377	0	3.21	1.802
Initial screening	377	0	3.44	1.784
De-motivating the rest of the work force	377	0	4.67	.853
Cost of Rehiring	377	0	4.22	1.499
Cost of training	377	0	4.30	1.275
Damage of company reputation	377	0	3.45	1.784

Recruitment and selection help to achieve the organization goal.	377	0	4.72	.776
The current and future growth of the organization is depending on the organization recruitment and selection practice.	377	0	4.59	.956
The use of fair recruitment and selection methods contributes to CBE organizational development.	377	0	3.73	1.714
CBE recruitment and selection practice reduce potential legal complications.	377	0	3.00	1.831
CBE recruitment and selection practice save training time and money.	377	0	2.50	1.785
CBE recruitment and selection help the organization to gain competitive advantage.	377	0	2.40	1.728
I am highly productive employee in the bank	377	0	3.00	1.831
I understand my role that I play in achieving organizational goal.	377	0	2.47	1.729
Employees are motivated to stay with the organization	377	0	1.41	.947

APPENDIXES- 3 MODEL SUMMARY

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.868 ^a	.753	.751	.39943

a. Predictors: (Constant), Selection, External Recruitment, Internal Recruitment

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Selection, External Recruitment, Internal Recruitment ^b	.	Enter

a. Dependent Variable: Organizational Performance

b. All requested variables entered.

Descriptive Statistics

	Mean	Std. Deviation	N
Organizational Performance	3.0896	.80105	377
Internal Recruitment	3.4313	.80489	377
External Recruitment	3.2553	.44631	377
Selection	3.7421	.73268	377

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	181.761	3	60.587	379.755	.000 ^b
	Residual	59.509	373	.160		
	Total	241.270	376			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Selection, External Recruitment, Internal Recruitment