

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

ASSESSMENT OF THE RECRUITMENT, SELECTION AND
RETENTION PRACTICE: A CASE STUDY OF CONSTRUCTION
AND BUSINESS BANK.

A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE MASTER OF ARTS DEGREE IN
HUMAN RESOURCE MANAGEMENT

By: Ritana Kemal

June, 2015
Addis Ababa
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**“ASSESSMENT OF THE RECRUITMENT, SELECTION AND
RETENTION PRACTICE OF EMPLOYEES IN CONSTRUCTION
AND BUSINESS BANK”**

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STATEMENT OF DECLARATION

I, Ritana Kemal declare that this study entitled, Assessment of the recruitment, selection and retention practices of employees in Construction and Business Bank is my own effort and study. I have carried out the study independently with the guidance and support of the research advisor. This study has not been submitted for award of any degree or diploma program in this or any other institution and that all sources of materials are duly acknowledged. It is offered here in partial fulfillment of the requirements for the Award of Masters of Arts Degree in Human Resource Management.

Ritana Kemal

STATEMENT OF CERTIFICATION

This is to certify that Ritana Kemal has carried out her research work on the topic entitled, Assessment of the Recruitment, Selection and Retention Practice: A Case study of Construction and Business Bank. The work is original in nature and is suitable for submission for the award of Master of Human Resource Management.

Advisor: Ato Teklegiorgis Assefa (Asst.Prof)

Date: _____

ABSTRACT

The study investigates the recruitment, selection and retention practices of the Construction and Business Bank of Ethiopia. The study has employed descriptive type of research it is also designed as survey to provide systematic information about the three practices under study. Based on the sample size determining table the study took a sample of 125 respondents out of the 978 employees. Both probability and non-probability sampling techniques were implemented. Moreover primary and secondary data collection methods were used. To obtain primary data Questioners were developed and distributed to employees of the bank; in -addition, interview was conducted with the Humana Resource manager of the Bank. Secondary data were collected from the organization's recruitment, selection and retention policies, manuals, company's websites and other publications. The collected information was analyzed with SPSS software. Furthermore, a scholarly written best practice for recruitment and selection was used to evaluate the practices and procedure of the bank. Construction and business bank's compensation and benefit package was also reviewed to see if the employees are satisfied with these benefits and committed to the bank. The findings of the study indicate that, the overall performance of the bank, in terms of recruitment, selection and retention practices, has been satisfactory. However, even if the bank has a well designed recruitment and selection procedure, there still exists a gap that should be addressed. It was discovered that the bank does not have a procedure particularly designed for employee retention; but endeavors to satisfy the employees by providing sound compensation and benefit package. Even though the findings indicate that majority of the employees endorse the current state of affairs, there are still significant percentages of employees who are not happy with practice, based on the study parameters. Hence, the Construction and Business Bank should periodically review its policies and procedures, specifically the benefit package and retention strategy in order to attract new employees and commit the existing once.

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ACRONYMS

HSB: Housing and savings Bank

CBB: Construction and Business Bank

HR: Human resource

HRM: Human Resource Management

HRP: Human Resource Planning

GMA: General Mental Ability

Chapter One

Introduction

1.1 Background of the study

Human resource management is a comprehensive set of managerial activities and tasks concerned with developing and maintaining a qualified work-force in ways that contribute to the organizational effectiveness. (Denisi, 2005) Human Resource Management includes conducting job analyses, planning personnel needs, recruiting the right people for the job, orienting and training, managing wages and salaries, providing benefits and incentives, evaluating performance, resolving disputes, and communicating with all employees at all levels.

Of all the varied responsibilities in human resources, two of the most critical are recruiting the best employees and keeping them happy on the job. The selection of employees is vital to the success of any business because hiring decisions have a lasting effect on morale, productivity and profitability. The successful recruitment, selection and retention of employees have been proved to be an integral part of every business success. They are a vital part of an organization's overall strategic plan.

According to Denisi (2005) recruitment is the process of developing a pool of qualified applicants who are interested in working for the organization and from which the organization might reasonably select the best individual or individuals to hire for employment. Moreover, recruitment is the process of attracting individuals (pool of candidates) on a timely basis, in sufficient numbers and with appropriate qualifications, (DeCenzo, D. and Robbins, S., 2005).

The purpose of the recruitment process is to find the widest pool of applicants to provide the greatest opportunity to select the best people for the required roles in an organization. Acquiring the best applicants for a role can be a competitive advantage for an organization whereas ineffective recruitment and selection can result in enormous disruption, reduced productivity, interpersonal difficulties and interruptions to operations, customer service and long term costs.

Selection is the process of choosing the most suitable candidate for a particular position from among the candidates, (*DeCenzo, D. and Robbins, S. 2005*). According to Denisi(2005) selection is concerned with identifying the best candidate or candidates for jobs from among the pool of qualified applicants developed during the recruiting process. The purpose of the selection process is to ensure that the best person or people are appointed to the role or roles using effective, fair and equitable assessment activities.

Employee retention can be defined as a sum of all those activities aimed at increasing organizational commitment of employees, giving them an overall ambitious and myriad of opportunities where they can grow by outperforming others, (Bogdanowicz & Bailey, 2002). An organization is completely at loss when the employees leave their job once they are fully trained. Employee retention takes into account the various measures taken so that an individual stays in an organization for the maximum period of time.

Even when a company recruits the right candidates, the company's organization, culture, and benefits must be successfully managed to retain these workers. Unfortunately, there's a tendency in the current economic climate for some corporations to focus more on measuring employee performance rather than on measuring the success of employee-retention efforts.

This research paper aims at assessing the recruitment, selection and retention practices of Construction and Business Bank. Accordingly, conclusions and recommendation are made based on the assessment of the findings so that the Bank will make use of the findings to further improve its human resources management operations.

1.2 Background of the organization

According to (www.cbb.com.et Dec, 22, 2014) Construction and Business Bank S.C. (CBB) is a wholly government-owned public enterprise and successor of the Housing and Savings Bank (HSB) which was formed in 1975 through the merger of two financial institutions namely, Imperial Savings and Home Ownership Association and Savings and Mortgage Corporation of Ethiopia which were nationalized at the on-set of the socialist era of Ethiopia. HSB started operation with Birr 6.0 million paid up capital and its main declared objectives were granting long-term loans for residential housing and commercial building construction, purchase and renovation. Its financial resource bases were deposits mobilized through ordinary savings and time deposits and long-term borrowings. HSB's lending focused on known government preferences mainly lending for housing to individuals and housing co-operative societies.

For about twenty years since 1975, HSB has made important contribution to the development of housing in the country in which it hitherto enjoyed the reputation as a household name. However, the specialization in housing finance restricted the Bank to rely on limited resources and lend to limited sectors which in turn limited its ability to distribute credit risks, maximize profit and gain expertise in other banking operations. Despite changing circumstances such as repetitive change of business name and mandate without commensurate capital, the Bank has managed to survive as an entity with fair rapid growth.

In the year (2008/09), international banking transactions were 2,097.0 million in the form of Letter of Credit and other services involving a sum amounting to Birr 2,689.3 million, which enabled the Bank to generate revenue amounting to birr 77.1 million as at June 30, 2009. On the same note, the Bank has also generated revenue amounting to birr 4.3 million from about 130,872 payment transactions through the Western Union Money Transfer Service. Total staff strength of the Bank stood at 994, while its full-fledged branch network reached 33 and 3 dedicated Western Union money transfer service centers.

Vision: CBB's vision is to become customers' first choice bank in Ethiopia.

Mission: CBB's mission is to render long-term construction loans for residential and commercial buildings, medium and short-term loans; and all other domestic and international banking services by deploying honest and motivated staff and employing state of the art technologies and thereby meet the interests of all stakeholders.

In support of this mission CBB is committed to:

- Treating customers with utmost respect, dignity and impartiality
- Delivering quality service at affordable price
- Observing moral, ethical and professional standards
- Providing employees with equal opportunity for career development and personal growth
- Ensuring peaceful management-labor relationship
- Remain loyal for community development initiatives
- Sustainable growth and organizational excellence

1.3 Statement of the problem

There is always a need for replacement of employees and those with unfamiliar skills that business growth makes necessary. Recruitment is also an area in which there are important social and legal implications, but perhaps most important is the significant part played in the lives of individual by their personal experience of recruitment and the failure to be recruited (Torrington, D., Hall, L and Taylor, S 2005)

To achieve organizational objectives it is essential to always follow the appropriate recruitment, selection and retention policies and programs that bring success to the organization. Unless the recruitment, selection and retention program is designed properly in noting the complete stage of the process (assessment, designing, implementation and evaluation of the program) the organization may encounter lots of challenges that could lead it to failure.

Studies have shown that one of the major problems facing organizations is that of how to recruit capable personnel and retain them for performance. This problem has made it almost impossible for some organizations to have qualified personnel in terms of skills, experience and educational qualifications to carry out their goals.

Recruitment and selection are seminal topics within human resource management, ensuring that organizations have the necessary human skills, knowledge and capabilities that will enable the organization to continue into the future. 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 a post.

All companies and organizations exist to accomplish certain goals and objectives. This assessment, as indicated above, focuses at the practice of recruitment, selection and retention of employees in the case of Construction and Business Bank.

The research is conducted in the Construction and Business Bank to investigate the problems that exist in the recruitment, selection and retention practice. Preliminary investigation on the bank's practices of recruitment, selection and retention indicates that there is lack of promotion; there is delay in the recruitment of new employees and the employees of the bank have some complaints on the benefit package of the organization which could affect the retention of key employees in the bank. Moreover, there are also good practices that should be sustained. This research has investigated the practices and problems observed in the bank.

1.4 Research questions

The study tries to address the following research question:

- i. What kind of recruitment, selection and retention policy does the bank have?
- ii. How does the company implement the recruitment, selection and retention policies?
- iii. What are the recruitment and selection methods used by the organization?
- iv. How does the company retain its employees?
- v. What are the issues influencing the retention of employees in the organization?
- vi. What are the challenges the company faces while implementing the recruitment and selection program?

1.5 Objectives of the study

The study had the following objectives:

1.5.1 General Objective of the study

Assess the recruitment, selection and retention practices of employees in the Construction and Business Bank.

1.5.2 Specific Objectives

In order to explore the recruitment, selection and retention practice in the organization the study is conducted with the following specific objectives;

- To assess the existence of a comprehensive recruitment, selection and retention policy in the organization
- To assess how and if the recruitment, selection and retention policy (program) is implemented in the organization
- To describe the current recruitment and selection methods used by Construction and Business Bank
- To investigate the challenges the company faces while implementing the recruitment and selection programs
- To investigate if the bank retains its employees
- To describe the challenge the company faces while implementing retention program.

1.6 Significance of the study

From the findings of this study, it was possible to determine whether the organization is using appropriate procedures of recruitment, selection and retention practices to achieve its goals. Moreover, the study findings have explored whether the organization is properly implementing its recruitment, selection and retention policies to achieve its organizational objectives. In addition the findings pointed out important issues that help the organization to rectify its problems and pitfalls in its practices. This paper will be helpful for further studies on similar areas.

1.7 scope of the study

The scope of this Study is to assess the recruitment, selection and retention practices of employees, which is essential as the success of an organization depends on the people who work within the organization. As a result employees in the organization are able to perform their obligations and achieve organizational goals by possessing the relevant skills and knowledge. The study is conducted at the head office of the Construction and Business Bank and some of its selected branches in Addis Ababa namely Africa Avenue, Ayer Tena, Bole Medhanialem, Bole Michael, Bulgaria, Edget, Main, Merkato, Piassa, Urael and Pushkin. This thesis work has focused in reviewing the policies of the organization in designing and implementing the practices. The study has also tried to examine problems and challenges the organization faces and made recommendations for further improvement.

1.8 Limitations of the study.

- The scope of the study is restricted to branches that are only found in Addis Ababa as a result it will be tricky to generalize the findings to other branches that are found outside of Addis Ababa, despite they follow similar HR procedures.
- Some challenges were faced in getting the willingness of the employee to fill the questionnaires.

1.9 Organization of the study

The study is organized in five chapters. The first chapter includes background of the study, statement of the problem, objectives of the study, scope and limitation, and significance of the study. The second chapter is dedicated to the review of theoretical and empirical review of literatures. The third chapter is concerned with the methodological design of the study. The fourth chapter deals with the analysis and interpretation of the data. The last part covers the conclusion and recommendation of the findings.

Chapter Two

Literature Review

2. Theoretical literature review

The intention of this chapter is to examine the extensive body of literature related to the recruitment, selection and retention practices. Human Resource Management literature covers the areas of recruitment, selection and retention in considerable detail, setting down the formal processes and procedures that are identified as the considered position of recruitment, selection and retention.

2.1 Over view of Recruitment

Herein are some definitions of recruitment which are explained by different authors. According to Stewart, G and Brown, K (2009) employee recruitment is a process of getting people to apply for work with a specific organization. The basic goal of recruiting is to communicate a positive image of the organization and to identify and gain the interest and commitment of people who will be good employees.

Recruitment is the process of finding and engaging the people the organization needs (Armstrong 2009). It is the process of 'seeking and attracting a pool of applicants from which qualified candidates for job vacancies within an organization can be selected (stone 2005)

In a more widely encapsulating description, recruitment occurs because of the following reasons. 'First, someone has left the organization; Second, a specialist is required for a particular position; Third, the volume of work has increased; Fourth, something new is happening, for example, the launch of a new product and finally, due to growth or restructuring of a particular area of the business' (Russell 2012).

2.2. Over view of Selection

Selection is the identification of candidates who can best contribute to the strategic objectives of the organization and help in the quest to obtain a competitive advantage. Selection yield a match between the organization’s needs for specific qualified individuals and the different needs of employees that determine the type of work that is satisfying for them (Braton and Gold, 2007).

Selection is the process of choosing from a group of applicants those individuals best suited for a particular position. Most managers recognize that employee selection is one of their most difficult and most important business decisions. This process involves making a judgment -not about the applicant, but about the fit between the applicant and the job by considering knowledge, skills and abilities and other characteristics required to perform the job. Selection Process can vary from organization to organization, some steps performed and considered important by one organization can be skipped by other organization. (Gary .D, 2009)

Table 2.1: Difference between recruitment and selection:

| Recruitment | Selection |
|--|--|
| <ul style="list-style-type: none"> • Recruitment refers to the process of identifying and encouraging prospective employees to apply for jobs. • Recruitment is said to be positive in its approach as it seeks to attract as many candidates as possible. | <ul style="list-style-type: none"> • Selection is concerned with picking up the right candidates from a pool of applicants. • Selection on the other hand is negative in its application in as much as it seeks to eliminate as many unqualified applicants as possible in order to identify the right candidates. |

Source: [http:// recruitment.naukrihub.com](http://recruitment.naukrihub.com), Jan. 10, 2015

2.3. Recruitment and selection policy

According to Cuming (1985) & Armstrong (2006) cited by University of Groningen(2011) a clear policy on when and how recruitment and selection will be conducted is important for the management, staff and the applicants because of the potential dangers of subjectivity.

Much can be achieved through clear policy statements on each aspect of recruitment and selection process. Some of the gains are well described by Cole (1997), who says that recruitment and selection policy helps the organization to: provide guidance on how and when jobs will be advertised, provide guidance on how selection will be conducted, state priorities for consideration, instruct on how disputes are to be handled and indicate the effect on other policies in the organization.

These benefits are likely to be achieved if specific principles are used in stating recruitment and selection policy. These are:

- Defining the key concepts in the policy.
- Stating the rationale for the policy.
- Adhering to the principal legislations of the country.
- Focusing on appointment based on merit.
- Adhering to fairness on recruitment and selection (equal opportunity).
- Considering cost effectiveness in the recruitment and selection process.
- Attracting and selecting the most valuable employees.
- Taking into account the role of the management, the human resource department, selection panel, and the job applicants in the recruitment and selection process.

Developing talent at different leadership levels in the organization is considered important. Much greater openness in succession planning is encouraged, and more consideration is given to the required balance between internal talent development and external talent.

2.4 Source of recruitment

Vacancies in upper level management can be filled externally by hiring people from outside the organization or internally by promoting lower level managers. Both strategies have advantages and disadvantages.

2.4.1 Internal recruiting:

According to Stewart, G and Brown, K (2009) internal recruiting is the process of filling job openings with employees who are already working for the organization. When job vacancies

exist, the first place that an organization should look for placement is within itself. An organization's present employees generally feel that they deserve opportunities to be promoted to higher-level positions because of their service and commitment to the organization.

In any event it is generally important that an organization always uses internal- recruiting as part of its overall planning process because internal recruiting has several advantages. Organizations recruit internally because it provides greater motivation for good performance, gives opportunities for present employees, provides better opportunity to assess and sustain employee's abilities, improves morale and organizational loyalty, enables employees to perform the new job with little lost time and it is less expensive than external recruitment.

However internal recruitment also has some pitfalls that organizations must examine before applying it, such as, it creates narrow thinking and stale ideas, generates pressures to compete, builds homogeneous workforce and the organization might miss out on good outside talent.

2.4.2 External recruiting

According to Denisi, (2005) external recruitment is the process of looking to sources outside the organization for prospective employees. A broad variety of methods are available for external recruiting. An organization should carefully assess the kinds of positions it wants to fill and select the recruiting methods that are likely to produce the best results.

There are some employee needs that a firm must fill through external recruitment. Among them are: filling entry-level jobs, acquiring skills not possessed by current employees, and obtaining employees with different backgrounds to provide new ideas.

Not surprisingly external recruitment has both advantages and disadvantages that are directly counter to those of internal recruiting. The external recruitment provides new ideas and insights, creates a diversified work force and creates opportunities to get people with up-to-date knowledge education and training which makes it a good recruitment source than the internal recruitment.

However external recruitment also has disadvantages like, it is more expensive and time consuming, may decrease the motivation of present employees to strive for promotion and there

might be more chances to commit hiring mistakes due to difficult applicant assessment that will lead to wastage of resource.

Generally source of recruitment can be classified as internal and external but it is wise to review and indicate some of the recruitment methods.

Advertising

It is a way of communicating the employment needs within the firm to the public through media such as radio, newspaper, television, industry publications, and the Internet. It is a popular method for external recruiting.

Such agencies provide expert advice on where to place advertisements and how they should be worded and will design them attractively to achieve maximum impact (Torrington, D., Hall, L and Taylor, S 2005).

Employment Agencies

An employment agency is another common method for external recruitment. They help firms' recruit employees and, at the same time, aid individuals in their attempt to locate jobs. (Densisi 2005) There are two types of employment agencies i.e.

- *Public Employment Agencies*; employers register their job openings with the local state employment agency, at the same time the employment agency collects data (mostly regarding skills, experience and abilities) from unemployed persons and use these data to match qualified individuals with available jobs. Its significant advantage is that they are free and particularly useful source of job application for the minority groups.
- *Private Employment Agencies*; these agencies are more likely to serve the white – collar labor market and they charge fee for their service.

Job posting

Job posting is a mechanism for internal recruitment in which company uses internal communication channels (company newsletters, bulletin boards, internal memos, and the firm's intranet) to share information about job vacancies with current employees (Stewart, G and Brown, K 2009). Any individual who is interested in being considered for the position simply files an application with the human resource department.

Executive Search Firms

Executive search firms sometimes called **head hunters** are specialized form of private employment agencies that place top level executives and experienced professionals. These are the organizations that seek the most-qualified executive available for a specific position and are generally retained by the company needing a specific type of individual.

Supervisory recommendations

Supervisory recommendation is a mechanism for internal recruitment where, when new position needs to be filled, a manager simply solicits nominations or recommendations for the position from supervisors in the organization. The supervisors look at the employees for whom they are responsible, and if any are particularly well suited for the new job opening, then the supervisor recommend those individuals to the higher level manager.

Internships

It is a special form of recruiting that involves placing a student in a temporary job. There is no obligation on the part of the company to permanently hire the student and no obligation on the part of the student to accept a permanent position with the firm. Hiring college students to work as student interns is typically viewed as training activity rather than as a recruiting activity. However, organizations that sponsor internship programs have found that such programs represent an excellent means of recruiting outstanding employees.

Professional Associations

Associations in many business professions such as finance, marketing, information technology, and human resources provide recruitment and placement services for their members. Professional associations and trade organizations provide a valuable service in bringing together professional and professional job openings. Most professional organizations have newsletters, annual meetings and trade publications that advertise job openings.

Cyber Recruiting

Organizations can also use web sites and internet sources to recruit people application submission test and interview and other recruitment and selection activities can be performed online.

Word of mouth recruiting

An organization simply informs present employees that positions are available and encourages them to refer friends, family members or neighbors for those jobs.

Schools, colleges and universities

As Bernardin (2003) described colleges and universities are the key source of recruiting for professional and managerial positions. The advantages for this method is that the organization can specify qualifications such as, major, grade point average, work experience and so forth. It is also a relatively in-expensive method of recruiting because the colleges and universities typically provide the facilities, schedule the appointment and so forth.

Recruitment process outsourcing

Outsourcing is essentially the transfer by a firm of products or services to an outside vendor or supplier as opposed to sourcing the same work within the firm's own facilities. It is a strategic decision by the firm in question, and often taken in the interests of achieving cost efficiencies. (Collings, D. and Wood, G., 2009) The advantages of RPO are that it can save time, bring outside expertise to bear on recruitment problems and free up HR for more value-adding activities. The disadvantage is the perception by some HR people and line managers that the provider is too remote to deal with the real issues and that there is a danger of losing control (Armstrong 2006).

2.5. Recruitment and selection process

The overall aim of the recruitment and selection process should be to obtain the number and quality of employees required to satisfy the human resource needs of the company at minimum cost (Armstrong 2006). There are four stages of recruitment and selection process:

2.5.1 Job analysis and recruitment planning

As per Decenzo (2005) Job analysis is a systematic exploration of the activities within a job. It is a technical procedure that is used to define the duties, responsibilities and accountabilities of a job. This analysis defines and documents the duties, responsibilities, and accountabilities of a job and the conditions under which a job is performed.

The number and categories of people required may be set out in formal human resource or workforce plans from which are derived detailed recruitment plans. Requirements are set out in the form of job descriptions and personnel specifications. These provide the information required to draft advertisements, post vacancies on the internet, brief agencies or recruitment consultants, and assess candidates by means of interviews and selection tests.

Job description is a written statement of what the job holder does, how it is done, under what condition and why (DeCenzo, D. and Robbins, S. 2005). It accurately portrays job content, environment and condition of employment. It acts as source of information about the job while employees are recruited and selected.

Personnel specification- according to Decenzo (2005) also known as job specifications is the minimum acceptable qualification that a job incumbent must possess to perform the job successfully. It define the qualifications, experience and personal qualities required by the job holder and any other necessary information on the special demands made by the job, such as physical conditions, unusual hours, or travelling away from home. They should also set out or refer to terms and conditions of employment such as salary, fringe benefits, hours and holidays. (JuChuelMinBrian H. Kleiner, 2001).

According to Stewart, G and Brown, K (2009) job specification is listing of the knowledge, skills and abilities needed to perform the tasks described in a job description.

Recruitment plan is the estimate of number and composition of new hires during the year. It is also the perfect tool for the recruitment workload planning, cost allocations, budget planning, succession planning and the talent management in the organization. (www.simplehrguide.com, Jan, 10, 2015).

According to Armstrong (2006) recruitment planning contains the number and types of employees required to cater for expansion or new developments, sources of candidates, plans for tapping alternative sources and how the recruitment program will be conducted.

2.5.2 Attracting candidates

Attracting candidates refers to reviewing and evaluating alternative sources of applicants, inside and outside the company. Attracting the best candidates is more critical to organizational success

whilst those without qualifications find it increasingly difficult to become shortlisted (Chapman.D 2005). The analysis of strengths and weaknesses should cover such matters as the national or local reputation of the organization, pay, employee benefits and working conditions, the intrinsic interest of the job, security of employment, opportunities for education and training, career prospects, and the location of the office or plant. These need to be compared with the competition.

According to DeCenzo, D. and Robbins, S. (2005) the ideal recruitment effort attracts a satisfactory number of qualified applicants who want the job but certain realities cannot be ignored. Constraints on attracting candidates limit human resource recruiter's freedom to recruit and select a candidate of their choice. Some of the constraints on attracting candidates are as follows:

Organization image: a prospective candidate may not be interested in pursuing job opportunities in the particular organization. The image of the organization therefore can be a potential constrain. A poor image may limit its attraction to applicants.

Job attractiveness: if the position to be filled is an unattractive job, recruiting a large and qualified pool of applicants will be difficult. Moreover a job viewed as boring, hazardous, low paying and lacking in promotion potential seldom attracts a qualified pool of applicants.

Internal organizational policy: internal organizational policies, such as 'promote from within wherever possible' may give priority to individuals inside the organization. Such policies, when followed typically insure that all position other than the lower – level entry position will be filled from within the rank. This practice may decrease the number of applicants. In order to attract qualified applicants an organization must evaluate the sources of recruitment.

2.5.3 Selecting candidates

After the work of attracting employees is done the next step is selecting candidates that are best fit to the organization by sifting applications, interviewing, testing, assessing candidates, assessment centers, offering employment, obtaining references; preparing contracts of

employment, (Decenzo, 2005). Employee selection is the process of testing and gathering information to decide whom to hire (Greg, S and Kenneth, B 2009).

HR and line managers continue to use a variety of imperfect methods to aid the task of predicting which applicant will be most successful in meeting the demands of the job, and/or are the best fit with the work group and culture of the organization. (Torrington, D., Hall, L and Taylor, S 2005) The following selection method criteria's will help HR and line managers in predicting which applicant is fit for the job and the organization.

Reliability: is the degree to which a selection method yields consistent results. It is concerned with consistency measurement (Stewart, G and Brown, K 2009). It indicates that the selection method that the organization uses is trusted by measuring its consistency. There are different methods of measuring the reliability of a selection method.

Test- retest method: a process of estimating reliability that compares scores on a single selection assessment obtained at different times.

Alternate-form method: a process of estimating reliability that compares score on different versions of a selection assessment.

Split-halves method: a process of estimating reliability that compares scores on two parts of a selection assessment.

Inter-rater method: is a process of estimating reliability that compares assessment scores provided by different raters.

Validity measures the quality of being justifiable and being valid. Employee selection methods must accurately predict who will perform the job well (Stewart, G and Brown, K 2009). High reliability may mean little if the selection device has low validity (DeCenzo, D. and Robbins, S. 2005). There are different types of validities such as:

Content validity: measures the extent to which a test usually measure some aspect of the job itself, or has content similar to the job content (Stewart, G and Brown, K 2009)

Criterion validity: is the degree to which a particular selection device accurately predicts the important elements of work behavior, as in the relationship between a test score and job performance (DeCenzo, D. and Robbins, S. 2005).

Predictive validity: is a form of criterion related validity estimation in which selection assessments are obtained from applicants before they are hired. (Stewart, G and Brown, K 2009)

Utility is a principle associated with employee selection method that reflects their cost effectiveness. Several factors influence the cost effectiveness of a selection method for example when validity increases utility decrease because valid selection method results in a more accurate prediction, the other is tenure (length of time people stay employed) utility is higher when people remain in their jobs for long period of time. (Stewart, G and Brown, K 2009)

Legality and fairness is a characteristic of selection methods that reflects individuals' perceptions concerning potential bias and discrimination in the selection method.(Stewart, G and Brown, K 2009) the number of people who are unfairly eliminated decreases as validity increases, meaning that more valid tests are more fair.

Acceptability is the characteristic of a selection method that reflects applicants' beliefs about the appropriateness of the selection method. Selection method should be acceptable to all parties involved in the selection process.

2.5.3.1 Selection process

According to *DeCenzo, D. and Robbins, S. (2005)* Selection process is the process of selecting the best candidate for the job. The selection process consists of eight steps. These are:

Step-1 Initial screening

According to Decenzo (2005) initial screening is the first step in the selection process whereby inquiries about a job are screened. At this stage the applicant's credentials are compared with the recruitment of the position as per job specification. Sharing job description information with the individual frequently encourages the unqualified to voluntarily withdraw from candidacy which minimizes cost. As a culmination of recruiting effort an organization initiate a preliminary

review of potentially acceptable candidates. Perhaps candidates lack adequate experience or education.

Step-2 Completing application form

Application form is a company- specific employment form used to generate specific information the company wants. Once the initial screening is completed applicants are asked to complete the organization form. In general terms the application form gives applicant's name, address, telephone number. In addition to this it can incorporate job-performance related synopsis of what applicants have been doing during their adult life, their skills and their accomplishments.

According to Armstrong (2009) application forms set out the information on a candidate in a standardized format. They provide a structured basis for drawing up short-lists, the interview itself and for the subsequent actions in offering an appointment and in setting up personnel records.

Step-3 Employment test

As per Decenzo (2005) employment test is any selection examination that is designed to determine if an applicant is qualified for the job. Organizations historically relied to a considerable extent on intelligence, aptitude, ability and interest test to provide major input to the selection process. Even hand writing analysis and honesty test have been used in attempts to learn more about the candidate information that supposedly leads to more effective selection. Some of the employment tests are presented as follows.

Intelligence tests: it measures the range of mental abilities which enable a person to succeed at a variety of intellectual tasks using the faculties of abstract thinking and reasoning. They are concerned with general intelligence and are sometimes called 'general mental ability' (GMA) tests.

Ability test: An Ability test establishes what people are capable of knowing or doing. The term can refer primarily to reasoning ability; such as verbal reasoning, numerical reasoning, spatial reasoning and mechanical reasoning.

Personality tests: Personality tests attempt to assess the personality of candidates in order to make predictions about their likely behavior in a role. There are many different theories of personality and different types of personality tests.

One of the most generally accepted ways of classifying personality is the five-factor model, which defines Extraversion/introversion, emotional stability, agreeableness, conscientiousness and openness to experience.

Assessment centers: assessment centers assemble a group of candidates and use a range of assessment techniques over a concentrated period (one or two days) with the aim of providing a more comprehensive and balanced view of the suitability of individual members of the group. It provides opportunities for indicating the extent to which candidates match the culture of the organization. (Armstrong, 2009)

Work sample: is a selection device requiring the applicants to actually perform a small segment of the job. Work sample test tend to be job specific that is, tailored individually to each different job in each organization (Noe, R.A.,Hollenbeck, J.R.,Gerhart, B.& Wright, P.M. 2008).

One of the central ways these tests differ from ability tools is through the contextualization of the content into a specific work situation. These tools can therefore provide data on the applicants' specific skills, but also assess cultural fit (Collings, D., and Wood, G., 2009).

Table 2.2: Predictive validity of different selection tests

| Selection Tests | Predictive Validity Coefficients |
|-------------------------|----------------------------------|
| Assessment center | .65 |
| Behavioral interviews | .4-.6 |
| Work sample test | .54 |
| Ability test | .53 |
| Modern personality test | .39 |
| Biographical data | .38 |
| Reference | .23 |
| Traditional interview | .05-.19 |

Source: British psychological society

Step-4 Comprehensive interview

According to Decenzo (2005) comprehensive interview is a selection device in which information about a candidate can be obtained. Applicants who pass the initial screening,

application form and required tests receive a comprehensive interview. Applicants may be interviewed by the HRM interviewers, senior managers within the organization, potential supervisors or some or all of these. Some of the interview types are as follows:

Individual interviews: The individual interview is the most familiar method of selection. It involves face-to-face discussion and provides the best opportunity for the establishment of close contact rapport between the interviewer and the candidate. A **structured interview** is one that is built around a set of predetermined questions that may be related to the competencies required as set out in the person specification (Armstrong, 2006).

Interviewing panels: Two or more people gathered together to interview one candidate is known as 'Interviewing panel'. The most typical situation is that in which an HR specialist and line managers see the candidate at the same time. This has the advantage of enabling information to be shared and reducing overlaps (Ibid).

Step-5 Background investigation

The next step in the process is to undertake background investigation of applicants who appear to offer potential as employees. Background investigation (reference check) is intended to verify information on the application form is correct and accurate information. (DeCenzo, D. and Robbins, S., 2005). This can include contacting former employers to confirm the candidates work record, obtain appraisal of his/her performance, verifying other job related and personal references and criminal record.

The main purpose of a reference is to obtain in confidence factual information about a prospective employee. This information is straightforward and essential. (Armstrong 2009)

Step-6 Conditional job offer

After an applicant has passed all the selection process a condition job offer is usually made. Conditional job offer comes from the HRM representative. The conditional nature of job offer will be removed and the offer will be permanent.

Step-7 Medical or physical examination

It is an examination to determine an applicant's physical fitness for essential job performance. It can only be used as a selection device to screen out individuals who are unable to physically comply with the requirements of a job. Aside from its use as a screening device it is helpful in

showing that minimum standard of health exist to enroll in companies that provide health and life insurance for their employment.

Step-8 Permanent job offer

According to Decenzo (2005) at this stage those individuals who perform successfully in the preceding steps are now considered to be eligible to receive an offer of employment. The final stage in the selection procedure is to confirm the offer of employment after satisfactory references have been obtained, and the applicant has passed the medical examination required for pension and life assurance purposes or because a certain standard of physical fitness is required for the work. The contract of employment should also be prepared at this stage, (Armstrong 2009).

The person who makes the employment offer will differ from one organization to another. For administrative purpose the offer is typically made by the human resource management department, but their role should only be administrative. The actual hiring decision should be made by the manager in the department where the vacancy exists.

Step-9 Orientation and follow up

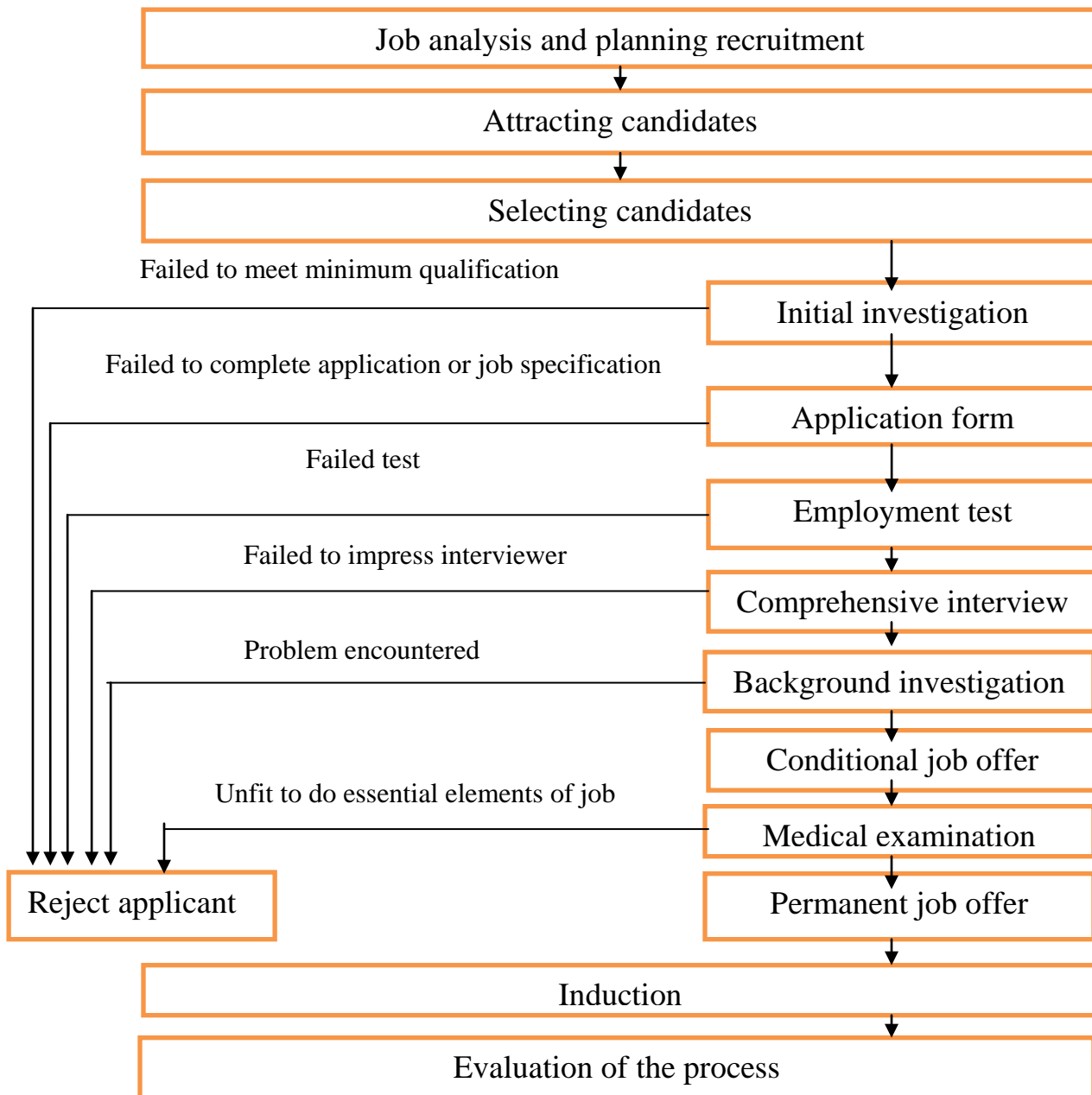
Once the new employees are hired the next step will be giving them orientations. As per Decenzo (2005) orientation is a system of introducing new employees to the organization and their work units. Orientation involves familiarizing new employees with company rules, policies and procedures. Orientation programs play an important role in socializing employees (Noe, *etal* 2008).

It is essential to follow up newly engaged employees to ensure that they have settled in and to check on how well they are doing. If there are any problems it is much better to identify them at an early stage rather than allowing them to fester. (Armstrong 2006)

2.6 Evaluation of the recruitment and selection process

It is the evaluation of the success of the recruitment and selection process as well as use of competencies during the process. Its purpose is to ensure that the process is meeting the needs of the organization and complying with equal opportunity requirements.

Figure 2.1: Recruitment and Selection process



Source- DeCenzo, D. and Robbins, S.P 2005, fundamental of human resource management, 8thed.

2.7 Factors affecting the selection process

A permanent, standardized screening process could greatly simplify the selection process. However, development of such a process even if it were possible and desirable would not eliminate deviations to meet the unique needs of particular situation (Armstrong 2006).

2.7.1 Legal Considerations

Legislation, executive orders, and court decisions have a major impact on human resource management. It is important for hiring managers to see the relationship between useful and legally defensible selection tools.

2.7.2 Speed of Decision Making

The time available to make the selection decision can have a major effect on the selection process. Closely following selection policies and procedures can provide greater protection against legal problems; however, there are times when the pressure of business will dictate that exceptions be made.

2.7.3 Organizational Hierarchy

Different approaches to selection are generally taken for filling positions at different levels in the organization.

2.7.4 Applicant Pool

The number of applicants for a particular job can also affect the selection process. The process can be truly selective only if there are several qualified applicants for a particular position. The number of people hired for a particular job compared to the individuals in the applicant pool is often expressed as a selection ratio.

2.8 Over view of employee Retention

Employee retention is defined as a systematic effort by employers to create and foster an environment that encourages current employees to remain with the organization (Sloan 2005).

Studies have also indicated that retention is driven by several key factors, which ought to be managed congruently: organizational culture, communication, strategy, pay and benefits, flexible work schedule and career development systems (Logan, 2000).

Retention starts at the top. Sourcing, hiring and retaining motivated employees are the responsibility of the company's governing board and Leadership Team. Getting and keeping good staff demands focused, formal and informal policies and procedures that make retention a prime management outcome. Managers need to appreciate staff every day and constantly work to keep them on board.

Hiring an employee is only a first step. Building awareness of the importance of employee retention is essential. The costs associated with employee turnover can include lost customers and business as well as damaged morale. In addition, there are costs incurred in screening, verifying credentials and references, interviewing, hiring and training a new employee. (RuchiSinha. 2012)

Employee retention practices are intrinsically linked to recruitment. Employers who employ retention practices create positive organizational reputations and improve their ability to attract workers through incentives and benefits that increase recruitment success.

2.8.1 Retention strategy

A retention strategy takes into account the particular retention issues the organization is facing and sets out ways in which these issues can be dealt with. This may mean accepting the reality, as mentioned by Cappelli (2000), that the market, not the company will ultimately determine the movement of employees.

Reward and Compensation: Reward and compensation is something that the organization offers to the employees in response of the work as well as performance and something which is desired by the employees. Rise in pay has a negative impact on turnover. Davies, Taylor, &

Savery (2001) forwarded the view that reward and compensation to top workers is given by every organization but very few organizations uses it strategically. They said that “Salary and benefits policies are not being used strategically, within the organization to improve morale, reduce turnover, and achieve targets within an establishment”. Pay is considered as a motivator as well as employee retention technique.

Recognition: According to Walker (2001), cited by Bidisha Lahkar Das & Dr. Mukulesh Baruah (2013) recognition from bosses, team members, coworkers and customer enhance loyalty. Recognition is important because it has an enduring impression on employees which, in turn, gives the employees an impression that they are valued in the organization.

Promotion: there is a positive correlation between promotions and job satisfaction which in turn helps in retaining employees. Internal career development of employees is often the best predictor of an employee's effective commitment.

Participation in decision making: Modern businesses always keep its employees well informed about all the important affairs of its business and involve them in decision- making at all levels which can exploit the talents of its employees. As per Noah (2008), cited by Bidisha Lahkar Das & Dr. Mukulesh Baruah (2013) employee involvement in decision- making helps in creating a sense of belongingness among the employees, which helps in creating a good congenial working environment and contributes towards building a good employer- employee relationship.

Work environment and employee retention: According to Noah (2008), employees get benefited by work environment that provide sense of belonging. organizations which have generous human resource policies, have a very good chance to satisfy and retain employees by providing them an appropriate level of privacy and sound control on work environment which enhances the motivation levels to commit with the organization for the long term.

Training and Development: one of the important factors in employee retention is investment on employee training and career development. Organization always invests in the form of training and development on those workers from whom they expect to return and give output on its investment. (Torington, 2005) forwarded the view that organizations can keep the leading edge in this competitive world by having their employees well trained in the latest technologies.

Job Security: job security lead to high commitment, job satisfaction as well as retention of employees in an organization. Job dissatisfaction is the outcome of insecurity among employees.

2.8.2 Factors affecting retention

According to Armstrong (2009) retention strategies should be based on an understanding of the factors that affect whether or not employees leave or stay. For early-career employees (30 years and under) career advancement is significant. For mid-career employees (age 31–50) the ability to manage their careers and satisfaction from their work are important. Late-career employees (over 50) will be interested in security. It is also the case that a younger workforce will change jobs and employers more often than an older workforce, and workforces with a lot of part-timers are less stable than those with predominately full-time staff. The other factors that affect retention are: Company image; Recruitment, selection and deployment; Leadership – ‘employees join companies and leave managers’; learning opportunities and Performance recognition and rewards.

2.8.3 Employee turnover

According to Armstrong (2009) employee turnover (sometimes known as ‘labor turnover, ‘wastage’ or ‘attrition’) is the rate at which people leave an organization. It can be disruptive and costly. Turnover always rises when the economy is strong and jobs are plentiful because there are more opportunities available for people to change employers. Conversely, during recessions staff turnover falls because relatively few attractive permanent positions are advertised. (Torrington, D., Hall, L and Taylor, S 2005)

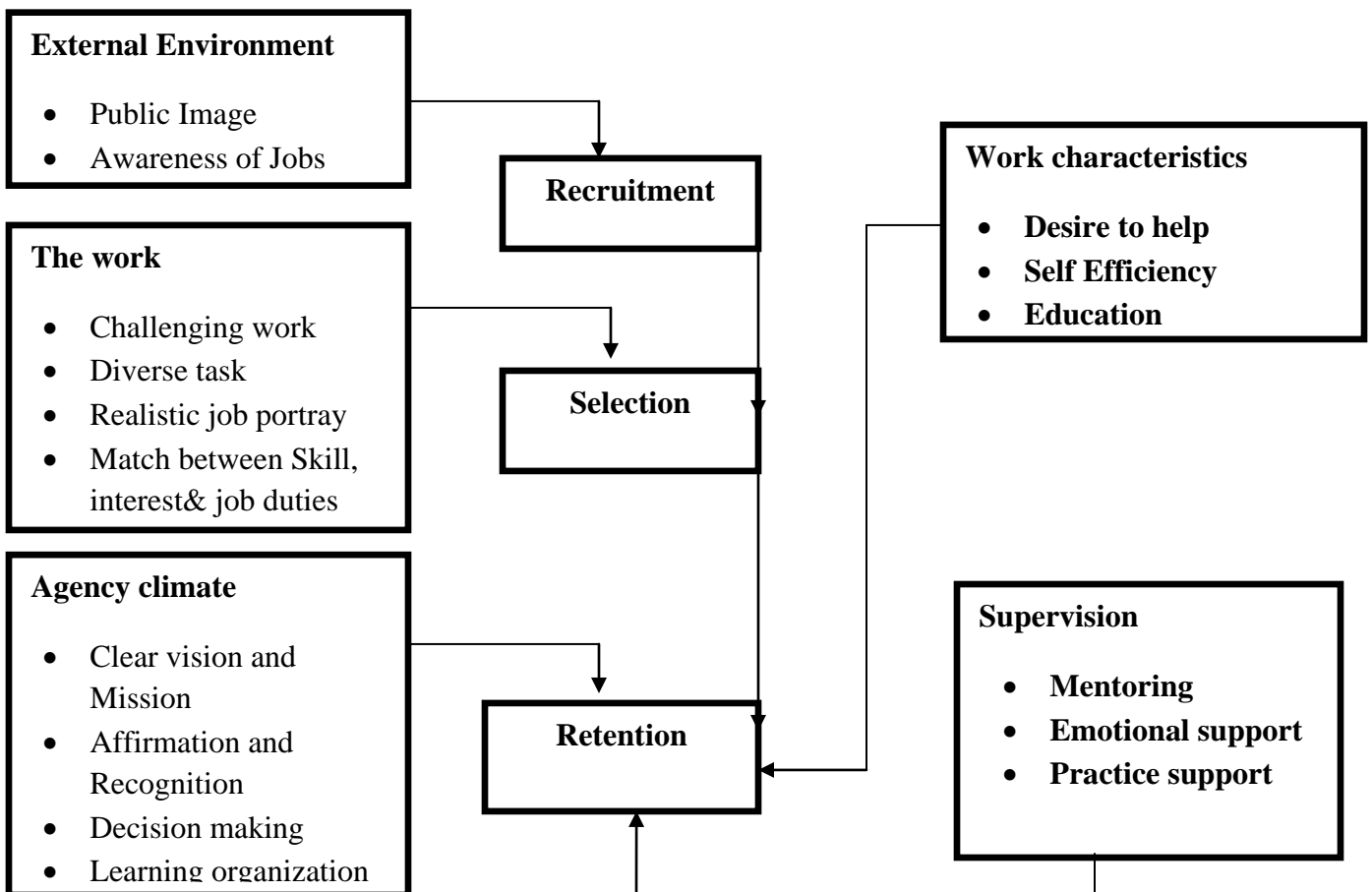
Possible reasons for leaving

- More pay.
- Better prospects (career move).
- More security.
- More opportunity to develop skills.
- Unable to cope with job.
- Better working conditions and harassment.
- Poor relationships with manager/team leader and colleagues.
- Personal – pregnancy, illness, moving away from area, etc.

2.9 Conceptual Framework

Recruitment, selection and retention all three is necessary in order to have a significant impact in achieving organizational objectives. (Ahluwalia, et.al 2001). As presented below in Figure 2.2, these three outcomes are sequentially related and yet influenced by distinct dimensions. Factors related to the external environment directly impact the ability of the organization to recruit a favorable pool of candidates for a job. The nature of the work is a category of issues that affect the ability of managers and supervisors to select qualified staff. And retention of competent and committed employees is influenced by the organizations' climate and supervisory characteristics. Individual worker characteristics influence all three outcomes: recruitment, selection and retention.

Figure 2.2: Conceptual Framework of Influences on Recruitment, Selection and Retention



Source: Network for Excellence in Human Services. (2001). staffing human services: From recruitment to retention. San Diego, CA: Author.

When supervisors and managers learn how to structure procedures to select and hire qualified candidates, they will be more skilled at applying research information that shows how committed workers resonate to the realities of the work, including its challenges, diversity, and match with staff skills and interests. Managers and supervisors can learn and apply skills for changing the organizations climate by communicating their mission, affirming staff and involving them in decision making and creating a learning organization. There are also specific supervisory behaviors related to retention that can change through training: work-focused mentoring and providing emotional and practice support. Finally cultivating workers desires to help, providing opportunities that increase their self-efficacy, supporting staff educational opportunities as well as recruiting professional social workers are some of the supervisory and management behaviors that affect recruitment, selection and retention.

2.10 Empirical literature review

A study made by professor Worku Negash (2014) empirically examined the implementation of recruitment and selection practice in civil service institutions of Oromia national regional state, Ethiopia. The study mainly focuses on the policies and challenges of the recruitment and selection of employees. The Study concluded that the implementation process was not going well. The findings reveal that though the government showed commitment in developing a system that properly guides the process of recruitment and selection, the implementation process is not on track to achieve the desired merit-based system in the civil service sector of the region. The study recommended that the institution should carefully examine the implementation process and address the gaps that exist.

A study made by Gberevbie, D.E (2010) empirically examined employee retention strategies and performance in the Nigerian banking sector, with focus on Zenith Bank in Nigeria. The study revealed that it is more profitable for organizations to put in place appropriate employee retention strategies such as good organization's image or reputation, regular salary package, and humane treatment of employees as strategies for organizational performance. The study provides insight into what could enhance the performance of organizations in their quest for quality service delivery and profitability.

A study made by AbdulQuddus Mohammad (2015), the study investigates the current practices in employee recruitment, selection and retention in family owned small enterprises, so that new models can be developed. The researcher adopted the quantitative and qualitative approaches; the data was collected by using questionnaires and semi-structured interviews using convenience sampling. Out of the 150 administered questionnaires, 120 were returned, out of which 100 were selected upon which the analysis is based. The results suggests that majority of FOSMEs do not have a formal HR department; do not have HR Policies and practices, news paper advertisements, agencies e-recruitment are some of the popular recruitment techniques and English language, math's test, interviews, medical test are some of the popular selection techniques and factors like good relations, recognition, salary, medical benefits are important for employees to work longer. The results from this study will facilitate the owners to face the challenges of lack of qualified labor and high employee turnover rates and also meeting the enterprise targets.

Chapter Three

Methodology of the Study

3. INTRODUCTION

The main purpose of this study is to examine the practices of recruitment, selection and retention of employees in Construction and Business Bank. This section provides an overview of the research approaching detail to address the research objectives. It discusses issues such as research design, sample and sampling techniques, source and tools of data collection and method of data analysis. Additionally, this section also deals with a discussion on the ethical issues as well as validity and reliability of the study.

3.1 Research design

Research design is the blueprint for fulfilling research objectives and answering research questions. In other words, it is a master plan specifying the methods and procedures for collecting and analyzing the needed information (John et.al, 2007). In order to study the recruitment, selection and retention practice of employees in Construction and Business Bank, the study has employed descriptive type of research. The major purpose of descriptive research is to describe characteristics or a phenomenon at present. The study is designed as survey to provide systematic information about the three practices under study.

Furthermore, the study is cross-sectional in the sense that all relevant data are collected at a single point in time. Cross-sectional study is preferred due to limitation of time. The study has also used mixed research design which means that both qualitative and quantitative research methods are used. It involved the collection, analysis, and integration of quantitative and qualitative data in a single or multiphase study, (Creswell, 2005). Therefore, by using the mixed approach the researcher is able to exploit the strength of both quantitative and qualitative approaches and eliminated any disadvantages that exist in any single research method.

3.2 Sample and sampling technique

The target population of the study comprises all employees of Construction and Business Bank (managers as well as non-managers) working at the head office and eleven selected branches located in Addis Ababa with total of 978 employees (394 in the head office and 228 in selected branches).

The study used both probability and non-probability sampling methods. The branches with the most number of employees are selected using purposive sampling technique. Since most of bank branches have few employees it is better to select the branches with the most number of employees in order to get a large population of respondents in a limited time. Purposive or judgmental sampling technique is one of non- probability sampling technique which enables researchers to use their judgment to select cases that will best enable them to answer their research questions and to meet their objectives (Saunders, Lewis& Thornhill, 2007).

Moreover, simple random sampling techniques used to select the respondents from each branch. Simple random sampling technique involves the selection of samples at random from the sample frame (Saunders et.al, 2007). Since the employees in the bank are homogeneous they are selected through the employees name list which was provided by the human resource department. Each and every employee in the population has an equal chance of inclusion in the sample and each one of the possible samples.

Sampling means choosing a smaller, more manageable number of people to take part in the research from the population (Catherine, 2002). The study used the sample determination method table developed by J Carvalho (1984). Based on the table the study took a sample of 125 respondents out of the 978, which is the highest possible sample size. Since the recruitment, selection and retention practices are similar across the bank, the data collected from the samples represent the overall population. The sample size determination table is presented below.

Table 3.1: Sample size determining table

| Population Size | Sample Size | | |
|-----------------|-------------|--------|------|
| | Low | Medium | High |
| 51-90 | 5 | 13 | 20 |
| 91-150 | 8 | 20 | 32 |
| 151-280 | 13 | 32 | 50 |
| 281-500 | 20 | 50 | 80 |
| 501-1200 | 32 | 80 | 125 |
| 1201-3200 | 50 | 125 | 200 |
| 3201-10000 | 80 | 200 | 315 |
| 10001-35000 | 125 | 315 | 500 |
| 35001-150000 | 200 | 500 | 800 |

Source: J Carvalho, “Archival application of mathematical sampling techniques”, records management quarterly 18:63 (1984)

3.3 Source and Method of data collection

The study has used survey research method. To carry out the study both primary and secondary data are collected. In order to get adequate and relevant information the study used well-designed questionnaire and in-depth interviews as best instruments.

Primary data is collected through in- depth interview with the human resource manager of the bank to elicit their knowledge on recruitment, selection and retention practices. Questionnaire is also developed both in English and in Amharic which was distributed to the employees of the bank. The translation of the questionnaire was carefully handled and done by experts in order to avoid any errors or misunderstandings that might occur. The questionnaire contains both closed ended and Likert scale with five scale ranking technique which is used by respondents to rank certain attributes. Closed ended questions are used because it is easier to code, statistically analyze and easier for respondents to answer.

Secondary data were collected from the organizational recruitment, selection and retention policies and manuals, different journals, books, company's websites and other publications.

3.4 Methods of data analysis and presentation

To analyze the data collected from the primary and secondary sources, the study used both qualitative and quantitative data analyzing methods. The research has used SPSS (statistical package for social science) software, version 20 to analyze the quantitative data collected from the questionnaire. The qualitative data were carefully coded, organized and presented by using tables and charts.

3.5 Validity and reliability

The interview guide and the questionnaire are constructed to obtain a complete coverage of the topic, with a strong attention on the general and specific objectives in order to ensure **content validity**. Content validity involves the degree to which the study is measuring what it is supposed to measure. More simply, it focuses on the accuracy of the measurement (John et.al, 2007). To increase validity, the interview questions and questionnaire were compared with other papers and were framed in a very clear and concise manner to make sure each question measures each variable at a time.

Reliability estimates the consistency of the measurement or more simply, the degree to which an instrument measures the same way each time it is used under the same conditions with the same subjects (John et.al, 2007). The aim when discussing reliability is to lessen the errors and biases in the study. The researcher attempted to avoid any partiality in the research by maintaining a high level of consistency during the interview.

In order to increase the validity and reliability of the study pilot test was conducted on 10 employees. Based on the outcome of the pilot test the questionnaires were modified and redesigned. After that the polished questionnaire was distributed to employees that didn't participate in the pilot test.

To assure the reliability of the instrument, the most commonly used Cronbach-Alpha reliability coefficient technique was utilized to check internal consistency of surveys. The result of Cronbach Alpha coefficient is presented below.

Reliability statistics

| Cronbach's Alpha | N Of Items |
|------------------|------------|
| .817 | 22 |

3.6. Ethical issues

In order to complete a research successfully cooperation from participants and informants is found essential. As a result the respondents need to be treated with respect and honesty. (Catherine, 2002)

The interviewees and respondents are informed about the objectives and aim of the study and are selected voluntarily. The identities of the respondents are anonymous to ensure that what participants have said cannot be traced back to them when the final report is produced. Moreover, the information gathered from the survey is made confidential which means that information supplied in confidence will not be disclosed directly to third parties.

Chapter Four

Data analysis and Interpretation

4. INTRODUCTION

This study, as mentioned in the previous chapters, is aimed at assessing the recruitment, selection and retention of employees in Construction and Business Bank of Ethiopia. To collect relevant data for the study, questionnaires were developed and distributed to the sampled employees; besides interviews were conducted with the management of the bank. In this chapter, the collected data by the questionnaires have been collated and analyzed with SPSS software and presented by using pie and bar charts, and tables. The conclusion and recommendation of the study are discussed in the later chapter.

4.1 Response rate

Response rate is the percentage of respondents in the sample who completed and returned the survey. In this study a hundred and twenty five questionnaires were distributed across eleven branches of Construction and Business Bank in addition to the head office, out of which 110 were completed and retrieved successfully, representing 88% response rate.

4.2 Surveys and interview response analysis and interpretation

4.2.1 Demographic information of respondents

Table 4.1: Frequency distribution of respondents based on gender and employment status

| Gender of the respondents | | | | |
|---------------------------|-----------|---------|---------------|--------------------|
| | Frequency | Percent | Valid Percent | Cumulative Percent |
| Female | 47 | 42.7 | 42.7 | 42.7 |
| Male | 63 | 57.3 | 57.3 | 100.0 |
| Total | 110 | 100.0 | 100.0 | |
| Employment status | | | | |
| Permanent | 103 | 93.6 | 94.5 | 94.5 |
| Contract | 6 | 5.5 | 5.5 | 100.0 |
| Total | 109 | 99.1 | 100.0 | |
| Missing | 1 | .9 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

Based on the data collected 47(42.7%) of the respondents are females while the rest 63(57.3%) of them are males. This indicates that majority of the participants are male employees of the bank. Regarding the employment status, as presented in the above table, 103 (94.5%) of the respondents are permanent employees while 6 (5.5%) of them are contractual employees.

Table 4.2: Frequency distribution of respondents based on age

| Age of the respondents | | | | |
|------------------------|-----------|---------|---------------|--------------------|
| | Frequency | Percent | Valid Percent | Cumulative Percent |
| 21-30 | 67 | 60.9 | 60.9 | 60.9 |
| 31-40 | 31 | 28.2 | 28.2 | 89.1 |
| 41-50 | 11 | 10.0 | 10.0 | 99.1 |
| >51 | 1 | .9 | .9 | 100.0 |
| Total | 110 | 100.0 | 100.0 | |

Source: own survey, 2015

As shown in the above table, 67 (60.9%) of the respondents are categorized between the age group of 21-30, whereas 31 (28.2%) of them are found in the age group of 31-40. Furthermore,

11(10%) of the respondents are clustered in the age group of 41-50. Additionally the rest 1 (0.9%) of the respondent is above the age 51. The figures from the study indicate that majority of the employees are at their prime age and can be more productive if they are recruited and retained properly. However, the bank should also provide due consideration to the senior employees since they might have more experience and knowledge than the youth.

Table 4.3: Frequency distribution of the respondents based on education level

| Education level of respondents | | | | |
|--------------------------------|-----------|---------|---------------|--------------------|
| | Frequency | Percent | Valid Percent | Cumulative Percent |
| Junior high school | 2 | 1.8 | 1.8 | 1.8 |
| Senior high school | 4 | 3.6 | 3.7 | 5.5 |
| Diploma | 17 | 15.5 | 15.6 | 21.1 |
| BA Degree | 78 | 70.9 | 71.6 | 92.7 |
| MA Degree | 8 | 7.3 | 7.3 | 100.0 |
| Total | 109 | 99.1 | 100.0 | |
| Missing | 1 | .9 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

As shown in the above table above, 2 (1.8%) of the respondents completed junior high school, 4 (3.7%) of them finished senior high school. Moreover, 17 (15.6%) of the respondents have college diploma where as 78 (71.6%) of them are BA Degree holders, and the rest 8 (7.3%) of the respondents are MA Degree graduates. This illustrates that majority of the respondents have good educational background. It also shows that employees give high consideration for their education and career development. As a result the bank should design an effective HRD system that allows employees to develop and nurture their careers. This can be an asset to the bank as they have the required knowledge and skills to attain organizational goals and mission.

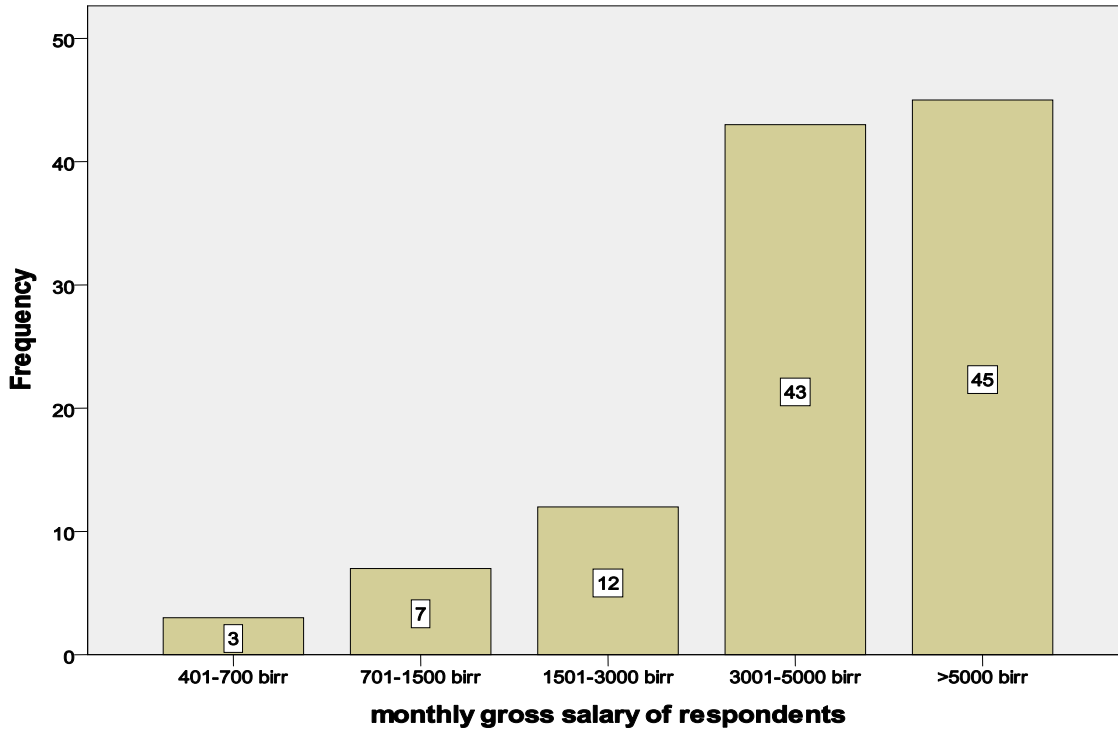
Table 4.4: Frequency distribution of respondents in years of service

| Years of service in the bank | | | | |
|------------------------------|-----------|---------|---------------|--------------------|
| | Frequency | Percent | Valid Percent | Cumulative Percent |
| <3yrs | 32 | 29.1 | 29.1 | 29.1 |
| 3-6 yrs | 48 | 43.6 | 43.6 | 72.7 |
| 7-10 yrs | 16 | 14.5 | 14.5 | 87.3 |
| 11-15 yrs | 8 | 7.3 | 7.3 | 94.5 |
| 16-20 yrs | 3 | 2.7 | 2.7 | 97.3 |
| >20 yrs | 3 | 2.7 | 2.7 | 100.0 |
| Total | 110 | 100.0 | 100.0 | |

Source: own survey, 2015

As presented in the above table, 32 (29.1%) of the respondents have been working in the bank for less than three years. Moreover, 48 (43.6%) of them have been serving the bank for 3-6 years and 16 (14.5%) of the respondents have been working for 7-10 years. Furthermore, 8(7.3%) of them have been working in the bank for 11-15 years, and 3 (2.7%) of them have been working in the bank for 16-20 years. The rest 3 (2.7%) of the respondents have been working in the bank for more than twenty years. From the information provided, it could be safe to conclude that majority of the employees are well experienced and are blended with young professionals which are essential for productivity.

Figure 4.1: Monthly gross salary of the respondents



Source: own survey, 2015

Based on the above bar chart it is possible to learn that a large number (N= 45) of the respondents monthly salary is greater than 5000 birr, where as 43 of them are paid a salary between 3001-5000 birr/month. On the other hand, 12 of the respondents monthly salary is between 1501-3000 birr/month, and 7 of them get a salary in the range of 701-1500 birr/month while the rest 3 respondents are paid in the range of 401-700. This indicates that the bank pays its employees a rewarding salary as the bulk of the respondents are paid more than 5000 birr/month. It also helps the bank in retaining its employees for a longer time.

4.2.2 Analysis and interpretation of interview and survey concerning recruitment method used by CBB.

Table 4.5: Recruitment method used by the HR

| What recruitment method was used when you joined CBB? | | | | |
|---|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| Advertisement | 102 | 92.7 | 94.4 | 94.4 |
| Employment agency | 1 | .9 | .9 | 95.4 |
| Supervisory | 1 | .9 | .9 | 96.3 |
| Recommendation | - | - | - | - |
| Universities | 4 | 3.6 | 3.7 | 100.0 |
| Total | 108 | 98.2 | 100.0 | |
| Missing | 2 | 1.8 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

As presented in the above table, most of the respondents 102 (94.4%) were recruited through advertisement (such as news papers). 1(0.9%) of them were recruited by using employment agencies, and the same percentage of the respondents were hired through their supervisors. Moreover, 4 (3.7%) of the respondents were recruited from universities and none of the respondents got the job through the recommendations of others. The rest 2 (1.8%) of the respondents did not reply to this question. The bank **officials** also said that local news papers and posting vacancies on the notice board are the most used methods for advertisements.

From this result one can understand that the recruitment strategies/channels used by the bank are not diversified. The bank is limited to Local News Papers which will in turn limit the source of talented pool of applicants. The bank should modify the vacancy announcements channel from only news papers to e-recruitment (vacancy announcement via internet) which can help in cutting costs and covering larger population.

4.2.3 Analysis and interpretation of survey concerning reason for joining CBB.

Table 4.6: Employment Attraction

| What attracted you to apply for the job? | | | | |
|--|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| Payment | 27 | 24.5 | 25.2 | 25.2 |
| Bank image | 28 | 25.5 | 26.2 | 51.4 |
| Working environment | 22 | 20.0 | 20.6 | 72.0 |
| Education opportunity | 20 | 18.2 | 18.7 | 90.7 |
| To get a job | 7 | 6.4 | 6.5 | 97.2 |
| All | 3 | 2.7 | 2.8 | 100.0 |
| Total | 107 | 97.3 | 100.0 | |
| Missing | 3 | 2.7 | | |
| Total | 110 | 100.0 | | |

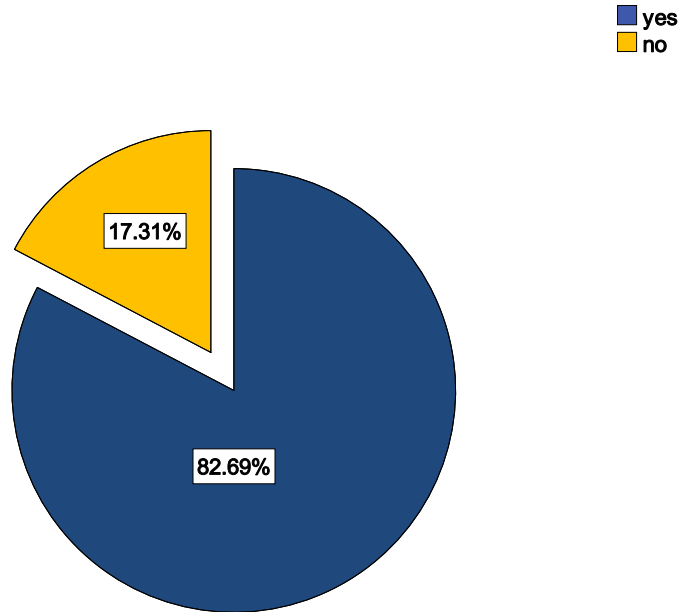
Source: own survey, 2015

It is possible to observe from the above table that, 28 (26.2%) of the respondents joined the bank because of its positive image while 27 (25.2%) of them mentioned the payment as their reason for choosing CBB. Moreover, 22 (20.6 %) and 20 (18.7%) of the respondents were attracted to the job as a result of its working environment and educational opportunities respectively. 7 (6.5%) of the study participants joined the bank just for the sake of getting a job while the rest 3 (2.8%) of the respondents accepted their job offer for all of the reasons, mentioned.

According to *DeCenzo, D. and Robbins, S. (2005)* the image of the organization can be a potential constrain. A poor image may limit its attraction to applicants. Luckily for CBB quite a large number of its employees were attracted to their job through the image of the bank, so this should be sustained to attract new employees and keep the existing staffs.

4.2.4 Analysis and interpretation of interview and survey concerning job description.

Figure 4.2 did respondents receive job description?



Source: own survey, 2015

Job description is a statement of what the job holder does, how it is done, under what condition and why. (DeCenzo, D. and Robbins, S. 2005). As indicated from the above pie chart, 82.69% of the respondents received a job description after being hired while the rest 17.31% of them didn't receive any kind of job description. 6(5.5%) of the respondents didn't respond to the question. This indicates that majority of the respondents received job descriptions after being placed. It also proves the presence of detailed job description in the implementation of the recruitment and selection process. The bank accurately illustrates job content, environment and condition of employment.

4.2.5. Analysis and interpretation of interview and survey concerning the type of selection test used by CBB.

Table 4.7: Type of selection test

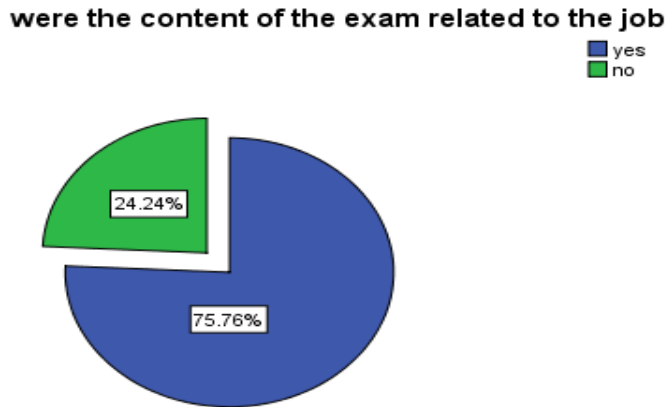
| Which selection test was implemented when you joined the bank? | | | | |
|--|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| Ability test | 14 | 12.7 | 12.7 | 12.7 |
| Personality test | 18 | 16.4 | 16.4 | 29.1 |
| Aptitude test | 58 | 52.7 | 52.7 | 81.8 |
| Work sample test | 1 | .9 | .9 | 82.7 |
| All | 19 | 17.3 | 17.3 | 100.0 |
| Total | 110 | 100.0 | 100.0 | |

Source: own survey, 2015

As can be seen from the above table, majority of the study participants 58 (52.7%) said that they took aptitude test to join the bank, while 14(12.7%) of the respondents took the ability test. Only 1 (.9%) took work sample test and the rest 19 (17.3%) of them took the entire employment test incorporated in the exam. The HR officials said that the bank uses a reliable selection test but they don't check the validity of the selection tests. This indicates that the bank uses aptitude test as a major method to select capable employees from the applicants. Since the predictive validity of aptitude test is 5.3 the bank should maintain this practice. Unfortunately, based on the interview, it was learnt that aptitude test is no longer applied in selecting employees.

4.2.6 Analysis and interpretation of survey concerning content of the exam.

Figure 4.3: Content of the test



Source: own survey, 2015

As can be seen from the above chart, 75.76% of the respondents said that the content of the test was related to the job while the rest 24.24% of them disagreed with the above statement. This implicates that CBB gives great attention to the content when designing the test and it also offers the new employees a hint about what is going to be expected from them while they are performing their job.

4.2.7 Analysis and interpretation of interview and survey concerning effectiveness of the recruitment process.

Table 4.8: Effectiveness of the recruitment process

| The recruitment process is implemented effectively. | | | | |
|---|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| Strongly agree | 23 | 20.9 | 21.3 | 21.3 |
| Agree | 54 | 49.1 | 50.0 | 71.3 |
| Undecided | 10 | 9.1 | 9.3 | 80.6 |
| Disagree | 19 | 17.3 | 17.6 | 98.1 |
| Strongly disagree | 2 | 1.8 | 1.9 | 100.0 |
| Total | 108 | 98.2 | 100.0 | |
| Missing | 2 | 1.8 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

The above table shows that 54 (49.1%) and 23 (20.9%) of the respondents agreed and strongly agreed respectively saying that CBB implements its recruitment process effectively, while 19 (17.3%) of them disagreed, and only 2 (1.8%) of the respondents strongly disagreed on the effectiveness of the practice. The Human resource officers also mentioned that even if the recruitment procedure is implemented effectively, the procedure itself is not revised on time which could hinder its effectiveness of the procedures. This depicts that CBB gives due attention while executing this practices. Nonetheless, the bank should update and modify its recruitment procedures on time to select the right candidates.

4.2.8 Analysis and interpretation of interview and survey concerning equal employment opportunity.

Table 4.9: Equal employment opportunity

| CBB gives Equal employment opportunity for all applicants. | | | | |
|--|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| Strongly agree | 32 | 29.1 | 29.1 | 29.1 |
| Agree | 50 | 45.5 | 45.5 | 74.5 |
| Undecided | 6 | 5.5 | 5.5 | 80.0 |
| Disagree | 22 | 20.0 | 20.0 | 100.0 |
| Total | 110 | 100.0 | 100.0 | |

Source: own survey, 2015

As can be observed from the above table, 50 (45.5%) of the respondents agreed that the bank gives equal opportunities for all candidates while recruiting. Moreover, 32 (29.1%) of them strongly agreed with the above statement and the rest 22 (20%) of them disagreed. In addition to this, the bank also practices affirmative action for the minority groups.

The other point mentioned by the HR officer was that employment opportunity is given for any personnel who believe that they possess the desired competencies either from within or outside the company. But more often the bank prefers to hire young graduates (20-30 ages) at the base level entry positions. The HR officer said that this is because the company thinks strategically when hiring especially as it minimizes cost by giving credence to young graduates who more or less may not require intensive training.

This depicts that since the majority of the respondents agreed to the fact that CBB recruits its employees without any discrimination on the basis of their color, religion, etc it will be an ideal place for new talented employees to seek jobs. However, the bank needs to give opportunities to senior employees too.

4.2.9 Analysis and interpretation of survey concerning clarity of vacancy.

Table 4.10: Clarity of vacancy

| CBB clearly defines the requirement and candidate specifications | | | | |
|--|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| Strongly agree | 21 | 19.1 | 19.3 | 19.3 |
| Agree | 65 | 59.1 | 59.6 | 78.9 |
| Undecided | 7 | 6.4 | 6.4 | 85.3 |
| Disagree | 16 | 14.5 | 14.7 | 100.0 |
| Total | 109 | 99.1 | 100.0 | |
| Missing | 1 | .9 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

Based on the survey, a high percentage 65 (59.6%) and 21 (19.3%) of the respondents agreed and strongly agreed to the idea that the bank clearly defines its requirements and candidate specification in the recruitment process, respectively. The rest 16 (14.7%) of them disagreed to this. This shows that CBB clearly states all the needed requirements and candidate specifications in the recruitment process.

4.2.10. Analysis and interpretation of survey concerning recruitment lucidity.

Table 4.11: Recruitment lucidity

| The recruitment and selection process is impartial | | | | |
|--|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| Strongly agree | 24 | 21.8 | 23.3 | 23.3 |
| Agree | 47 | 42.7 | 45.6 | 68.9 |
| Undecided | 12 | 10.9 | 11.7 | 80.6 |
| Disagree | 17 | 15.5 | 16.5 | 97.1 |
| Strongly disagree | 3 | 2.7 | 2.9 | 100.0 |
| Total | 103 | 93.6 | 100.0 | |
| Missing | 7 | 6.4 | | |
| Total | 110 | 100.0 | | |

As indicated in the above table, the bank’s recruitment and selection process is impartial with the agreement from 47 (45.6%) of the respondents. Moreover, 24 (23.3%) of them also strongly agreed to this, on the other hand 17(16.5%) of them believe that the process is biased. This shows that CBB has a transparent recruitment policy and they practice it effectively.

4.2.11. Analysis and interpretation of interview and survey concerning recruitment time.

Table 4.12: Recruitment time

| Time taken for recruitment is quick and applicants are informed on time. | | | | |
|--|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| Strongly agree | 11 | 10.0 | 10.1 | 10.1 |
| Agree | 51 | 46.4 | 46.8 | 56.9 |
| Undecided | 11 | 10.0 | 10.1 | 67.0 |
| Disagree | 34 | 30.9 | 31.2 | 98.2 |
| Strongly disagree | 2 | 1.8 | 1.8 | 100.0 |
| Total | 109 | 99.1 | 100.0 | |
| Missing | 1 | .9 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

As per the survey results, 51(46.8%) of the respondents believe that the time taken for recruitment and selection process was reasonably short and applicants were informed on time. In addition to this 11 (10.1%) of the study participants strongly agreed with the above statement. However 34(31.2%) of them indicate that it takes longer time to receive their results.

The HR manager said that the bank recruits and informs their applicants on time but sometimes the standard time for the recruitment is delayed for those employees who are recruited through employment agencies. This indicates that even if a large number of respondents said that the recruitment is quick and on time, it is unsettling to notice that 34(31.2%) of the respondents disagreed with the above statement. As a result, CBB should evaluate its policies and procedures on the standard recruitment time and make some amendments, especially when dealing with employment agencies.

4.2.12. Analysis and interpretation of survey concerning treatment of applicants.

Table 4.13: Handling of applicants

| I have been fairly treated by the recruitment panel. | | | | |
|--|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| Strongly agree | 22 | 20.0 | 20.2 | 20.2 |
| Agree | 64 | 58.2 | 58.7 | 78.9 |
| Undecided | 8 | 7.3 | 7.3 | 86.2 |
| Disagree | 15 | 13.6 | 13.8 | 100.0 |
| Total | 109 | 99.1 | 100.0 | |
| Missing | 1 | .9 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

The above table depicts that 64 (58.7%) of the respondents said that they have been fairly treated by the recruitment panels, in addition to this 22(20.2%) of them strongly agreed with the above statement .But on the other hand, 15 (13.8%) of the respondents felt that they were not treated well by the recruitment boards. The figures demonstrate that CBB takes good care of its applicants on the recruitment process while there are some gaps to be filled.

4.2.13 Analysis and interpretation of survey concerning orientation and follow up

Table 4.14: Orientation and Follow up

| I have been adequately oriented and received follow up | | | | |
|--|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| strongly agree | 11 | 10.0 | 10.1 | 10.1 |
| Agree | 61 | 55.5 | 56.0 | 66.1 |
| Undecided | 5 | 4.5 | 4.6 | 70.6 |
| Disagree | 27 | 24.5 | 24.8 | 95.4 |
| strongly disagree | 5 | 4.5 | 4.6 | 100.0 |
| Total | 109 | 99.1 | 100.0 | |
| Missing | 1 | .9 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

As indicated in the above table 61 (56%) of the respondents agreed with the statement that they have been adequately oriented about the job and received follow up when they joined the bank; in addition to this, 11(10.1%) of them, strongly agreed with the above statement. But 27 (24.8%)

of the study participants disagreed with the idea that the bank provides its new employees adequate orientation and follow up. This indicates that even though most of the respondents agreed with the fact that CBB gives adequate orientations and follow ups, HR has to closely evaluate this practice and make some modifications since 27 of the respondents disagreed to it.

4.2.14 Analysis and interpretation of interview and survey concerning the content of the job description

Table 4.15: Content of Job description

| The job description and its responsibilities match | | | | |
|--|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| strongly agree | 15 | 13.6 | 13.8 | 13.8 |
| Agree | 60 | 54.5 | 55.0 | 68.8 |
| Undecided | 9 | 8.2 | 8.3 | 77.1 |
| Disagree | 25 | 22.7 | 22.9 | 100.0 |
| Total | 109 | 99.1 | 100.0 | |
| Missing | 1 | .9 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

A cumulative percentage of 68.8% agreed and strongly agreed with the idea that their job descriptions and their responsibilities in reality match. While 25 (22.9%) of them disagreed with the above declaration. This shows that the bank carefully attempts to depict what the job would be like in reality on the job description but a good amount of respondents think that, what they do is different from what is stated on their job description.

The other major point that was pointed out by the HR officer was that the bank lacks revising and updating the set job descriptions periodically. This indicates that the duties and responsibilities stated on the job description might not always represent the actual performance.

4.2.15. Analysis and interpretation of survey concerning employee’s satisfaction with the recruitment process.

Table 4.16: Satisfaction with the recruitment process

| The recruitment process was satisfactory. | | | | |
|---|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| strongly agree | 12 | 10.9 | 10.9 | 10.9 |
| Agree | 66 | 60.0 | 60.0 | 70.9 |
| Undecided | 12 | 10.9 | 10.9 | 81.8 |
| Disagree | 19 | 17.3 | 17.3 | 99.1 |
| strongly disagree | 1 | .9 | .9 | 100.0 |
| Total | 110 | 100.0 | 100.0 | |

Source: own survey, 2015

As depicted in the above table, majority of the respondents 66(60%) thought that the recruitment and selection process of the bank was satisfactory while 19 (17.3%) of them were not satisfied with the process; only 1 (.9%) of the respondent strongly disagreed with the above statement. This indicates that the bank is implementing its recruitment and selection practice in a good manner since majority of the respondents are satisfied with the process.

4.2.16 Challenges faced while implementing recruitment and selection practice

The human resource manager said that they face challenges while implementing the recruitment and selection policy. The first challenge mentioned was that the applicants and the job description are not balanced. Most of the time applicants are not qualified enough to pass the selection tests as a result the bank will face some difficulties in finding competent employees. The second challenge was that recruitment agencies delay the standard time to recruit and select applicants, which in turn affects organizations performance.

4.2.17. Analysis and interpretation of survey concerning employee’s awareness of the compensation and benefit package of CBB.

Table 4.17 employee’s awareness of the compensation and benefit policy

| Compensation and benefit policy is communicated with employees | | | | |
|--|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| strongly agree | 14 | 12.7 | 12.8 | 12.8 |
| Agree | 46 | 41.8 | 42.2 | 55.0 |
| Undecided | 16 | 14.5 | 14.7 | 69.7 |
| Disagree | 31 | 28.2 | 28.4 | 98.2 |
| strongly disagree | 2 | 1.8 | 1.8 | 100.0 |
| Total | 109 | 99.1 | 100.0 | |
| Missing | 1 | .9 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

As can be seen from the above table, a cumulative percentage of 55% of the respondents agreed and strongly agreed with the statement that the employees in the bank know their compensation and benefit package well. However, 31 (28.4%) of them said that the bank doesn’t communicate the package with the employees efficiently. This indicates that the bank communicates the compensation and benefit packages with the employees while there are some gaps to be filled. HR should make sure that every employee is aware of these policies because employees must know the benefits packages they deserve and demand their entitlements, accordingly.

4.2.18. Analysis and interpretation of survey concerning employees working environment.

Table 4.18: Work environment

| I am satisfied with my work environment | | | | |
|---|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| strongly agree | 17 | 15.5 | 15.5 | 15.5 |
| Agree | 52 | 47.3 | 47.3 | 62.7 |
| Undecided | 10 | 9.1 | 9.1 | 71.8 |
| Disagree | 26 | 23.6 | 23.6 | 95.5 |
| strongly disagree | 5 | 4.5 | 4.5 | 100.0 |
| Total | 110 | 100.0 | 100.0 | |

Source: own survey, 2015

As illustrated above, 52 (47.3%) of the respondents agreed with the idea that their work environment is an ideal place for work and they are comfortable with the conditions, yet 26 (23.6%) of them think that their work environment needs to be modified for them to be comfy and perform their jobs. Wells & Thelen (2002) have stated that organizations which have generous human resource policies, have a very good chance to satisfy and retain employees by providing them an appropriate level of privacy and sound control on work environment which enhances the motivation levels to commit with the organization for the long term. This portrays that majority of the employees are satisfied with their work environment which leads to organizational commitment.

4.2.19. Analysis and interpretation of survey concerning employee’s satisfaction over payment.

Table 4.19: Satisfaction over payment

| The payment I receive is fair. | | | | |
|--------------------------------|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| strongly agree | 18 | 16.4 | 16.5 | 16.5 |
| Agree | 54 | 49.1 | 49.5 | 66.1 |
| Undecided | 4 | 3.6 | 3.7 | 69.7 |
| Disagree | 30 | 27.3 | 27.5 | 97.2 |
| strongly disagree | 3 | 2.7 | 2.8 | 100.0 |
| Total | 109 | 99.1 | 100.0 | |
| Missing | 1 | .9 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

Based on the survey made most of the respondents 54 (49.5%) agreed and 16.5% strongly agree that the payment they receive is fair for the work they perform, on the other hand 30 (27.5%) of them said that the salary they get is small compared to the work they do.

As observed on the banks compensation and benefit policy the bank pays a good salary compared to other banks. But in addition to this there is also annual salary increment, bonuses, salary - advance and compensation payment. Reward payments are given for employees or teams that registered outstanding performance, with in their scope and consider for various rewards and recognitions and propose to the HRM process as deemed necessary.

This illustrates that most of the employees are satisfied with the salary they obtain, even then the bank needs to make some adjustments on the salary scale, if the employees need to be satisfied with their payment and retain them.

4.2.20. Analysis and interpretation of survey concerning the existence of job security.

Table 4.20: Job security

| Job security | | | | |
|---------------------|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| strongly agree | 17 | 15.5 | 15.7 | 15.7 |
| Agree | 67 | 60.9 | 62.0 | 77.8 |
| Undecided | 4 | 3.6 | 3.7 | 81.5 |
| Disagree | 17 | 15.5 | 15.7 | 97.2 |
| strongly disagree | 3 | 2.7 | 2.8 | 100.0 |
| Total | 108 | 98.2 | 100.0 | |
| Missing | 2 | 1.8 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

As presented on the above table a cumulative of 77.8% of respondents agreed and strongly agreed with the idea that the bank offers job security for its employees. On the other hand 17 (15.7%) of them replied that the bank doesn't guarantee them a job security. This shows that since majority of the study participants agree with the statement, it implies that the bank offers job security for its employees. Job security leads to high commitment, job satisfaction as well as retention of employees in an organization.

4.2.21. Analysis and interpretation of interview and survey concerning employee’s developmental needs.

Table 4.21: Developmental need

| CBB takes initiatives to realize employee’s developmental needs. | | | | |
|--|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| strongly agree | 6 | 5.5 | 5.7 | 5.7 |
| Agree | 32 | 29.1 | 30.2 | 35.9 |
| Undecided | 14 | 12.7 | 13.2 | 49.1 |
| Disagree | 52 | 47.3 | 49.1 | 98.1 |
| strongly disagree | 2 | 1.8 | 1.9 | 100.0 |
| Total | 106 | 96.4 | 100.0 | |
| Missing | 4 | 3.6 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

As can be seen from the above table, 32 (30.2%) of the respondents agreed with the statement that their bank takes initiatives to realize employees developmental needs and provided them with training and development opportunities. However, majority of the respondents 52 (49.1%) replied that the bank is not committed to the training and development programs. They also indicated that educational opportunities the bank provides (sponsors) are not enough compared to the employees population and demand.

Based on the interview made with the HR manager the bank offers training opportunities to its staffs based on the need assessment. Moreover they provide learning opportunities by giving sponsorship for employees that want to learn and improve their educational level. The bank sponsors 6 employees for a master’s program and 25 for a BA degree every year. The organization is doing everything it can to realize employees developmental needs within limited budgets.

The findings depict that majority of the employees are not satisfied with the training and development programs available at the bank. It would be helpful if the bank finds a way to increase their budget in order to launch a program that oversees employee’s educational opportunities.

4.2.22. Analysis and interpretation of survey concerning recognition of good performance.

Table 4.22: Recognition of good performance

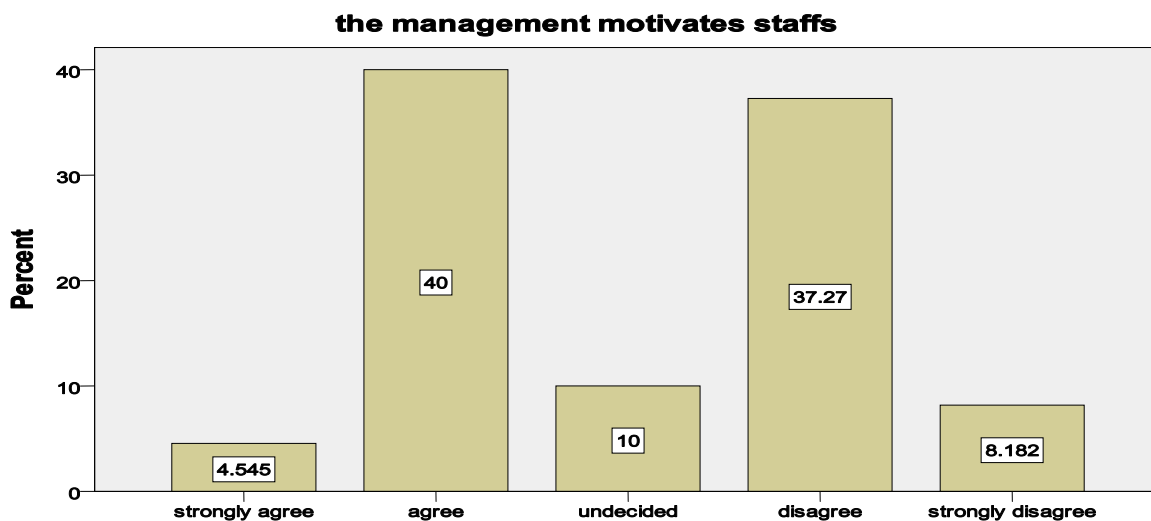
| I am appreciated and recognized for good performance. | | | | |
|---|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| strongly agree | 13 | 11.8 | 11.8 | 11.8 |
| Agree | 47 | 42.7 | 42.7 | 54.5 |
| Undecided | 17 | 15.5 | 15.5 | 70.0 |
| Disagree | 27 | 24.5 | 24.5 | 94.5 |
| strongly disagree | 6 | 5.5 | 5.5 | 100.0 |
| Total | 110 | 100.0 | 100.0 | |

Source: own survey, 2015

According to Walker (2001), recognition from bosses, team members, coworkers and customer enhance loyalty. Based on the survey made quite a large number of the respondents 47 (42.7%) agreed with the idea that they are appreciated and recognized for the work they do. On the other hand 27 (24.5%) of the study participants think that the bank doesn't acknowledge the effort they put in to perform their work. This confirms that the organization values the effort the employees put to perform their jobs. This could also help in retaining talented and valuable employees.

4.2.23. Analysis and interpretation of survey concerning employee's motivation.

Figure 4.4: employee's motivation



Source: own survey, 2015

As exemplified on the above figure 40% of the study participants agreed with the statement that the management motivates the staff; and 37.27% of them replied saying that there is no practice of motivation by the management. In addition to this 8.18% of the respondents strongly disagreed with it. This depicts that the management must work hard on motivating its employees because there is only a slight difference between those participants who think the management motivates them and those who don't.

4.2.24. Analysis and interpretation of interview and survey concerning employee's participation in decision making.

Table 4.23: Employee Participation

| Employees participate in the decision making process. | | | | |
|---|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| strongly agree | 2 | 1.8 | 1.9 | 1.9 |
| Agree | 37 | 33.6 | 34.6 | 36.4 |
| Undecided | 20 | 18.2 | 18.7 | 55.1 |
| Disagree | 42 | 38.2 | 39.3 | 94.4 |
| strongly disagree | 6 | 5.5 | 5.6 | 100.0 |
| Total | 107 | 97.3 | 100.0 | |
| Missing | 3 | 2.7 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

As illustrated in the above table, many of the respondents 42(39.3%) disagreed with the idea that there is employee's participation in decision making process of the bank, On the other hand 37 (34.6%) of them think that they participate in the decision making process.

Based on the interview the bank gives opportunities for employees to participate in decision making process. There is a periodic meeting which focuses on the overall work system where employees participate actively, and then it will be submitted to the strategic management and communication department. In addition to this, employees meet every 6 months to forward their ideas and core thoughts and the management makes decisions by taking account of the ideas forwarded.

But since the majority of respondents disagreed with the statement it can be concluded that the bank doesn't give opportunities for employees to participate in the decision making process which should be corrected.

4.2.25. Analysis and interpretation of survey concerning employee's relationship in the bank.

Table 4.24: Healthy relationship between employees

| The bank builds strong relationship between employees | | | | |
|---|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| strongly agree | 6 | 5.5 | 5.5 | 5.5 |
| Agree | 47 | 42.7 | 42.7 | 48.2 |
| Undecided | 15 | 13.6 | 13.6 | 61.8 |
| Disagree | 34 | 30.9 | 30.9 | 92.7 |
| strongly disagree | 8 | 7.3 | 7.3 | 100.0 |
| Total | 110 | 100.0 | 100.0 | |

Source: own survey, 2015

As depicted in the above table many of the study participants 47 (42.7%) said that there is a good relationships between employees in the bank. 34 (30.9%) of them said that the relationship between employees needs to be improved while 8(7.3%) of them strongly disagreed with the above statement. The result of the survey indicates that a larger number of employees are happy with their relationship within and between themselves, but a nearly equal number of employees are not satisfied with the social relationship between employees. The bank can provide get together and trip where all employees can participate, this can help in brining employees closer and creating a healthy relationship (team building) between employees.

4.2.26. Analysis and interpretation of survey concerning employee’s promotional activity.

Table 4.25: Employee Promotion activity

| There is wide opportunity for employee promotion | | | | |
|--|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| strongly agree | 4 | 3.6 | 3.7 | 3.7 |
| Agree | 54 | 49.1 | 50.5 | 54.2 |
| Undecided | 4 | 3.6 | 3.7 | 57.9 |
| Disagree | 37 | 33.6 | 34.6 | 92.5 |
| strongly disagree | 8 | 7.3 | 7.5 | 100.0 |
| Total | 107 | 97.3 | 100.0 | |
| Missing | 3 | 2.7 | | |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

Based on the survey made 54(50.5%) of the respondents agreed with the statement that the bank provides the employees with a wide opportunity for promotion; yet 37 (34.6%) of them disagreed with the above statement. Moreover 8 (7.5%) of them strongly disagreed to it saying that the bank doesn’t promote its employees as often as it should.

During the interview human resource officials said that the bank usually promotes its employees based on open vacancies and expansion of branches. Promotion will be given for those employees with exceptional performances. This shows that the bank has a good promotion practice for its employees which can help in retaining competent employees. However 34.6% of the participants indicated that there is lack of promotional activity in the bank. CBB should enhance its promotional practice since it will increase employee’s job satisfaction which in turn helps in retaining them.

4.2.27. Analysis and interpretation of survey concerning compensation and benefit packages capability in attracting and retaining employees.

Table 4.26: Capability of attracting new employees

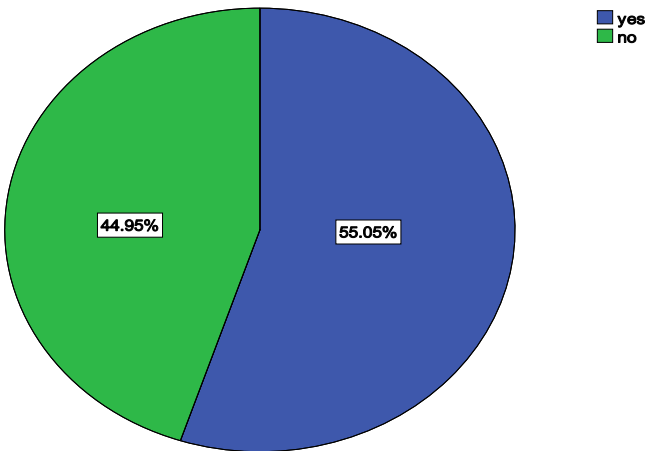
| The compensation and benefit package is capable of attracting and retaining competent employees. | | | | |
|--|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| strongly agree | 10 | 9.1 | 9.1 | 9.1 |
| Agree | 48 | 43.6 | 43.6 | 52.7 |
| Undecided | 21 | 19.1 | 19.1 | 71.8 |
| Disagree | 25 | 22.7 | 22.7 | 94.5 |
| strongly disagree | 6 | 5.5 | 5.5 | 100.0 |
| Total | 110 | 100.0 | 100.0 | |

Source: own survey, 2015

As per the above table a cumulative of 52.7% of the study participants agreed and strongly agreed with the idea that the current compensation and benefit package is capable of attracting and retaining competent employees; nonetheless, 25 (22.7%) of the respondents disagreed with the above statement. This indicates that slightly more than half of the employees in the bank are satisfied with the compensation and benefit package of the bank. The bank’s compensation and benefit package is encouraging but there still exists a gap that needs to be filled. Construction and Business Bank should use benefit and compensation policies strategically to improve moral, reduce turnover and achieve targets with in an establishment.

4.2.28. Analysis and interpretation of survey concerning employee’s plan to leave the bank.

Figure 4.5: plans to leave the bank



Source: own survey, 2015

As can be observed from the above figure, out of the total respondents 55.05% of them have plans to leave the bank while the rest 44.95% of them said that they want to stay in the CBB and don't have any plans to leave any time soon. This clearly shows that majority of the employees want to leave if possible. The bank should be aware of these facts and make some improvements for the employees to stay.

4.2.29. Analysis and interpretation of survey concerning employee’s reason for leaving the bank.

Table 4.27: Reason for leaving

| Reason for leaving the bank | | | | |
|-------------------------------|-----------|---------|---------------|--------------------|
| Response categories | Frequency | Percent | Valid Percent | Cumulative Percent |
| search for more pay | 8 | 7.3 | 7.4 | 7.4 |
| better working environment | 13 | 11.8 | 12.0 | 19.4 |
| poor image of the bank | 5 | 4.5 | 4.6 | 24.1 |
| better opportunity to develop | 19 | 17.3 | 17.6 | 41.7 |
| Empty | 49 | 44.5 | 45.4 | 87.0 |
| for all of the reasons | 9 | 8.2 | 8.3 | 95.4 |
| for a private business | 5 | 4.5 | 4.6 | 100.0 |
| Total | 110 | 100.0 | | |

Source: own survey, 2015

As illustrated on the above table quite number of the respondents 19 (17.6) wanted to leave the bank because they want better opportunities to develop; but for 13 (12%) of them better working environment was their reason. 5 (4.5%) of the study participants are planning to leave as a result of bad image of the bank and another equal percentage they want to achieve their goals by starting their own private business. Empty 49(45.4%) represents employees that have no plan to leave the bank in the near future. This indicates that the main reason for the need to leave the bank is highly associated with the bank, to be precise better opportunity to develop. CBB should address these problems in order to keep its employees from leaving.

4.2.30. Retention strategy of the bank

Based on the interview made and the policy of the bank, there is no single practice that is implemented just for the sake of retaining employees. It could be concluded that the bank tries to attract and keep talented employees by offering them the reasonable compensation and benefit package. If there are exceptional employees that want to leave the bank, then the management tries to fix the problem by consulting them and convincing them to stay in the bank.

4.2.31. Exiting interviews for quitting employees

The bank has a template which leaving employees are asked to fill in order to understand the reason why they are leaving. Based on these results the bank tries to fix or change the problems that made the employee leave.

4.2.32. Challenges encountered in increasing employee satisfaction

The HR manager placed lack of budget as one of the biggest obstacle in providing the best benefit package to their employees. Since the budget is set by the Ethiopian financial agency there is nothing the management could do to enhance and modify the benefit package. The second problem is that, the labor union complains on the promotion of employees, the union assumes that senior employees should be promoted just because they have been working in the bank for a longer time than others; despites there are qualified employees who perform the task better. In other words these challenges hinder the bank from retaining competent employees and face employee turnover.

4.3. CBB's recruitment and selection procedure in comparison with scholarly written practices

The study tried to analyze further the HR recruitment and selection practices of the bank on the basis of Decenzos' best practice of recruitment and selection procedure. These practices are discussed in detail in the literature review of this study.

4.3.1 Job analysis and recruitment plan

As per Decenzo (2005) Job analysis is a systematic exploration of the activities within a job. It is a technical procedure that is used to define the duties, responsibilities and accountabilities of a job. This analysis defines and documents the duties, responsibilities, and accountabilities of a job and the conditions under which a job is performed. While recruitment plan contains the number and types of employees required to cater for expansion or new developments, sources of candidates, plans for tapping alternative sources and how the recruitment program will be conducted.

Even though it is not clearly stated on the recruitment and selection procedure of the bank, job specification is made by the line manager of the process (department) which requests the hiring of new employees. But the HR team leader is the one that checks and verifies whether the vacancy is prepared per the job specification. The bank's recruitment and selection procedure doesn't clearly state the recruitment plans. But, it states that the first step of the recruitment and selection process is additional staff need request.

Therefore this shows that the bank needs to clearly state the job analysis process and its outcomes on the recruitment and selection documents. In addition to that, the recruitment plan needs to be vividly stated.

4.3.2 Attracting candidates

The scholarly written procedure states that attracting the best candidates is very critical to organizational success because it's a matter of identifying, evaluating and using the most appropriate source of applicants. The ideal recruitment effort attracts a satisfactory number of qualified applicants. An organization can attract applicants through its image, job attractiveness or simply benefits.

Based on the recruitment and selection procedure, the bank first gives priority for internal sources to recruit employees but if there is no employee that is qualified for the job, the vacancy will be announced for the external sources. The HR manager also mentioned on the interview that the job advertisement will be handed over to the selected press agency (news papers) by HRM officer or the employing branches immediately after finalizing the advertisement preparation and selection of the press.

The bank mainly uses news papers and notice boards to advertise the job vacancies. Applicants shall submit applications in person or via mail or fax to the HR team for a minimum of 5 working days after the first date of announcement.

Thus when comparing the bank's procedure with the scholarly written procedure, CBB's procedure does not state any strategy which highlights the banks strength so that they can attract employees to apply for vacancies. In addition to this the bank should use different types of job advertisements in order to attract a sufficient number of candidates.

4.3.3 Selection of candidates

The subsequent step next to attraction of employees is, selecting candidates that are best fit to the organization by sifting applications, interviewing, testing, assessing candidates, offering employment, obtaining references; and preparing contracts of employment. Comparing the scholar written procedure with the CBB's procedure the bank follows the following steps in selecting candidates. As per Decenzo (2005) the selection methods must be chosen based on criteria's like reliability, validity, utility, acceptability and legality. Unfortunately the bank's procedure does not mention the basis for selecting the selection criteria.

Step 1- Initial screening

It is the first step in the selection process whereby job inquiries are sorted. The applicants credentials are compare with the recruitment position as per the job specification. An organization initiates a preliminary review of potential acceptable candidates. (Decenzo, 2005)

Based on CBB's recruitment procedure After the work of attracting employees is done the human resource officer undertakes a preliminary screening of applicants based on the requirements of the vacancy announcement and prepares summarized report and forwards it to

the human resource team leader. The number of applicants shortlisted for written exam is decided based on the number of vacant post to be filled. The human resource officer or outlying branch-office assistant will communicate the short listed applicants to inform them about the date and venue of the exam.

Therefore when comparing the bank's process with the scholarly written policy, the bank is applying the initial screening practice in a good manner.

Step 2- Completing application form

As per decenzo, (2005) the application form is used to generate specific information the company requires from the applicants. It contains applicant's skills, accomplishments, experience and references. It provides a structured basis for drawing up short lists.

The bank recruitment procedure shows that once the initial screening is completed the human resource officer makes the short listed applicants fill standard application form and checks the completeness of the forms. However, the procedure does not point out the specific information stated on the application form.

Accordingly based on the scholarly written procedure the bank uses application forms but the document should clearly state the information included on the application form.

Step 3- Employment test

Employment test provides a major input for the selection process. It is used to select applicants that possess the required knowledge and skill. Intelligence, ability and personality tests are some of the employment tests developed to support the selection process. (Decenzo, 2005)

As stated on the recruitment and selection document of CBB written exams, interviews and practical exams are used based on the type of jobs. The branch manager, senior customer service manager and customer relationship officer prepare a written exam in close consultation with HRM process team; however the procedure does not mention the type of employment test the bank uses (intelligence, ability or personality test). If the exam is to be given by outside source, selected testing agents shall be handled as per bank's procurement procedure. The team short lists for interview only those candidates who will score half of the points assigned for written exam.

Therefore based on the above points one can conclude that the bank does not integrate the various types of employment tests while examining candidates.

Step 4- Comprehensive interview

As per Decenzo (2005) interview is a selection device used to obtain in-depth information about a candidate. It is designed to probe areas not easily addressed through the application form or employment test, such as assessing once motivation, value and ability to fit in with the organization.

Based on the recruitment and selection procedure the human resource officer contacts the short listed applicants and members of an interview team informing them the date and avenue of the interview. The bank usually uses panel interview in which an interview team interviews one candidate at a time. The HRM process prepares structured interview questions in close consultation with the concerned process. The interview mainly focuses on the theoretical background of the candidate, conformity to the particular job, ability of the candidate in oral communication and self confidence.

Thus from the above points it can be concluded that the bank has a good comprehensive interview procedure.

Based on the recruitment and selection procedure the HR officer compiles the average interview result with the examination result. Test and interview have the following proportions in different job categories.

Table 4.28: Test and interview proportion

| Job category | Proportion | |
|-------------------|--------------|-----------|
| | Written Test | Interview |
| Managerial post | 50 | 50 |
| Professional post | 70 | 30 |
| Clerical post | 50 | 50 |
| Technical post | 70 | 30 |
| Non clerical post | 30 | 70 |

Source: recruitment and selection policy of CBB.

Step 5- Background investigation

The purpose of background investigation is to verify information on the application form is correct and accurate. This can include confirming the candidates work record, verifying educational accomplishments and criminal records are some of the information that will be verified.

According to the recruitment and selection procedure of the bank, candidates are asked to bring police certificate to ascertain that the candidate has not been convicted of any crime which contravenes with the value of the bank. The human resource officer or branch manager contacts references and checks the legality of credentials. Candidates must submit clearance letter from their former employer before they get employment letter from the bank.

Accordingly based on the above points it is revealed that the bank has a clear background investigation procedure.

Step 6- Conditional job offer

It is a tentative job offer that becomes permanent after certain conditions are met, such as physical and medical examination. (Decenzo, 2005)

As per the recruitment and selection procedure, after all the formalities are fulfilled and the applicant is selected for a job, a conditional letter of acceptance and temporary ID card shall be issued to the candidate by the VP- resource management/director HRM/ HRM team leader as the case may require. The conditional recruitment letter includes employee's full name, place of assignment, job title, job description and request to the receiving unit to make fortnight progress report of the employee during the probation period together with collective agreement. List of candidates that were not selected for the position will be kept in the waiting list for six months to fill future openings in the same post.

Therefore based on the above point the bank offers its applicants a conditional job and keeps unsuccessful applicants in the waiting list properly.

Step 7- Medical examination

It is an examination to determine an applicant's physical fitness for essential job performance. It can only be used as a selection device to screen out individuals who are unable to physically comply with the requirements of the job.

As per the recruitment and selection procedure applicants are required to take medical examination at the bank's clinic or medical institutions contracted by CBB's outlying branch to determine fitness of the candidate for the job.

As per the above practice one can conclude CBB has an effective medical examination procedure.

Step 8- Conducting induction program

It is an activity that introduces new employees to the organization and their work unit. It familiarizes the new member with the organizations objectives, history, procedure, company benefits, duties and responsibilities.

As per the procedure of the bank, human resource development officer facilitates the induction program. All directors will participate in the induction program. The program focuses on the bank's vision, mission and values; the bank's major policies and procedures; employees code of conduct; employees duties and responsibilities and briefing about their job and performance plan and expectation. Coaches will also be assigned to which the employees are placed during the probation period.

As a result there is an excellent induction program for new employees.

Step 9- Follow up and permanent job offer

Individuals who successfully perform in the preceding steps are now considered eligible to receive the employment offer. The offer is made by the HRM representative. Based on the procedure of the bank, a probation period of 45 days and 90 days will be applied to employees and managers respectively. The director shall appraise and report the performance of the employees every 15 days during the probation period. If the probation period performance report of the new employee who undergone necessary induction, on job training, support and follow up

during probation period is less than 60%, termination letter will be issued by the director of the HRM while permanent employment letter will be issued to employees who successfully completed their probation period.

Therefore even though permanent job offer comes before the induction of employees on the scholarly written procedure it is still well designed and valuable in recruiting and selecting applicants. The detail procedure is almost the same as the scholar written.

4.3.4 Evaluating the recruitment and selection process

The recruitment and selection procedure does not state anything about evaluation of the whole recruitment and selection process. But during the interview made with the Human resource manager, the process is evaluated quarterly or semi-annually by the internal audits.

Chapter Five

Summary, Conclusion and recommendation

5.1 summary of major finding

The study found the following findings.

- As per the respondents 102 (94.4%) were recruited through advertisement (such as news papers).
- As respondents indicated 82.69% of the respondents received a job description after being hired while the rest 17.31% of them didn't receive any kind of job description.
- Construction and Business Bank uses aptitude test as a major method to select capable employees from the applicants.
- 75.76% of the respondents said that the content of the test was related to the job while the rest 24.24% of them disagreed with the above statement.
- Based on the survey made 50 (45.5%) of the respondents agreed that the bank gives equal opportunities for all candidates while recruiting, while 22 (20%) of them disagreed. In addition to this, the bank also practices affirmative action for the minority groups.
- As per respondents 51(46.8%) of them believe that the time taken for recruitment and selection process was short while 34(31.2%) of them indicate that it takes longer time to receive their results. The HR manager also said that there is a recruitment delay for those employees recruited through employment agencies.
- Majority of the respondents are satisfied with the recruitment and selection process of the bank while 19 (17.3%) of them indicated otherwise.
- Based on the interview made with the HR manager the recruitment and selection procedure of the bank is not revised frequently.
- According to the HR manager the bank faces challenges in finding competent employees and recruitment agencies delay the standard time to recruitment and selection applicants, which in turn affects organizations performance.
- As per the interview made and the policy of the bank, there is no single strategy that is implemented just for the sake of retaining employees.
- As per the survey majority of the employees are satisfied with their work environment which leads to organizational commitment.

- According to the survey most of the employees are satisfied with the salary they obtain, even then the bank needs to make some adjustments on the salary scale, if the employees need to be satisfied with their payment and retain them.
- Based on the survey made majority 52(49.1%) of the respondents are not satisfied with the training and development programs available at the bank.
- As per the interview made with the HR manager the bank sponsors 6 employees for a master's program and 25 for a BA degree every year.
- According to the survey many of the respondents 42(39.3%) disagreed with the idea that there is employee's participation in decision making process of the bank, On the other hand 37 (34.6%) of them think that they participate in the decision making process.
- Based on the survey made 54(50.5%) of the respondents agreed with the statement that the bank provides the employees with a wide opportunity for promotion; yet 37 (34.6%) of them disagreed with the above statement.
- As per the investigation majority 55.05% of them have plans to leave the bank while the rest 44.95% of them said that they want to stay in the CBB and don't have any plans to leave any time soon.
- The HR manager placed lack of budget as one of the biggest obstacle in providing the best benefit package to their employees.

5.2 CONCLUSIONS

Recruitment, selection and retention are important components of the human resource management. Accordingly, in the previous chapters, the issues related to recruitment and selection best principles, and procedures have been discussed in detail. Moreover, job analysis, attracting candidates, selection process, retention strategies and compensation and benefit packages were given appropriate emphasis to properly assess the process of recruitment, selection and retention practices in the Construction and Business Bank.

As per the findings of the study, it is vividly illustrated that there indeed exists a procedure that guides the process of recruitment and selection in construction and business bank. Nevertheless, there are areas of improvement with regard to its proper implementation. Furthermore, it was discovered that the recruitment and selection procedure itself is not revised as often as it should be. In addition, the bank's recruitment and selection procedure does not show the banks strength in attracting competent candidates, despites employees are attracted on the basis of different factors.

The study found out that the bank's recruitment strategy is not diversified as it should be; it uses only local news papers as a channel to announce vacancies. Moreover, the tests do not integrate the various types of employment tests. Besides, the bank also needs to revise the job description as frequently as needed. The recruitment and selection document of the bank does not include evaluation of the whole recruitment and selection procedure.

In addition, the bank faces challenges in acquiring competent candidates; and also faces delays with respect to the standard time of recruiting new employees when it uses recruitment agencies. By and large, despite the above gaps, the bank follows a well designed recruitment and selection procedure; as a result, most of the employees have expressed their satisfaction with the process.

Lockwood,(2006) states that retention is a critical element of an organization's strategy, which is defined as "the implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining, and utilizing people with the required skills and aptitude to meet current and future business needs". Based on the interview made, the bank tries to increase the commitment of its employees by providing them with good compensation and benefit package. The bank provides its employee's with attractive salary, there is also annual salary increment, bonuses, salary - advances and compensation payments. Nonetheless, as mentioned above, Construction and Business Bank does not have a clear strategy designed particularly for employee retention.

The bank provides learning opportunities by giving sponsorship for employees that want to learn and improve their educational level. The bank sponsors 6 employees for a master's program and 25 for a BA degree every year. However, the findings depict that majority of the employees are not satisfied with the training and development programs available at the bank. On the issue of the current motivational practices, the employees are nearly divided equally in favor and against; there is only a slight difference between those participants who think the management motivates them and those who don't.

The bank doesn't offer ample opportunities for employees to participate in the decision making process which should be corrected. The result of the survey indicates that larger numbers of employees are pleased with their relationship within and between themselves; even so, many of them have expressed their discontent with the social relationship between employees. As stated by the majority of the employees, there is a promotional practice in the bank, however 33.6% of the participants indicated otherwise. Even though greater part of the employees are happy with the compensation and benefit packages of the bank it was discovered that quite a large number of employees want to leave the bank, if possible. The Bank faces challenges in acquiring sufficient budget so that they could provide quality compensation and benefit package and satisfy employees' needs.

5.3 RECOMMENDATIONS

As discussed in the analysis and mentioned in the conclusion sections, the bank has a commendable practice of recruitment, selection and retention of employees. This was verified by the information obtained from the sampled employees, the interviews conducted with the HR management of the bank as well as the relevant documents referred. Hence, it is by and large suggested that the bank should maintain its strong practices that are demonstrated. The following recommendations focus on the banks areas of improvement to improve its effectiveness and efficiency in its HR performances.

- The bank should revise the vacancy announcements channels from only news papers to different types of channels like e-recruitment (vacancy announcement via internet) which can help in cutting costs and reaching larger population.
- The bank should update and amend its recruitment and selection procedures along with the job description as frequently as possible to fine-tune with the changing situations.
- To avoid the delay in recruitment of employees, CBB should evaluate its policies and procedures on the standard recruitment time and make some amendments, especially when dealing with employment agencies. The bank should choose the recruitment agencies carefully.
- The selection methods should be chosen based on valuable criteria like reliability, validity, utility, acceptability and legality in order to get the most out of a selection method.
- The bank should integrate the various types of employment tests (intelligence, ability or personality test) while examining candidates.
- The bank should establish a mechanism that appraises and evaluates the recruitment and selection process.
- Construction and Business Bank should evaluate the current educational opportunities and launch a program that addresses the needs appropriately.
- Even though majority of the participants of the survey responded in favor, the management should work more on motivating the employees and should make periodic assessments.

- To promote and nurture a healthy relationship and a working environment, the bank should devise different team building exercises including organizing get together and trip events where all employees can participate and bring employees closer.
- CBB should enhance its promotional practice and employee participation in decision making since it will increase employee's job satisfaction which in turn helps in retaining them.
- The bank should use benefit and compensation policies strategically to improve moral, reduce turnover and achieve targets within the establishment.
- The bank should provide enough evidence to the board of directors (composed of ministers, mainly) so that the Ethiopian financial agency could raise the budget in order to address the challenges related to budgeting.
- Despite the employees state their pleasure with the current practice; they still need to design a workable retention strategy because most of the employees have plans to leave the bank if better opportunities came.

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ADDIS ABABA UNIVERSITY

MA PROGRAM IN HUMAN RESOURCE MANAGEMENT

To be answered by HR managers

The following interview questions are designed to collect information about the recruitment, selection and retention practice of employees in construction and business bank.

The information shall be used as primary data in my case research which I am conducting as a partial requirement of my study at Addis Ababa University for completing my MA on Human resource management.

The research is to be evaluated in terms of its contribution to our understanding of the practice and its contribution to improvements in these practices. I will be willing to submit a copy of my final report to you if desired when it is ready. Therefore, your genuine, honest, and prompt response is a valuable input for the quality of and successful completion of the project.

Thank you!

List of questions-

Recruitment and selection

1. What kind of recruitment, selection and retention policy does the bank have?
2. Is the recruitment, selection and retention policy of the bank based on any best practice principles?
3. Can you describe the recruitment and selection procedure of the bank? Is it implemented effectively?
4. What criteria apply to the recruitment/selection of people at top managerial positions and other strategic positions in your company? (Who to recruit).
5. How and what methods do you use to communicate or advertise the job and why?
6. When does the company recruit?
7. What sources do you frequently use (internal or external) and what information do you usually present for existing vacancies? (What is the message communicated).
8. What methods do you use to check the effectiveness and efficiency of your current recruitment and selection strategy?
9. Is there any mechanism to prevent any discrimination on the process of recruitment and selection?
10. What methods do you use to select qualified employees and why?
11. Do you provide orientation program for new employees?
12. Is the recruitment procedure quick and are applicants informed on time?
13. Does the bank define job descriptions clearly? If yes, how often are they revised?
14. Do you think that the bank has enough qualified personnel to carry out the hiring activities effectively and efficiently?
15. What challenges do you face while implementing recruitment and selection practice?

Retention

16. Is there a written retention policy in the bank? If yes, is it implemented effectively?
17. Can you tell me the retention strategies at your organization?
18. How would you rate the compensation and benefit package of the organization?
 - Salary. Bonus system
 - The training and learning opportunities
 - Employee participation in decision making
 - How often do you promote employees
19. Is there any mechanism to prevent discrimination on the process of providing the benefits?
20. Do you perform exiting interviews or discuss why an employee might be leaving your bank?
21. What factors impact your ability to retain employees?

TO BE FILLED BY EMPLOYEES

The purpose of the study in general and this questionnaire in particular is to study on “The practices of recruitment, selection and retention of employees in construction and business bank”, which may help the bank under study in solving the major problem raised by the study.

The research is undertaken as academic requirements of MA degree in Human resource management. It also helps to gain practical knowledge on the topic under investigation and other prospective researchers as a stepping stone to carry out further investigation. I want to assure that this research is only for academic purpose authorized by Addis Ababa University.

General Instructions

- There is no need of writing your name
- In all cases where answer options are available please tick (✓) in the appropriate box.
- You are kindly requested to reflect your genuine idea, do not discuss or share ideas with other members.

Thank you in advance

Part 1- Demographic Information of respondents

1. Your Branch name – _____

2. Employment status

Permanent

contract

3. Please indicate your gender

Male

Female

4. What age group do you fall in to

Under 20

21 – 30

above 50

31 – 40

40 – 50

5. Your highest education level

No formal education

Senior high school

Primary School

Diploma

Junior High School

BA Degree

MA degree

6. Years of service in the bank

Below 3 years

7 – 10 years

3 – 6 years

10 – 15 years

15 – 20 years

above 20 years

Part 2- Recruitment

1. How did you hear about the job opportunity?

Advertisement Employment agencies
Supervisory recommendations Universities (collages)

If other, please specify _____

2. What attracted you to apply for the job?

The payment Bank image
Working environment Education opportunity

If other please specify _____

3. What is your monthly gross salary?

Less than 400 1501 – 3000
401 – 700 3001- 5000
701 – 1500 Above 5000

4. Did you receive the job description after getting hired?

Yes No

Part 3- Selection

5. Which selection method was used when you were recruited? (you can tick more than once)

Ability test Aptitude test All
Personality test Work sample test

6. Were the contents of the exam related to the job?

Yes No

7. Please put a tick mark in the space that most closely shows your opinion on the satisfaction level of the recruitment and selection practices of the bank.

Table no.1 – Recruitment practice

| No. | | Strongly agree | Agree | Undecided | Dis-agree | Strongly dis-agree |
|-----|---|----------------|-------|-----------|-----------|--------------------|
| 1 | The recruitment policy is implemented effectively | | | | | |
| 2 | The Bank gives equal opportunities for all applicants without any discrimination based on sex, color, etc.... | | | | | |
| 3 | The Bank clearly defines the requirements and candidate specifications in the recruitment process | | | | | |
| 4 | The recruitment process was impartial | | | | | |
| 5 | Time taken for the recruitment is quick and applicants are informed on time | | | | | |
| 6 | I have been fairly treated by the recruitment panels | | | | | |
| 7 | My offer letters were processed quickly | | | | | |
| 8 | I have been adequately oriented about the job and received follow up | | | | | |
| 9 | The job description and its responsibilities match | | | | | |
| 10 | The recruitment process was satisfactory | | | | | |

Part 4 - Retention

1. Please put a tick mark in the space that most closely shows your opinion on the satisfaction level of the retention strategy practices of the bank.

| No. | | Strongly agree | Agree | Undecided | Dis-agree | Strongly dis-agree |
|-----|---|----------------|-------|-----------|-----------|--------------------|
| 1 | The bank's compensation and benefit policy is communicated with employees | | | | | |
| 2 | My institution periodically evaluate the effectiveness of compensation and benefit packages | | | | | |
| 3 | I am satisfied with my work environment | | | | | |
| 4 | The payment I receive for my work is fair | | | | | |
| 5 | The bank offers job security | | | | | |
| 6 | The bank takes initiative to realize employees development needs | | | | | |
| 7 | I am appreciated and recognized for my work | | | | | |
| 8 | The management motivates the staff | | | | | |
| 9 | Employees participate in the decision making process | | | | | |
| 10 | The bank builds strong relationships between employees | | | | | |
| 11 | There is wide opportunity for employee promotion | | | | | |
| 12 | The current compensation and benefit package is capable of attracting and retaining competent employees | | | | | |

2. Do you think a lot about leaving the bank?

Yes

No

3. If your answer for question no. 2 is yes, what is the possible reason?

Search for more pay

better working environment

Poor image of the bank

better opportunity to develop

4. Please write any additional comments, including items that are not covered in the survey in the space provided below.
